

## ***Super-rich & sustainable: How climate change is affecting the luxury property sector***

HNWIs and developers are changing their behaviour as the socially responsible revolution rolls on, writes *Penny Mosgrove*...



The World Economic Forum's annual meeting, AKA Davos, (named after the Swiss ski town where it's held), is typically a global conference about the economy and geopolitics held every January. However, in 2020, as Australia burns and Extinction Rebellion continues to make waves in the UK, Davos became a climate conference led by Greta Thunberg. Around the halls of the conference centre, CEOs, government ministers, politicians and celebrities all discussed potential climate solutions.

Despite Donald Trump's labelling activists as 'prophets of doom' in his speech at this year's event, the world is no stranger to the harmful effects of climate change, which have been bubbling away in the public consciousness for some time. From electric cars to paper straws, consumers are becoming more aware of the benefits of sustainable living and the consequences of their actions to the environment. The global luxury property market is no different and we have seen an acceleration in the trend for more sustainable projects and practices across our industry.

Branded Residences, for example, have been a big hit in the last few years for wealthy investors and this micro-market is changing rapidly. We're already seeing demand dampen for more the glitzy designer brand partners, such as Armani and Aston-Martin, as discerning investors switch to more sustainable options. The Six Senses branded residences, which promote sustainability and wellness worldwide and also pledge to be plastic free by 2020 are a good example. Wealthy buyers are opting for these type of lifestyle homes over more traditional high-end brand associations.

HNWIs have also become more conscious about how furniture is sourced and made than ever before. We've seen a surge in demand for high-end decor made using regional materials by local craftsman. Buyers are less likely to ship furniture from multinational companies due to the greater carbon footprint. Many clients will ask for air quality tests before they purchase a property nowadays and we often organise for pollution monitors and air filtration systems to be installed before the move in day.

With climate conscious Millennials and vegan Gen Zs shaping the new luxury landscape, we're seeing working patterns and lifestyles change every year. New destinations are popping up all the time. The younger generations' open-minded choices veer away from traditional destinations, eschewing Ibiza for Marrakesh or the Caribbean for South America. With flexible working now the norm, investors tend to use their secondary properties for all aspects of their life, so we see less and less homes sitting empty for large parts of the year. These buyers are more 'air mile aware' and often will not jet around the world for a face to face meeting, preferring a video conference call instead.

We all have a part to play across the industry, and much more needs to be done if we are to hit the ambitious climate change targets of the Paris Agreement, whether it is reducing plastic usage and air miles or investing in sustainable real estate projects. Forward thinking developers are making intelligent use of land topography, orientation and renewable building materials alongside energy saving features.

It is no surprise that some of the biggest recent stock market successes have been sustainable brands such as Beyond Meat (vegan meat replacement) and Orsted (wind power). HNWIs are engaging with the trend as they look to rebuild environments through sustainable investment. From passive cooling to energy efficiency and electric transport to biodegradable cleaning products and Earth Labs, Climate change is here to stay. The socially responsible revolution rolls on.