

REAL ESTATE

California, New York claim bulk of high-priced real estate

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Single-family home in Atherton, CA on the market for \$32.5 million. Image credit: Zillow

By NORA HOWE

Despite some seismic shifts in luxury real estate due to the COVID-19 pandemic, with many affluents looking to leave densely populated areas, the majority of the most expensive real estate in the United States remains concentrated in California and New York.

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According to PropertyShark, 88 percent of U.S. zip codes with the highest medians were located in California and New York this year, creating a significant divide in real estate prices between them and the overall U.S. In its 2020 report, PropertyShark analyzed residential transactions nationwide to provide the most accurate snapshot of the country's most expensive real estate markets.

"Buyers at the top end of the market are more resilient to uncertain economic times and rapidly shifting market conditions," said Eliza Theiss, senior creative writer at [PropertyShark](#) and author of the report. "Sales activity dropped at a slower rate among higher priced properties than among those at the lower and middle tiers of the inventory."

To determine the most expensive zip codes in the U.S., PropertyShark examined residential transactions closed between Jan. 1 and Oct. 15 of this year, taking into account condominiums, co-ops and single- and two-family homes, excluding package deals.

For an accurate representation, it considered only zip codes that registered a minimum of three residential transactions. Due to a number of ties, 121 zip codes were included on the list of the 100 most expensive zip codes in 2020.

Key findings

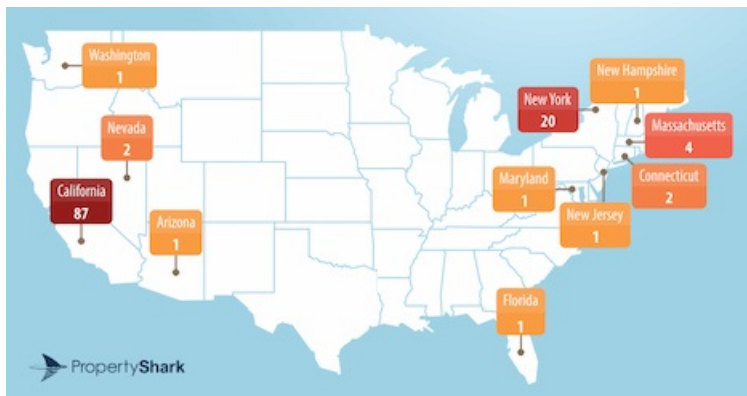
At \$7 million, Atherton, CA 94027 remains the number one most expensive zip code for the fourth consecutive year. California solidified its position as the most expensive housing market with 87 entries on the list of 125.

San Francisco claimed 11 of the priciest zip codes, the highest concentration of any city with the Bay Area home to 50 entries. Los Angeles County featured the highest concentration of expensive zip codes at the county level with 23

entries.

Nationally, medians rose in 78 of the country's 100 priciest zip codes, flipping the mostly downward trend in 2019. Thirteen zip codes featured median sale prices higher than \$3 million.

The metro Los Angeles area, Bay Area and New York metropolitan area accounted for 103 of the most exclusive zip codes in the country. Overall, the country's top 100 most expensive zip codes are located in 11 states.



California claims more than twice as many expensive zip codes as the rest of the U.S. combined. Image credit: PropertyShark

Despite New York state earning a significant number of spots on the list, New York City's real estate market was severely affected by COVID-19, as it was one of the early epicenters of the pandemic.

For the first time, New York City zip codes did not break the top 10 most expensive in the U.S. In recent years, TriBeCa's 10007 or 10013 consistently featured some of the highest median prices in the country.

"The median drops witnessed in some expensive Manhattan zip codes made sense," Ms. Theiss said. "With the tough public health measures demanded by the city's urban landscape, deep-pocketed buyers reoriented to areas outside of the city.

"So, ironically, Manhattan's most exclusive areas dropped from the top 10 most expensive zip codes in part because these areas are affluent enough that residents could afford to temporarily relocate to weather the pandemic," she said.

At the start of the pandemic, many cities and urban centers were badly hit and many of those with means looked to escape to more spacious areas. As the situation evolves, however, cities and, by extension, real estate brokerages have adapted ([see story](#)).

Red Hook and Carroll Gardens zip codes placed Brooklyn among the 100 most expensive for the second year in a row.



Carroll Gardens zip codes placed Brooklyn among the 100 most expensive for the second year in a row. Image credit: Compass

After California and New York, Massachusetts had the next-heaviest presence with four zip codes in the ranking. Interestingly, Boston's Back Bay area is absent in the 2020 list due to depressed sales activity in zip code 02199.

Connecticut and Nevada added two zip codes each to the list, while Arizona, Florida, Maryland, New Hampshire,

New Jersey and Washington each contributed one, mostly in the bottom quarter of the list.

Some exceptions were Miami Beach, which landed at 23, and Washington State's King County, 98039, in the ninth spot. Both of these zip codes have ranked among the 100 priciest areas for five consecutive years.

Investing in real estate

Real estate investment has given rise to a new group of millionaires and with the onset of the COVID-19 pandemic, affluents are once again looking to invest in the growing market.

In 2018, a [report](#) by PropertyShark 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. Many of the homeowners-turned-millionaires purchased in or near high-demand areas, such as Silicon Valley ([see story](#)).

According to Coldwell Banker Global Luxury's report "2020: A Look at Wealth: New Affluent Trailblazers," demand for the most exclusive properties is surging, with the median price of a luxury property climbing to roughly \$1.4 million for a single-family home in 2020 at the end of March 2020, per the study.

A short pause in the market's pace during April and early May preceded the start of a surge of pent-up demand in mid-May and June ([see story](#)).

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