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Luxury Brands Rush to Join Residences Craze

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Impressions: 40,233



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The luxury property market is experiencing a period of huge expansion in the branded residences space, with the number of **global branded developments** having tripled in the past decade, and expected to grow another 60% in the next five years.

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Branded residences are luxury property developments associated with a brand, often with design and services in line with the brand's image. Mostly these are the remit of famous hoteliers, though recent years have seen other iconic names such as automotive brands enter the space.

New research from Savills found that 20 years ago, there were just 17 brands operating branded residences. Now there are more than 130 brands in the space.

Dan Tubb, the senior director of sales at The Towers of the Waldorf Astoria on Park Avenue, Manhattan says that, as the **super-prime property** market becomes more and more crowded, buyers are drawn to names with a known reputation for quality.

"Super-luxury buyers have gravitated toward proven hospitality brands for their residential purchases," Tubb says. "They trust and value these brands to deliver best-in-class lifestyles, no matter the location"



The Starlight Pool at The Towers of the Waldorf Astoria / © Noë & Associates / The Boundary

In 2000, there were just 35 branded residences globally, operating around 9,300 units. Today, there are 580 residences, totaling over 95,500 units. In the past five years, the

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number of branded residences has grown by 55%, and by 2026, Savills estimates another 60% growth, with the total number of residences worldwide surpassing 900.

North America remains the region with the largest number of branded residences, but companies are investing heavily in global expansion. According to Dana Jacobsohn, Chief Development Officer, U.S. Luxury Brands and Global Mixed-Use at Marriott International, three-quarters of Marriott's pipeline of residential developments is outside of the US, including Vietnam, Thailand, Cairo and Dubai.

Over the past five years, the Middle East and Latin America have all seen the number of branded residences in the region double. And in the next five years, they're projected to double again, with Asia and Europe also seeing strong investment.

Particularly internationally, Jacobsohn says, buyers are looking for guaranteed timeless luxury design and high quality service, which they know they can get from iconic hotelier brands such as Ritz-Carlton and St. Regis.

[See also: How Brooklyn Became New York's Real Estate Hot Spot]

"It's a simple manner why it's so successful," Jacobsohn says. "People love our brands and they love traveling and staying in our hotels, and now they can get that bespoke service and exquisite design in their home. Don't we all wish we could live that life?"

And in different regions, buyers are looking for different features: in the Caribbean and Central America, Jacobsohn says the more traditional branded residences attached to a hotel and resort are most popular. But in major cities in Asia and the Middle East, there's growing investment in stand-alone branded residences, for buyers looking for a luxury home when visiting on business.

Tubb has also seen huge variation in prospective buyers at The Towers of the Waldorf Astoria, which since launching in spring 2020 has received over 8,000 enquiries for the 375 condos.

"We have buyers purchasing for all different reasons — both primary and pied-à-terre — and that's how you know you've done something right," Tubb says.

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Many buyers who moved out of the city or to places like Florida in the pandemic, are now looking to re-establish their foothold in New York, in a fully-serviced luxury property.

He said: "Our buyers will be coming home to a lifestyle that's very elevated, and the Waldorf Astoria name and reputation has been a major factor in that decision."



Residences by Armani/Casa Project in Florida / ©Dezer Development

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