

Minnesota Luxury Home Market(ing) Trends

In Minnesota, much like most parts of the country, inventory across the board has been down. But for those houses in Minnesota considered luxury – the top 10 percent of home listings by price, or homes listed above \$500,000 – inventory is up. Homes \$500,000 and up have an increased inventory of about three percent, while homes over \$1 million are up about 6.4 percent according to local RE/MAX REALTORS®.

With a surplus of luxury homes on the market in Minnesota, it may appear that buyers hold all the bargaining power. Unlike the regular housing market, where sellers are experiencing quick sales and bidding wars, houses are staying on the market for longer. At this top tier price range, buyers can afford to be picky and wait until they find exactly what they're looking for – making the sellers' strategy all the more important.

Sellers of luxury homes can have the upper hand in getting the best price if specialized marketing is leveraged. Marketing tactics are completely different when it comes to selling high-end homes, as affluent buyers shop for their future homes differently. In order to sell at the optimal price, hiring a qualified real estate professional who specializes in the luxury home market is critical.

According to local RE/MAX real estate professionals, a unique marketing plan is required for each home to make it appealing to buyers who expect a certain lifestyle. Here are four marketing strategies to consider when listing a luxury home:

- 1. Photography.** A picture speaks a thousand words and this is especially true in the luxury housing market. To stand out in the luxury market, REALTORS® are hiring photographers that specialize in luxury real estate to capture the essence of the home. Often times, the property is too vast — high ceilings, large rooms, unique architecture — that it's difficult to capture the space with a regular camera. A professional photographer with specialized cameras and lenses ensure that the buyer is seeing the very best that the property has to offer. A new trend in the photography world is taking nighttime photos. This helps to showcase a different side of a home, making a property stand out even further.
- 2. Immersive Tours.** Today's buyer expects more than just photos. A virtual tour that walks a potential buyer through the home is something that local RE/MAX REALTORS® have reported as an additional added value when listing a luxury home. Now more than ever, buyers are using the internet to explore homes, and being able to take a tour without actually being there is a key factor that many buyers now look for.



Inventory of high-end homes was up nearly 16 percent in March.

National Association of REALTORS®



90% of homebuyers use the Internet to search for their next home.

National Association of Realtors® and Google

TREND ALERT: Drones. Luxury properties tend to be situated in unique and vast locations. To truly capture the property as a whole REALTORS® have turned to drone photography and video to show off the home and the land it sits on. Many luxury home photographers have picked up on this marketing trend and begun to offer drone photography and video as part of their package.

- 3. Staging.** Many sellers are doing everything they can to make their property stand out and highlight the unique qualities of the homes' design elements and amenities. Staging is an important factor in that pursuit. Ensuring that the home is decorated to be appealing but not overwhelming to the eye can be difficult. Often, experts in staging are called in to make sure the home looks its best and attracts as many buyers as possible.
- 4. Invite-only Open Houses.** The traditional open house approach in the luxury home market does not work to attract serious buyers. Local RE/MAX REALTORS® recommend that sellers host private, invite-only events for affluent friends and community members to see and enjoy the property. In addition, broker-only open houses – where just real estate professionals are invited and act as a conduit for their clients – are also effective to discover possible high-end buyers. At this kind of open house, real estate professionals who have buyer prospects view the home before their clients.



By 2020 the real estate industry is expected to make up 22% of the drone market.

Federal Aviation Administration



87% of buyers who used the Internet found photos very useful when considering viewing a listing.

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