



What is Ultra Luxury?

By Michael Marin

In order to assess what defines ultra luxury in downtown Chicago, I suggest engaging in a quantitative analysis using numbers that can be replicated in the future. Then, I will use a qualitative approach to determine the softer side of evaluation, which incorporates the senses. Often this approach is expressed with phrases such as “stellar views,” “one-of-a-kind” and “dream home.” The qualitative aspects are a powerful component of valuation and often determine the sale of the home. This is particularly true of any luxury item especially ultra-luxury condominiums.

A quantitative analysis suggests the following criteria to be included at a minimum:

- Top floor or penthouse
- \$700 per square foot as a benchmark
- 24-hour door person

- Juxtaposition/proximity to water, Millennium Park or Michigan Avenue
- Ten-foot, floor-to-ceiling windows for dramatic effect
- Lobby should be as high as possible, in physical height and money
- 40 floor plus views in Chicago

Even though, quantitative analysis is a powerful tool for evaluating investments, it rarely is valid without the help of its opposite, qualitative analysis.

A qualitative approach yields the following criteria:

- Product differentiation — What is unique?
- Credibility in terms of the architect and developer
- “Highest and Best Use” for the location and project

- An open feel in the hallway, floor plans and kitchen
- “Wow factor,” “sizzle” and “buzz” – are people talking about it?
- Contemporary interior design, feng shui
- Amenities, such as a wellness center, condo hotel, heliopad or dog path
- Consistent theme, like green friendly
- World class health club and spa
- Exudes the feeling of being in a 5-Star hotel

Having used both sides of the brain we can conclude with a fusion of thought and simply ask the most important question of all ... “Honey, what do you think?” According to Fara Warner, a business journalist and author of the book “The Power of the Purse,” women make 80 percent of all buying decisions. You can analyze all you want, but when all is said and done, making a purchase is an emotional decision based on a subjective feeling of home.

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is going to one system and clients are being more discerning as far as technology.”

Chris Feurer, president of Feurer Companies, a development and sales business developing about 1,000 units per year and listing about 3,200, says a big request today is for Smart Home features that enable homeowners to control heating and air conditioning, lighting, security and communication systems by computer.

“No one even knew what a Smart Home was a couple years ago. Now, if a home doesn’t have it, it’s out,” says Feurer, adding that high-end appliance and cabinet packages are also expectations among today’s luxury homebuyers.

“And the level of expectation for hard material has gone through the roof,” Feurer says, noting that while \$5 a square foot for tile used to be acceptable, today’s luxury home often finishes with tile closer to \$40 a square foot.

Realtors in the luxury market typically look at each property individually and develop a custom marketing plan for that specific property. Marketing efforts are often concentrated first among peers, like other agents in the luxury home market. Efforts then spread to direct marketing to mailing lists, quality brochures and Internet marketing as well as advertising in magazines published specifically for the luxury home market.

Breaking into the luxury market can be tough. One suggestion, says Provencher, is to team up with a builder that can structure money-making design/build ideas so that agents aren’t limited to existing properties, but instead become intimately familiar with the design, construction and finishing of new custom luxury homes. Reaching those luxury buyers is always a challenge, he says.

“We are constantly reinventing,” says Provencher. “We are working with one of our top architects on a seminar series about the design/build process and what a customer can and should expect ... we find this knowledge lacking in the buying community at large and aim to start pushing some more knowledge out there. We even have a version planned for Realtors.” He also adds that his company is creating a new

program that structures incentives for the Realtor bringing new build clients to them.

“This has been a very unpredictable market,” points out Provencher. “People are looking for properties that exhibit something special and unique. In this market with so much inventory buyers are taking time to see a lot of properties. And why not?” C.A.