



October Luxury Insights Report Summary: The Growing Appeal of Emerging Markets

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As millennials and aging baby boomers look to downsize, areas outside of the usual coastal luxury destinations are responding with a new urbanist approach to luxury. Condo developments in safe, walkable areas are continuing to rise in popularity, and today's luxury home buyer is willing to pay top dollar for properties that mix work, play, and community.

Though the market appears static, these growing pockets of new luxury are showing incredible potential.

October's real estate market trends show an overall buyer's market

While September's Luxury Insights Report revealed a balanced market overall, October's luxury home market has officially shifted towards the buyer's advantage in most markets.

Congruent with the real estate market trends that we have seen throughout most of 2019, these buyers are seeking homes that support active, efficient, eco-friendly lifestyles with the newest amenities.

They are not as interested in large, labor-intensive estates, and as a result, many upper-tier market homes are seeing longer listing times (although, it should be noted that these estates have historically taken longer to sell).

Therefore, the slowing of sales in some upper-tier markets has less to do with upper-tier price points and more to do with the types of properties being offered and the way they are being marketed to today's buyer. Buyers are still willing to pay upper-tier prices, just as long as they consider the price to be a match to the lifestyle they're seeking.

Recently, Los Angeles saw a record-breaking sale at \$119 million, while luxury homes in Florida, Denver, and Texas saw sales that were 94-100% of their asking price.

At this time, luxury home sellers can still capitalize on this changing market by working with well-educated real estate professionals who can position their home to align with today's luxury buyer's desired lifestyle. For instance, a large, luxury ranch can play to a buyer's preference to stay active, while an older, larger estate can support co-living with extended family.

Additionally, paying close attention to what is selling in the area and listening carefully to buyers' expressed pain points during showings can help agent and seller tailor the listing to increase its perceived value among the abundance of inventory.

In some cases, sellers may need to be willing to update their home before listing, while luxury real estate agents may have more success by privately listing larger estates to avoid listings publicly sitting on the market for too long.

An increasing number of wealthy buyers are seeking co-living and rental opportunities

Another emerging trend in October's report shows that there is a rising number of wealthy buyers who are seeking both co-living and rental opportunities.

While this is especially true among younger, millennial buyers, current real estate market trends show that buyers among all age groups are placing more value in having a sense of community.

Luxury condos with common spaces such as rooftop gardens, wine bars, dog areas, and coffee lounges are growing in popularity in response to the recent focus on social well-being.

Markets like Austin, Fort Worth, Seattle, Raleigh, and others outside of the usual Los Angeles and New York luxury markets are spearheading the development of these new, luxury condo developments.

The trend is creating a "cool suburbia" in those areas that some are calling "hipsturbia".

Even the aging sector of the luxury home market is choosing to downsize in favor of having easy access to new experiences. Rather than choosing large estates or moving into senior housing, this particular demographic is also becoming a part of the "hipsturbia" scene and choosing quality over space. They, too, prefer newer, modern amenities and environmentally-friendly design.

With these unprecedented shifts, it has become increasingly important for luxury real estate agents to actively listen to buyers and sellers and to be ready to take on the role of consultant for either group.

Our Luxury Live Events and Online Luxury Trainings are a great way to network with other elite luxury real estate agents and learn how top-tier agents navigate real estate market trends.