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Why *branded residences* are the name of the game

There are compelling reasons behind the recent explosion in popularity for residential schemes affiliated with well-known luxury brands, explains Quintessentially Estates' *Simon Garcia*...

Brand names hold the same calibre in real estate as they do in retail. For UHNWIs looking to invest, branded residences are an increasingly attractive option with proven high resale value over the last decade.

In London, the most sought-after branded residences are currently Twenty Grosvenor Square, which is a Four Seasons Residence, The Residences at Mandarin Oriental Mayfair, and the Mayfair Park Residences, managed by Dorchester Collection.

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Though the cost of branded residences tends to be nearly 30% higher than a similar unbranded property, the prestige of being affiliated with a well-known brand has exploded over the last five years. In that time, we have seen more than 50% increase in enquiries from the ultra-wealthy in London and global finance centres for these types of properties.



Branded residences are the real estate equivalent to collecting prized artworks. You can command price increases by a partnership between the developer and brand, the developer paying the brand to use their likeness. The deal reflects how both parties want the public to perceive them, which, like a fine piece of art, creates a luxurious rarity. In London, there is no more land dedicated to the construction of branded residences, so what exists now is all there will be, creating a sense of urgency to secure the purchase. Moreover, all penthouses within branded residences have been sold in London's Mayfair, meaning the only opportunity for ownership is in the resale market.

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Several factors make branded residences a more attractive option for buyers over traditional developments, including fantastic amenities, a sense of security, 24-hour staff and concierge services at your beck and call. With over 400 branded residences covering the globe, the premium price gets you unmatched service and a wider-reaching buyer pool due to instant name recognition. While the US holds the title for the most substantial demand of branded residences, containing as much as 32 percent of the global stock, this figure is predicted to decrease as the demand skyrockets in Europe and Asia.

Quintessentially Estates has eminent insight into branded residences worldwide through our international team which can identify global schemes in high demand such as the W Hotel in Algarve, Portugal, The Chedi in Andermatt, Switzerland, and The Rosewood in Jumbay Bay, Antigua. Buyer demographics vary in terms of a branded residence's location and amenities. In London, there is a wide demographic, but we see Americans lean towards

the Four Seasons, while Chinese buyers prefer Mandarin Oriental, as they are established brands they know and love.



The W Hotel in Algarve, Portugal

Millennial buyers are also making an impact in driving up this demand globally. The lifestyle and accessibility perfectly fits the needs of the generation that is used to everything being accessible at the touch of a button. Branded residences provide the convenience and service of a 5-star hotel, which is what buyers have come to expect.

Looking to next year and beyond, it is safe to predict the branded residence sector to be subject to substantial growth in global wealth hotspots. Though, in London, there is the issue of limited space and tight planning restrictions. Dubai, on the other hand, is the perfect location for the expansion of branded residences, having vast space and investment appetite.

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The use of residences across the hotel chain has become an international phenomenon. A particular buyer of ours loves London's West End, so he bought in Mayfair Park Residences to visit as he pleases. He also owns branded residences globally, all with established hotel connections. Location typically leads to initial interest, but the quality of service is essential when closing a deal. In addition to an affinity to a brand, buyers want a lock-up-and-leave type of apartment, where there are no concerns when they are out of town. The flats inside branded residences are entirely bespoke, not resembling hotel rooms whatsoever, and

allow for the appointment of an interior designer when requested. At Quintessentially Estates, our all-encompassing service provides just this with the sourcing of a designer at the owner's discretion.

Despite the premium cost of owning a home within a branded residence, there is less risk of building management issues occurring, even after purchase. The developer prioritises the residence's upkeep because they are paying to identify with the hotel brand, just like the buyer. Taking all of this into consideration, you can expect consistent investing in the scheme, making branded residences a profitable option for all those involved.

