

# Increasing wealth drives luxury market

**RIDGEWOOD** – For the first time in history, there are more than a million households in the United States with a net worth of \$5 million dollars or more (not including primary residences), according to an April report released by the Chicago-based Spectrum Group, “Affluent Market Insights 2007.”

The number of Ultra High Net

Worth individuals (those with a net worth of \$5 million or more, excluding primary residences) grew 23 percent in 2006, representing the fastest growing sector of the luxury market. These numbers echo trends seen elsewhere indicating that while the rich are getting richer, it’s the ultra-affluent that are experiencing the greatest increase

in wealth. According to the 2006 Forbes list of the Top 400 Richest Americans, each of the 400 individuals has a net worth of at least \$1 billion dollars, a first since the company began compiling its list.

There are also now more than nine million ‘millionaire’ households in the U.S. (those with a net worth of \$1 million dollars or more, excluding primary residences), an eight percent increase from 2005 to 2006. And during the same time-frame, the number of affluent households in the United States (defined as those with a net worth of \$500,000 dollars or more, excluding primary residences) rose nine percent to a record 15 million-plus.

“We’ve seen these national trends reflected in the local housing market,” said Aloysius Donohue of RE/MAX Properties in Ridgewood, who is also a member of the Dallas-based Institute for Luxury Home Marketing. “There are currently 35 homes priced over one million dollars and 8 homes priced over 2 million in the Ridgewood market.”

Despite the general downturn seen in the housing market throughout much of the nation, the



**DONOHUE**

upper-tier continues to chart its own course, particularly where multi-million dollar homes are concerned. While those at the entry level of affluence are more likely to be affected by current market corrections, the upper echelon has traditionally demonstrated its capacity for greater resiliency in the face of economic fluctuations.

Indeed, according to Forbes, two of the three most expensive properties in the world—a spec chateau in England neighboring Windsor Castle, and Donald Trump’s revamped Maison de L’Amitié in Palm Beach, Florida—have been vacant for two years. The owners have the resources to wait for the market conditions they desire. For some, luxurious estates are second homes, investments, or simply discretionary purchases.

“At a time when the newswires are filled with stories of sub-prime lending crises and real estate gloom, we’ve simultaneously seen listings for \$100 million-dollar homes hit the market, a history-making event in residential real estate,” said Laurie Moore-Moore, founder of the international Institute for Luxury Home Marketing, who has written and taught extensively on the luxury residential real estate market.

The convergence of a more complex market and an increasing number of affluent homeowners underscores why buyers and sellers

of fine homes and estates value working with trusted real estate professionals who have the specialized skills, resources, and experience to help them achieve their lifestyle objectives.

For current information on the upper-tier market, please contact Aloysius “Al” Donohue at RE/MAX Properties at 201.906-3287 or via email at al.donohue@remax.net.

Donohue is a Certified Luxury Home Marketing Specialist which means he has met strict performance requirements and taken specialized training in the selling and marketing of upper-tier homes. He specializes in Ridgewood real estate and heads up The Donohue Group, which is one of the most successful real estate teams in the area. Donohue is also a local Ridgewood resident with two young children in the Ridgewood School System and he is very active in the community.

*The Institute for Luxury Home Marketing is the premier independent authority in training and certifying real estate professionals around the world in the art of handling exceptional properties. Only members who meet strict performance requirements are candidates for the prestigious Certified Luxury Home Marketing Specialist (CLHMS) designation.*