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REAL ESTATE

Top 10 real estate headlines of H1

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Smaller luxury markets such as Charleston are seeing growth. Image credit: Redfin

By STAFF REPORTS

Luxury real estate has seen significant shifts in trends and market growth, as slowing economies and political uncertainty continue to impact buyers and sellers.

The specter of Brexit and potential recessions, as well as increased inventory, has made real estate investors uneasy. As a result, real estate firms are improving digital strategies and sustainability practices to better reach clients.

Here are the top real estate headlines of the first half of 2019, in no particular order:

More luxury homes are starting to incorporate solar energy. Image credit: Christie's International Real Estate

Renewable materials, energy efficiency top draws of luxury sustainable homes
As sustainability continues to be a growing priority throughout the luxury world, environmentally-conscious consumers are also looking to invest in eco-friendly real estate.

Real estate is one of the most expensive purchases consumers make, affluents included, so it is no surprise that many want to ensure their homes are energy efficient and made with sustainable or renewable materials. Buyers are also seeking out properties that help them continue to live sustainable lifestyles (see story).

New York is important in luxury real estate. Image credit: Douglas Elliman

Real estate firms turning to digital, personal touches to compete for buyers
As high-end real estate brokerages compete to attract prosperous sellers and buyers, many are looking for ways to personalize and enhance customer experiences through digital technologies.

From better curating properties to selling lifestyles, real estate companies are working to rise to the challenge. During a panel at Luxury FirstLook 2019, a group of speakers shared how they are responding to changing real estate buyers and sellers (see story).

A recession in the near future hasn't discouraged home shoppers. Image credit: Realtor.com

Prospective home buyers remain confident ahead of potential recession: report
Home shoppers are optimistic about their real estate prospects, despite concerns over an impending recession.

According to Realtor.com, 70 percent of prospective homeowners believe the United States will enter a recession within the next three years. More than four in 10 shoppers believe that the housing market will fare better than it did during the Great Recession (see story).

Luxury home prices in West Palm Beach jumped almost 90 percent. Image credit: Redfin

$2M-plus home sales drop as inventory grows: Redfin
Sale prices for luxury homes fell for the first time in three years, as prices declined almost 2 percent year-over-year in the first quarter of 2019.

In the largest luxury sales decline since 2010, sales of homes priced at $2 million and above declined by double digits, according to a report from Redfin. Inventory of $2 million homes also rose for the fourth consecutive quarter (see story).

The Manhattan real estate market continues to struggle. Image credit: Stribling & Associates

Manhattan home sales fall more than 10pc

Sales of luxury homes in New York's Manhattan borough fell for the sixth straight quarter, as the area's high-end real estate market continues to slow.

While the average and median sale prices in Manhattan increased 3 percent year-over-year, sellers are receiving an average of 9 percent less on their listing prices. Sales at expensive developments skew the numbers, according to the Stribling Q1 2019 Manhattan Market Report (see story).

London's real estate market is showing signs of promise. Image credit: Knight Frank

London real estate market showing resilience: Knight Frank

In light of the uncertainty surrounding Brexit, there are indications that the prime London residential market is headed in a positive direction.

Per Knight Frank's "London Residential Review Spring 2019" report, the number of new prospective buyers in the market rose by 5 percent. The fourth quarter of 2018 also saw the highest ratio of new demand versus new supply in years (see story).

Residential prices in Hong Kong grew less than 6 percent. Image credit: Knight Frank

Europe, Asia home to strongest-performing real estate markets: Knight Frank
Global residential real estate continues to slow, as less than 80 percent of countries saw prices grow in 2018.

According to Knight Frank's Q4 2018 Global Residential Cities Index, the average annual growth was 4.3 percent. Asian and European cities saw some of the highest growth to end 2018, as Budapest topped the list (see story).

Realtors expect the Denver metro area to see a strong 2019. Image credit: Realtor.com

Interest rates having stronger impact on housing prices: Zillow
Despite today's home values becoming more sensitive to changing mortgage interest rates, the homeownership rate is expected to climb above its long-term average in the next five years.

According to Zillow's Q4 Home Price Expectations Survey, 49 percent of industry experts expect activity among repeat buyers will hold steady in 2019, while 41 percent expect first-time homebuyers to become more active. Diverse metro areas are expected to have a strong year as well (see story).

Sotheby's Realty listing on New York's Upper East Side. Image credit: Sotheby's Realty

Sotheby's International Realty merges brokerage, affiliates
Sotheby's International Realty is looking to give its network of real estate firms a leg up by forming a single company that encompasses its owned brokerage and its affiliates.

The company has tapped Phillip White to head the newly merged global organization, drawing from his experience as the president and CEO of Sotheby's affiliate business. Sotheby's sees this move as a means to give its affiliates more data, technology and marketing tools to better scale their businesses (see story).

The area around Regent's Park remains popular in London. Image credit: Knight Frank

Prime London real estate dominated by Chinese, US buyers

Real estate investors are taking advantage of a weakened pound, with buyers from the United States spending on average more than $9 billion in the prime central London residential market.

According to Knight Frank, U.S. buyers make up 6 percent of foreign purchasers in prime central London, second only to Chinese investors in 2019. Over the last decade, the U.S. has averaged as the fifth largest source of foreign buyers in London (see story).