

REAL ESTATE

Share of affluent homeowners maintaining three or more properties up 10pc: report

June 12, 2023



By the end of 2022, the number of affluent individuals claiming three or more homes increased by 10 percent year-on-year. Image credit: The Institute for Luxury Home Marketing (ILHM)

By AMIRAH KEATON

A luxury real estate landscape defined by relocation, migration and multiple homeownership has emerged following a milestone May declaration from the World Health Organization (WHO).

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

The announcement, which downgraded the COVID-19 pandemic's status as a global emergency, sets a number of market implications into motion. A new North American assessment from The Institute for Luxury Home Marketing (ILHM) explores the long-term effects of the decisions made by the wealthy during the last three years, laying out an analysis of the demands soon-to-come from the cohort.

The **Luxury Market Report** is a monthly update that provides an in-depth look at over 100 of the top residential markets across the United States and Canada.

Lifestyle leads the way

Purpose-driven lifestyle decisions dominate ILHM's latest data set.

By the numbers, single-family homes sold for an average of 99.11 percent of the list price in April.

ILHM's calculations also conclude that the median luxury home sales for a single-family unit in April amounted to \$1,325,000, down \$55,050 year-on-year.



LHM's report depicts the average amount of days luxury properties spent on the market in April 2023. Image credit: LHM

After fleeing the city, opting to ride out the height of the pandemic in more rural and remote destinations, leading industry voices see a tangible mindset shift leading the way in the months ahead.

The insight is backed by a recent finding cited by the report, originating from Coldwell Banker Global Luxury. By the end of 2022, the number of affluent individuals claiming three or more homes increased by 10 percent year-on-year.

Changes in buyer attitudes concerning the prioritization of convenience have led to a rise in demand for move-in ready homes, especially in budding tech and medical hubs accommodating waves of affluent professionals.

Additionally, despite slow supply chains, homebuyers are evading extensive property searches and excessive price hikes by renovating current dwellings, going as far as to purchase land and build homes from scratch, opting to cover property taxes and costs associated with construction, which IHLM shares are currently often cheaper seeking out a resale outright.

"With remote work expected to be permanent for many high-income earners, secondary desires like creating generational wealth, the need for long-term wealth-building assets, and a strong push to spend quality time with their favorite people in memorable locales have coalesced around secondary homes, taking them from a niche market to a mainstay of the affluent lifestyle," said Katrina Johnston-Zimmerman, Philadelphia-based anthropologist and founder of THINK.urban, in an interview with the National Association of Realtors (NAR).

Top contenders

While New York City, Los Angeles, Chicago, and San Francisco remain top contenders in America on account of housing the wealthy, both Miami and Greenwich, Connecticut, as well as newcomer Austin, Texas, slot in under a list of the most notable cities for migration within the country.

In Canada, Oakville, Quebec, and Calgary continue to prove popular ([see story](#)).



Nearing the end of 2022, clients rushed to close property deals in Vancouver as a nationwide ban on foreign homebuyers loomed. Image credit: Unsplash

Besides cities based throughout the continent, and as low inventory prevails, HNWI's are exploring destination locales such as Dubai, Monaco and Malaysia more readily, spiking the volume of new luxury developments cropping up throughout the regions.

The strength of the U.S. dollar and increases in stateside taxes have encouraged these types of international acquisitions on the part of Americans.

Conversely, for Canadians, a two-year ban on foreign homebuyers ([see story](#)) is expected to drive pent-up demand.

Domestically, Park City, Utah and Naples, Florida in the U.S. and Canada's Okanagan Valley persist as full-time residential spots, rather than seasonal stops.