

REAL ESTATE

Investment quality highest priority for luxury homebuyers in 2023: Luxury Portfolio International

January 17, 2023



The world's leading luxury residential real estate network is out with its State of Luxury Real Estate 2023 survey. Image credit: Luxury Portfolio International

By AMIRAH KEATON

Luxury homebuyers are thinking long-term in 2023, per a new report from experts at Luxury Portfolio International (LPI).

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The world's leading luxury residential real estate network is out with its State of Luxury Real Estate 2023 survey, which features new data detailing what is to come for the high-end housing market in the year ahead. Overall, interested parties remain bullish, gearing acquisition toward future financial gains and current community spoils as buyers increasingly display a fine balance of reason and emotion when prioritizing preferences in the search for the perfect space.

"The luxury homebuyer is arguably the most astute connoisseur of real estate in the world," said Mickey Alam Khan, president of [Luxury Portfolio International](#), in a statement.

"The study underscores that they are highly attuned to the realities of the global financial and geopolitical landscape, yet luxury residential real estate remains a preferred destination for their wealth," Mr. Khan said. "The panorama of the 'COVID boom' is clearly behind us, with the latter half of 2022 ushering necessary market stability into 2023 and beyond."

The State of Luxury Real Estate (SOLRE) 2023, a consumer-focused study combining insights from the world's high-income and high-asset individuals, focuses its scope of research on the top 5 percent of income-earning households across 28 global markets across six continents. Interviews were conducted in October and November 2020, 2021 and 2022, with findings representative of the global affluent class at the 95 percent confidence level.

SOLRE 2023

New research suggests that, for the third year in a row, luxury real estate buyers outnumber sellers and available inventory, in a sign of continued housing resilience.

The current landscape may register as particularly opportune for those with the means to partake.

Just Released: The State of Luxury Real Estate 2023 | [#Adaptation](#) is the key to [#luxuryrealestate](#) going into 2023. Learn more in the blog post, "Luxury home buyers head back to the city as they adapt to new normal: SOLRE 2023": <https://t.co/EPXDaBPj84> [#LuxuryPortfolio](#) [#SOLRE](#)
LuxuryPortfolio (@LuxuryPortfolio) [January 6, 2023](#)

Affluent populations' fiscal gains over the last few years LPI points out that global wealth grew at 13 percent in 2022 have most certainly served as a driver of demand within luxury real estate sector, with new markets and new developments rearing as a result.

In terms of filling those gaps, experts expect market behavior this year to mirror those of 2022, as optimism marks intent to purchase. The prediction renders mid-2020, 2021, and half of 2022 as anomalies, stating that, instead, 2023-25 will stray from heights achieved during the pandemic.

Still, luxury sales will probably prove stronger than those of a pre-COVID context.

Regional insights also play a part in LPI's reporting. Experts divulge that since the pandemic's start, the U.S. has minted 199 new luxury locations, defined by median housing market prices that exceed \$1 million.



The luxury homebuyer trends listed are expanded upon in LPI's latest. Image credit: Luxury Portfolio International

Idaho holds the top spot for states, standing as one of America's fastest-growing luxury destinations from 2019 and 2022.

According to the luxury authority, 37 percent of luxury homebuyers expect to purchase in the city center. Insights surrounding a return-to-city align with industry trends.

Some of the most arresting assertions listed within LPI's survey hail from a sentiment check, as buyers revealed their true preferences when prompted to list their needs and wants for the home acquisition in order of priority.

Interestingly, quality of investment topped the list of buyer motivations for those entertaining ultraluxury ownership in the year ahead.

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| READY TO ACT | •Decisive and feeling inspired toward their next home purchase |
| RETURN TO QUALITY (INVESTMENTS) | •The highest priority for luxury buyers in 2023 is investment quality. They want it in the right setting and neighborhood—and it has to feel right |
| CITIES REMAIN HOT | •Primary home and investment property buyers active in city centers |
| LONG TERM VIEW ON THE PURCHASE | •Whether a legacy property or a home to 'age-in-place' buyers |
| CASH-ONLY PURCHASES LIKELY TO DECLINE | •Financing is getting more complex; liquidity will help buyers act fast |
| NEXT-GEN BUYERS ARE OPEN TO TECH-ENABLED PURCHASING | •The under-50-years-old buyer is more willing to purchase sight unseen and via online channels |

The affluent are ready to entertain at home again, likening the probability of luxury property investments and acquisitions that enable these events. Image credit: Luxury Portfolio International

"In the 2023 edition of the State of Luxury Real Estate (SOLRE) report, we observe that the global wealthy are living in a state of adaptation to changing and often unpredictable circumstances," said Mr. Khan, for the report.

"The worldwide wealth outlook is positive over the next five years," he said. "Breakout growth among ultra-high-net-worth individuals is creating a global upper-middle class.

"These concurrent trends set an encouraging tone for the year ahead."

Digital download

Luxury Portfolio International will detail these trends and more as part of the "SOLRE 2023: State of Luxury Real Estate Market" live webcast, slated for Wednesday, Jan. 18, from 11 a.m. to 12:30 p.m. EST. The event is free to registered viewers, who may sign up for the third annual International Presentation [here](#).

Hosted by Luxury Portfolio International president Mr. Khan, speakers include Lawrence Yun, chief economist at National Association of Realtors; Chandler Mount, principal researcher at Luxury Portfolio International and founder/CEO of Affluent Consumer Research Company; Hoby Hanna, CEO at Howard Hanna Real Estate Services and Steve Walter, realtor at Michael Saunders & Company.

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