

REAL ESTATE

Macroeconomic conditions may vary: brokers back optimistic outlooks for luxury real estate in 2023

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Real estate executives cited strong local sales and anomalous clients as promising evidence of future market stability during the digital event. Image credit: LPI

By AMIRAH KEATON

Luxury buyers do not stop making deeply personal lifestyle decisions during periods of economic slowdown, according to expert panelists for Luxury Portfolio International's third annual SOLRE 2023 digital event.

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In a segment reserved for the latter half of the engagement, top real estate representatives cited strong local sales and anomalous clients as promising evidence of future market stability. Hosted by the world's leading luxury residential real estate network, the "Luxury Hour" webinar offered invaluable on-the-ground insights via an informative roundtable discussion.

"Luxury Portfolio International is the world's largest network of independently-run real estate brokerages," said Mickey Alam Khan, president of **Luxury Portfolio International**, New York.

"We have about 250 members across 40 countries, and many of our members are leaders in their markets," Mr. Khan said. "[When members of LRE speak, insights are] pretty representative of what is going on in the market."

The Jan. 18 "Luxury Hour" webinar was moderated by Mickey Alam Khan, president of **Luxury Portfolio International**, New York.

Market swaps

Hoby Hanna, CEO of America's eighth-largest brokerage Howard Hanna Real Estate Services, Steve Walter, realtor with Sarasota, Florida's top luxury brokerage Michael Saunders & Company, both left astute insights on the table, wrapping the "Luxury Hour" event with a back-and-forth on thoughts and themes for the months ahead.

Whereas expert comments preceding the last segment of LPI's webinar event shared luxury marketing analysis on the macro-level, both Mr. Hanna and Mr. Walter provided an unmatched level of regional expertise and anecdotal reference points with which to compare to larger themes relayed by LPI.

Speakers



Lawrence Yun
Chief Economist
National Association of REALTORS®



Chandler Mount
Founder and CEO
Affluent Consumer
Research Company



Hobby Hanna
CEO
Howard Hanna Real
Estate Services



Steve Walter
Realtor
Michael Saunders & Co.
Walter Group Real Estate

In conversation with **Mickey ALAM KHAN**, President, Luxury Portfolio International®



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SOLRE 2023: State of the Luxury Real Estate Market

"As an organization, as we did our strategic planning going into this year, feel that the first half of the year could be a little bit sluggish, but we think we'll see an uptick," Mr. Hanna said.

"The lack of inventory at every price point is a challenge," he said. "Whether it be sellers not knowing where to go, where their next move will be, or maybe they are tied to a lower interest rate and just need to see what will change that lifestyle."

"I do think we will get back to a much more robust market [in 2024]."

A third-generation practitioner, Mr. Hanna runs the real estate operation started by his grandparents in the city of Pittsburgh.

With a company presence in 13 states, Howard Hanna Real Estate Services is also Leading Real Estate Companies of the World's single-largest brokerage, though the firm has maintained independent ownership since its founding.

Mr. Hanna himself began as an agent, rising to a managerial role and beyond, and gaining a wider scope of the luxury industry along the way.

He offers insights regarding regional market fluctuation, stating that Western North Carolina and coastal Carolina markets are seeing the most interest, of the markets his company oversees. Indianapolis is also doing well with luxury listings, Mr. Hanna offers, as employment opportunities grow.

The expert's holding company trades under the Allen Tate name throughout the Carolinas, and with the SC Tucker name in Indiana, to corroborate insights.

He wraps with the observations that other local markets such as New York, Pennsylvania and Ohio are experiencing population drops, thus lessening the number of luxury home listings going live.

"I do not think we will see price drops," Mr. Hanna said.

"There is such a demand of buyers, and a lack of inventory, I do not think we are seeing any market, at any price point right now, that we cover, average sales price going down, so very optimistic."

Florida is currently one of the nation's hottest luxury markets. When prompted as to the state of sales in his dominion, Mr. Walter's analysis added color to the conversation from this perspective.

Are you signed up for LPI's next Luxury Hour, "SOLRE 2023: State of Luxury Real Estate Market"? Learn more and secure your spot now for the digital event on January 18th at 10 a.m. CST here: <https://t.co/ANlOoF9pKI> pic.twitter.com/TMcFLbAjwb

LuxuryPortfolio (@LuxuryPortfolio) **January 17, 2023**

"For what it is worth, to us the work that we do to help our clients in luxury find requirements and identify prospective properties and move to our area to enjoy the luxury lifestyle is so personal that the macroeconomic considerations are I don't want to say irrelevant, but are certainly overshadowed by the individual, personal, direct needs of each client that we engage with," Mr. Walter said.

The discussion progresses as experts are asked whether any respective shifts in strategy are planned for 2023, considering the set of unique factors at play.

"We are doing very much the same that we have done for many years," Mr. Walter said.

"It has been an opportunity for us to refocus on the basics, the old two ears, one mouth," he said. "It is trying to identify exactly what it is the client wants, listening to those requirements and then applying our knowledge and awareness of what is going on in the market, both on-market and pre-market, to be able to develop a luxury lifestyle solution in our area that is going to satisfy the requirements of the buyer or seller."

Mr. Walter briefly mentions bouts of "noise," attributing the cluttered space to those new-age agents and entities entering the area, seeking market share and causing disruptions, and using a less credentialed but tech-forward approach to do so.

His team has bolstered efforts in response, leaning into reputational value and existing relationships, "as opposed to allowing the new model, the online, the Gen X proclivity to say oh, it is a Zillow thing, anybody can do it, I already know the market," he shares.

On this point, Mr. Hanna agreed "150 percent."

SOLRE 2023

Topics of discussion during the webinar were each, in one way or another, rooted in the latest edition of LPI's "SOLRE 2023: State of Luxury Real Estate Market" report ([see story](#)).

Published at the top of this year, LPI's research concerns affluent consumers in almost 30 key markets worldwide across the Americas, Asia Pacific, Europe and the Middle East.

Two additional voices contributed to Wednesday's event with macro trends, data and analysis.

Chandler Mount, founder and CEO of Affluent Consumer Research Company and principal researcher at Luxury Portfolio International, is responsible for many of the firm's latest report findings.

National Association of Realtors chief economist Lawrence Yun also provided a number of insights, to be presented in subsequent coverage.