



The Luxury Apartment Trend: Why High Amenity Buildings Are Climbing In Popularity

As more millennials search for their next home in a luxury high-rise building, real estate experts predict what's next for the trend.

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There's a new trend taking over major metropolitan cities like Chicago, Illinois: luxury apartments. No longer are renters settling for tiny apartments without any perks—instead, they're looking for buildings that come with high-end amenities to match climbing rent prices. And according to real estate experts, this is a trend that's continuing to become more popular.

“Luxury apartment buildings are very popular right now. With all of the new ones going up, people are buying into the hype. This is why people are talking about them and searching for them more—they're everywhere and trending right now,” said Matt Laricy, managing partner

of the [Matt Laricy Group](#).

The luxury apartment trend is largely being influenced by millennials. Rather than looking for large houses to invest in, the next generation seems to be more interested—at least for now—in living in a building that boasts a lot of perks beyond safety and a comfortable living space. That’s why their list of requirements when looking for places to rent is a lot longer than some would anticipate.

“Millennial buyers are focused on location and functional space as opposed to the McMansion’s that the previous generation preferred. Buyers are now looking for walkability and a wow factor, which are things that luxury apartments provide,” said Hayley Westhoff, real estate broker for [@properties](#). “Buyers also love to have a doorman, gym and a great outdoor space. It’s very appealing to be able to check off most of your to-do list without leaving your building, which is why many luxury apartment buildings also have dry cleaners, conference rooms and markets that they can grab basic foods from.”

However, this luxury apartment trend isn’t something that’s universal. It’s mainly focused on renters who aren’t interested in buying yet. Laricy says that’s because buyers go into the process focused on a different set of priorities.

“Renters want it all. They want the glitz and the glam. They want pools, sun decks, party rooms and great fitness rooms—they’re looking for the works. If they’re spending a ton of money on rent, they feel as though they should be able to enjoy all of the amenities that come with it,” said Laricy. “Buyers, on the other hand, are something different. They care more about a well-run building that’s a good investment. They want something that looks nice, feels nice and is built nice. While a workout room and a deck are nice perks, that’s not the reason they’re ultimately making their decision. Buyers tend to look at the bigger picture while renters care more about the small stuff.”

Even though demand for luxury apartment buildings isn’t likely to wane anytime soon, Laricy notes that the trend will eventually see an end. That’s because these high-end buildings are going up at an incredibly rapid rate, and at some point, there won’t be enough residents to fill them.

“I anticipate us going through a rental bubble. We are building rental buildings faster than we can fill them, and there aren’t enough people and inventory on the buy side. That’s a very real void that’s currently missing. There isn’t an entry-level new development in the city that’s available for purchase—only to rent,” said Laricy. “It’s also more expensive than it is to buy. But at a certain point, the inventory will exceed the demand, prices will drop and we’ll see a new trend. My prediction is that it’ll be converting rentals to condos.”