

# Top Ten Trends in Luxury Homes for 2007

By Cynthia S. Wildridge

June 4, 2007

In the legal realm, change typically begins in California and heads east. In real estate, trends tend to start with the affluent: By the time the rest of the industry has begun to catch on, the wealthy have already established a new definition of “luxury.”

While the current housing market remains challenging in many geographic regions, the upper tier continues to show its resiliency. Moreover, affluent homeowners typically continue “investing” in their homes even if not in the market to buy or sell a residence. During the four quarters ending in October 2006, **Harvard University’s** Housing Studies Center estimated that homeowners spent \$160 billion in home improvement, a 1.6 % increase over the prior 12 months, with kitchens and bathrooms topping the list. While that represents a slight decline from the long term growth rate of 5%, **Kermit Baker**, director of the Harvard center, believes there is still potential for growth among the wealthy.

With fewer financial constraints, these ultra consumers have a greater range of choices. So what trends have emerged from recent selections they have made?

## Increasing ecological awareness

One of the most notable *overall* trends reflects an **increasing ecological awareness**. Green has come into its own—but this generation’s interpretation is a sophisticated one. According to the **American Society of Interior Designers** (AISD), sustainable design is considered to be the fastest growing trend in the industry.

Motivations may be **economic** (making a potentially expensive up-front investment in exchange for energy savings and more control over their energy destiny in years to come), **aesthetic** (installing an geo-thermal heating and cooling system which is hidden underground, rather than that unsightly box at the side of the house), **health-related** (using chemical-free building materials), or related to **social consciousness** (using recycled and renewable materials). These eco-choices may be manifested anywhere throughout the home, ranging from selecting alternate energy sources, using non-polluting and chemical-free building materials, employing water conservation methods, installing energy efficient windows, doors and insulation, and even in choosing the types of wood for kitchen cabinets and hardwood floors.

This new Earth-friendly consciousness is equally reflected in color palettes, with the most popular being **Earth tones**, accented by a **bright lime** or **tangerine** color. In choices of woods, oak is passé. Current trends are toward using **wenge**, an extremely dark, porous African hardwood, or renewable **cork** and **bamboo** rather than hardwoods or expensive, exotic woods which threaten rainforest survival.

## **Outdoor dining à la luxe**

Those who can are spending anywhere from \$50,000 to \$200,000 to outfit their great outdoors for entertaining *à la luxe*. No longer is it sufficient to air-condition the backyard for those summer garden parties in Houston. Today's affluent entertain from their **outdoor kitchens**, often from a gazebo or pavilion, complete with stainless-steel ovens, ranges, and grills, granite countertops, wine coolers, ice makers, and warming drawers. Prices for outdoor kitchens can now rival those of the interior!

## **Toast your toes with radiant flooring**

Long practiced in Europe, the use of **radiant flooring** is becoming a must-have in luxury homes, providing a clever way to warm chilly bathroom floors via the heating system installed beneath them. One Ohio-based company has designed a heating mat which can be installed beneath the flooring to provide an evenly-distributed heat. While radiant flooring is most frequently found in bathrooms, the company reports that the super-wealthy are installing this slice of luxe throughout the home, with prices averaging about \$500 per square foot. Due to its flexibility, **bamboo** is being promoted as an extremely compatible flooring material for radiant heat. In addition, bamboo matures in 6 years, as compared to the 30 to 120 years it can take for hardwoods to mature.

## **Living Zen: The serenity of home saunas and spas**

Think ultra pampering, without leaving home. Today's **home saunas** and **spas** are being interpreted as an extension of the master bath suite, incorporating sophisticated design elements such as waterproofing, "green" design features, eco-friendly resources, glass walls, custom seating, and technology to control heating and lighting—all enveloped in a sleek, serene design. Some ultra consumers are incorporating features such as 15<sup>th</sup> century Italian tiles or exotic woods, despite an eco-driven trend away from exotic hardwoods which some now consider to be a socially irresponsible choice.

## **On beyond granite**

As granite has made its way into the outdoor kitchens of the wealthy and trickled into the homes of the mainstream, **alternative choices in countertops** have emerged. While granite remains a popular choice, the latest trends are for colors such as rich reds and browns from India and Pakistan, Swedish blues, and a white Indian granite that resembles marble. More cutting-edge choices include **glass**, **basalt** (a volcanic rock), **schist**, and **quartzite**, which is more resistant to acids used in food preparation. Note that these alternate countertop choices are double the \$100 per-square-foot price of granite!

## **Private screening, *chez moi***

Plush, cushy recliners, huge screens, custom cabinetry, and the latest in technology...with a popcorn machine and juice bar to boot! **Screening rooms** or **media rooms**, once reserved for Hollywood's power elite, are now topping luxury homeowners' must-have lists. In fact, in an April 2007 study of the U.S. Luxury Market released by **WineTrend** and **Unique Homes**

magazine, 64% of the participants surveyed ranked a home theatre/media room as a very important factor when considering purchasing a luxury home (for purposes of the study, identified as one with a listing price of \$2 million or greater).

## **The seamlessly-integrated smart home**

While we still have a way to go before achieving the scale of **Microsoft** founder **Bill Gates'** elaborately wired home with sensors to anticipate every need, technology has made its way into the homes of the ultra-affluent. Wealthy homeowners are spending \$40,000 or more to outfit their abodes in an inter-connectedness heretofore unseen. Think personal assistant.

**Computer systems and sensors** offer a seamless integration of the electrical, heating, cooling, and security systems. Floor-sensing thermostats can maintain heat at the ultimate level. When programmed for “vacation mode,” the system can make the home appear inhabited at the touch of a button, without having to resort to those old-fashioned timers. Likewise, one can push a button at the end of the day to ensure that all doors are locked and the alarm system set. If sensors detect outdoor movement, a text message to a cell phone can prompt the recipient to verify security cameras online. And I suspect that is just the beginning

## **Drawers, drawers everywhere!**

It's interesting how so many things come full-circle. My parents once restored an old 1920's home, complete with functioning steam-heat radiators. Not only was it cozy—even in the midst of those bleak, Midwestern winters—it was sumptuous to slip from a luxurious bath or shower into a towel which had been warming on the radiator. In today's version of luxury, **warming drawers** are the answer. Toast your towels while you luxuriate in the **bath** (you can even set a timer to coordinate!), or slip those *amuse-bouches* into warming drawer in the **kitchen** as you prepare the next course—another nod back to Europe's civilized gentry. In fact, **drawers in general are an emerging trend**, housing everything from freezers and dishwashers to microwaves.

## **Sliding glass windows, moveable walls**

Today's families are looking for more flexibility in their living area, particularly in space-challenged areas such as Manhattan. For those able to spend between \$2.2 million to \$15 million for a unit in the elite **40 Mercer** building, French architect **Jean Nouvel** offers a solution: **moveable walls** and **sliding bookcases**. Nouvel's designs feature 20-by-11-foot, floor-to-ceiling windows which can slide completely to the side, exposing an entire wall to the great outdoors. Units are also outfitted with sliding 12-by-15-foot walls or bookcases which can temporarily transform an open living space into a guest room, study, or child's play area. Expect to see this trend manifested elsewhere.

## **Custom Wine Cellars**

As America becomes increasingly sophisticated about wine, there's a corresponding trend among the wealthy to dedicate space in their homes to the art of wine. No longer will a simple wine rack do; connoisseurs are investing in **wine rooms, closets, and cellars** to house their collections, which are increasingly being considered investments. One affluent homeowner in

Scottsdale, Arizona spent \$60,000 for an 825 square-foot **custom wine cellar** built into the side of a mountain, complete with an adjoining area for dinner parties. Research conducted by Southeastern Institution of Research, Inc. on behalf of **WineTrend and Unique Homes** magazine reports that 90% of luxury home owners (those with a list price of \$2 million or more) consider upscale amenities such as a wine cellars important. The disparity between those who believe in their importance and those who have already installed them in their homes could signal a growing market for such amenities among those who have the resources to build and appreciate them.

Reproduced with permission. © 2007 The Institute for Luxury Home Marketing. Published in the July 2007 issue of *Luxury Insights*.