

BUSINESS INTELLIGENCE FOR THE CRS PROFESSIONAL

THE residential SPECIALIST

Business Tips

5 Trends in Luxury Home Marketing



BY GAYLE BENNETT

Successful CRSs are by definition marketing mavens, no matter the market they work in.

But for agents in the luxury housing market, staying current on the latest marketing tactics is critical. Luxury home buyers and sellers expect a particularly high level of service—and all the latest bells and whistles.

So what's the latest and greatest in luxury home marketing? CRSs heavily involved in their local luxury markets identified the following five marketing trends they currently encounter.

As in the fashion world, real estate trends often filter down from the top of the market, so this list might preview what's to come for agents working in all price ranges.

High-Tech Tours

Matterport and other 3-D tours are fairly standard these days, and now virtual reality tours are starting to take off. Offering an interactive, 3-D house tour (no travel necessary!) caters to today's busy homebuyer.

But be careful when employing these tools. Tami Simms, CRS, with The Simms Team in St. Petersburg, Florida, points out that these technologies can show more than you'd like. "All of that 3-D imagery shows every dust bunny," she says. "It's unforgiving in terms of the little things."

Simms has also started incorporating drone photography and videography into her listings to offer potential buyers a broader perspective on the property and its neighborhood. She's found, however, that the drone operators in her area are not necessarily good video editors. So she hires professional editors to create top-notch videos using the drone footage—an extra but necessary expense.

Professional Mini Movies

Luxury home marketing is all about lifestyle marketing. Property photos and videos used to focus only on the property, but the latest trend is to include people in these visual marketing tools to better convey how a home can enhance its owners' lives. Production companies now create such a video using professional actors working from scripts.

Simms is hiring a production company to shoot a video for an upcoming luxury listing, though she will be using the homeowners and some of their friends instead of professional actors. "It used to be if you put a wine bottle and a couple of glasses on the table in a picture, that was conveying a lifestyle message," Simms says. "But now it's about perhaps having people toasting with a wine glass."

Construction and Design Details

Michael Caruso, CRS, founder of Caruso Real Estate Group in Dana Point, California, covers much of the

BY THE NUMBERS

In 2016, sales of homes priced above \$600,000 in 40 high-end counties in 16 states increased by more than

10%

over the previous year, according to a study by research firm John Burns Real Estate Consulting.

Source: "Luxury Home Sales in U.S. Continue to Rise," Wall Street Journal, Dec. 9, 2016

Orange County coastal area. With his background in real estate development and custom home construction, he often works with investors and sellers involved in heavy remodels or new construction, helping them source construction, architecture and design professionals. This gives him a deep level of insight—from the foundation to the finishes—that he can pass on to potential buyers when he lists these homes and they hit the market.

“In the luxury home market, you have to deliver a turnkey, move-in-ready product that is architecturally forward-thinking with high-tech design,” Caruso says. The ability to properly convey these details to potential buyers is critical.

Roberta Orlandino, CRS, with Coldwell Banker Residential in Boston, also works with developers on both new construction and in the refurbishing or conversion of old brownstones. She helps them make construction and design decisions based on the type of buyers she thinks the property will most appeal to.

“When you are marketing a luxury home, you really have to consider who your buyer is and who you are catering to in the concept,” Orlandino says. She recently worked with a developer on a property in Back Bay that could have been either two bedrooms or three bedrooms. She advised going with the three-bedroom layout because she knew that would appeal to buyers moving in from the suburbs and looking to downsize—but not too much.

Staging 2.0

Of course, a luxury property needs to be staged to the hilt. Orlandino often brings in original art that fits the space and appeals to the luxury buyer. “You have to mirror back the reflection of the person who could live there,” she says.

If for whatever reason she can’t stage a property or room for the photo shoot, she has the rooms digitally “staged” by a local architect or the company Neoscape, both of which can insert furniture into the photos. “It’s very clever and it used to cost a lot of money, but it’s much more affordable now,” she says.

Magazines Still Matter

Caruso stresses the importance of comprehensive advertising in the luxury market—and for him, print continues to make the cut. “Magazines are still the hot thing for me, not just because the seller wants to be in the

Top of the Top

The top five luxury markets in 2016:

1. San Francisco, California
2. Brooklyn, New York
3. Los Angeles, California
4. Manhattan, New York
5. Santa Clara, California

Source: Realtor.com Luxury Home Index

magazines, but because the buyers pay attention to it,” Caruso says. He advertises in magazines that focus on real estate (Dream Homes Magazine) and publications that focus on all things luxury, from jewelry to yachts (DuPont Registry). “Magazine advertising, as expensive as it is, still serves a purpose,” Caruso says.

The marketing budget for any real estate agent is an investment in success. You really do need to spend money to make money, and this is doubly true in the luxury market.

“It’s important when approaching luxury marketing to be cognizant of what you are going after,” Simms advises, “and make the investment, both financially and in terms of your time and follow-through.”

Upgrade Upside

Michael Caruso, CRS, founder of Caruso Real Estate Group in Dana Point, California, learned a lot about construction early in his career. Therefore, he’s able to offer a service few other agents in his coastal area of Orange County can: renovation management for a higher sales price.

If he can identify property upgrades that would lead to a higher sales price, he tells his sellers about them. Then he asks them if they want to invest their money and his time to complete that work.

“If the answer is ‘yes,’ it’s similar to when I work with a refurbish-and-return-to-market entity,” Caruso says. “I’ll identify where we can improve the property, bring in the proper team and the seller takes care of those bills.”

But if the answer is no, he doesn’t try to talk them into it. “I put the house up for sale just like any other agent,” he says.

Caruso estimates that out of \$40 million in sales in 2016, about 30 percent came from properties where he oversaw upgrades before putting them on the market. “We’ve developed a little reputation for doing this,” he says.

Gayle Bennett is a freelance writer based in Washington, D.C.

 To get the latest information on the luxury market, check out the course [Luxury Home Sales](#).