



# The State of Luxury

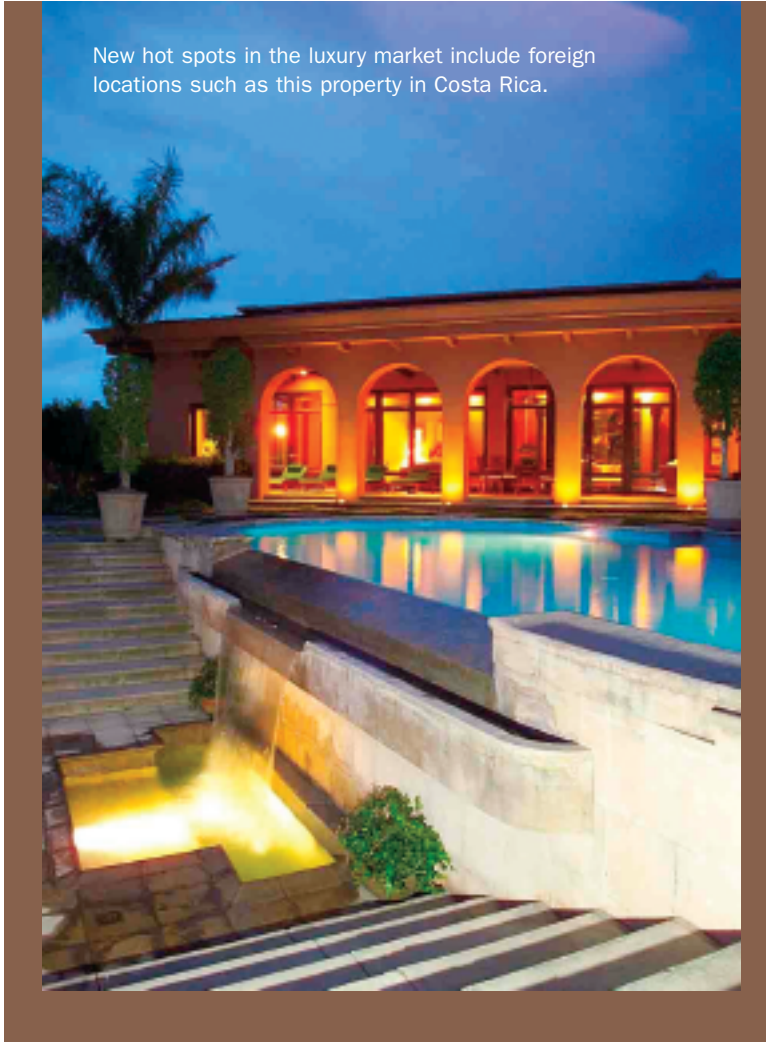
An Interview with [LuxuryRealEstate.com](http://LuxuryRealEstate.com)

Chairman and CEO John Brian Losh

*By Maria Patterson*

**C**elebrating its 10-year anniversary in 2005, [LuxuryRealEstate.com](http://LuxuryRealEstate.com) today hosts 765-plus brokers who collectively post in excess of 35,000 high-end listings on the Web site. The site receives an average of 35 million hits per month (about 150,000 from unique visitors) and is the most viewed luxury real estate Web site in the world, according to the Alexa Internet ranking service. Chairman and CEO John Brian Losh—who has also owned Seattle-based Ewing & Clark, Inc. since 1976—originally created the site to get more exposure for the directory he has published since 1989, “Who’s Who in Luxury Real Estate.” In this interview, [we get the inside scoop from Losh on the direction the luxury market—and his company—are headed in.](#)

New hot spots in the luxury market include foreign locations such as this property in Costa Rica.



**Real Estate magazine:** I understand you just celebrated the 10-year anniversary of LuxuryRealEstate.com. Did you ever anticipate the kind of growth the Web site has experienced?

**John Brian Losh:** The growth of LuxuryRealEstate.com has been phenomenal. It was one of the first luxury real estate Web sites in the world and, as a result of the high-quality experience we provide visitors, has become the most viewed luxury real estate Web site in the world. No one could have predicted that kind of growth, either for the Internet or for LuxuryRealEstate.com. Today we continue to make staying at the forefront of technology a priority.

**RE:** You are launching an enhanced version of the Web site this month. What are your goals with the relaunch?

**JBL:** To make the site more user-friendly, and thus continue to lead the luxury real estate industry on the Web. The new site will be more interactive, with tools that allow visitors to create a membership account and save properties, compare multiple properties within a given area, text-message property descriptions to a mobile phone and more. There will also be more content via a new WebZine—ranging from feature stores to industry news, broker blogs to regional market reports.

**RE:** Why has the luxury real estate market grown so successfully in recent years?

**JBL:** The luxury real estate market—typically considered to be the top 10% of an area’s listings, whether that area is Manhattan or rural Alabama—has done well because any time there is a prosperous economy, people feel more confident about buying an expensive home. Low interest rates have affected the real estate market in general, but what really affects the luxury market is consumer confidence. If consumers feel the economy is strong, they step forward to

improve their position. If they don’t have confidence in the economy, they are more reluctant about making big investments.

Also, when the stock market is flat, the wealthy look for alternative investments and assets.

**RE:** How are demographics playing a role in the growth of the luxury market?

**JBL:** We’ve seen growth in resort areas, such as Florida, Hawaii and mountain and desert resorts, due in part to the “graying of America.” Baby boomers are reaching the age of retirement, and an increasing number of them are deciding to buy a second

home. For younger adults, technology has made it so they don’t have to stay in the same town all year long to make a living. You can operate your business remotely. As a result, we’re seeing a lot of affluent, highly educated younger folks getting into the luxury market.

**RE:** How has the definition of the luxury market changed over the years?

**JBL:** Think about luxury cars. All cars today are luxury cars compared to 30 years ago. It’s the same with houses. Homes are so much bigger than they used to be, with so many more amenities. Many of the amenities that were considered “luxury”

in 1965 or 1975 are now considered average. Our whole society has moved up the ladder a little.

**RE:** With such significant price appreciation in the past few years, how do you quantify the luxury marketplace when many “average” homes are selling for over a million dollars in many areas?

**JBL:** Half of the people who live in a home in the top 10 percent of the market couldn’t afford to buy that home today. If they paid \$1 million for a home a few years ago, it might be worth \$5 million now. How many people can afford to pay \$5 million for a home? That’s the affect of appreciation.

**RE:** What are some of the up-and-coming luxury markets outside of the United States?

**JBL:** The Luxury Real Estate network has a governing body of brokers, the Board of Regents, which is made up of many of the leaders in our industry, both nationally and abroad. We look to the Regents members to keep us abreast of industry trends. Here’s what they say.

China is an incredible emerging market for luxury development. Central America has also grown very strong, especially Costa Rica and Belize. You can buy a luxury property in these areas for a lot less than you’d spend in Hawaii or the Caribbean, for example. Another emerging market is Eastern Europe, including Poland, Romania and Czechoslovakia. There are great opportunities in these countries to purchase a large estate.

**RE:** Generally speaking, how is being a luxury broker different?

**JBL:** For the most part, the differ-

“Many of the home amenities that were considered luxury in 1965 or 1975 are now considered average.”

– John Brian Losh

ence boils down to a lot of hard work in what is essentially a niche market. The luxury market is a very service-oriented business, one where you have to develop and hone your skills. It’s not an easy market to enter because so much of the job is about acquiring skills over a period of time.

A luxury broker has to be confident and comfortable in communi-

cating and dealing with an affluent clientele. The properties are extraordinary, and the buyers and sellers are also extraordinary. They expect personal, hands-on service. If you are selling a property for millions of dollars, you have to present that property in a way that truly represents its quality, as well as the quality of your services. Any printed marketing materials should reflect this.

**RE:** How will an overall slower, more balanced real estate market specifically affect the luxury market?

**JBL:** I don’t believe the market will slow down that much, and if it does slow down it makes the luxury broker that much more valuable. In a hot market, people don’t value the broker’s expertise as much. In a slower market, the broker becomes more valued. **RE**



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The Luxury Real Estate membership consists of 765 brokerage firms from around the world.

LRE™ is governed by the Luxury Real Estate Board of Regents.

The membership directory, Who's Who in Luxury Real Estate™, is published by John Brian Losh annually.

For more information, please visit [www.LuxuryRealEstate.com](http://www.LuxuryRealEstate.com) or email [jbl@luxuryrealestate.com](mailto:jbl@luxuryrealestate.com).