

REAL ESTATE

## Worldwide luxury home sales have grown by 11pc

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Low supply and high demand helped propel growth around the world. Image credit: Christie's International Realty

By DANNY PARISI

In 2017, international luxury homes sales had their best annual growth rate in three years.

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According to a new report from Christie's International Real Estate, luxury home sales around the world were up 11 percent this past year, significantly better than in previous years. This growth was buoyed by a number of factors both political and economic.

"There are a number of tailwinds for the luxury residential real estate markets, including buoyant equity markets and a relatively stable global economy," said Dan Conn, CEO of **Christie's International Real Estate**, New York. "Factors that dampen investor enthusiasm in other asset classes, such as equity market volatility – the first quarter VIX volatility index recorded its highest quarterly average since 2007 – support a flight to the safety of real assets.

"Political uncertainty has also led investors to diversify into this less volatile asset class," he said. "Christie's International Real Estate's global network of luxury residential experts advise property investors and sellers on how to navigate these challenges and the opportunities they create."

Luxury home sales

Last year, luxury homes saw their best annual growth rate in years. This growth can be attributed to rising consumer confidence, low interest rates, robust stock market performances and an increasingly stable global economy.



The data comes from Christie's Luxury Defines 2018 report. Image credit: Christie's International Real Estate

Under these conditions, sales of global luxury homes had one of their best years in recent memory. Christie's International Real Estate mentions dwindling supply of luxury homes coupled with an increased demand from a larger number of luxury home purchasers as one of the main reasons for growth.

Because of the relatively low supply and high demand, sales were closed quicker than average. Christie's found that the average luxury home sold in 190 days, down from 220 days in previous years.

The majority of the growth was experienced by mid-level luxury homes. Sales of homes at more than \$1 million were up significantly, while only three homes were sold for more than \$100 million.

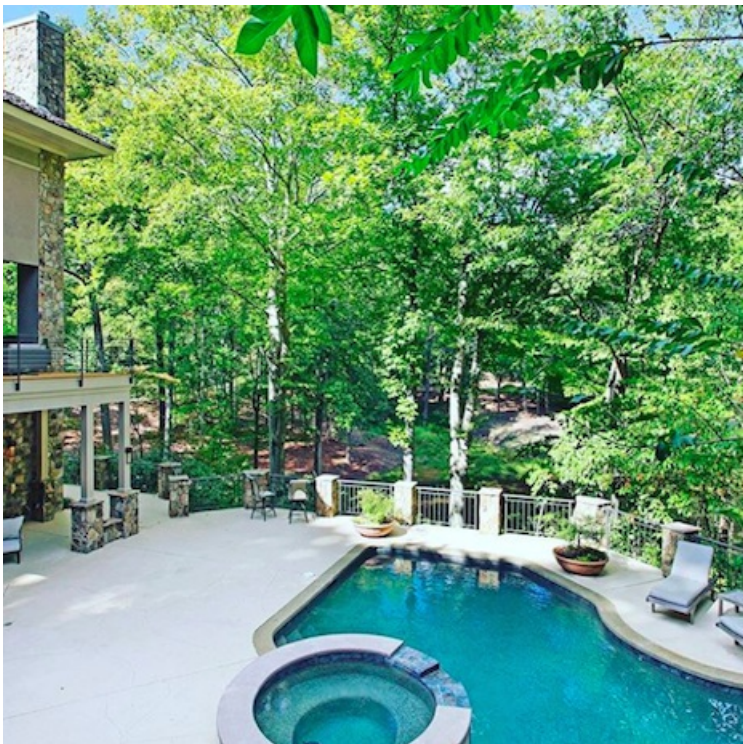
Total sales of the top 10 most expensive luxury homes in the country were \$1.24 billion, down from the previous year when the total was \$1.32 billion.

Global real estate

Christie's International Real Estate's research is backed up by many similar reports that have come out recently analyzing the luxury real estate markets of different countries.

For example, luxury home prices in the U.S. were up significantly in the first quarter of 2018, thanks to shrinking supply at the end of last year.

According to a new report from Redfin, luxury home prices shot up by just under 8 percent in the last quarter. The prices now sit at an average of \$1.8 million, significantly higher than at the end of 2017 ([see story](#)).



*Sales of homes over \$1 million grew by 10 percent. Image credit: Christie's International Real Estate*

Despite economic upheaval in Canada due to new government regulations, the country's luxury market is showing strong growth for this year.

Thanks to a new stress test from the Office of the Superintendent of Financial Institutions in Canada, the start to 2018 was uncertain for luxury real estate. But the desirability of various locations attracted enough luxury buyers to drive demand and prices, according to Royal LePage's Spring Luxury Market Release ([see story](#)).

As luxury home prices and sales increase around the world, the luxury real estate market is poised to cash in on the growing demand for luxury homes.

"As part of Christie's art auction house, we are uniquely qualified to understand the shifts and trends impacting high value asset classes, from fine art to fine homes, alongside the motivations of the affluent individuals who purchase them," Mr. Conn said.

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