

REAL ESTATE

Millennial buyers dominating North American luxury real estate market: report

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Study reveals millennials hold high levels of affluence, making up most of the region's luxury homebuyers. Image credit: Engel & Vlkers

By LUXURY DAILY NEWS SERVICE

Luxury real estate firm Engel & Vlkers is out with its latest study, inclusive of findings involving millennials' growing influence on the North American market.

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The report is based on patterns within luxury home buying throughout the continent, taking a look at intentions to purchase versus actual luxury homes sold. Within Canada alone, the report found that, of those intending to buy a house worth over \$3 million, 59 percent are millennials.

"Baby boomers will continue to have a lasting effect on our economy, empowering millennials with financial means to largely drive the buy side of the real estate market in the years to come," said Anthony Hitt, president and CEO at **Engel & Vlkers** Americas, in a statement.

"For real estate professionals serving the luxury segment, [it is] important to understand and adapt to the evolving preferences of new generations who are taking up more space in the market," Mr. Hitt said. "Continuing to serve as market experts and trusted sources of information will be vital to providing the personalized service and expertise that today's consumers expect."

Shift of power

There are many elements at play when it comes to the purchasing power of wealthy millennials in the region fiscal means tops the list.

Those hailing from wealthy families are not only privy to heightened resources and financial backing, but their respective professional pursuits make remote work more accessible. Engel & Vlkers found that more than 60 percent are working from home.

As more millennials gain access to jobs that allow them to work from anywhere, some are looking overseas. In fact, one in three reports this intention, according to the study.

Within this group of buyers looking to move abroad, many already own a home. 41 percent of them own more than

one already, while 23 percent own three or more.

Because of the power inherited by this younger population, Engel & Vlkers' real estate experts urge agents to utilize social media platforms to reach the cohort. Many are indeed using Instagram to find homes, signaling a shift in the dynamics of the luxury real estate market.

The rise of the luxury influencer guides this shift toward social.

Influencers are growing in number, but luxury influencers in particular are gaining more power. Young people who already hold wealth and resources enter this role seeking to curate their lives around high-end goods as a means of enhancing their personal brand.

Per Engel & Vlkers' findings, this new group of people makes up a large corner of the luxury housing market. More than half of millennial buyers fall into this category and are reported to be prioritizing purchases that visually communicate their wealth and high social standing, homes included.

The report expands on this driving force – millennials in the luxury market are seeking out real estate agents to ensure that their new home communicates their status to their followers and those under their influence. Findings imply new client opportunities are available to the industry at large.

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