

REAL ESTATE

# Ultra-luxury real estate transactions in Boston up 200pc: Compass

February 26, 2024



2023's market saw 1,560 homes change hands, a decrease from the year prior. Image credit: Compass

---

By ZACH JAMES

As economic uncertainty fuels widespread financial stagnation, real estate brokerage Compass is reporting that the high-end housing sector was no stranger to this trend last year.

Findings in the “[2023 Ultra-Luxury Report](#)” show a 15.26 percent decrease in sales in the ultra-luxury segment, defined as properties sold at \$10 million or above. Although large markets such as Manhattan and Los Angeles buoyed overall sales, smaller upscale regions, such as Boston, Massachusetts, and Jackson Hole, Wyoming saw the largest growth among the observed municipalities.

“The findings of this report are a testament to the compelling strength of the ultra-luxury sector even in the face of headwinds,” said Felipe Hernandez Smith, head of Compass Luxury, in a statement.

“The continued enthusiasm for ultra-luxury properties underscores the enduring value of exceptional real estate.”

For the report, Compass reviewed the residential transactions and sales volumes that totaled at least \$10 million across 79 U.S. markets from Jan. 1, 2023, to Dec. 31, 2023. Figures were sourced from public sales information from U.S.-based sales brokerages, as well as internal data.

## Large markets dominate

Overall, ultra-luxury real estate sales grossed \$26.8 billion in 2023, falling from \$29.5 billion the year prior and representing the lowest levels since 1995.

2023's market saw 1,560 homes change hands, down from more than 1,700 in 2022 ([see story](#)). Sales in Manhattan made up just over 16 percent of all ultra-luxury homes sold with 256 properties traded last year, grossing \$4.92 billion.



*New York City remains an ultra-luxury staple. Image credit: Compass/Durston Saylor Photography*

Despite this, sales in the market were down compared to 2022, dropping by 25.3 percent year-over-year (y-o-y). The figures are said to be on par with 2019's performance.

No matter, Compass states that the locale will continue to be one of the most in-demand housing sites in the world among affluent individuals.

"Amidst notable macroeconomic shifts, the ultra-luxury market in Manhattan experienced remarkable resilience over the past year," said Stephen Ferrara, founder of The Hudson Advisory Team at Compass, in the report.

"Despite a modest decline in overall luxury market activity, trophy property contracts achieved the third-highest performance in the last decade," Mr. Ferrara said. "Collector-quality assets experienced heightened demand, and this select group of affluent buyers remained unaffected by increases in mortgage rates; coupled with Manhattan's enduring desirability, we anticipate another robust performance in 2024.

"The consistent allure for high-quality properties continues to define this coveted market."



*New laws increased homebuying tax rates in Los Angeles by up to 6 percent. Image credit: Compass*

Other large luxury markets are, conversely, performing well.

Greater Los Angeles was the second-best in terms of sales in 2023, grossing \$4.35 billion, outpacing pre-pandemic figures.

The first half of the year generated a large percentage of the final numbers, as high-net-worth individuals (HNWIs) dodged the onset of the city's new mansion tax ([see story](#)), legislation that has been widely contested. Compass agents note that more and more homebuyers have been opting for all-cash purchases to get around rising interest rates, a phenomenon that has led to the avenue reaching an all-time high in usage ([see story](#)).

### **Non-traditional risers**

South Florida, Silicon Valley, Orange County, the Hamptons and Aspen rounded out the top ultra-luxury markets by sales last year.

However, of the 79 markets tracked in the report, only 23 saw y-o-y increases in ultra-luxury sales. Boston, Phoenix and Jackson Hole led this group of rallying locales.

[View this post on Instagram](#)

A post shared by Compass Luxury (@compassluxurydivision)

Boston, specifically, is stated to be in the midst of a “luxury renaissance,” its sales jumping 200 percent compared to 2022, selling 22 homes for \$10 million or more.

“In Boston, there has been an uptick in demand for full-service buildings, catering to the preferences of discerning buyers who value convenience and luxury living; these ultra-luxury offerings were not available just a few years ago,” said Mr. Hernandez Smith.

“Simultaneously, the market for historic homes continues to have heightened appeal,” he said. “Wyoming presents an intriguing proposition for buyers seeking distinctive homes coupled with the added allure of a tax-friendly environment; this combination makes Wyoming an attractive destination for those seeking both aesthetic appeal and financial advantages.

“The allure of Paradise Valley lies in its exceptional location, providing residents with a blend of tranquility and sophistication amid breathtaking landscapes.”

Jackson Hole’s market grew by 83.3 percent y-o-y, with the Paradise Valley area near Phoenix following suit to the tune of 22.7 percent.

These non-traditional ultra-luxury markets rising among the affluent should come as no surprise to those in the industry. HNWI’s are increasingly opting for properties that complement their individual lifestyles ([see story](#)), from big cities’ bustle to nature’s charm and everything in between.