



What is a Luxury Home

Before labeling a property a luxury home we have to have an understanding of what “luxury” means in the context of real estate. When I set out to write this article I talked to different real estate agents, their brokers, home builders and interior designers. It turned out that every time I asked the question I received a different answer. However, all the answers had something in common. They all fell within one or more of the following three categories.

Location

Everyone agreed that if a house is located in an area of town that is known for its high price range, large square footage and celebrity status, it's automatically a luxury home. Whilst I can agree that this sentiment makes sense, it does not define a luxury home. I have seen million dollar homes in such areas that were total tear-downs.

Price Range

There were those professionals that said that if a house was over a specific price point it was automatically considered a luxury home. When I asked them what that price range might be, the answers were anywhere from over \$500,000 to over \$1million. The response that stood out the most was that of a real estate agent who said that her company classified a home as luxury when the price point was a certain percentage over the median price range.

Price point certainly has its place in the definition of luxury, but it does not define what a luxury home is. Besides, if we only go on price, market conditions alone could turn a so called luxury home into a shack and vice versa.

Amenities

The builders and interior designers classify *luxury* by amenities; they said that amenities are what qualify a property as luxury. The types of design, the quality of materials, as well as the quantity of amenities rate the amount of luxury a home enjoys. They also included position and location; by position they meant north/ south exposure, quality of views etc... and by location they meant, for example, on top of a mountain, waterfront, and/or easy access to... *fill in the blank*.

Conclusion

We can conclude that if we build a home with above average amenities, it will push up the cost of that home, and given the higher cost, we should only build that home in a location that makes sense. Whilst *area* and *price range* are both part of the equation, I agree that *amenities*, best determine luxury. Be cautious to label a home *luxury* based only on price or area. Luxury is subjective and lies largely in the eye of the beholder, and in order to have an educated conversation on the topic it serves us well to first understand what someone's pre-conceived notions and expectations might be. Something to think about!

Good luck!

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"Strive not to be a success but rather to be of value" Albert Einstein