

What is the brand of your house? Branded residences are here to stay

26/01/2020

Spanish Real Estate News



Branded residences first evolved through the partnership of luxury residences with hospitality brands, where the brand name of a hotel is licensed for use on the residence. The hotel operator may also form a more intimate alliance with the developer to provide a full range of services and activities.

Image not found or type unknown

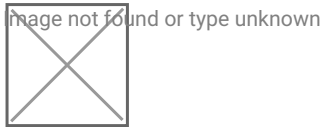


Porsche Design Tower - Miami, Florida

Although branded residences have been around for nearly a century, it was only since the 1980s that the market has grown significantly. North America is the largest market for branded residences with a 32% market share, the Asia Pacific comes a close second with 30% while Europe is third with 13%.

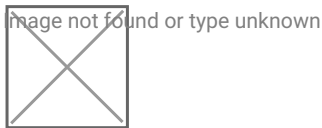
For those who dream of having the best in luxury living, a branded residence is the perfect answer. In light of new entrants in the market, the meaning behind branded residences has taken on an expanded definition in recent years. By marrying residential real estate with brands from other sectors such as Armani, Bulgari and Porsche, the added value of a

globally-recognised brand being tied to a property is clear. International brands like these bring a dedicated fan-base to the table and offer a major talking point for property developers - even before the property is completed.



Four Seasons Private Residences - Twenty Grosvenor Square, London

Standing out in the competitive luxury real estate market is a continuous challenge for property developers. Associating the project with a brand gives it a stamp of quality recognized and cherished by buyers, and is one that comes with a premium. With a growing market and higher expectations from consumers, branded residences will have to continually differentiate themselves in order to be able to attract investors and maintain their premium over luxury residences.



Bulgari Residences, Dubai

Types of branded residences

- Hotel-led developments with integrated residences
- Luxury resorts with accompany residences used as luxury villa rentals
- Residential developments adjacent to a hotel
- Residential developments with hotel management
- Stand-alone residential developments with hotel or brand tie-in

What are the buyer benefits of branded residences?

- Trust in development quality and delivery
- High quality services as amenities available, such as housekeeping and concierge
- Building maintenance and management that maintains value
- Lock and leave option, with property maintained and serviced in owners absence
- Rental pool and investment yield potential to offset maintenance costs

Services and experiences

Increasingly operators are looking at the experiences on offer, as well as the services, as a way of tempting buyers. No longer is concierge, a pool and spa enough. W Hotels have led the way in this arena, offering celebrity-chef restaurants, bars and nightclubs, attracting visitors and locals alike, while Six Senses focuses on health and wellness. Among the most prestigious developments being launched are those by Four Seasons and Aman.

Typical services available in branded residences

- Use of hotel amenities
- Round-the-clock security built-in
- Elevated status on hotel loyalty schemes

- The full range of concierge services
- Spa and salon services
- Housekeeping
- In-residence dining and catering
- Personal shopping
- Childcare services
- Petcare

Price premiums of branded residences

The ultra-luxury condominium market is performing strongly, with the hotel brands attached to projects acting as a guarantee for high levels of service, quality and ongoing management and oversight, which adds a lot of value for buyers.

It is precisely these value-adds that contribute to the price premium seen in the market, generally in the region of 30-40% over comparable developments, but which also add to the strong resale values available.

Price premiums are certainly location driven between different global destinations and also within particular locations within cities. In many cases branded residences do not adhere to localised comparables and in many cases 're-set' the market.