

REAL ESTATE

Sales of luxury homes stay on upswing: Redfin

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A \$19 million listing in San Francisco. Image credit: Redfin

By SARAH RAMIREZ

Sales of luxury homes jumped more than 60 percent in the three months ending Nov. 30, almost four times the rate of growth during the winter before the COVID-19 pandemic took hold of the United States economy.

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According to [new data from real estate brokerage Redfin](#), luxury home sales in the U.S. grew by 60.7 percent year-over-year, far outpacing sales growth for mid-priced and affordable homes. The K-shaped economic recovery in the U.S. has given affluents more spending power and contributed to early rebounds in several luxury sectors.

"The luxury market is so hot that we're starting to see some seller's remorse," said Delray Valle, market manager at [Redfin](#), Palm Beach. "Someone will sell their high-end home, and when they go to buy their next luxury property, they realize that they have to pay way more than they were hoping due to sky-high demand and a lack of inventory."

Redfin categorizes homes with sales prices in the top 5 percent of a market as luxury.

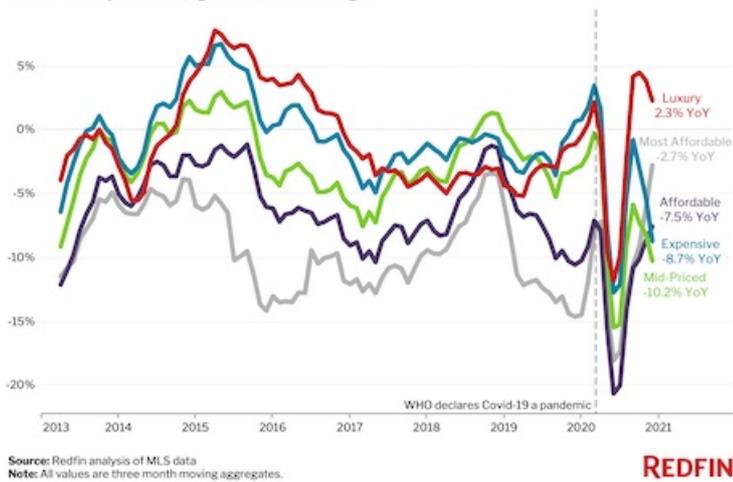
Luxury stays strong

For the three months ending Nov. 30, the median sales price of a luxury home in the US. increased 9 percent year-over-year to \$899,000. The 49 most populous metropolitan areas, which excludes New York City, all saw double-digit sales growth in the luxury market.

Boosted by a 31.5 percent jump in new listings of luxury homes, inventory of high-end properties edged up 2.3 percent, while other price tiers saw declines.

This growing supply of luxury homes is contributing to the surge in luxury home sales.

The Supply of Luxury Homes Is Growing Year-over-year change in active listings



Active luxury listing are on the rise. Image credit: Redfin

Luxury homes are also spending less time on the market at a median of 55 days listed, down 27 days year-over-year.

Cities in California to the lead the way in terms of median sale prices for luxury homes, with San Francisco having a median sales price that tops \$4.3 million in the luxury segment. Showing the growing affluence in Silicon Valley, the median luxury home price in nearby San Jose is \$3.8 million.

Elsewhere, Newark, N.J. saw the biggest jump in luxury homes sold year-over-year, at 101.6 percent. The median luxury home price in the market increased by 9.1 percent to \$1.2 million.

Other notable markets with above-average sales growth for the quarter include Denver at 78.4 percent, Fort Lauderdale at 73.8 percent and Seattle at 66.9 percent.

The largest increase in luxury median sale price was in New Brunswick, N.J., where the median luxury price jumped 17.6 percent to north of \$1.3 million.

Real estate boon to continue?

Unlike other demographics, affluents have the financial resources to list properties and make home purchases amid the overall economic uncertainty.

This year, sales of vacation homes are also on the rise according to Redfin.

Interest in second homes is outstripping demand for primary homes by a wide margin. In October, demand for second homes jumped 100 percent from a year earlier and outpaced the 50 percent uptick in demand for primary homes.

This is pushing up the price of homes in resort towns across the country. Eight of the 10 U.S. counties that have notched the biggest price increases over the past year are home to wildly popular vacation destinations such as Cape Cod, Palm Springs, the Jersey Shore and Lake Tahoe ([see story](#)).

The move to suburbia and a de-urbanization in the U.S., coupled with remote working and schooling, will have lasting effects on the prime real estate landscape for years to come.

Expansive single-family homes in locations that offer more space, freedom and less population density will be highly attractive to high-net-worth and ultra-high-net-worth individuals ([see story](#)).