

ADVERTISING

Coastal cities saw highest real estate prices in 2014

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Exterior of Mandarin Oriental Miami

By NANCY BUCKLEY

In 2014 luxury real estate witnessed its slowest quarter of growth since 2012, according to a report on luxury home prices from Redfin Research Center.

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Luxury Daily

With a 16 percent incline in the first three months of 2014, real estate officials were anticipating a continual trend, but the market dropped off in the later months of the year with a 3 percent growth rate in the fourth quarter. Looking into real estate trends in specific towns and cities across America can give luxury brands insight into the locations with target consumer audiences.

"The takeaway is to look for things to heat up in cities that have already have a track record of attracting foreign buyers," said Nela Richardson, chief economist at [Redfin](#). "As global financial instability effects overseas markets like Russia, Europe and China, international interest in United States real estate will continue to escalate.

"But international interest will not be widespread. In most areas of the country luxury prices will slow, and brokers will need to help sellers adjust to the fact that they will no longer get top dollar for their high-end homes," she said.

Redfin's report defines luxury market as homes priced in the top five percent among of the housing market.

Home growth

Miami Beach saw a 66 percent growth since 2013, the highest percent change by over 50 percent. Los Angeles, San Francisco, Boston and Irvine, CA finish off the top five list.

In Miami Beach the average luxury sale price was \$8,337,000. This increase is held to the influx in foreign buyers in Southern Florida. Fort Lauderdale also saw an annual increase and finished number 10 on the list of luxury real estate markets. Redfin's agents in Miami have noticed such a large increase in affluent buyers that many of the middle class have moved inland.



Miami

In less expected areas around the country, luxury real estate outpaced the rest of the market drastically. For instance, in Kirkland, WA, the average sale price of the luxury market was \$2,402,000, 39 percent higher than the rest of the real estate marketplace in the city.

In 2015, Redfin predicts a repeat of the increase in Miami Beach, but this time in other coastal cities.

Redfin compiled a list of 16,523 cities and the average prices of the luxury market and non-luxury real estate prices. This list saw cities and towns all over the country.

Trending cities

Luxury real estate brands have been focusing on Southern Florida.

Auberge Resorts will no longer only serve the short-term vacationer, but will now host permanent residents at its first ever real estate location in Fort Lauderdale.

Switching from short-term vacation guests to permanent residents will likely force the brand to adapt to certain services that appear in a long-term setting. This endeavor into real estate will present Auberge Resorts an opportunity to connect with consumers on new levels and establish relationships with the residents that may spread across to its hotel

locations elsewhere ([see story](#)).

Brokerage firm Christie's International Real Estate is extending its sponsorship of Art Wynwood in Miami this winter to present its luxury property options to art enthusiasts.

This will be the third consecutive year Christie's will be the official luxury real estate partner at the event Feb. 13-17, which is considered the sister fair to Art Miami. Maintaining a presence in South Florida in mid-February allows Christie's International Real Estate to be present at the same time as Yacht & Brokerage Show and form a better relationship with the art community as well as expand its presence in Miami, a city with many luxury real estate locations ([see story](#)).

Keeping up with real estate trends is important for both real estate companies and other luxury brands.

"Redfin is seeing a record increase in buyer demand at the beginning of 2015," Ms. Richardson said. "This demand is increasingly coming from first-time buyers who are looking for affordable homes for sale. In contrast to the luxury market, buyers are showing less willingness to engage in bidding wars and to pay top dollar for their homes. For their part, many sellers who have been waiting for years to build enough equity in their homes to list and move up are finally are in a position to do so.

"On the economic front, and an improving job market, increased consumer sentiment, stronger economic growth and an upward swing in new household formation are all positive triggers for the housing market," she said. "As long as there are enough affordable homes for sale on the market, 2015 will be the best year for housing since it hit bottom."

Final Take

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