

REAL ESTATE

Luxury housing in high demand in the US: report

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Seattle's King County is one of the fastest-growing luxury real estate markets. Image credit: Westin

By SARAH RAMIREZ

Sales of million-dollar homes are up 25 percent this year, according to realtor.com's Luxury Home Index, but not all markets are experiencing price growth.

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The study analyzed the top 5 percent of all residential sales, considered the entry-level luxury price tier, in 91 United States counties. Luxury homes are selling faster than this time last year, and for more money.

"It was notable to see sales are up even though prices and cost of ownership is up and places like Sarasota, Florida break the \$1 million dollar mark for entry-level luxury," said Javier Vivas, director of economic research for [realtor.com](#), Santa Clara, CA.

Coastal growth

Although the luxury real estate market in the United States is strengthening, some markets are performing better than others. Seventeen of the 91 luxury markets analyzed are experiencing more than 10 percent price growth year-over-year.

In the New York metropolitan area, Queens and nearby Hudson County, NJ are experiencing double-digit price growth, while Manhattan has seen real estate activity steadily decline ([see story](#)). Marketing time is also down 29 percent year-over-year in Hudson and Queens, to a median of 66 days.



Queens, NY and Hudson County, NJ offer lower luxury entry points than Manhattan. Image credit: Store Tours

Unsurprisingly, California's Bay Area continues to see rapid growth, with entry-level luxury prices up an average of 13 percent from last year. Four of the 10 fastest-growing luxury markets are in Silicon Valley and the surrounding areas, including Santa Cruz, San Mateo, Santa Clara and Monterey.

Farther up the Pacific coast, the entry-level luxury prices in Seattle's King County and neighboring Snohomish County are also up 13 percent year-over-year and median marketing time is down 3 percent to 48 days. Snohomish, which is nestled between the Puget Sound to the west and the Cascade Mountains to the east, is the fastest moving luxury market in the country.

Moving away from the coasts, Denver, CO and Nashville, TN continue to be desirable luxury markets.

Along with Denver County, Boulder and Douglas counties have seen double-digit annual price growth for luxury properties. Marketing time is down 15 percent for a median of 89 days. The median days on the market is 71 days for luxury homes in Nashville's Williamson and Davidson counties, a decrease of 12 percent from last year.



Naples, FL and Collier County are one of the fastest-growing luxury markets in the U.S.

Farther south, Southwest Florida continues to attract luxury buyers, especially from the northeast.

Florida's Sarasota and Collier counties were the two fastest-growing luxury counties nationwide, with home prices in the entry-level luxury tier up 15 to 20 percent from last year. While the median days on the market is 143 days, this represents a drop of 22 percent year-over-year.

Real estate trends

The results of the Luxury Home Index are reflected in other recent real estate reports.

According to PropertyShark, the most expensive ZIP codes in the United States are concentrated on the West Coast. Nonetheless, data shows that the nation's wealthiest people tend to live in the opposite side of the country, an interesting datapoint that should be on any luxury real estate developer's mind ([see story](#)).

Another PropertyShark report showcased more than 30 cities with the most homeowners that became millionaires just by buying a home sometime before 2001 for less than \$1 million, and selling it after 2001 for more than \$1 million.

Since 2001, San Francisco added 381 millionaires, based on home sales alone. Other "millionaire" cities in Silicon Valley include San Jose, Redwood City, San Mateo and San Carlos ([see story](#)).

"We expect to see the pattern of luxury spreading into outlying areas of hot markets where upper crust has purchase power hold for the rest of the year," Mr. Vivas said.

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