

THE LUXURY BUSINESS GAZETTE

Monthly business news, analysis & views from the global luxury industry

Branded Residences in the Luxury Real Estate Industry

➤ Branded residences are seen as a strategic move not only by brands in luxury hotels industry but also by those from other industries. There are branded residences, for example, from jewelry brands as Bulgari or from automotive brands as Lamborghini and Aston Martin. Analysis from Savills has found there are now 688 branded residences globally, an increase of 72% compared with 2017. ([Spear's](#))

Architects' Growing Interest in Luxury 'Carchitecture'

➤ Advised by their architects and interior designers, more and more HNWIs are integrating luxury or collectible cars inside their homes due to the very beautiful and sleek designs of these vehicles, which look as an installation artwork in harmony with its surrounding well-designed environment. This movement is called '[carchitecture](#)' and some luxury auto brands began offering it as a service.



THE GLOBAL ALLURE OF ROYAL WARRANTS

One of the ideals of any royalty is to achieve identity with, become the reflection or the corresponding equivalent of the Lord of the World since his solar crown radiates in all directions. One of the prerequisites to achieve this has to do with supporting the growth of meta-luxury and heritage brands sphere. The British royalty, for example, grants Royal warrants to these luxury brands. As Paul Alger, the International Business Director of UKFT, says, consumers in the USA, Japan and China hold the royal warrant in high regard. "One would not expect in communist China that the Royal Family would be any motive for selling clothes and luxury garments. But actually, the experience of most of our brands is that the royal warrant is even more valuable outside of the UK than it is inside." ([RobbReport](#))

Wealthy Collectors Are Buying More and Pricier Art in 2022

➤ The latest art market report by Art Basel and UBS predicts that art spending around the world is headed for record levels despite a turbulent year and global slowdown in 2022. Paintings are the most popular medium and sculpture is in the second slot. (FinancialTimes)

Global Luxury Goods Industry Set to Grow & Expand Further

➤ According to the latest global luxury goods report by Bain & Co. in collaboration with Fondazione Altgamma the global luxury goods industry continues to grow and is expected to further expand in 2023 and until 2030. The luxury market's consumer base is also broadening with some 400 mln consumers in 2022 forecast to expand to 500 mln by 2030.

Champagne Industry is Already Enjoying the Roaring Twenties

➤ When it comes to the champagne industry, the roaring twenties have already begun. During an interview with Bloomberg, Moët Hennessy CEO Philippe Schaus said the group, which owns luxury champagne brands including Moët & Chandon, Krug, Dom Pérignon and Veuve Clicquot, was "running out of stock" of some of its champagnes in the lead-up to Christmas.

TO BUY = TO INVEST IN LUXURY

When Warren Buffet was asked about investing in technological gadgets he replied by explaining how by the time he begins to invest in them, a new one will come out making the previous one obsolete. Investors may want to learn from the Lindy Effect and focus on things that endure. Investing in long-lived assets as centuries-old

brands is the strategically right thing to do. Similarly, purchasing iconic durable luxury goods equals to investing in them as they appreciate in value over time. Unlike fast fashion, digital tech or mass consumerist brands, iconic luxury items never go out of fashion and they maintain their allure and quality. Specific categories in luxury have higher probability for appreciation so luxury is a safe investment only for those who are cultured and knowledgeable about the luxury sphere.

MORE IPOs FOR LUX AUTOS?

After Porsche's recent initial public offering, the luxury automotive brand has quickly become Wall Street's darling as its stock surged 22%. The company is now valued at \$75 billion. It is certain that the brand's stock market debut is one of the largest public offerings ever in European history.

In recent years other pan-European luxury auto brands such as Ferrari and

Aston Martin have also gone public and there are already conversations among analysts on the possibility of Maserati going public as well. Although the stocks of Stellantis, parent company of Maserati, are traded, the Italian luxury car brand may become independent for a possible IPO. Richard Palmer, CEO of Stellantis, said: "I am very optimistic and confident that we can build a very interesting luxury car business, and eventually at some point in time that could be an asset that can stand on its own".

