

REAL ESTATE

## 1 in 5 Los Angeles homes priced above \$3M

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*San Francisco is the big city with the highest share of homes above \$1 million. Image credit: Redfin*

By SARAH RAMIREZ

Million-dollar homes account for the majority of real estate listings in three California cities as the demand for luxury homes has grown since the start of the COVID-19 pandemic.

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According to [new data from real estate platform Point2](#), San Francisco is the city with the highest share of home listings above \$1 million while Los Angeles has the highest percentage of homes for sale above \$5 million. Even small cities, those with populations between 50,000 and 53,000, are seeing rising median home prices.

"We wanted to zoom in not just on big cities, which are usually the center of attention, but also on mid-sized and small cities, to see what luxury means on those markets," said Andra Hopulele, senior real estate writer at [Point2](#).

"What we indeed found surprising was that a mid-sized market like Santa Clarita, CA had a bigger share of homes over \$1 million than larger, more established cities like San Francisco and Los Angeles, which are almost synonymous with luxury," she said.

Point2 analyzed 30 cities in three categories based on population: big cities with at least 500,000 residents; mid-sized cities with at least 150,000 residents and small cities with at least 50,000 residents. Luxury homes were defined as those above \$1 million in smaller markets and \$3 million in large markets based on active listings as of July 5.

### Luxury rankings

With a median home price of \$1.5 million, it is no surprise that 64 percent of home listings in San Francisco are above \$1 million.

True luxury homes in San Francisco start at the \$3 million benchmark, which accounts for 34.2 percent of real estate listings. This includes the 7 percent of all homes for sale listed at \$5 million and above.



20.6 percent of Los Angeles homes for sale are priced at \$3 million and above. Image credit: Redfin

While Los Angeles has a median home price of \$911,000, it is the only city where more than one in 10 homes for sale 11 percent is listed at above \$5 million. More than 20 percent are listed at above \$3 million.

"Aside from the quite significant difference in median home price, there was also a big difference between the number of days listings spend on the market," Ms. Hopulele said. "On average, 11 days in San Francisco compared to 37 days in Los Angeles."

New York rounds out the three markets with the highest share of \$5 million-plus homes at 6.8 percent, just behind Los Angeles. Although 51.7 percent of homes in San Jose, CA are listed for above \$1 million, only 2.2 percent are \$3 million or above and less than 1 percent are listed for at least \$5 million.

Six mid-sized cities, including four in California alone, have at least 10 percent of their home supply listed at \$1 million above. Santa Clarita, CA has 68.8 percent of its inventory in the million-dollar territory, exceeding San Francisco, making it the most luxurious mid-sized market.



More than four in 10 homes in Glendora are listed above \$1 million. Image credit: Redfin

Of the mid-sized cities, Glendale, CA has the highest median sales price at \$1 million with more than four in 10 listed at above \$1 million.

Five small markets, primarily concentrated in the west, have significant shares of luxury homes for sale. More than 40 percent of home listings in Glendora, CA located less than 25 miles from Los Angeles are above \$1 million.

#### Real estate growth

Regardless of market size, the luxury real estate market is facing unprecedented levels of activity, and an inventory crisis is only adding to the competitive environment.

During the Luxury Hour webinar hosted by [Luxury Portfolio International](#) on May 19, real estate experts discussed how demand for high-end homes is outpacing supply as affluent leverage the COVID-19 pandemic to invest make property investments. These circumstances have further exacerbated existing inventory issues, and agents and brokers will have to turn to elevated services and offerings to win more business ([see story](#)).

Real estate brokers and agents also expect more homebuyers to return to larger cities as the luxury market continues to thrive and in-office work resumes.

Data from Redfin also shows that the growth of luxury home sales is greatly outpacing the rest of the market.

For the three months ending March 31, luxury home sales grew 41.6 percent y-o-y compared to home sales in the "expensive" tier, which grew by 15.3 percent. Sales of the most affordable homes increased by 14.7 percent, while mid-priced and affordable homes saw single-digit growth ([see story](#)).

"Another interesting aspect was the scarcity or even total lack of luxury housing in certain markets," said Point2's Ms. Hopulele. "And here I'm referring to Texas: both El Paso, a large city, and Grand Prairie, a mid-sized city, have the smallest shares of luxury housing in their respective categories."

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