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Chicago luxury housing just had its best first quarter of the last 6 years

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Chicago's luxury housing market's performance suggests US luxury homes are still quite popular

By DANNY PARISI

Luxury homes are an incredibly lucrative part of the luxury industry, and a new report suggests that their sales in Chicago are off to a very strong start in 2017.

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This data comes from Re/Max and its report on the luxury housing market in Chicago. The report found that first quarter activity in the luxury housing market in Chicago is up 31 percent from the first quarter of last year.

"The ample supply of luxury properties for sale clearly had an impact on prices, but lower prices are helping boost sales activity and should bring supply into better balance with demand over the course of this year," said Jack Kreider, executive vice president and regional director of [Re/Max Northern Illinois](#), Chicago.

Chicago real estate

Chicago, as one of the major urban centers in the United States, has a healthy luxury housing market. But real estate can rise and fall quickly.

Buyers and sellers need to be aware of what the current climate is in an area to stay on top of the market.

It was this need that Re/Max sought to fill when it conducted its quarterly report on luxury home sales in Chicago.



A home in Highland Park, IL

What the research found was that Chicago is having a good year so far, with sales up considerably from last year. In fact, this year had the highest-level of first quarter sales of homes over \$1 million ever for Chicago.

Total sales equaled 455 homes sold first quarter of 2017 with an average price of \$1.28 million. While sales were much higher, the median price is down 6.4 percent since last quarter.

The four most popular areas of Chicago for luxury home sales all saw increases this year, suggesting both a healthy appetite for and inventory of luxury homes in the Chicago metro area.

Suburban Chicago also saw an increase of luxury home sales, though not as much as the metropolitan area.

Renovations

One of the notable findings from the report is that while overall sales are up, average price is down.

This potentially signifies that while luxury home buyers are happy to buy homes, these homes do not need to be newly renovated, which often drives the initial price up.

This is supported by other research that suggests luxury home buyers are beginning to prefer renovating their own homes instead of buying renovated ones.

A report from Luxury Portfolio International from March revealed that only 15 percent of affluent buyers are interested in already renovated older homes. When purchasing a new home, the realtor is just as important as the home itself, with many consumers explaining they want an emotional connection with someone who is the best-of-the-best and understands their needs ([see story](#)).

Outside the United States, the global luxury real estate market is also staying strong, with the British market remaining particularly stalwart given the uncertainty of Britain's looming exit from the European Union.



British luxury real estate

Demand for housing in the United Kingdom is still high, and while the initial shakeup of the industry may make a dent, some experts believe that real estate should fare just fine in the future. Nevertheless, these predictions hinge on

the exact terms of Brexit once it is in place ([see story](#)).

For now, the recent growth suggests that luxury homes in the United States are as appealing as ever, though this may even out in the near future.

"If the second quarter continues this trend, I think we'll see luxury home prices stabilize after a couple of years when the overall trend has been slightly down," Mr. Kreider said.

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