

REAL ESTATE

# Trending luxury real estate preferences push Pacaso over \$1B in annual revenue: report

December 21, 2023



Luxury second-home transactions in Newport County, Rhode Island were higher than usual this year, per company findings. Image credit: Pacaso

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By ZACH JAMES

Second-home marketplace Pacaso is reporting on shifting tides within the luxury listings landscape.

The platform has reached cumulative revenues of \$1 billion from properties across its real estate portfolio this year, as demand for vacation homes and alternate stays remains strong. As high-net-worth individuals seek options, the company's third annual [Top Second Home Markets Report](#) provides insight on leading luxury second home destinations to watch in 2024, based on this year's performances.

"In today's dynamic real estate landscape, it's no surprise to witness metro-adjacent counties like Fairfield and Westchester, leading the charts in second home transactions," said Austin Allison, CEO and cofounder of Pacaso, in a statement.

"With the onslaught of hybrid back-to-office policies by several companies, homebuyers are seeking the perfect blend of spacious, nature-centric living, all while maintaining the convenience of a short train ride to the city."

For the report, Pacaso identified the top U.S. luxury second home markets of 2023 by selecting the 10 counties with the highest year-over-year growth in closed transactions of second homes, or properties specifically designated for seasonal and/or recreational purposes, valued at over \$1 million from 2022 to 2023. Destinations to watch in 2024 are defined as the top U.S. counties that saw the biggest appreciation in second home value for homes priced above \$1 million from 2022 to 2023, and data was provided by real estate analytics firm First American Data & Analytics.

## Luxury conditions

Per Pacaso's most recent findings, Newport County, Rhode Island, tops a ranking of the 10 cities in the U.S. with the most substantial percent changes in 2023.

Up 64 percent in year-over-year luxury second home transactions as compared to 2022, the coastal town offers the vacation getaway appeal of a small New England locale, with the activities to match. Natural attractions such as Cliff Walk rival the area's renowned shops and restaurants.

The jump has boosted adjacent regions as well. Pacaso shares that Portsmouth, Rhode Island, about a 10- to 15-minute drive away from downtown Newport, recorded more than a 13 percent increase in transactions from 2022.

Daytona Beach, Florida follows the seaside spectacle.

Top 10 Markets With Biggest Increases In Second Home Transactions					
RANK	STATE	COUNTY	LANDMARK OR MAJOR CITY	YOY SECOND HOME TRANSACTION CHANGE	AVERAGE SALE PRICE
01	Rhode Island	Newport County	Newport	↑ 64%	\$2,003,945
02	Florida	Volusia County	Daytona Beach	↑ 19%	\$4,105,174
03	Maine	York County	Kennebunkport	↑ 16%	\$2,074,634
04	Connecticut	Fairfield County	Greenwich	↑ 14%	\$2,211,386
05	Maine	Cumberland County	Portland	↑ 14%	\$1,716,197
06	Arizona	Yavapai County	Prescott	↑ 13.9%	\$1,438,526
07	New Hampshire	Rockingham County	Portsmouth	↑ 13.8%	\$1,805,650
08	Nevada	Douglas County	Lake Tahoe	↑ 13%	\$2,405,663
09	Washington	Island County	Whidbey Island	↑ 11%	\$1,502,489
10	New York	Westchester County	Westchester	↑ 10%	\$1,949,085

Up 64 percent y-o-y in transactions, Newport, Rhode Island tops the list of popular second-home locations in the U.S. Image credit: Pacaso

Previous releases from the company highlight Florida's popularity.

The state dominated eight of the 15 spots in Pacaso's midyear study of second-home buys according to volume, which analyzed counties with the highest number of second-home transactions from the top of the year through May 3, 2023 (see [story](#)).

Three counties in Florida make the "Top Ten Markets to Watch in 2024" list this time around, including Volusia County, Indian River County and Orange County. Next year, vacation home transactions that occur within the municipalities are expected to see year-over-year price growth rates of 47 percent, 30 percent and 22 percent, respectively.

A peak at other contenders on the list reveals one interesting, social media-influenced theory.

"Expedia recently highlighted the phenomenon of 'destination dupes' budget-friendly alternatives to popular locations that have left a lasting impact on the travel scene," said Pacaso's Mr. Allison, in a statement.

"It seems this trend is extending into the real estate realm, with locales providing more affordable housing options while offering comparable amenities, access to outdoor activities, scenic beaches, and charming towns, akin to their more famous counterparts," he said. "Consider Bald Head Island, North Carolina, as a dupe to South Carolina's Kiawah or the Charleston barrier islands, Mt. Rose as a substitute for Tahoe's ski resorts, and even Golden, Colorado, as an alternative to the expected Colorado mountain towns."

The full report is live at [Pacaso.com](https://www.pacaso.com).

### Contributing factors

Alongside this, according to a report by The Institute for Luxury Home Marketing, more and more affluent homeowners in North America are maintaining three or more properties (see [story](#)), contributing to a rising bottom line for Pacaso, which is based in San Francisco.

Extending into 40 markets in five countries by the end of 2023, more than 1,500 clients now own second homes through Pacaso.

## Top 10 Markets To Watch In 2024 With Largest Price Appreciation YTD

RANK	COUNTY	2023 YTD AVG SALE PRICE	YOY% CHANGE
01	Volusia County, Florida	\$4,105,174	↑ 47%
02	Atlantic County, New Jersey	\$2,867,638	↑ 41%
03	Jefferson County, Colorado	\$2,725,746	↑ 37%
04	Indian River County, Florida	\$3,197,545	↑ 30%
05	Washoe County, Nevada	\$2,431,955	↑ 26%
06	Brunswick County, North Carolina	\$2,292,583	↑ 26%
07	Orange County, Florida	\$2,250,781	↑ 22%
08	Fairfax County, Virginia	\$1,730,929	↑ 20%
09	Plymouth County, Massachusetts	\$1,962,122	↑ 18%
10	Summit County, Utah	\$2,588,937	↑ 18%

For second-home sales, Pacaso flags the "Top Ten Markets to Watch in 2024." Image credit: Pacaso

Considering Pacaso specializes in secondary homes, rather than first or primary housing options, the record level of migration among could be a contributor to increased interest across the luxury real estate industry ([see story](#)).

"In 2023, we've achieved significant milestones establishing a thriving resale marketplace, expanding in core markets, closing the year with strong demand for co-ownership, and achieving 45 percent year-over-year growth in shares sold in November," Mr. Allison said, in a statement.

"Looking to 2024, Pacaso's focus is on expanding to new markets, both domestically and internationally, and continuing to provide life-enriching experiences to Pacaso owners," he said. "Our commitment to making second homeownership possible for more people through innovation remains unwavering as we embrace the opportunities that lie ahead."

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