

REAL ESTATE

## Luxury real estate developers see positive growth amid pandemic

January 19, 2021



*Toll Brothers has been building luxury homes since 1967. Image credit: Toll Brothers*

By LUXURY DAILY NEWS SERVICE

Despite the economic effects of the global health crisis, real estate sales are expected to exceed \$160 billion this year.

Subscribe to **Luxury Daily**  
Plus: Just released  
State of Luxury 2019 **Save \$246 ▶**

According to economists and market watchers, the residential real estate sector has been highly supportive of the economic recovery of the United States. As a result, the housing market saw the highest pace of sales growth since the height of the housing boom in 2005.

"Our model home business delivered solid performance in 2020," said Jack Heilbron, president and CEO of [Presidio Property Trust](#), in a statement. "We saw positive model home returns in all geographies and averaged a sale of almost one home per week throughout the year.

"We collected 100 percent of the lease payments that we billed to our home builder tenants in 2020, showing the strength of the purchase/leaseback model home business, even in the time of COVID," he said. "Amortizing mortgages on these properties, coupled with a 3-year holding period, further reduces our risk."

Good signs for real estate

Since June, after a brief hold due to the outbreak of the virus, the housing market has seen record-breaking growth. According to a report from [IBISWorld](#), the market size of the real estate sales and brokerage industry will reach \$164.8 billion in 2021 and is expected to increase 0.7 percent.

Active companies in the market today include: Presidio Property Trust, Inc., Toll Brothers, Inc., Lennar Corporation, Vornado Realty Trust SL Green Realty Corporation.



*Single family home coming soon to San Diego, CA. Image credit: Lennar Corporation*

Real estate investment trust Presidio Property Trust, Inc. announced that it sold 46 model homes during 2020, and had eight homes for sale in escrow at the end of the year. Additionally, all of its homes sold in 2020 resulted in a positive investment return all of which were sold in Texas, Florida, Arizona, California, Wisconsin and Pennsylvania.

The average sales price per model home sold was approximately \$400,000, and the average holding period was approximately 3 years.

Luxury homes builder **Toll Brothers, Inc.** announced that it exceeded its expectations for sales, revenues, margins and earnings in the quarter ending Oct. 31, 2020.

Homebuilder **Lennar Corporation**'s board of directors declared a quarterly cash dividend of \$0.25 per share for both Class A and Class B common stock payable on Feb. 12, 2021 to holders of record at the close of business on Jan. 29, 2021. Lennar Corporation will repurchase nearly \$1 billion in value, or 25,000,000 in shares, of the company's outstanding Class A or Class B common stock.

Vornado Realty Trust announced a dividend on its recently issued Series N Cumulative Redeemable Preferred Shares for the partial period of Nov. 24, 2020 through Dec. 31, 2020 of \$.1348958 per share. This dividend is payable on Jan. 4, 2021 to shareholders of record on Dec. 15, 2020.

According to panelists at the State of Luxury Real Estate eConference on Jan. 14, competition for luxury buyers has become global as digital transformations accelerated by the pandemic have made affluent more mobile. Growing demand for high-end real estate amid low inventory can create an opportunity for emerging markets and developers ([see story](#)).

---

© 2021 Napean LLC. All rights reserved.

Luxury Daily is published each business day. Thank you for reading us. Your **feedback** is welcome.