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THE INSIDERS

‘Luxury Is in the Details,’ Says Residential and Hospitality Exec

Tina Necrason of Montage International on the appetite for branded-residences, the never-ending boom in wellness in the home and more



Ms. Necrason talked to Mansion Global about demands around wellness, shifting needs among buyers, and the ever-growing appetite for branded residences.
COMPOSITE: RESIDENCE 603, PENDRY RESIDENCES WEST HOLLYWOOD; MONTAGE INTERNATIONAL

A relatively young player in luxury hospitality, Montage International launched in 2003 with one oceanfront property in Laguna Beach, California. Today, the brand operates seven hotels across the Americas, all of them with residences as part of the mix.

In 2017, the company launched a less traditional sibling brand, Pendry, to appeal to younger buyers with growing wealth. With six U.S. properties, Pendry's also made branded residences a significant part of its growth.

Montage and Pendry "have a \$5 billion branded-residence portfolio, and it's growing," Tina Necrason, executive vice president of residential for Montage International, told Mansion Global. "What drives the general real estate market also drives our business. There's an acceleration both in pricing and an acceleration of strategy to leverage what's going on."

The branded-residence business isn't new for the company, however. "From our flagship Montage property in Laguna Beach, all of our hotels have had a residential component," Ms. Necrason said. "It was never an add-on. It's in our DNA."

The Montage brand has seven hotels and seven residences; the Pendry brand has six hotels and two residences. Both have active pipelines. Montage's includes the Residences at Montage Cay in the Bahamas, set to debut in 2024. Pendry will soon open residences in Tampa, Florida, and New Jersey.

The global supply of branded residences is set to almost double in the next five years, according to a 2021 [report](#) from real estate brokerage Savills. The sector, which has grown by 230% over the past decade to 580 developments from 133 brands with almost 100,000 units among them, is expected to exceed 900 projects by 2026, Savills said.

Ms. Necrason talked to Mansion Global about demands around wellness, shifting needs among buyers, and the ever-growing appetite for branded residences.

Mansion Global: How do you differentiate the Montage and Pendry brands?

Tina Necrason: Both are ultra luxury. Montage Hotels and Resorts is classic luxury—refined and sophisticated, unpretentious and personalized. Pendry is a new-luxury brand that caters to world travelers who look at the vibe and energy of a hotel. It's where service meets design, and another model of delivering our service culture. It's for environments and locations where Montage might not fit, but where we see the next generation of luxury traveler or buyer.

MG: As the branded-residence sector evolves, are you seeing a shift in buyers?

TN: We're definitely seeing younger buyers from the high-net-worth and ultra-high-net-worth segments. Younger buyers are saying, "I'm not going to wait until my kids are out of school. I have the wealth now." We're seeing a reprioritization of needs for families. People haven't forgotten that from the pandemic.

MG: How much of a factor is wellness in driving purchase decisions?

TN: It's on people's minds and in their mindsets. The expectation isn't necessarily that it's something over the top. We partner with [institutional-wellness consultants] Delos, which has incredible products for the home. It's one of our benefits for owners, who buy those products and services for all their homes, not just ours.

MG: Considering post-pandemic work/life patterns, are buyers in branded residences demanding bigger living spaces?

TN: Demand from the Montage and Pendry buyer has always been for larger residences and homes. We have a tough time selling residences that are smaller. In general, our buyer is looking at a multi-use space, and bigger-is-better has always been the mantra. So while the Pendry West Hollywood is in an urban environment, for example, its living spaces are designed like homes, with very large outdoor spaces.

MG: Pendry chose Natirar, New Jersey, for a new 500-acre branded-residence project. Why that particular market?

TN: Nothing like it exists in New Jersey, with this kind of resort-style living. We're also building an incredible hotel there that's like a modern country manor. Some of our buyers have been downsizers with roots in the community. We have buyers from New York City, who are making this their weekend retreat.

MG: Non-endemic brands from Porsche to Diesel to Cipriani are launching branded residences. Are they meaningful competition for you?

TN: I'm a big fan of Porsche. I drive one. But it's not easy to operate these homes. It's a very different vernacular and discipline. I'm not sure how these service requirements will be met. I work for a hotel company, so I have the departments to deliver the promise and expectations. Remember that people are buying these units at massive premiums.

MG: With so much uncertainty in the world and the economy, what's your outlook for the branded-residence market?

TN: Demand for luxury second homes will continue to be strong and steady. Our market's expanding internationally. Even with market volatility, I just don't see a substantial slowdown. I think pricing will hold as well—I'm not sure it will climb, but the supply-and-demand situation will continue into 2023. Some wealthy people are diversifying their investments, but this kind of investment will be part of anyone's portfolio. We're also seeing international markets come back. It's unbelievable how many international buyers are now buying in the U.S.

MG: Markets like Miami, Dubai, and London have become branded-residence hubs. Where are Montage and Pendry looking for expansion?

TN: Expanding our global footprint is a main goal for the next three-to-five years, as well as key locations like Manhattan. We're also looking at new ways of expanding. We have new distribution points, like a residential gallery in Fort Lauderdale where you can purchase real estate at any of our locations. And a fractional offering is coming, where your cost is commensurate with use.

MG: How do you define luxury?

TN: Luxury is being able to provide a lifestyle that meets the needs and demands of what we're seeing in the marketplace. Luxury is in the details, I always say, whether it's design, service or personalization. That's what luxury means—how it's personalized to you, and providing access to that.

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