THE 2026 MID-YEAR REPORT

STATE OF LUXURY

A look at the people, places, and trends shaping luxury real estate

Table of CONTENTS

Disclaimer

Executive SUMMARY

- **"The portfolio mindset" with prime luxury real estate as the ultimate blue-chip investment:** High-net-worth and ultra-affluent individuals are shifting from volatile "paper wealth" to tangible real estate. A staggering 82.3% of surveyed Luxury Property Specialists report that their clients are actively maintaining or increasing their real estate holdings. (Page 36)

- **Outpacing the mainstream:** Data from the Institute for Luxury Home Marketing ("The Institute") found the U.S. luxury market posted a 1.2% YOY sales growth rate as of May 2026 — nearly double the 0.7% growth rate NAR reported for the broader market. (Page 45)

- **The affluent are pouring more money into luxury homes:** According to The Institute, the data, for the top 10% of 120 U.S. markets analyzed, shows a $4.36 billion increase in total real estate dollar volume for 2026 YOY as of May 2026. Of that, $2.2 billion — over 50% of the entire luxury market's growth — was driven by the ultra-exclusive top 1-5% single-family home segment, representing a 5.3% increase YOY. (Pages 19 & 45)

- **Wealth gaps split the luxury sector:** Per The Institute, the top 5% of luxury transactions accounted for 65.6% of total single-family dollar volume and 64.8% of the attached segment's dollar volume during the first five months of 2026. This lopsided spending power is evident in the median sold price of single-family homes: the top 5% rose 8%, and the top 1% climbed 6.5%, while the top 10% trailed at 4.7% YOY. (Pages 17 & 19)

- **Single-family homes power luxury sales growth:** The appetite for detached properties continues to outpace attached properties. Single-family sales climbed steadily month over month through May 2026, averaging a 2.8% increase over 2025, per The Institute. Conversely, the attached market contracted, with total sales dropping 3.8% YOY. (Page 16)

- **Space, land, and unique properties are highest in demand:** Per JamesEdition data, global inquirires for €10 million+ ($11.5 million USD) and homes with 5+ bedrooms had the strongest growth. Global inquiries jumped 146% YOY for "unique properties" and 97% for land inquiries. (Page 26)

- **Agent confidence surges:** Over 78% of surveyed Luxury Property Specialists reported feeling confident about the overall health of the luxury market heading into the second half of the year. This optimism is rooted in strong forward projections: 72% expect luxury sales to hold steady or increase through the second half of 2026, while 74.6% project luxury home prices to remain stable or rise. (Pages 16-21)

- **Low inventory amplifies scarcity premium:** Declining inventory is acting as a catalyst for value rather than a constraint on demand. Average monthly luxury inventory fell by 3.7% for single-family homes and 6.1% for attached properties, for the first five months of 2026, according to The Institute. Compounding lack of supply for prime real estate has driven the single-family median sold price up 4.7% YOY to $1,830,899, while keeping days on market at a swift 33 days. (Pages 17-20)

- **The emergence of "shadow inventory":** Affluent sellers who chose to sit on the sidelines for the first half of 2026 may not be totally out of the market. Instead, they may be part of a latent supply that could hit the market later in the year if the mortgage rate 'lock-in effect' eases. Indeed, a majority (58.8%) of surveyed Luxury Property Specialists expect inventory to increase slightly through the year-end. (Page 21)

- **Global inquiries on the rise, with a California comeback possible:** Total global luxury real estate inquiries on JamesEdition jumped by 50.8% in the first five months of the year. Inquiries for U.S. luxury real estate doubled YOY. New York and California remain top choices for non-U.S. buyers. (Page 25)

- **The rise of the low-compromise and AI buyer:** Watch for a luxury real estate environment dominated by data-driven buyers who refuse to settle. 43% of surveyed Luxury Property Specialists named the "low-compromise buyer" as the top buying trend this year; 51% also stated that they see luxury buyers "rarely" making trade-offs. (Page 39)

IN REVIEW 2026

BRANDON NEWMAN
Vice President of Marketing at Coldwell Banker Real Estate LLC

For almost a century, the Coldwell Banker Global Luxury® program has served as a guide for professionals and their clients navigating the world's dynamic luxury real estate markets. Today, that constancy is indispensable.

This mid-year analysis is a direct reflection of that heritage, bringing together the collective intelligence and shared expertise of a global network of analysts, advisors, and luxury specialists. It is part of a legacy that predates us, and one we hope outlasts us, too.

By analyzing the market through this unified lens, we gain a clearer understanding of how today's high-net-worth individuals are moving amid trade friction, tariff brinkmanship, and escalating geopolitical tensions. For some, the search for stability this year has brought them back to luxury real estate as a reliable hedge and long-term wealth-preservation strategy; for others, it has inspired a temporary pullback as they wait and see how this uncertainty shakes out.

THE MID-YEAR SCORECARD

To unpack these dynamics and measure our January forecasts against what has happened so far, we analyzed data provided by the Institute for Luxury Home Marketing ("The Institute") and JamesEdition, the leading international luxury marketplace, as well as surveyed more than 50 Luxury Property Specialists within the Coldwell Banker® network, the majority of whom rank in the top 5% of their local markets. This small but exclusive group provided us with a more intimate look at the highest segments of the market, which are behaving differently than in prior years. Then, we leaned on the same formidable brain trust from last year's mid-year report: **Dr. Jessica Lautz**, Deputy Chief Economist and VP of Research at the National Association of REALTORS®, and **Winston Chesterfield**, founder of Barton Consulting and a leading authority on global affluent consumer behavior.

The Stability Effect

The Trend Report 2026 predicted a year of stability. The data has largely borne that out: overall the median sold price for luxury properties has held steady and the volume of sales has risen consistently over the first five consecutive months of 2026.

What wasn't fully anticipated was an inventory anomaly. In 2026, inventory levels as well as new listings declined, tipping conditions back toward a seller's market. Volatile equities, persistent uncertainty in interest rates, and geopolitical pauses likely caused this standoff. Inventory is expected to rebuild when outside pressures settle, and sellers recognize that current market conditions strongly support action.

That said, the market has also become highly segmented. National narratives tell only part of the story. Hyper-local dynamics, realistic pricing, inventory composition, and buyer demographics are increasingly determining market performance.

Real Estate as a Strategic Asset

"In periods of economic turbulence, real estate continues to serve as a stabilizing force in wealth portfolios," said Maeen Shaban, Director of Research and Analytics at Altrata in The Trend Report 2026. Now, at the mid-year mark, this trend appears to have staying power.

Global wealth has climbed dramatically over the past five years. At the same time, stock market volatility has tilted high-net-worth individuals towards tangible, geographically diversified assets like luxury real estate. A majority of surveyed Luxury Property Specialists reported that asset diversification is a primary driver for their clients.

This reality aligns with macroeconomic patterns, Lautz told us. "Historically, in times of uncertainty," she said, "people move their money from the stock market and into a safer asset, which is housing." We can see this in the current market data for single-family luxury homes. Year-over-year, the percentage growth in total dollar volume is outpacing the rise in actual sales by nearly 2-to-1.

This flight to higher-priced real estate underscores a shift: luxury property is evolving from a lifestyle acquisition into a core pillar of long-term wealth management. Today, real estate is an inflation hedge, a diversification tool, and a legacy asset all wrapped into one.

The Age of Inheritance

"The Great Wealth Transfer is a process, not an event," Chesterfield told us. A $38.3 trillion generational wealth transfer, as estimated by Altrata in The Trend Report 2026, is now underway — and it's altering luxury property demand in a few ways.

Some ultra-high-net-worth families are already transferring wealth now, through the acquisition of legacy properties and multigenerational compounds. When younger buyers do inherit their wealth, they're approaching real estate differently than previous generations. According to the UBS Next Generation Report 2026,[1] over 30% of these younger affluent buyers are focusing on sustainable and impact investing. They also view wealth as stewardship rather than consumption. In this report, we'll take a closer look at how these evolving mindsets could lead to new trends across geographic locations and property types.

The Value Paradox: Consumer Trends Driving Customization

At the start of the year, affluent consumers were shifting their discretionary dollars toward the home in a practice known as "nest investing." It shows where they're assigning value amid inflation, tariffs, rising labor costs, and higher borrowing rates.

See page 52 for a full list of resources.

Yet, while the affluent are more cognizant of macro-economic pressures, they don't appear to be pulling back on spending. As Colleen Baum, Senior Partner at McKinsey, explained in The Trend Report 2026, this demographic continues to spend on categories such as experiential travel and dining, but "data consistently shows spending on the home as one of the most stable categories." Luxury executives surveyed for Deloitte's Global Powers of Luxury Report 2026[2] agreed, anticipating that this year would be defined by a shift toward experiential luxury and a more value-conscious mindset.

Indeed, luxury consumer spending has remained resilient, reinforced by recent earnings[3] from Ralph Lauren, Williams-Sonoma, and American Express. Even the Federal Reserve, in its latest Beige Book[4] report, called out "unapologetic luxury" spending as it described a K-shaped economy in which higher-income consumers are driving strong demand for premium goods and services, while lower- and middle-income tiers remain price-sensitive. This bifurcation has found its way into the luxury segment, too. When UBS raised its global market outlook in May, the firm cited sustained consumer spending at the top tier.

Given this insulated spending power, what does "value" actually mean to an affluent consumer evaluating a real estate acquisition this year? We put this question to JamesEdition CEO **Eric Finnas Dahlstron** in this report.

Living Larger, But Not for Size's Sake

Data from The Institute and JamesEdition show that affluent buyers continue to be drawn to more space. But the motivation is not size for its own sake. Larger footprints support modern lifestyle demands like multigenerational living, remote work, and wellness amenities. With historical data showing that homeowners are staying in their homes longer, a larger home offers another advantage: long-term flexibility. This desire has given rise to the trend of "landmaxxing," where a homeowner purchases the property next door to safeguard views, privacy, or the ability to build a future compound.

Some key demographics are also driving the shift toward larger footprints. Baby Boomers are defying expectations by refusing to downsize as they age, and younger buyers entering the market through generational wealth transfer are bypassing smaller starter homes.

New Blueprint for Luxury Living

The amenities that today's buyers want have not changed dramatically from prior cycles, but the intention behind them has. As we noted in The Trend Report 2026, a checklist of specific features does not define value. Rather, it's how those elements integrate to improve how people live, feel, relax, work, and connect.

This shift is why multigenerational spaces and flexible floor plans are on the rise. Similarly, we've seen outdoor spaces evolve into year-round sanctuaries designed to transition from social entertaining to recreation and self-care.

THE BOTTOM LINE

In our January launch of The Trend Report 2026, we titled our outlook "The Resilience of Luxury." That resilience is still very much in play today. But if I had to choose a new word right now, it would be *constancy*.

Constancy is the quality of being steadfast, unchanging, and dependable. Buyers' demand for quality, scarcity, wellness, privacy, and legacy speaks directly to their desire for constancy. It is why the foundation of luxury real estate remains strong, and why the Coldwell Banker Global Luxury® program will be here as your anchor, as we have been for generations. ■

See page 52 for a full list of resources.

2026 Mid-Year *STATISTICS*

Now at the halfway point of 2026, an in-depth analysis helps clarify the market's current path and outlook.

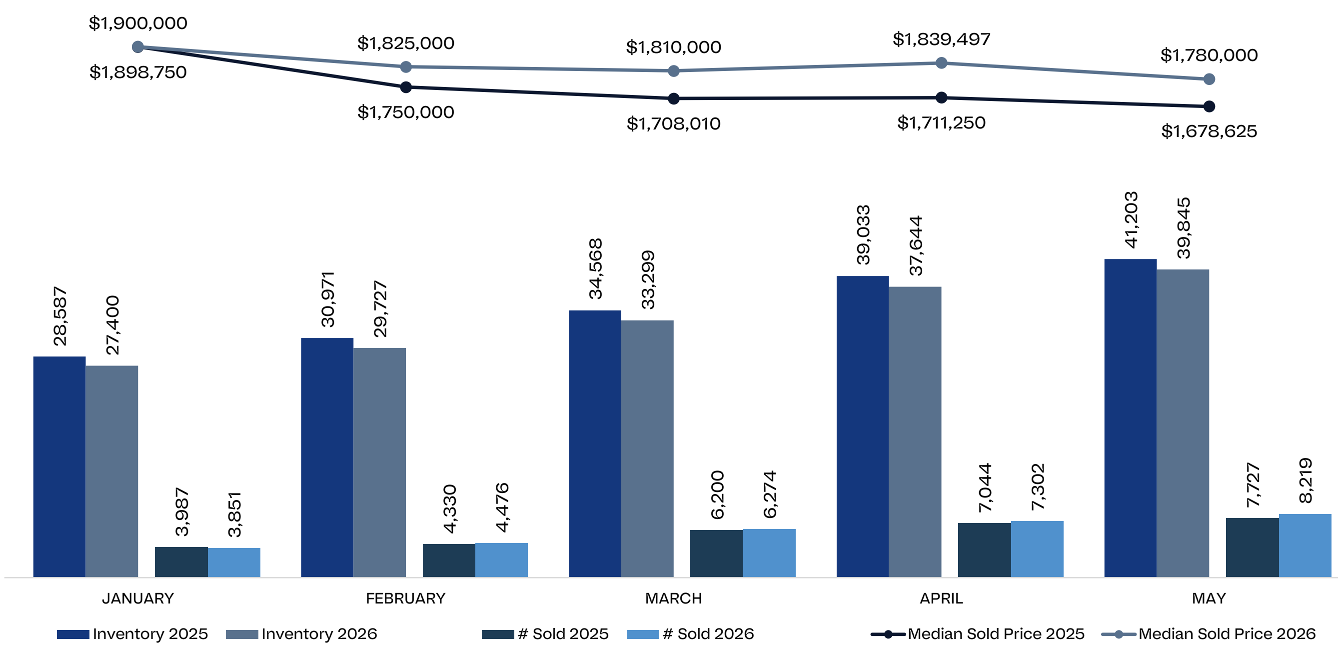
The report examines luxury single-family and attached home performance for the first half of 2026, comparing key metrics to the same period in 2025:

- Total monthly sales
- Average monthly sales
- Median sold prices
- Inventory levels
- Sold price per square foot
- Average list-to-sold price percentages
- Days on market
- Sales ratio from 2024 to 2026

By comparing these metrics, we were able to uncover key trends driving the luxury housing market on a year-over-year and month-to-month basis.

SINGLE-FAMILY HOMES

MONTHLY MARKET COMPARISONS | JANUARY - MAY 2025 VS. 2026



VARIANCE COMPARISON | JANUARY - MAY 2025 VS. 2026

Average Monthly Inventory	
VARIANCE	↓ 3.7%
2025	34,872
2026	33,583

Average Monthly Sales	
VARIANCE	↑ 2.8%
2025	5,858
2026	6,024

Median Sold Price	
VARIANCE	↑ 4.7%
2025	$1,749,327
2026	$1,830,899

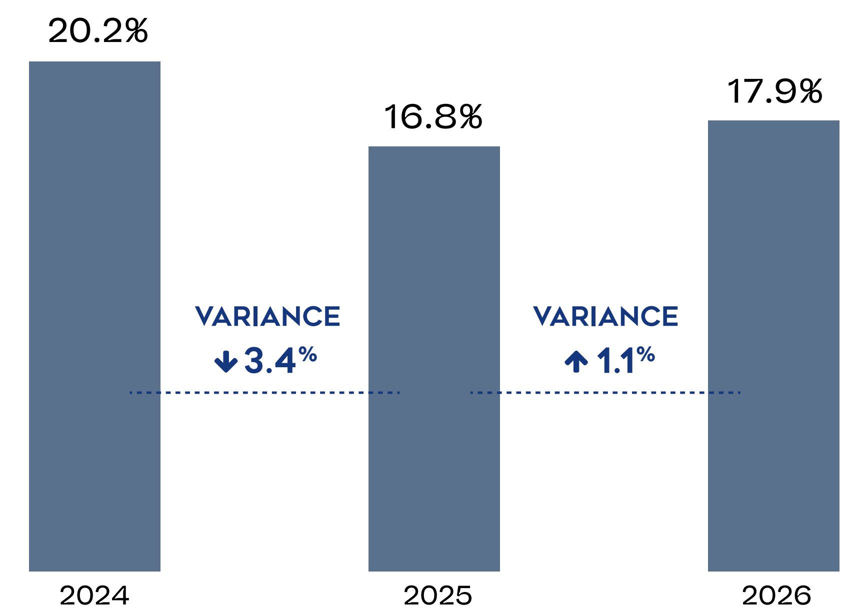
Sold Price per Square Foot	
VARIANCE	↑ 0.1%
2025	$508.81
2026	$509.51

Average SP/LP Ratio	
VARIANCE	↓ 0.2%
2025	98.0%
2026	97.8%

Days on Market	
VARIANCE	0.0%
2025	33
2026	33

Source: Institute for Luxury Home Marketing

MARKET STATUS SALES RATIOS* | JANUARY - MAY 2024 TO 2026



MARKET SUMMARY | **MID-YEAR 2026**

Overall, results from the first five months of 2026 show that the luxury single-family market is outperforming 2025:

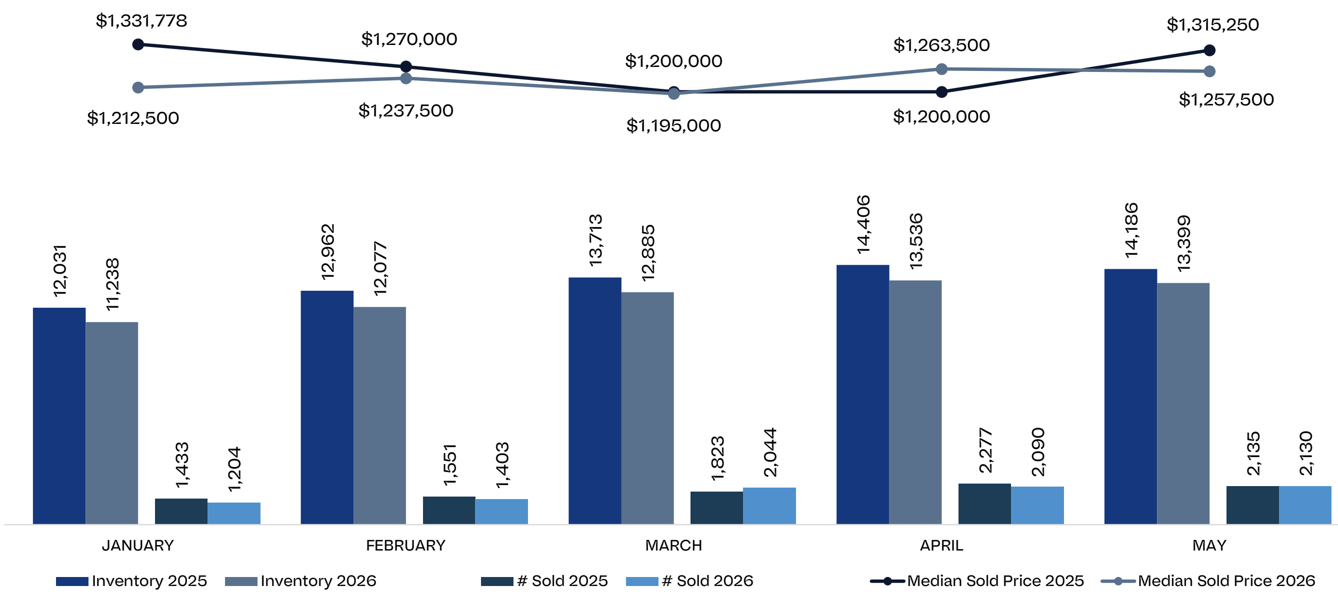
- Inventory decreased by an average of 3.7% monthly, and fell by 3.6% year-over-year in May.
- Sales volume averaged a 2.8% increase, and increased by 6.4% year-over-year in May.
- Median monthly sold price rose by 4.7% on average, with May up 6.0% year-over-year.
- Properties continued to sell close to list price, averaging 97.8%, with May at 98.3%.
- Average days on market held steady at 33 days.
- The luxury single-family market remained balanced, averaging a 17.9% market status sales ratio, ending May at 20.6%

*Market Status Sales Ratio defines market speed and market type: Buyer's <12%; Balanced >12 to < 21%; Seller's >21%. If >100% MLS® data reported previous month's sales exceeded current inventory.

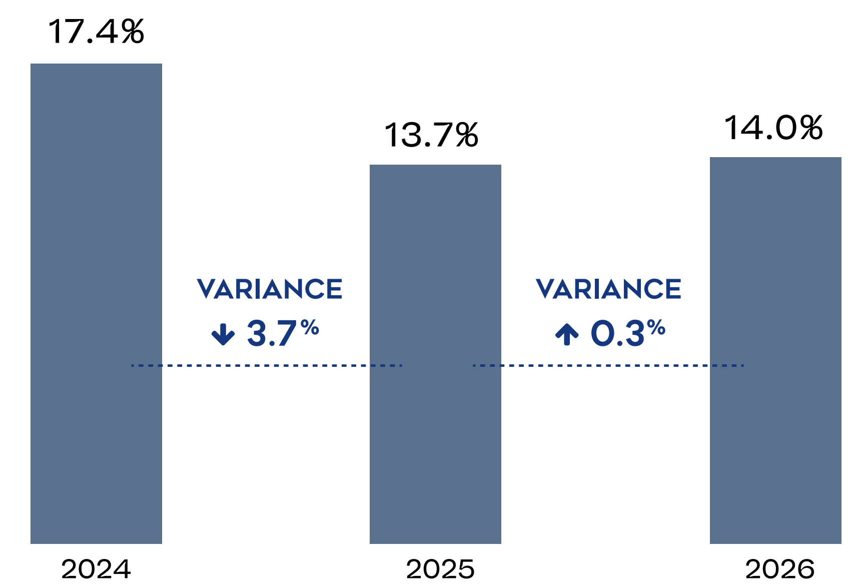
Source: Institute for Luxury Home Marketing

ATTACHED PROPERTIES

MONTHLY MARKET COMPARISONS | JANUARY - MAY 2025 VS. 2026



MARKET STATUS SALES RATIOS* | JANUARY - MAY 2024 TO 2026



VARIANCE COMPARISON | JANUARY - MAY 2025 VS. 2026

Average Monthly Inventory		Average Monthly Sales		Median Sold Price	
VARIANCE	**↓ 6.1%**	**VARIANCE**	**↓ 3.8%**	**VARIANCE**	**↓ 2.4%**
2025	13,460	2025	1,844	2025	$1,263,406
2026	12,635	2026	1,774	2026	$1,233,200

Sold Price per Square Foot		Average SP/LP Ratio		Days on Market	
VARIANCE	**↓ 4.4%**	**VARIANCE**	**↓ 0.2%**	**VARIANCE**	**↑ 24.4%**
2025	$657.07	2025	98.5%	2025	30
2026	$627.91	2026	98.3%	2026	37

Source: Institute for Luxury Home Marketing

MARKET SUMMARY | **MID-YEAR 2026**

Overall, results from the first five months of 2026 show that the luxury attached property market is slower than 2025:

- Inventory decreased by an average of 6.1% monthly, with May seeing a 5.5% decrease year-over-year.
- Sales volume fell 3.8% on average, but only by 0.2% in May year-over-year.
- Median monthly sold price fell by 2.4% on average, with May down a further 4.4% year-over-year.
- Properties continued to sell near to list price averaging 98.3%, with May remaining at 98.3%.
- Days on market averaged 37 days, with May up by 7 days compared to 2025.
- The luxury attached market remained balanced, averaging a 14.0% sales ratio, ending in May at 15.9%.

*Market Status Sales Ratio defines market speed and market type: Buyer's <12%; Balanced >12 to < 21%; Seller's >21%.
If >100% MLS® data reported previous month's sales exceeded current inventory.

Source: Institute for Luxury Home Marketing

Market *SYNOPSIS:*

DECODING THE DATA

What the Numbers Reveal About Today's Luxury Market Trends

In the first half of 2026, the luxury housing market proved once again that it follows its own rules. The high-end sector remained steady, largely untouched by the pressures slowing the broader market.

To understand the forces driving this stability, we analyzed luxury home data across 120 key U.S. markets provided by The Institute for Luxury Home Marketing ("The Institute"). Then we integrated May 2026's survey data from a small yet exclusive group of over 50 Coldwell Banker® affiliated agents who hold the Luxury Property Specialist designation. More than three-quarters of these surveyed professionals (76.5%) operate within the top 5% of their local markets. Their frontline perspectives add an important layer of insight, revealing exactly how shifting buyer and seller behaviors are playing out across sales, inventory, and pricing at the highest tiers of the market.

GROWING DIVERGENCE WITHIN THE LUXURY MARKET

In The Trend Report 2026, we highlighted the clear divide between the traditional and luxury real estate markets. However, as we review the first half of 2026, it is becoming evident that this divergence has now manifested within the luxury market sector itself.

When we look closely at the first half of 2026, the appetite for luxury residential real estate appears to be strong. However, a divide has started to form within the luxury segment. At the apex of the market — particularly within the luxury detached single-family and ultra-luxury sectors — liquidity runs deep and affluent buyers in these sectors tend to operate on a different financial wavelength, generally more insulated from higher interest rates and economic anxieties felt in lower wealth tiers.

Conversely, the entry-level and lower tranches of the luxury market are telling a more cautious story. In these price tiers, where transactions are more often tied to the realities of leverage and mortgages, we are seeing buyers and sellers pause in a way that closely mirrors the mainstream housing market.

WHERE THE DATA SPLITS

This divergence becomes visible when you look at the performance data for the first five months of the year.

Overall, as per The Institute, sales in the luxury single-family home segment have climbed not only month-over-month since January 2026 — following the normal spring seasonal pattern — but also at a higher rate than in 2025, averaging a steady 2.8% increase per month. The median sold price of a luxury single-family home followed a similar trajectory, resulting in a 4.7% increase in the first five months of 2026 compared to the same period in 2025.

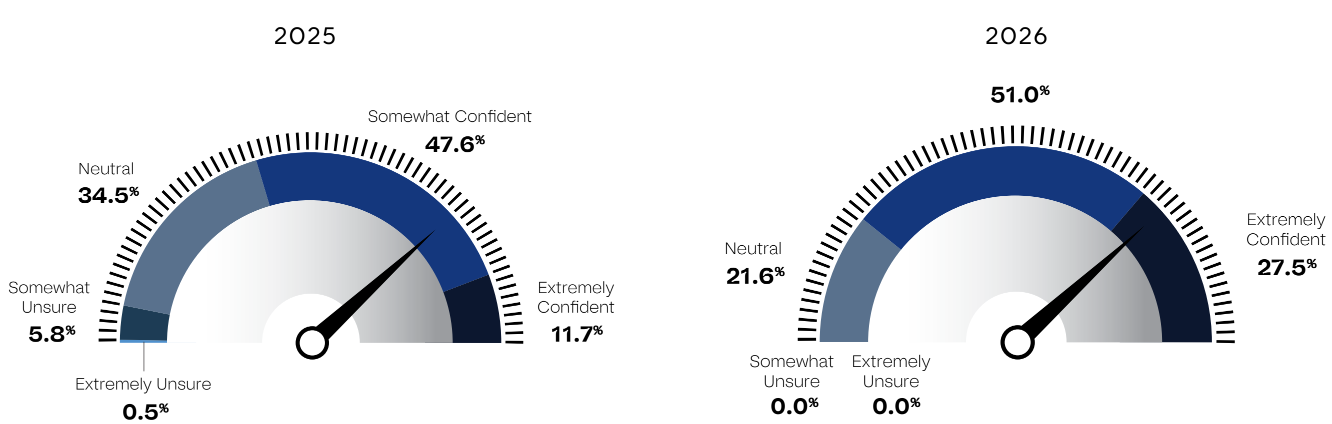
While sales increased monthly in the attached property market following a typical run-up to the spring buying season, they moved at a slower rate — resulting in a year-over-year decrease in total sales by 3.8%. Similarly, the median sold price for the first five months of the year fell by 2.4% compared to 2025.

THE VIEW FROM THE TOP: AGENT CONFIDENCE

Because the May 2026 survey captured Luxury Property Specialists who operate primarily within that resilient, ultra-luxury tier, their overall outlook on the remaining 2026 market is notably more optimistic. More than 78% of the surveyed Luxury Property Specialists in May 2026 reported feeling somewhat or extremely confident about the overall health of the luxury market — an increase from the 59.3% who said the same in our May 2025 survey.

Bottom Line: While these professionals remain clear-eyed about the conditions they work in — flagging inflation worries, greater buyer discernment, and a volatile equity market that is accelerating the flight to real estate in interviews — their outlook on the fundamentals holds firm.

MARKET CONFIDENCE BAROMETER YOY



Source: Coldwell Banker Surveys of Luxury Property Specialists, May 2025 and 2026

CHARTING A K-SHAPED LUXURY MARKET

We know that affluent buyers have remained largely insulated from the economic pressures hampering the broader housing sector. But the divide becomes starker the higher up in the market you go. With deep pools of cash and the freedom to live anywhere, the wealthiest buyers are increasingly turning to high-end real estate. It is a strategy often encouraged by their wealth managers, who view premium properties as a hedge against equity market volatility.

This has split the luxury market into two distinct tracks. While the entry- and mid-level segments are far larger in mass, it is the ultra-affluent driving a disproportionate share of total dollar spending on real estate. As a result, the entire luxury sector is being reshaped by four core dynamics:

1. **The Capital Divide:** A widening gulf has emerged among price tiers, property types, and locations, dictated by a buyer's wealth.
2. **Concentration at the Top:** Luxury spending is increasing overall, but it is becoming highly concentrated in the extreme upper end of the market, with the top 5% of sales and dollar volume dominating the landscape.
3. **The Inventory Squeeze:** Inventory growth has slowed despite ongoing, targeted demand at the top.
4. **The Scarcity Premium:** This compounding lack of supply is driving up intrinsic value, keeping median sold prices on a steady upward trajectory year-over-year.

THE WEALTH EFFECT ON PRICING POWER AND DEMAND

Current pricing reflects an uneven market. The steady increase in median sold prices, for example, is not necessarily a rising tide lifting all boats. Instead, it highlights how heavily the ultra-luxury and single-family segments are carrying the overall market while other segments lag.

As per The Institute, the luxury single-family median sold price climbed to $1,830,899 in May 2026 — a 4.7% increase from May 2025. Meanwhile, days on market held perfectly steady at a brisk 33 days, matching 2025 benchmarks. By contrast, the attached luxury market slowed: the median sold price dropped 2.4% year-over-year to $1,233,200, while properties lingered on the market for an average of 37 days, up from 30 days the previous year.

The true velocity of this market, however, is revealed at the peak. The increase in single-family values has been driven almost entirely by the top wealth tiers. The top 5% recorded an 8% increase in median sold price in 2026 compared to 2025 and the top 1% rose by 6.5%, while the broader top 10% of the market only increased by only 4.7%

LUXURY MEDIAN SOLD PRICE (MAY 2025 VS. 2026)

	Top 1% Change	Top 5% Change	Top 10% Change
Single-Family Homes	6.5%	8.0%	4.7%
Attached Properties	-2.9%	-4.9%	-2.4%

Source: Institute for Luxury Home Marketing

This annual growth in single-family home prices is particularly striking when measured against the modest 1.0% price increase recorded between 2024 and 2025 for the top 5%, perhaps signaling an acceleration in demand for ultra-luxury trophy assets.

The strength of this segment reflects ultra-affluent buyers' continued pursuit of unique, highly desirable properties in premier locations. With limited inventory available, competition for trophy homes offering exclusivity, privacy, exceptional amenities, and lifestyle appeal has intensified — driving prices higher.

By contrast, the attached luxury market has experienced both declining sales and falling median prices, particularly within the top 5%. Affluent buyers this year seem to be prioritizing space, privacy, and lifestyle flexibility over the convenience of a lock-and-leave experience promised by attached properties as they question the ROI of condo fees, assessments, restrictions, and shared amenities.

As a result, the gap in pricing performance between luxury single-family and attached properties continues to widen.

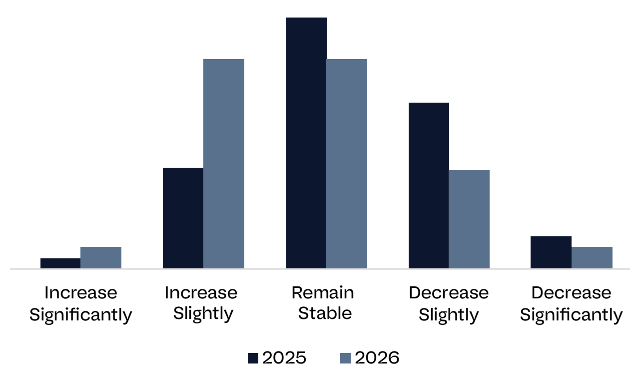
Price Outlook

Indeed, the Luxury Property Specialists surveyed in May 2026 for this report express overriding confidence in the price power of luxury homes heading into the second half of the year.

The vast majority (74.6%) of them anticipate prices will remain stable or increase slightly. Only 17.6% expect a slight decrease. Very few foresee dramatic movement in either direction.

This optimistic outlook largely mirrors their sentiments from the May 2025 survey, with one notable improvement: skepticism seems to be fading. A year ago, nearly 30% of surveyed Luxury Property Specialists predicted prices would dip, while 62.7% braced for a flat or slightly positive market.

WHERE HOMES SALES ARE HEADED



Source: Coldwell Banker Surveys of Luxury Property Specialists, May 2025 and 2026

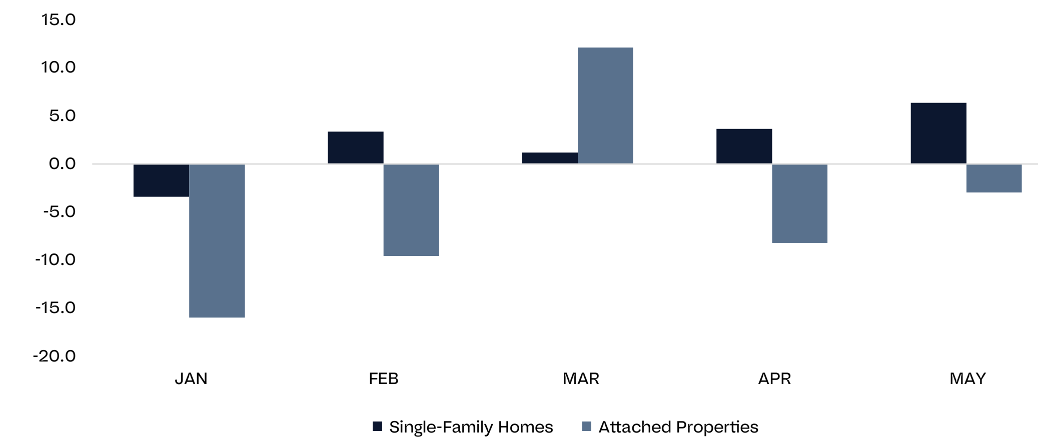
Bottom Line: Luxury home values are holding, and most agents expect them to stay that way.

SALES AND DOLLAR VOLUMES DIVERGE

While the luxury real estate market continues to attract substantial capital, a look beneath the surface reveals a stark divergence between total dollars spent and actual transaction velocity. As per The Institute, when comparing the first five months of 2026 to the same period in 2025, gross dollar volume rose by 5.5% in the single-family segment and 4.4% in the attached sector.

But when you look at the sales data for the same January through May periods, it tells a much more nuanced story of a market consolidating at the top. Single-family home sales generally increased year-over-year, while attached home sales declined, suggesting that market growth is being driven primarily by the upper end of the luxury market.

MONTHLY SALES VARIANCES | JANUARY - MAY 2025 VS. 2026



Source: Institute for Luxury Home Marketing

Zoom in on the market share picture, and the gap between the top tiers gets even more pronounced. For instance, the top 5% of luxury transactions in the first five months of 2026 accounted for a staggering 65.6% of total dollar volume in the single-family sector and 64.8% in the attached segment. More notably, the top 1-5% bracket alone accounts for 42.8% of single-family dollar volume and 42.7% for attached properties, with both segments capturing a larger share of the market than they did during the same timeframe in 2025.

LUXURY HOME SALES DOLLAR VOLUME SHARE (2025 VS. 2026)

	Top 1% Change	Top 1-5% Change	Top 5-10% Change
Single-Family Homes	22.8%	42.8%	34.4%
Attached Properties	22.1%	42.7%	35.2%

Source: Institute for Luxury Home Marketing

This capital concentration is also notable when examining growth patterns within the single-family sector between 2025 and 2026. In the broader luxury tier (the top 5-10%), sales volume grew by just 2.5%, with dollar volume rising 6.0%. Conversely, the ultra-luxury tier (the top 1-5%) saw sales jump 3.6% and dollar volume surge by 7.8% over last year's benchmarks.

LUXURY SINGLE-FAMILY HOME SALES AND DOLLAR VOLUME CHANGE (2025 VS. 2026)

	Top 1% Change	Top 1-5% Change	Top 5-10% Change
Volume of Sales	1.5%	3.6%	2.5%
Dollar Volume	0.7%	7.8%	6.0%

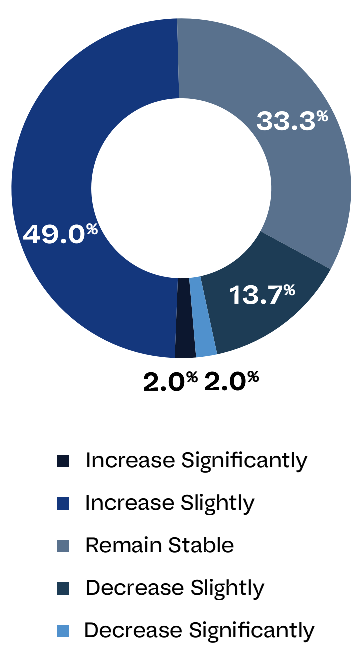
Source: Institute for Luxury Home Marketing

In short, the wealthiest buyers in 2026 are purchasing higher-value properties more aggressively, while entry-level luxury buyers seem to be exercising greater caution than they did a year ago. These metrics underscore how the K-shaped luxury market is currently manifesting. A few powerful players at the very top are outspending their less affluent counterparts heavily enough to carry the weight of the entire market.

Sales Outlook
This may explain the cautious optimism expressed by the majority of surveyed Luxury Property Specialists in May 2026. About 49% said they expected sales to increase slightly, and another 33% expect sales to remain stable through the rest of the year. Their cautious optimism is likely tempered by inventory limitations in some markets, low-compromise buyers in others, and high interest rates, rather than lack of demand. As Luxury Property Specialist Allison Pickell with Coldwell Banker RPM Group in Little Rock, Arkansas, said: "The only thing that makes them go slow is lack of move-in ready inventory that meets their needs."

Recent sales data generally reinforces this outlook from the field. Looking at the year-to-date trajectory through May, single-family transactions steadily gained momentum just as the right, high-caliber properties entered the market to satisfy demanding buyers. The contraction in the attached property sector was likely dictated by a more significant decline in available inventory, both on the monthly level and new listings entering the market.

WHERE SALES ARE HEADED



Source: Coldwell Banker Surveys of Luxury Property Specialists, May 2026

Bottom line: Single-family homes remain the primary engine of the luxury market despite tighter inventory, while a more severe supply drought has pushed attached-property sales into decline.

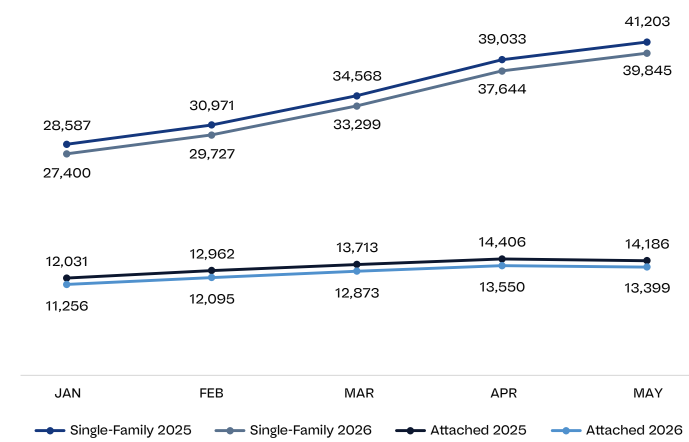
FALLING INVENTORY CREATES SCARCITY
While luxury inventory levels ticked up month-to-month during the first five months of 2026, supply is not expanding at the pace seen in 2025. When comparing the two years, according to The Institute, the average monthly inventory fell by 3.7% for single-family homes and by 6.1% for attached properties. More telling is the clip at which new luxury listings are entering the market: monthly volume dropped by an average of 3.4% for single-family properties and 5.4% for attached homes compared to last year's benchmarks.

At first glance, it may seem surprising that dollar volume and pricing power continue to rise while inventory levels decline. However, for luxury real estate, scarcity often acts as a catalyst rather than a constraint.

Because exceptional properties are inherently finite assets, a contracting supply pool routinely prompts affluent buyers to compete more aggressively for rare opportunities. This dynamic preserves, and often amplifies pricing power, particularly in the upper tiers of the market where emotional purchasing decisions and lifestyle considerations often outweigh concerns about interest rates or short-term economic uncertainty.

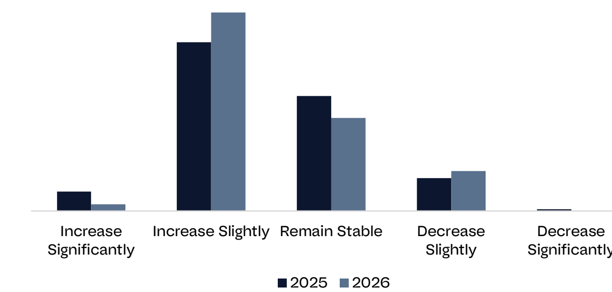
This suggests that the current inventory shortage is not suppressing demand; rather, it is concentrating demand around the highest-quality properties and pushing more capital into fewer transactions.

MONTHLY INVENTORY TREND
JANUARY - MAY 2025 VS. 2026



Source: Institute for Luxury Home Marketing

WHERE INVENTORY IS HEADED



Source: Coldwell Banker Surveys of Luxury Property Specialists, May 2025 and 2026

Sidelined Sellers: Unlocking Shadow Inventory
The dip in new listings also highlights a more cautious contingent of affluent homeowners choosing to sit on the sidelines during the first half of the year. Many are waiting for a clearer trajectory on interest rates, while others are taking longer to carefully curate and prepare their properties for market, aware that modern luxury buyers have grown highly disciplined and selective.

This creates a substantial pool of "shadow inventory" — would-be sellers poised to list their homes once localized conditions align with their expectations. This latent supply could easily emerge as a defining market force over the next six months.

As Dr. Jessica Lautz, Deputy Chief Economist at the National Association of REALTORS® (NAR) sees it, the easing of the mortgage rate "lock-in effect" will be a primary driver in freeing up some of this supply. She notes that the market is reaching a crucial tipping point. The share of mortgages with rates above 6% now exceeds the share with rates below 3%, according to a January 2026 Realtor.com analysis of Federal Housing Finance Agency (FHFA) data.[1] As these financial handcuffs loosen, personal life changes will once again drive real estate decisions.

Inventory Outlook
Could this seller pipeline quietly building behind the scenes be fueling the confidence expressed by surveyed Luxury Property Specialists in May 2026? A majority (58.8%) expect inventory to increase slightly through year-end, while another 27.5% expect it to hold steady — a combined 86.3%. Only 11.8% foresee a decrease. A year ago, 84% of agents said the same, speaking to the market's underlying stability.

Bottom Line: Affluent sellers are not letting market conditions dictate their timelines, despite a slowdown in market volume during the first five months of the year. It is expected that more inventory could be on the way as sellers begin to recognize the luxury market's stability.

Go Deeper
Read on to find out what's behind these predictions, the buyer and seller behavior trends driving them, and how today's affluent buyers are applying a new strategic filter to their property searches. ■

TOP 3 MARKET TRENDS RANKED BY LUXURY PROPERTY SPECIALISTS

1. **Inventory calls the shots.** Limited supply remains the most powerful force shaping buyer decisions, dictating exactly where and when transactions occur.
2. **Houses are hottest.** Detached single-family homes are heavily outpacing attached properties as affluent buyers prioritize standalone space and privacy.
3. **Rates matter.** Even in a cash-dominated segment, buyers monitor interest rates to evaluate whether to deploy liquid capital or utilize strategic financing.

Source: Coldwell Banker Survey of Luxury Property Specialists, May 2026

See page 52 for a full list of resources.

What Buyers *WANT*

An uncertain economic and geopolitical landscape has heavily influenced today's affluent buyers, rendering them more analytical, more strategic, and more cautious — though, notably, not absent. Buyers in 2026 are looking at real estate through a new filter.

This modern lens tones down the high-contrast urgency of past market cycles and brings long-term value into sharper focus. It is a perspective that views property as an anchoring component of wealth management and lifestyle planning, rather than a speculative asset.

THE STRATEGIC FILTER

- **Geographic Diversification:** Affluent buyers are utilizing prime real estate as a stabilizing, tangible weight to balance volatile equities, private equity, and alternative investments across international borders.
- **Capital Preservation:** Amid persistent economic uncertainty and inflationary pressures, high-end properties are increasingly treated as the ultimate "safe haven" asset class.
- **The Multi-Generational Legacy:** There is a distinct shift toward securing generational estates intended for decades of family stewardship rather than quick resale — a long-standing European tradition that is fast becoming a standard in the United States.
- **Lifestyle ROI:** Today's buyers demand a dual return. They are gravitating toward properties that marry immediate personal utility with long-term asset value, favoring wellness-centric estates, branded residences, and homes situated within tax-advantaged jurisdictions.
- **Scarcity and Enduring Appeal:** Capital is actively seeking out supply-constrained, architecturally unique, or historically significant properties that remain naturally insulated against broader market downturns.
- **Strategic Passive Yield:** Driven largely by a cohort of high-net-worth buyers, there is a growing appetite for properties that generate passive revenue through luxury seasonal leasing or branded hospitality models, reducing total reliance on pure appreciation.
- **Macro Hedges:** High-end real estate is increasingly deployed as a shield against currency fluctuations, tax exposure, and geopolitical instability.

When today's affluent buyers apply this strategic filter, what types of properties actually come into focus? We turned to leading global luxury marketplace, JamesEdition, to help find the answer.

CROSS-BORDER BUYING ON THE RISE

As global wealth has expanded, so has the appetite for luxury homes around the world. International luxury real estate search activity from January to May 2026, compared to the same time period in 2025, on JamesEdition reflects this trend. There has been a 50.8% growth in buyer inquiries year-over-year — a notable jump compared to the 22.9% growth for the full prior year.

ANNUAL GLOBAL LUXURY HOME INQUIRIES

	GROWTH
January–May 2026 vs. 2025	+50.8%
Full-year 2025 vs. 2024	+22.9%

Source: JamesEdition

This expansion may point to increasing numbers of high-net-worth individuals adopting global investment strategies that span over multiple markets.

"There are two reasons people are buying internationally," said Eric Finnås Dahlström, CEO, JamesEdition. "The first is lifestyle — and that might look like a second or third home in Spain or Portugal, in the coastal markets of the U.S., or perhaps a ski property in Aspen. While there is always an investment rationale attached, the starting point is personal. The second reason is more strategic. Buyers are taking their searches global because they want to diversify. They view real estate as a safe store of value, and they do not want all of their money concentrated in one market. American buyers, lately, have adopted this approach, and are now looking overseas. It is very much a diversification play."

More than 55% of all inquiries focused on a small set of five countries long associated with lifestyle appeal, accessibility, and depth of inventory. Italy led the global stage with 15.6% of total inquiries, followed by the United States (12.6%), Spain (10.7%), France (10.7%), and Portugal (5.7%).

The growth patterns underscore how high-net-worth investors are expanding their geographic search scope. While Italy holds the largest share of global buyer attention, the United States posted the sharpest share increase among all destination countries, up 3.1 percentage points with inquiry volume doubling year-on-year.

DISTRIBUTION OF UNIQUE INQUIRIES BY COUNTRY

Country	2026 (%)	2025 (%)	SHARE	GROWTH
Italy	15.6%	15.7%	-0.1pp	+49%
United States	12.6%	9.5%	+3.1pp	+100%
Spain	10.7%	11.9%	-1.2pp	+36%
France	10.7%	8.5%	+2.2pp	+89%
Portugal	5.7%	7.1%	-1.4pp	+21%
Switzerland	5.3%	5.1%	+0.2pp	+55%
United Kingdom	5.0%	3.9%	+1.1pp	+93%
South Africa	5.0%	4.2%	+0.8pp	+78%
Greece	3.4%	3.3%	+0.1pp	+55%
UAE	3.2%	6.8%	-3.6pp	-29%
Canada	2.6%	2.4%	+0.2pp	+61%
Mexico	2.2%	2.4%	-0.2pp	+39%
New Zealand	2.0%	1.3%	+0.7pp	+122%
Germany	1.6%	1.3%	+0.3pp	+85%
Brazil	1.3%	1.5%	-0.2pp	+37%

Source: JamesEdition

New Zealand grew fastest in absolute terms, up 122%. The UAE moved in the opposite direction, shedding 3.6 percentage points and falling from a top-three destination to outside the top nine — likely due to more recent regional geopolitical uncertainty driven by the conflict in Iran. Winston Chesterfield, CEO of U.K.-based Barton Consulting, sees the decline as potentially short-lived. "The UAE's tax advantages for the ultra-wealthy remain a powerful draw," and some of his clients are still bullish on the region. "They're saying that the Middle East could become the global center of wealth," he said.

Finnås Dahlström agrees that tax policy has been a powerful motivator for global affluent buyers. "Countries are competing for ultra-high-net-worth individuals by offering safety, strong infrastructure, and protections for foreign investors," he said. "Dubai has the impression of being safe, and New Zealand is another one that is drawing buyers who want distance from global instability. These governments see the opportunity and are essentially saying, 'Come here, and we will protect you.'"

CALIFORNIA: THE COMEBACK STATE

Among the regions in the U.S. that are seeing the most international interest, California ranks highest on JamesEdition, as of May 2026. It presents a contrasting storyline to the dominant headlines of late, that wealthy residents and high-earning taxpayers are leaving the Golden State in search of tax-friendlier states with lower costs of living.

To isolate genuine international demand from overall market size, JamesEdition created a concentration index for the five largest U.S. states on JamesEdition. A score above 1.0 means a state attracts more international buyers than its size alone would predict.

California had the greatest share of international buyer inquiries, drawing 6% more interest outside of the U.S. than expected. But New York had the greatest year-to-year growth in international buyer inquiries on the index.

"The fact that this stayed incredibly consistent from 2025 to 2026 tells us that the allure of California real estate is deeply ingrained in the international investor's mindset," said Finnås Dahlström.

INTERNATIONAL INQUIRY INDEX BY STATE

State	Intl%	Concentration Index 2026	Concentration Index 2025	Direction
California	77.4%	1.06	1.05	Stable/Strengthening
New York	75.4%	1.03	0.89	Strengthening
Florida	74.2%	1.01	1.03	Stable
Texas	65.3%	0.89	0.93	Weakening
Georgia	48.2%	0.66	0.91	Weakening

Source: JamesEdition

Chesterfield's clients have also reported renewed interest. "California is iconic as a location," he said. "People have more choices now, and they're weighing financial and security benefits against lifestyle benefits. California wins on lifestyle. You can live there year-round."

Additionally, he theorizes that some international investors may also be value-shopping. "They're working closely with their advisors and looking at locations with long-term financial upside. Prices have come down in some coastal locations, so they recognize the opportunity to buy near the cyclical bottom. They fully expect California to be even stronger in the future. For these buyers, it's a second-home play — they can be tax-located elsewhere, while still investing in a highly developed market backed by world-class, productive industries."

While Florida and New York show either stable or strengthening international interest on their index, Texas (0.89) and Georgia (0.66) show weakening interest — an indication that their JamesEdition inquiries are being driven by domestic buyers rather than global buyers.

What JamesEdition's audience is searching for within these markets is equally telling.

THE PROPERTIES THEY ARE SEARCHING FOR

Understanding *where* buyers are looking is only part of the picture. *What* they're looking for reveals the deeper mechanics of demand.

THE RACE FOR (LUXURY) SPACE

As covered in The Trend Report 2026, space remains a top priority for affluent buyers. While the pandemic was the initial catalyst for this shift, a practical need for breathing room has since transformed into a permanent expectation of affluent buyers, said Finnås Dahlström.

"The pandemic fundamentally changed something in people's mindsets," he said. "They realized that they don't have to live in a city just because their company is based there — they can live anywhere now. All of the digital infrastructure is in place to live wherever they want. Seven years ago, this wasn't even a reality."

DETACHED HOMES AND VILLAS

That may be why detached houses and villas continue to dominate buyer interest, commanding over two-thirds of total inquiries on JamesEdition as of May 2026. The Institute for Luxury Home Marketing ("The Institute") 2026 data to date confirms that this trend can be traced from the search to final buy.

Sales of single-family homes have consistently outperformed attached properties over the last few years. Single-family sales this year have increased by 2.8% compared to the same period in 2025. Meanwhile attached home sales in 2026 have posted a 3.8% decline year-over-year, highlighting a consistent downward trend since 2023. Just over 21.5% of surveyed Luxury Property Specialists called this out as well, noting that single-family homes are outperforming attached properties in activity and demand.

BUYER INQUIRY SHARE BY PROPERTY TYPE

Property Type	2026 (%)	2025 (%)	SHARE	GROWTH
Detached House + Villa	76.1%	73.8%	+2.3pp	+57%
Urban Living	29.3%	29.2%	+0.1pp	+53%
Unique Properties	6.9%	4.3%	+2.6pp	+146%
Countryside & Ranch	3.0%	3.6%	-0.6pp	+28%
Land	3.5%	2.7%	+0.8pp	+97%

Source: JamesEdition

UNIQUE PROPERTIES AND LAND

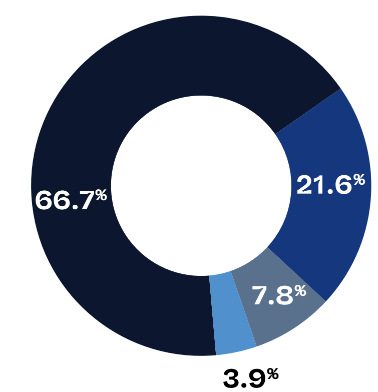
According to JamesEdition, while detached homes and villas will always capture the lion's share of global searches, the sharp uptick in inquiries for unique properties (estates, castles, chateaux, branded residences) and undeveloped land signals a growing appetite for "one-of-a-kind" real estate. For the ultra-affluent, these types of properties deliver on their desire for scarcity, privacy, creative control, and legacy.

"Ultimately it's about the allure of having something irreplaceable," said Finnås Dahlström. "And when people are looking to build it's often because they simply can't find what they want on the market."

High-net-worth individuals understand that while a luxury home can be built almost anywhere, prime irreplaceable locations, such as waterfront acreage, historic estates, or expansive ranches, are finite. This inherent scarcity helps insulate long-term value while creating a powerful emotional appeal.

Furthermore, within these circles, distinctiveness carries a certain prestige. A one-of-a-kind property serves as an expression of identity and achievement, reflecting personal taste in a way a standard luxury residence built on spec cannot. Indeed, 66.7% of surveyed Luxury Property Specialists in May 2026 said that singular, turnkey properties currently command the most negotiation power in the marketplace, as buyers will pay a premium for a finished product that cannot be replicated.

LEVEL OF CUSTOMIZATION HOLDING THE MOST NEGOTIATION POWER



- Singular Turnkey: Buyers will pay a premium for a finished masterpiece to avoid all construction costs
- Adaptive Canvas: Buyers seek 90% finished homes with "flex spaces" to curate themselves
- Designer Canvas: Buyers want a home with good "bones" to apply their own aesthetic style
- Blank Canvas: Buyers prioritize land or gut-renovations for 100% customization

Source: Coldwell Banker Survey of Luxury Property Specialists, May 2026

Some affluent individuals may even consider these highly custom properties and prime locations as part of their wealth preservation strategy – a legacy that they'll eventually pass down to their heirs.

This pursuit of provenance, architectural character, and sense of place comes to light in JamesEdition's granular 2026 search data. "Heritage properties were the assets that resonated most with buyers," said Finnås Dahlström. French châteaux actually accounted for half of the most-inquired listings, with Italian palazzos and medieval borgos right behind them. "You want distinct properties when you reach a certain price range because you cannot replicate them," explained Finnås Dahlström. "There will only be one castle in France or one private island in the Caribbean. That distinctness becomes quite important in terms of lifestyle and investment."

Privacy is another factor driving interest in these types of properties. As wealth increases, so does the premium placed on security and environmental control. Large land parcels and secluded estates offer an antidote to public exposure and dense urban development, allowing buyers to shape an entire landscape around their lifestyle.

"It's not just about acquiring sheer physical acreage or square footage," added Finnås Dahlström. "It's how that space enhances their lifestyle or meets their long-term goals."

LandMaxxing

The desire for more space is also behind a practice called "landmaxxing," or what is essentially a homeowner buying the property next door. Both Chesterfield and several Luxury Property Specialists flagged this as a trend they're seeing. **Albert Sousa**, a Luxury Property Specialist with Coldwell Banker Realty in Beverly Hills, has guided several high-net-worth clients through securing land adjacent to their primary residences, noting that many have no immediate plans to develop it.

"It's a different calculation for every client, but I've seen buyers purchase the property next door just to control who lives across the street," he said. More often, the motivation is privacy — common among celebrities and high-profile individuals — or the desire to secure an adjacent parcel for view easements and to protect sightlines, particularly in Bel Air and other view-oriented areas. Other motivations include buying neighboring homes for what he calls "child or grandchild insurance," keeping family close while preserving long-term flexibility and acquiring adjacent lots with development potential. More recently, some of his clients have sought to purchase neighboring lots in high fire hillside zones to control fire hardening and defensible space.

Sousa notes that what separates landmaxxing from a typical transaction is the premium buyers are willing to pay to make it happen. "When a client wants a neighbor's property that isn't for sale, they'll pay a real premium to create that opportunity," he said. "That's when you know how serious they are. Buyers who find something already listed tend to be more disciplined. They won't overpay."

Branded Residences

This same willingness to pay a premium for distinctiveness is driving another high-growth niche: branded residences. Just as a buyer will pay more for a historic estate or adjacent land to create a unique property holding, high-net-worth buyers are applying the same logic to properties backed by heritage brands.

There are approximately 910 active and completed branded residence projects globally, with more than 1,600 schemes forecasted by 2030, according to *Branded Residences: An Overview*,[1] an independent report by Graham Associates. Backed by brands with an established baseline of trust, asset resiliency, and exclusivity, many of these properties are attractive to those who are purchasing a secondary property or purchasing internationally, "because they know that the property will always be maintained and managed for them, regardless of where they are in the world," said Finnås Dahlström.

Branded residences check many of the same boxes as unique homes and acreage — such as lifestyle ROI, scarcity, enduring appeal and turnkey lifestyle — with the added benefit of passive revenue potential. "In periods of economic volatility, brand trust acts as a powerful flight-to-safety mechanism for affluent capital," Finnås Dahlström noted.

But not all branded residences are performing equally. As of May 2026, on JamesEdition, hospitality brands now account for 72% of branded residence inquiry activity, up from 61% a year ago. However, lifestyle brands have pulled back from 38% to 28% over the same period.

BRANDED RESIDENCE INQUIRIES BY TYPE

	January-May 2025	January-May 2026	Shift
Hospitality	61%	72%	+11pp
Lifestyle	38%	28%	−11pp

Source: JamesEdition

Within hospitality, the strongest performers are the names that have spent decades building a reputation around service. St. Regis, Accor's portfolio (Raffles, Sofitel), and Four Seasons recorded the highest growth rates.

"People know what they're getting with a Four Seasons experience," Finnås Dahlström theorized. "It's all amenity-driven. But it's a different value proposition for a car brand. It may not be as clear to people how Lamborghini translates into a residential lifestyle experience."

TOP HOSPITALITY BRANDS BY INQUIRY VOLUME (2026)

Brand	GROWTH
St. Regis	+450%
Accor (Raffles, Sofitel)	+371%
Four Seasons	+239%
One&Only	+238%
Ritz-Carlton	+227%
Banyan Tree	+189%
Rosewood	+188%
Mandarin Oriental	+169%
Marriott / Edition	+122%
W Residences	+45%

TOP LIFESTYLE BRANDS BY INQUIRY VOLUME (2026)

Brand	GROWTH
Aston Martin	+400%
Porsche	+280%
Ferrari	+250%
Versace	+77%
Armani	+71%
Bugatti	+57%
Fendi	+15%

Source: JamesEdition

However, automotive names are driving what growth there is among lifestyle brands. Porsche, Ferrari, and Aston Martin recorded the strongest gains, while fashion brands like Fendi, Versace, and Armani grew more slowly.

Finnås Dahlström is candid about the limits of the category. "The concept is getting a little crowded," he said. "We're seeing now that not every brand translates. The ones that sell well are the brands buyers already trust to deliver on experience."

Additionally, the trend towards "stealth wealth" in the last few years may have also dampened some enthusiasm for flashier branded residences with high unit counts. "People want new construction, amenities, and technology, but in my experience, they want it all in a boutique environment," said **Ricardo Rodriguez** with Coldwell Banker Realty in Boston-Back Bay.

NUMBER OF BEDROOMS

The desire for space also appears to extend to bedroom counts. JamesEdition's May 2026 search inquiry data shows that five or more bedrooms was not only the most sought-after configuration among luxury buyers globally, it also recorded the greatest growth in share of inquiries.

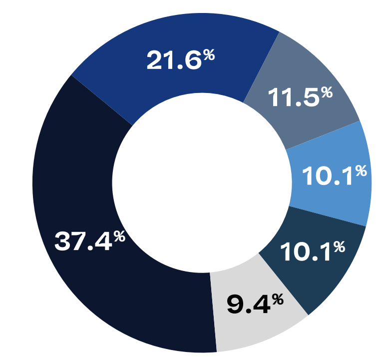
PROPERTY INQUIRIES BY BEDROOMS

	2026 (%)	2025 (%)	SHARE
5 or more bedrooms	54.3%	50.4%	+3.9pp
4 bedrooms	28.0%	28.5%	-0.5pp
3 bedrooms	24.9%	24.6%	+0.3pp
Fewer than 3 bedrooms	16.0%	18.7%	-2.7pp

Source: JamesEdition

This largely tracks with JamesEdition's findings, as of October 2025, compiled for The Trend Report 2026 at the beginning of the year, which found 5+ bedroom homes accounted for the majority of all inquiries. For that report, nearly four in ten surveyed Luxury Property Specialists rated a minimum number of bedrooms and bathrooms as the single most "non-negotiable" feature for their clients after location.

NON-NEGOTIABLE PROPERTY FEATURES



- Minimum number of bedrooms/bathrooms
- Views
- Square footage/overall size
- Privacy and security
- Architectural pedigree/design quality
- Outdoor living space

Source: Coldwell Banker Survey of Luxury Property Specialists, November 2025

Finnås Dahlström views the consistency of higher bedroom count demand as a reflection of affluent homeowners' changing attitudes towards their homes following the pandemic. "Luxury properties are no longer viewed as simply places to live," he said. "They have to serve multiple purposes at once."

Several factors are driving this trend. Multigenerational living is rising, with buyers seeking space to accommodate adult children, aging parents, extended family, and live-in staff — often in private wings or separate structures rather than shared common areas. For buyers whose social lives have migrated away from urban centers, the ability to host guests in dedicated, self-contained spaces has become a practical priority. Flexibility is another driver: extra bedrooms are routinely converted into home offices, gyms, and media rooms, and as older generations remain in their homes longer, those same rooms can be adapted to accommodate caregivers.

See page 52 for a full list of resources.

MEDIAN HOME SIZE CHANGES BY AGE WHEN SELLERS MOVE

Age at Sale	Sold Sq.Ft.	Purchased Sq.Ft.	Change
27-35	1,600	2,100	+500
36-45	1,900	2,400	+500
46-60	2,100	2,100	None
61-70	2,000	2,000	None
71-79	2,000	1,900	-100
80-100	2,100	1,800	-300
All sellers	1,600	2,000	+400

Source: Investopedia

"If they're planning to hold on to the home for a long period of time — as many are looking to do now in this era of volatility — then they need it to be flexible as their life changes," he said. "They want a property that gives them options. A home with five or more bedrooms can absorb whatever the owner's life requires."

One factor, not captured in JamesEdition's data, could also be behind the demand for more bedrooms: the largest generation that was expected to shed square footage hasn't.

"Baby Boomers are not downsizing," said Dr. Jessica Lautz, Deputy Chief Economist and Vice President of Research at the National Association of REALTORS®, citing the 2026 NAR Home Buyers and Sellers Generational Trends report.[2]

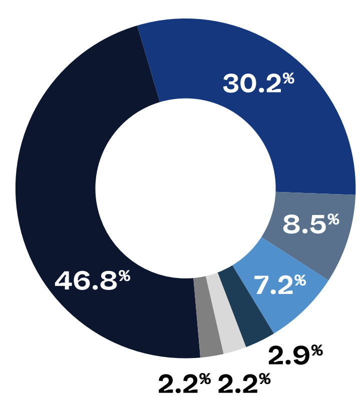
In that study, the typical Boomer between the ages of 61 and 70 bought a home with a median size of 1,900 square feet. Those in the older 71-to-79 bracket trimmed their purchasing footprints only modestly from there — averaging 1,800 square feet, a difference of just 100 square feet.

An Investopedia[3] analysis of U.S. Census data tells a similar story. Comparing housing for Americans ages 55 to 64 in 2014 with those ages 65 to 74 a decade later in 2024 (the window when Boomers would be expected to downsize), the median number of rooms per home held at six, the median number of bedrooms held at three, and the homeownership rate rose from 75% to 79% during that 10-year period.

New Construction
For years now, affluent buyers have stuck closely to their desire for turnkey, newly constructed homes. Past Coldwell Banker Global Luxury® Trend Reports have consistently tracked this trajectory, noting that luxury consumers are increasingly willing to pay a premium to bypass the supply chain delays, rising material costs, and "renovation fatigue" associated with older homes.

> *30.2% of Luxury Property Specialists said move-in ready or new construction were highest in demand.*

TYPES OF LUXURY PROPERTIES HIGHEST IN DEMAND



- Properties based on location
- Move-in ready or new construction
- Other
- Properties offering acreage/land
- Properties with large square footage
- Properties priced competitively but need a redesign
- Waterfront

Source: Coldwell Banker Survey of Luxury Property Specialists, November 2025

Validating this trend on a global scale, data from JamesEdition as of May 2026 reveals that buyer interest in newly built properties continued to grow its share year-over-year, with 8.4% of unique inquiring users engaging with current-year construction listings in 2026, up from 6.5% in 2025 — a 1.9 percentage point gain. The figures reflect sustained demand for brand-new product at the luxury tier, consistent with the broader preference for turnkey, move-in ready properties that has defined this buyer cycle for the last several years.

INQUIRIES FOR CURRENT-YEAR CONSTRUCTION

2026 (%)	2025 (%)	SHARE
8.4%	6.5%	+1.9pp

Source: JamesEdition

Amenities
What began as a reactionary desire for multi-faceted lifestyle spaces a few years ago has matured into a non-negotiable luxury asset class. Today's high-net-worth buyers are looking for holistic, self-contained environments that support living, working, private wellness, and grand-scale entertaining.

But European and American affluent buyers appear to diverge drastically when it comes to the features they prioritize, according to JamesEdition inquiry data.

Amenity	EU 2026	US 2026	GAP
Outdoor Kitchen	4.7%	14.7%	+10.0pp US
Home Cinema	4.8%	12.0%	+7.2pp US
Wine Cellar	7.4%	11.6%	+4.2pp US
Tennis Court	5.0%	9.9%	+4.9pp US
Pickleball Court	0.0%	4.3%	US only
Basketball Court	0.3%	3.9%	+3.6pp US
Padel Court	0.8%	0.3%	+0.5pp EU

Source: JamesEdition

Entertainment and lifestyle amenities skew heavily toward the U.S. market. For instance, outdoor kitchens appear in 14.7% of inquired U.S. listings compared to 4.7% in Europe — a 10-point gap. Home cinemas and wine cellars follow a similar pattern. American luxury properties are built around hosting: the expectation that a home can accommodate a gathering, a dinner, a weekend, without leaving the property is a little more baked into the culture. By contrast, European luxury properties tend to emphasize the outdoor environment itself — the terrace, the garden, the landscape — rather than specific amenities.

See page 52 for a full list of resources.

When it comes to sport amenities, the U.S. dominates. Tennis courts see nearly double the engagement in the U.S. (9.9%) compared to the EU (5%), while basketball courts are almost exclusively an American phenomenon (3.9% U.S. vs. a negligent 0.3% EU). The explosive popularity of pickleball also remains uniquely American for now, holding a 4.3% share of U.S. inquiries while registering a flat 0% in Europe.

Conversely, EU holds the edge in the world's other fast-growing racket sport: padel. Padel courts give the EU a slight advantage at 0.8% of inquiries compared to the U.S. at 0.3%.

Higher Priced Properties

If more affluent buyers are pursuing larger properties with more amenities, more distinctiveness, and more bedrooms, then it stands to reason that those properties will be priced higher. JamesEdition's May 2026 inquiry figures show a clear upward migration across price brackets, with the share of inquiries rising at each tier as price increases.

The €10M (or roughly $11.6M USD) and above bracket saw the sharpest increase in share, growing 2.9 percentage points year-over-year (about $580,000 to $1.15M USD) — the largest gain across any price tier. The €500K–€1M bracket, although it held the largest shares, was the only segment to lose ground, falling 2.2 points. All combined, the data points to a deliberate upward shift in buyer ambition rather than broad-based demand growth.

PROPERTY INQUIRIES BY PRICE BRACKET

	2026 (%)	2025 (%)	SHARE
€500K – €1M	29.8%	32.0%	-2.2pp
€1M – €2M	27.6%	27.1%	+0.5pp
€2M – €5M	26.2%	25.4%	+0.8pp
€5M – €10M	14.6%	12.9%	+1.7pp
€10M and above	19.7%	16.8%	+2.9pp

Source: JamesEdition

Chesterfield sees scarcity as the force behind it. "One of the strongest themes emerging globally is the growing value placed on scarcity," he said. "Affluent buyers are competing for a limited supply of exceptional properties — turnkey, high-quality, distinctive residences. And increasingly, ultra-high-net-worth individuals are organizing their lives across multiple locations, which is only intensifying demand for unique properties in elite markets."

Of course, it's important to note that price comparisons across those markets are not straightforward. A €2M-€5M (about $2.3M to $5.8M USD) property in parts of Asia or the Middle East may be broadly equivalent in quality and positioning to a €10M property in the U.S. or Canada — a disparity that partly explains why high-net-worth buyers are spreading their investments across multiple countries, pairing established markets with higher-growth opportunities in emerging destinations.

A NEW LENS

The trends tracked by JamesEdition — from the surge in cross-border inquiries to the demand for unique properties and land or branded residences — points to a buyer focused on strategic buying rather than speculative buying. Space, bedroom counts, land, privacy, and lifestyle amenities are just the outward expressions of where their deepest motivations lie. It's up to luxury agents to help sellers understand that a property must now pass through this increasingly complex, highly analytical filter to prove its enduring value. ■

For more on the major trends and emerging demographics driving the future luxury marketplace, read on to the "Trend Outlook 2026: Where Luxury is Headed."

Trend OUTLOOK

Where Luxury Is Moving

Looking past the data points and reactionary noise of daily headlines, the forces that are most likely to shape the luxury housing market through the end of 2026 are beginning to crystalize.

To map these longer-term forces, we once again turned to our surveys of Coldwell Banker Global Luxury® Property Specialists and cross-checked their on-the-ground expertise with two leading authorities: **Dr. Jessica Lautz**, Deputy Chief Economist and Vice President of Research at the National Association of REALTORS®, and **Winston Chesterfield**, founder of U.K.-based Barton Consulting and a leading authority on global affluent consumer behavior.

KEY

Ultra-High-Net-Worth (UNHW) - Individuals are defined as people who have a net worth of 30 million dollars or more.

Very-High-Net-Worth (VHNW) - Individuals are defined as people who have a net worth of five to 30 million dollars.

High-Net-Worth (HNW) - Individuals are defined as people who have a net worth of one to five million dollars.

Source: Wealth-X

DRIVER 1:
LUXURY REAL ESTATE AS WEALTH STRATEGY

As long as geopolitical instability, inflation concerns, policy uncertainty, and market fragmentation remains, affluent investors will continue to lean into tangible assets like luxury real estate.

"People see real estate as a safer financial investment," said Lautz. "During times of volatility, they tend to move into real estate. That is an established pattern."

Chesterfield agreed, noting that globally a "fear of chaos" is pushing many high-net-worth individuals deeper into real estate. "They view certain areas of the stock market as over-inflated and generally hold a more negative outlook on the global economy and government-backed assets," he said. "Real estate swings underneath the stock market, becoming a haven when people are concerned about economic growth."

We tracked this sentiment between the May 2025 and May 2026 Coldwell Banker surveys of Luxury Property Specialists and it has only gained ground: nearly 82.3% said their affluent clients are either maintaining or increasing their luxury real estate exposure in 2026, up from 69% a year ago.

Only 11.8% said they were putting plans on hold due to economic or stock market uncertainty this year, and an even smaller percentage said they were decreasing their interest in real estate in favor of other financial instruments.

All of this points to a steady confidence in real estate as an asset class, but it also points to luxury buyers who are becoming increasingly strategic and less emotionally driven than in prior market cycles.

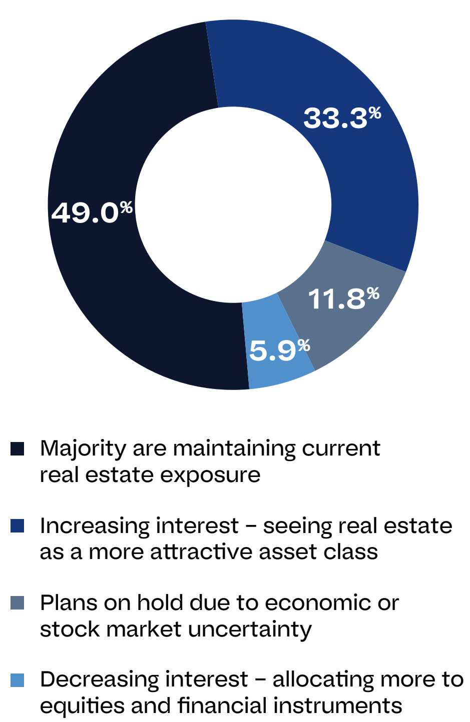
As **Linda Holland**, a Luxury Property Specialist with Coldwell Broker Seacoast Advantage in New Bern, North Carolina, put it: "Across many segments of the market, we're seeing affluent consumers prioritize long-term wealth preservation, lifestyle stability, privacy, and tangible asset security over speculative appreciation."

Nevine Sedky, a Luxury Property Specialist with Coldwell Banker UAE - Onyx HQ, thinks long-term real estate investment strategies will continue to gain ground, especially with increasing geopolitical risks. "People want investments that allow them to manage risk better, hold through market changes, and still benefit from long-term growth and wealth preservation," she said.

Barton Consulting's internal surveys with ultra-high-net-worth individuals confirms this sentiment: "Speculation for real estate buying ranks low on our indexes," Chesterfield said. "It's not a reason why people are buying high-end real estate."

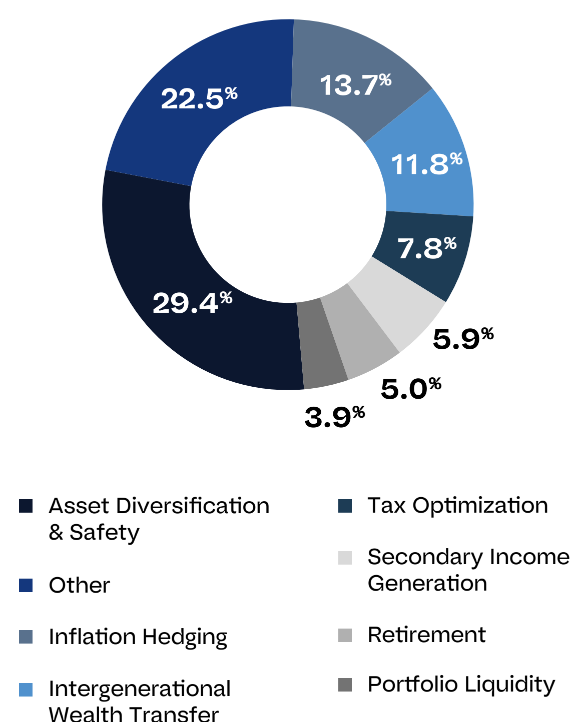
This tracks with what agents told us in May 2026 about their affluent clients' primary financial motivations when it comes to making real estate moves. The majority pointed to asset diversification as their clients sought to move capital out of volatile investments into a "hard" tangible asset.

REAL ESTATE AS WEALTH STRATEGY



Source: Coldwell Banker Surveys of Luxury Property Specialists, May 2026

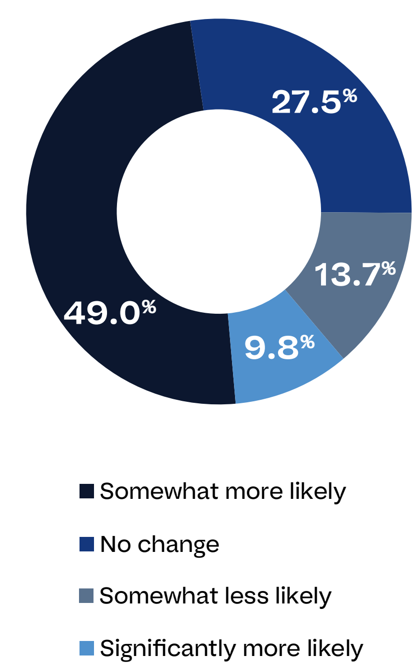
FINANCIAL DRIVERS FOR REAL ESTATE



Source: Coldwell Banker Surveys of Luxury Property Specialists, May 2026

When asked to compare client sentiment to last year, the majority (49%) of surveyed Luxury Property Specialists also said affluent clients were somewhat more likely to view luxury real estate as a safe-haven asset amid stock market volatility, inflation, policy uncertainty, and geopolitical concerns. Another 27.5% reported no change.

CLIENT SENTIMENT: REAL ESTATE AS A SAFE HAVEN YOY



Source: Coldwell Banker Surveys of Luxury Property Specialists, May 2026

That same instinct is not only influencing what buyers think about real estate, but also how they're searching when they buy. "Luxury buyers are becoming more disciplined and long-term focused, with a stronger emphasis on protecting capital, securing lifestyle, and buying properties that will remain desirable through changing market conditions," said **Ryan Moore**, a Luxury Property Specialist with Coldwell Banker Realty in San Diego County's Del Mar and Carmel Valley.

In his market, that translates directly to location decisions: "Higher interest rates, economic uncertainty, insurance costs, and market volatility are pushing affluent buyers to prioritize quality, location, condition, privacy, usable space, and long-term resale strength over speculative potential," said Moore. Even buyers who plan to send their children to private schools, he noted, are factoring in the strength of top-rated local school systems, considering it a proxy for future demand and long-term market stability.

By the Numbers

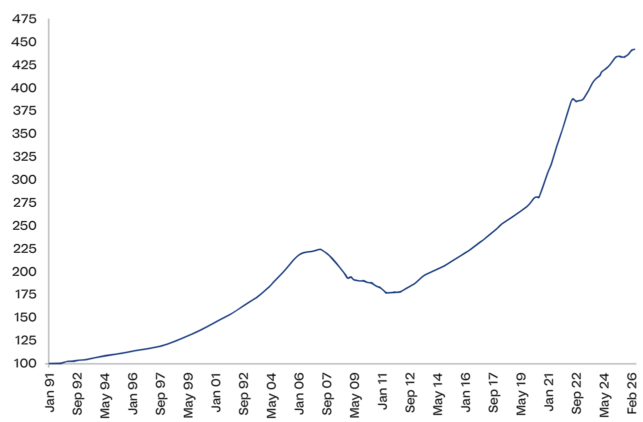
There is a solid historical basis for the safe-haven investment mindset, according to Lautz. The FHFA House Price Index,[1] which tracks single-family home value changes across all 50 U.S. states, dating back to the mid-1970s, tells a story of sustained long-term resilience.

Prices climbed steadily through the 1990s and 2000s, absorbed the shock of the financial crisis, recovered fully by the mid-2010s, and then in 2020 accelerated at a pace unlike anything in the index's history, nearly doubling in two years before stabilizing near all-time highs. The floor, in other words, keeps rising.

See page 52 for a full list of resources.

MONTHLY HOUSE PRICE INDEX FOR U.S. FROM JANUARY 1991 - PRESENT

Purchase-Only FHFA HPI® (Seasonally Adjusted, Nominal)



Source: FHFA

While the market will always experience short-term ebbs and flows, as of May 2026, The Institute for Luxury Home Marketing ("The Institute") has tracked significant strength in the single-family sector. This is especially true in the top 5% and top 1% tiers, where median sold prices rose 8.0% and 6.5% respectively, driven by escalating demand for unique luxury properties. In contrast, attached properties saw a decrease in the median sold price falling by 4.6% in the top 5% and by 5.3% in the top 1%. But, ultimately the trend is expected to continue its upward trajectory, albeit slowly for the next few years. "Wealth is continuing to be built, as home prices are expected to go up historically," said Lautz. "New homeowners are struggling to get into the market."

For affluent buyers with the capital to move, that dynamic cuts both ways: it validates luxury real estate as a long-term store of value and reinforces the urgency of acting before the next floor is set.

DRIVER 2:

NEW BUYER CALCULUS

Uncertainty, higher home prices, scarce desirable inventory, and high borrowing costs have not pushed affluent buyers out of the real estate market. But these market forces are changing buyer psychology.

Since most luxury purchases are driven by choice rather than immediate necessity, affluent buyers already have the luxury of time on their side. But buying cycles could get stretched out even further.

Two particular mindsets, both driven by risk mitigation, are behind this. On one side of the spectrum, you have extremely discerning buyers who are holding out for flawless turnkey conditions, or a property that matches their wishlist perfectly. On the other side, you have data-driven buyers leveraging readily available AI tools and dissecting every detail of a property to ensure the numbers align with their value metrics. While both buyer types can bypass financing hurdles by leveraging liquid assets and acting quickly, they will only make a move when a property checks their specific boxes.

By the Numbers

According to The Institute, days on market across all tiers of the luxury single-family market have held largely stable over the past three years, showing that luxury properties are moving at a consistent pace.

The top 10% tier has been the most consistent, averaging 31 days on market in 2024 and 33 days in both 2025 and 2026. The top 5% has seen a modest year-over-year increase, reflecting continued strong demand alongside the emergence of more calculated buyers in this segment. The top 1% experienced the greatest fluctuation, with days on market falling to 45 days in 2025 before increasing to 51 days in 2026, suggesting that while demand remains strong, buyers at the very top of the market are taking more time to evaluate high-value purchases.

AVERAGE DAYS ON MARKET JANUARY - MAY 2024 - 2026

	Top 10%	Top 5%	Top 1%
2024	31	35	48
2025	33	36	45
2026	33	38	51

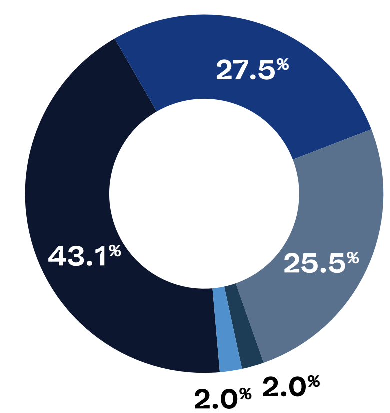
Source: Institute for Luxury Home Marketing

The main takeaway: the right luxury properties are still seeing high turnover and buyers are not hesitating to purchase when a residence meets their standards.

The Low-Compromise Buyer

The "low-compromise buyer" has been a unique fixture of the luxury market for several years, with the majority of those surveyed noting that clients are holding firmly to their wish lists in 2026. In fact, 43.1% named this refusal to sacrifice lifestyle preferences or specific features as the top buying trend in their local market — a notable jump from the 30.1% who said so in May 2025.

CURRENT BUYING TRENDS

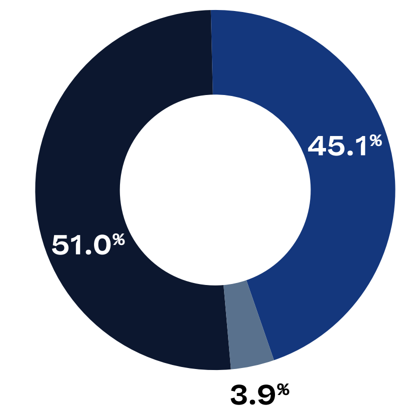


- Low Compromise: Buyers are less willing to sacrifice lifestyle preferences or property features
- Age Divergence: Younger buyers purchase more frequently at lower prices; older buyers make fewer, high-value acquisitions
- Wealth Divergence: Aspirational buyers are cautious, while ultra-high-net-worth buyers remain active
- High Compromise: Buyers are more willing to sacrifice lifestyle preferences or property features
- Other preferences and key property features

Source: Coldwell Banker Survey of Luxury Property Specialists, May 2026

Even more telling, a majority (51%) of surveyed Luxury Property Specialists said that luxury buyers rarely make trade-offs during the closing process. Another 45.1% said they compromise only sometimes.

FREQUENCY OF LUXURY BUYER TRADE-OFFS DURING CLOSING

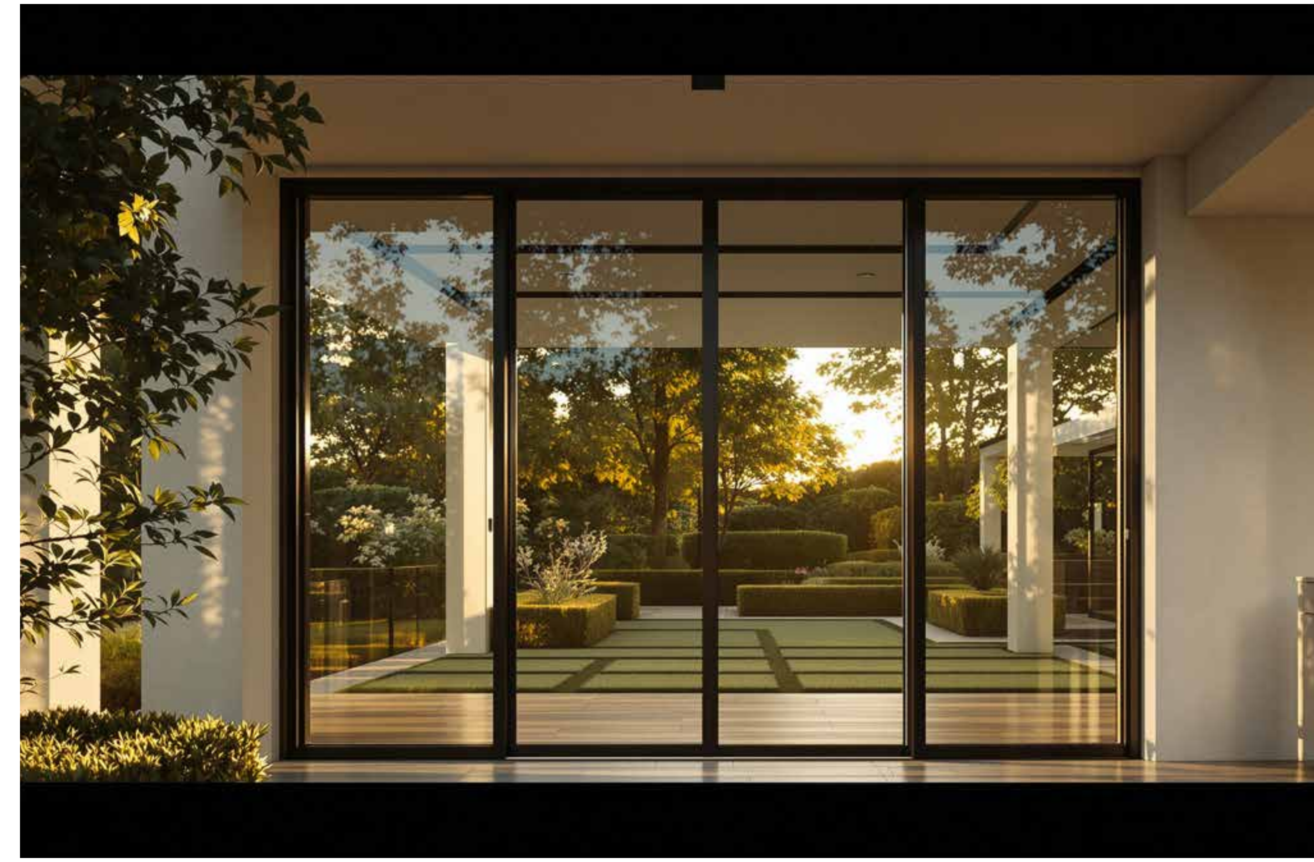


- Rarely
- Sometimes
- Often

Source: Coldwell Banker Survey of Luxury Property Specialists, May 2026

In the Mid-Year 2025 Report, Lautz told us that the two demographics likely driving the don't-settle phenomenon are equity-rich Baby Boomers who are bucking the downsizing expectation for their age group and younger buyers entering the market with generational wealth. This is still the case today. Baby Boomers "are unlikely to make compromises on their home in terms of location, quality of home, and type of home because they know what they want at this time in their life," she said. Younger buyers leveraging family funds also tend to come to the market with higher design standards and are "heavily influenced by what they see on HGTV and social media."

Many of these affluent buyers also have no urgency to act. Well-insulated from financial ups and downs and rarely needing to buy, the low-compromise buyer can draw out longer buying timelines. Luxury Property Specialists have consistently noted this across market types, with resort markets perhaps feeling it most acutely. "I think most luxury buyers in a second home market are still willing to buy," said **T.J. Walsh**, a Luxury Property Specialist with Coldwell Banker Realty in Park City. "But there's no pressure to move quickly. Economic fundamentals change daily, so [they think] 'why not wait and see.'"



Between buyers' lack of urgency and higher property standards, it has put greater pressure on sellers either to present move-in-ready properties or reduce list prices for homes that aren't turnkey. Some may even delay listing their home, hoping conditions will eventually shift.

The Analytical Buyer

A small but notable contingent of Luxury Property Specialists also told us a less emotional, more data-driven buyer has entered the picture, putting more pressure on sellers to deliver on turnkey expectations or better align their asking prices with market realities.

"Buyers today have access to more information than ever before, and they are using it," said **Walter Burrell**, a Luxury Property Specialist with Coldwell Banker Realty in Naperville, Illinois. He sees it as a direct response to the current economic climate. Market uncertainty, fluctuating interest rates, inflation concerns, and nonstop media coverage have pushed buyers to arrive at the table far more educated and research-focused than in prior cycles. "Buyers are no longer simply asking whether they like a home," he said. "They are analyzing monthly payments, long-term value, resale potential, taxes, market trends, school rankings, walkability, and even future development plans before making decisions."

Dawn McKenna, a Luxury Property Specialist with Coldwell Banker Realty in Hinsdale and the greater Chicagoland area, is seeing the same shift. "Economic uncertainty, higher interest rates, and increased access to data are making even affluent buyers more value-conscious and strategic, with many evaluating real estate through both a lifestyle and investment lens," she said.

Several Luxury Property Specialists we surveyed said AI is accelerating this trend significantly. "Buyers are now using AI platforms to compare neighborhoods, estimate renovation costs, study appreciation trends, analyze commute times, evaluate investment potential, and even interpret market headlines," said Burrell.

"Many are coming into conversations with far more data and specific questions than they did even two or three years ago. At the same time, social media and online platforms have changed consumer behavior nationally. Buyers are constantly exposed to market predictions, economic forecasts, mortgage rate updates, and financial influencers discussing real estate. This creates a consumer that is far more informed, but also sometimes more cautious and emotionally influenced by short-term headlines."

> *Surveyed Luxury Property Specialists confirm that there is a growing trend in the use of AI during property searches.*

Analytical buyers are paying close attention to value — because they have to. Higher price points, property taxes, and interest rates have raised the stakes of every decision. "They want confidence that the home they are buying offers both lifestyle appeal and long-term financial strength," added Burrell. Tighter inventory levels are also contributing to this trend. "When buyers have fewer options and higher carrying costs, they tend to scrutinize homes more intensely and rely on data to justify decisions," he said. Another factor analytical buyers are weighing more heavily: the full cost of ownership. "Rising insurance costs and overall inflation on goods and services will cause shifts in our market," predicted **Emily Becker,** a Luxury Property Specialist with Coldwell Banker Warburg in Manhattan. "Buyers are already becoming wary of purchasing homes due to rising costs of electricity, gas, oil, etc., and it will only continue to become a problem."

In markets like Florida and California that have been deeply impacted by climate events, that concern becomes even more acute. Noted **Jade Mills,** a Luxury Property Specialist with Coldwell Banker Realty in Beverly Hills: "I believe evolving insurance regulations, higher ownership costs, and increased demand for sustainable, fire-resistant homes will continue driving this trend."

The selectivity being applied to property buying seems to be occurring across all tiers of the market. Chesterfield has even spotted this trend among some of his international UHNW clients as they look to diversify their real estate portfolios. Although UHNW buyers are less rate sensitive and largely recession-proof, the calculus has expanded in this new environment. "They are being a lot more selective about where they locate themselves," he said. "Of course, they have the freedom to buy whatever they want in the end, but the property still has to check the boxes. It has to have financial upside, security benefits, and lifestyle. They are very heavily advised these days, and they are getting the best possible advice for people at their wealth level so they are able to make better decisions for the future."

The buyer who arrives with research already done will likely become the norm, not the exception. "Whether these clients come to the agent armed with price appreciation models, reports on school rankings, or local development pipeline information, it's an opportunity for the agent's true value to shine."

"Agents who can combine relationship-driven service with sophisticated market analysis and advisory expertise will have a significant competitive advantage," said McKenna.

Added Burrell: "Well-prepared homes with strong marketing, clear pricing strategy, and detailed property information are outperforming because analytical buyers want transparency and confidence before acting."

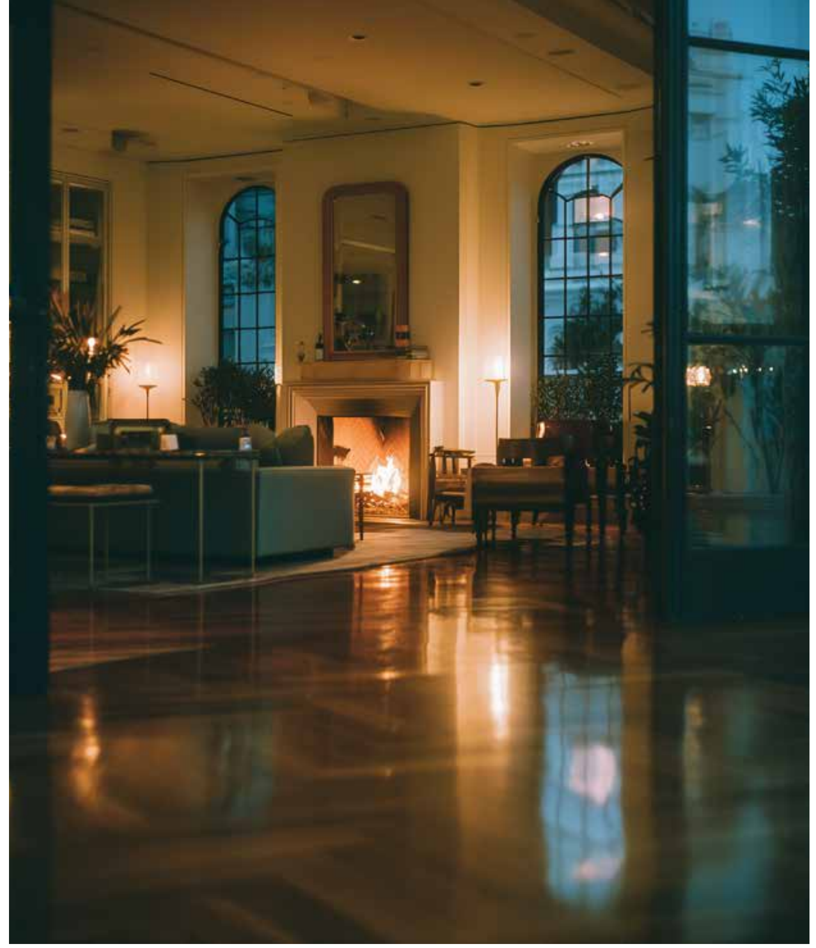
See page 52 for a full list of resources.

DRIVER 3:

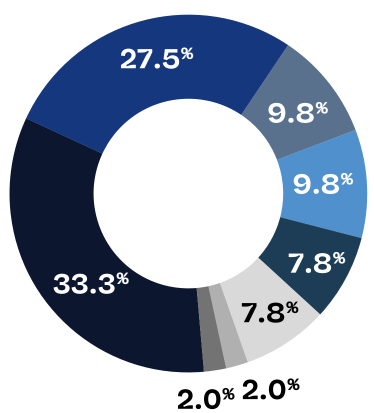
THE INHERITANCE EFFECT

An estimated $38.3 trillion[2] transfer of generational wealth will continuously inject fresh, non-leverage-dependent capital directly into the luxury property market over the next decade. The effects could play out in the market in a number of ways.

Inheritance recipients are expected to intensify demand for a finite supply of prime, turnkey properties. However, if prices remain high and inventory scarce, some may turn to lower priced luxury fixers they can remake in their own style. Multi-family compounds and legacy properties stand to benefit as well, as families look for lifestyle investments they can enjoy now and pass down later.



EXPECTED FUTURE TRENDS



- Generational Wealth Transfer: Influx of Millennial and Gen Z luxury buyers
- Wealth Preservation: Shift from speculative buying to long-term wealth strategies
- Analytical Buyers: Rise in data-driven, highly analytical buyers leaning on AI
- Environmental Factors: Mitigating climate risks and rising insurance costs
- Trophy Acquisitions: Uptick in high-profile "blockbuster" or trophy estate sales
- Fixer Demand: Increased interest in competitively priced "fixer" properties
- AI Integration: Use of AI in luxury property marketing and promotion
- Growing concerns over environmental risks and rising coverage costs

Source: Coldwell Banker Survey of Luxury Property Specialists, May 2026

By the Numbers

In May 2026, just over 33% of surveyed Luxury Property Specialists named generational wealth transfer as the single most important force expected to reshape the high-end market over the next 12 to 24 months.

"I am seeing families share wealth with their adult children, making them able to make purchases," noted **Kathy Seuylemezian**, a Luxury Property Specialist with Coldwell Banker Realty in La Cañada Flintridge. **Janie Stoddard**, a Luxury Property Specialist with Coldwell Banker Realty in Denver, is observing the same pattern: "I do see generational wealth starting to transfer, which is a factor in younger cash buyers."

NAR's latest figures support what Luxury Property Specialists are seeing on the ground. "About 8% of first-time buyers used an inheritance last year," said Lautz. "This was the highest share we've ever seen. It was 7% the year before, so it's growing."

The "Asset-Rich" First-Time Buyer

As Boomer wealth and real estate portfolios pass to Gen X, Millennials, and Gen Z, the luxury buyer is getting younger. However, these younger first-time buyers look nothing like the first-time buyers of previous generations. Gone is the archetype of the "house poor" first-time buyer in their 20s having to stretch their finances to the absolute limit, eating ramen and scraping together pennies just to afford a starter home. Instead, backed by family wealth or their own financial assets, these next-gen buyers are skipping the starter home entirely.

"There is a surprising amount of wealth and cash assets in younger buyers," said **Lin Lavery**, a Luxury Property Specialist with Coldwell Banker Realty in Greenwich. "I'm seeing a lot of Millennials use mom and dad's money to buy million-dollar homes," added **Kathryn Buckley**, a Luxury Property Specialist with Coldwell Banker Realty in Minneapolis.

> *27.5% of surveyed Luxury Property Specialists cited age-driven divergence in purchasing habits is a top trend in their local market.*

Source: Coldwell Banker Survey of Luxury Property Specialists, May 2026

Smaller Footprints, More Locations

Instead of sinking all their inherited wealth into one massive estate like their parents did, younger buyers could take a different approach to their real estate portfolios. They may direct their assets toward smaller luxury homes at lower price points, but with the goal to amass more of them in a variety of geographic locations. Indeed, 27.5% of surveyed Luxury Property Specialists identified age divergence, where younger buyers purchase more frequently at lower prices and older buyers make fewer, high-value acquisitions, as an active current buying trend.

This could eventually give the lower and middle tiers of the luxury market a boost.

"They could be looking to build a collection of smaller, high-end properties across multiple cities so they can move around freely," said Chesterfield, emphasizing that lifestyle thinking still plays a major role in high-net-worth real estate buying.

See page 52 for a full list of resources.

Nikita Idiri, a Luxury Property Specialist with Coldwell Banker Warburg in New York City, agrees: "These buyers tend to prioritize lifestyle, flexibility, modern design, and turnkey inventory differently than previous generations," she explains. "In the NYC and Long Island markets specifically, this is driving demand toward amenity-driven properties, newer construction, and neighborhoods that offer a seamless blend of lifestyle and long-term value, with an intense emphasis on desirable school districts."

While younger buyers tend to be highly protective of their wishlists, their desire for pristine, modern spaces is running headfirst into a sticker shock problem. As **Steve Gottlieb**, a Luxury Property Specialist with Coldwell Banker Warburg has begun to observe in Manhattan: "Builders and developers seem to be cutting more corners with quality, but new builds continue to be very expensive. This makes fixer-uppers with great bones more and more interesting for buyers with checklists who are looking for value."

Luxury Fixer Renaissance
Gottlieb's observations underscore a theory floated in The Trend Report 2026 about whether inventory constraints and high prices for new builds would eventually drive some buyers to embrace luxury fixers. Just a small number of Luxury Property Specialists surveyed in May 2026 (7.8%) have reported an increased interest in lower-priced properties that need work this year. But it likely varies market by market, depending on local supply.

In highly desirable areas of Wilmington, North Carolina, Luxury Property Specialist **Rachel Rae** with Coldwell Banker Sea Coast Advantage is seeing this play out. "We are seeing more homes sold in neighborhoods with traditionally lower turnover rates," she said. "These homes are owned by the Boomer generation and in need of renovations. The neighborhood demand is still driving the prices and bidding wars for fixers."

Aging inventory in sought-after locations could create a challenge for younger buyers. The same goes for those who stand to inherit large, historic estates or vacation properties that come with decades of deferred maintenance, high property taxes, and management responsibilities.

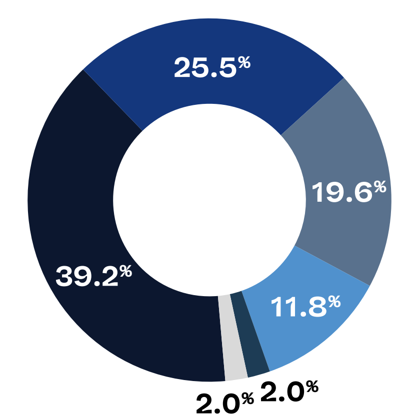
A joint study by Leaf Home and Morning Consult[3] highlighted the scale of this problem, revealing that nearly three-quarters of Boomer homeowners have lived in their properties for over a decade, and more than half of those homes were built before 1980 with no history of major remodeling.

As Lautz notes, because so many family-held properties have effectively sat frozen in time, passing them down creates a steep underinvestment hurdle for the next generation. "The amount of capital required just to modernize these homes and bring them up to current standards could be substantial," she said. Then again, for buyers who secure these properties below market value, that upfront investment is also a prime opportunity to build immediate equity.

"Buyers want the best price and will deal with renovations" if the property is in the right neighborhood, said **Steve Hoffman**, a Luxury Property Specialist with Coldwell Banker Warburg in New York City.

Hoffman is not alone in this assessment. Nearly 40% of surveyed Luxury Property Specialists identified property condition as the most common tradeoff buyers are willing to make to secure the right location.

PROPERTY FEATURES BUYERS ARE MOST WILLING TO COMPROMISE ON



- Property condition (new construction or move-in ready)
- Location/specific neighborhood
- Square footage
- Acreage & privacy
- Pricing in response to political headline risk
- Has higher potential for growth

Source: Coldwell Banker Surveys of Luxury Property Specialists, May 2026

Legacy Meets Lifestyle Purchasing
As part of their estate planning, high-net-worth families are looking to invest in legacy properties.

"Luxury buyers in many cases are approaching their purchases as generational homes to be passed down. I see longer-term investments driving this segment," said **Annie Lenzke**, a Luxury Property Specialist with Coldwell Banker Realty on Chicago's North Shore. This reflects a distinct "generational shift from Baby Boomers transferring wealth to their children specifically to establish a future foundation," notes **William Yau**, a Luxury Property Specialist with Coldwell Banker Warburg in New York City.

For a growing cohort of families, their legacy planning is taking the physical form of a self-contained family compound that they can enjoy now and pass down later. These compounds often have separate buildings on site, allowing multiple generations — parents, their adult children, and grandchildren — to live there all at once.

"Everyone's a winner in this scenario," said Chesterfield. "The grandparents have their own separate home on the property, and they can see the grandkids." Ultimately, investing in a shared estate is about making better decisions for the future.

"Cities could fall out of favor with a portion of these buyers as they look to have a completely out-of-town existence with more space," said Chesterfield. "They want their kids to have some space."

See page 52 for a full list of resources.

DRIVER 4:
THE LIQUIDITY LINE

The luxury real estate market has been outpacing the traditional housing market, which has been constrained by "the lock-in effect" of historically low mortgage rates. But the forces driving that divide are now creating a fault line within luxury itself, as buyers in different wealth tiers navigate uncertainty in different ways.

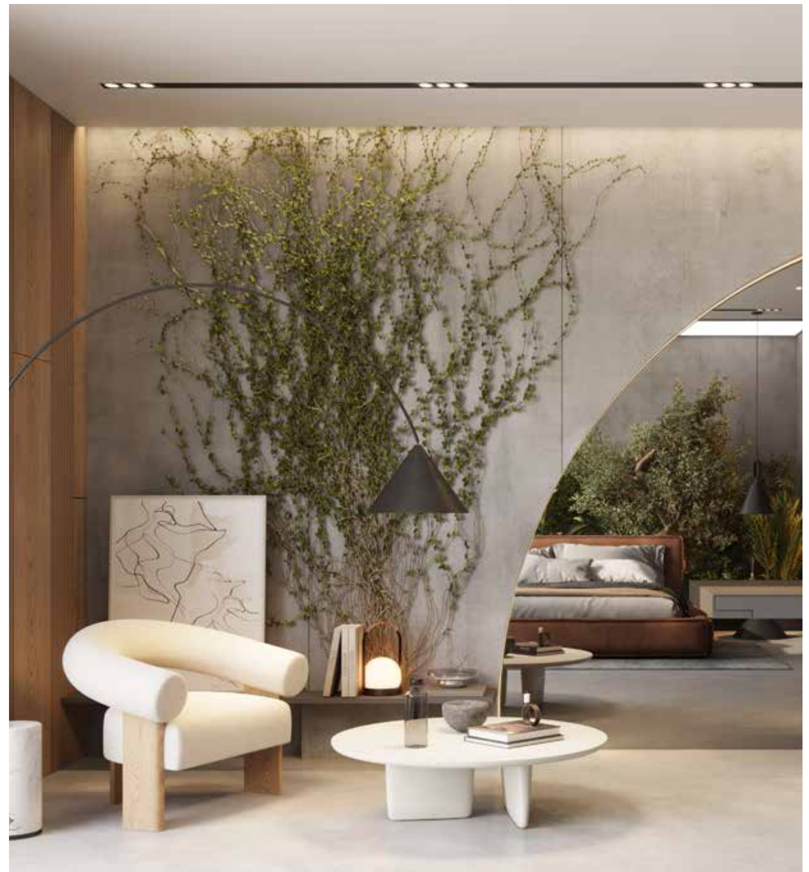
> *Surveyed Luxury Property Specialists cited interest rates as the third most impactful current trend in their local market.*

UHNW buyers are more likely to double down on real estate for wealth preservation and asset diversification. HNW buyers lower on the wealth spectrum are taking a more cautious approach, applying a wait-and-see posture as interest rates remain elevated. As Chesterfield explained: "There's an enormous difference between how a high-net-worth individual with $3 million in assets views a real estate purchase in the current buying climate, versus one with $30 million. At $3 million, a buyer is closer in behavior and constraint to a mass-affluent or aspirationally wealthy consumer. At $30 million, these individuals operate with more freedom. They can buy whatever they want to buy."

> *The top 10% generated an additional $4.36 billion in real estate dollar volume YOY through May in 2026. More than 50% of that growth ($2.2 billion) came from the top 1-5% single-family home segment, a 5.3% YOY increase.*
>
> Source: Institute for Luxury Home Marketing

This liquidity is being supported by a widening divergence in wealth creation. As the number and wealth of ultra-high-net-worth households continue to grow, demand for luxury single-family homes has remained concentrated at the top end of the market, reinforcing activity in the highest price tiers.

That divergence is expected to widen. Month-over-month sales volume between April and May 2026 climbed 10.2% in the broader



single-family sector based on data provided by NAR but the top 1% to 5% luxury tier moved even faster, posting a 12.5% acceleration.

By the Numbers

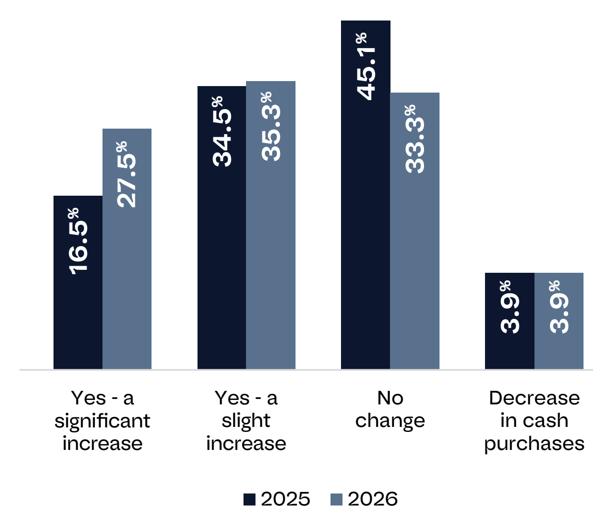
From January to May 2026, U.S. luxury sales grew 1.2% year-over-year, according to The Institute, outperforming the broader market's 0.7% growth, as per NAR[4].

This performance gap widened throughout the year. While the luxury market recorded a steady year-over-year increase in sales each month, the broader market followed a bell-shaped trend, with year-over-year growth accelerating through March before losing momentum and declining. By May, the luxury market posted a 4.3% year-over-year increase in sales, while the broader market had flattened, recording zero growth with approximately 390,000 sales.

The King is Cash

The Luxury Property Specialists surveyed in May 2026 told us that cash purchases were up this year. Almost 63% said either that there was a slight increase or a significant increase among their luxury clients — up from 51% in May 2025. Another 33.3% said there was no change, and only 3.9% said there was a decrease in cash purchases for this year. Given the fact that most of those we surveyed for this report work in the top 5% of their local market, it supports the finding that the higher the price tier, the higher the rate of cash transactions.

CASH PURCHASES 2025 VS. 2026



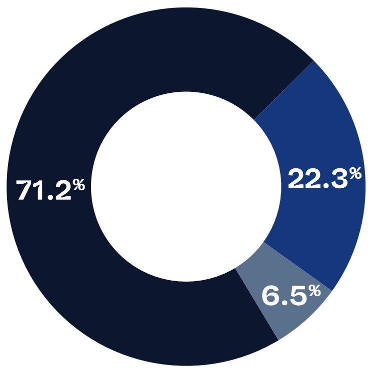
Source: Coldwell Banker Survey of Luxury Property Specialists, May 2025 and 2026

This tracks with the November 2025 survey of Luxury Property Specialists conducted for The Trend Report 2026, when just over 71% said their affluent clients are primarily making purchases in cash.

Lautz noted that NAR has consistently seen a growing share of purchases made in cash. "More than a quarter of the market has been paying cash for several years now," she said. "This is a post-COVID trend that seems to be sticky. Prior to COVID, it was 15% for cash purchases for primary residence repeat buyers. Now we see 30% paying cash." She added that this is primarily being driven by equity-rich Baby Boomers, vacation buyers, and mom-and-pop investors.

"Some may be paying cash to offset higher mortgage rates, others could be diversifying their options and cashing out stock," she said. "But the simplest answer is because they can. The equity they've earned has simply given them the freedom to make a cash purchase."

FINANCING METHODS OF LUXURY BUYERS



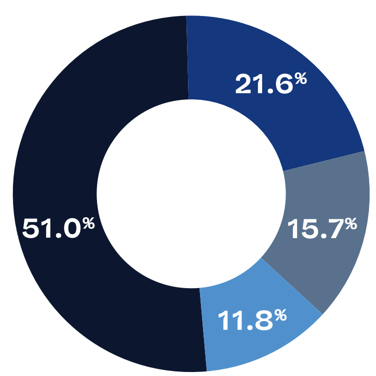
- Primarily in cash
- Using financing as a leverage strategy (even if they could pay cash)
- Using traditional financing

Source: Coldwell Banker Survey of Luxury Property Specialists, November 2025

While 51% of surveyed Luxury Property Specialists identified Baby Boomers as the demographic most frequently making all-cash purchases in their markets this year, Gen X move-up buyers and younger Millennial first-time buyers combined for a significant share at 33.4%.

This rise in younger, cash-ready buyers aligns with recent insights from Lautz, who noted that a growing number of first-time homebuyers are bypassing traditional financing altogether. “Nearly one in 10 first-time buyers are paying cash — an all-time high over the last two years,” she said. “They're pulling from financial assets, i.e. taking money from the stock market or crypto to fund a large down payment or purchase outright. About 26% of first-time buyers are now using financial assets to buy — the highest we've ever seen. It's quite unusual.” She added that the trend reflects a shift in who is entering the market for the first time. “It speaks to a wealthier, higher-income first-time buyer who can tap those assets.”

CASH BUYER DEMOGRAPHICS



- Downsizers/Baby Boomers
- Move-Up Buyers/Gen X
- Investors/Entity Buyers
- First-Time Buyers/Younger Millennials

Source: Coldwell Banker Survey of Luxury Property Specialists, May 2026

Luxury Property Specialists recognize this buyer well. “These buyers are better off financially than the non-luxury buyers and are not as affected by headlines,” said **Allison Pickell** with Coldwell Banker RPM Group in Little Rock, Arkansas. “Even if they can pay cash, many choose to have a small mortgage just to be able to write off the interest and have more cash for investing.”

For most high-net-worth individuals, though, a cash real estate purchase is all about rate insulation. “Established cash reserves will be used more and more like this to make real estate purchases” as long as rates remain elevated, Chesterfield said.

Momentum in the Middle
The liquidity line has become a driving force behind the increases in both annual sales volume and dollar volume in the middle tier.

Sales Growth
The separation is most pronounced at the top 1-5%, where a smaller, cash-forward contingent is doing an outsized share of the market's heavy lifting. In that middle tier, luxury single-family sales grew by 3.6% YOY, outpacing both the lowest and highest luxury segments.

LUXURY HOME DOLLAR VOLUME
(JANUARY - MAY 2025 VS. 2026)

	Top 1% Change	Top 1-5% Change	Top 5-10% Change
Single-Family Homes	0.7%	7.8%	6.0%
Attached Properties	4.5%	4.5%	4.2%

Source: Institute for Luxury Home Marketing

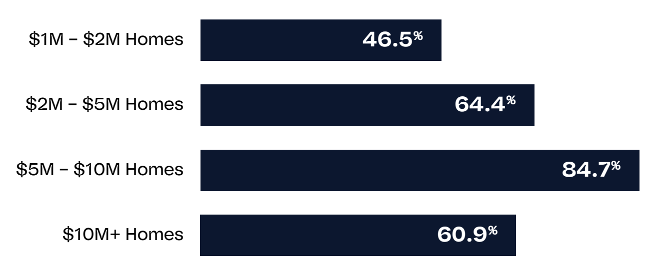
One caveat to these findings: recorded data for the top 1% is likely undercounting actual transactions since “a majority of these tend to be private sales,” noted Chesterfield.

This fragmentation is not just showing in price tiers, but also in geography. National averages can mask a "market of markets," where pacing is dictated by local liquidity. Looking at a marquee hub like Miami, ultra-wealthy buyers and cash transactions tend to dominate the landscape, and it shows in market performance. Per The Institute, annual Miami luxury home sales were up 8% while resort destinations like Hawaii and Naples and micropolitan areas like Charlotte and Tucson lagged behind.

See page 52 for a full list of resources.

In Miami, cash purchases account for nearly half of transactions at the $1-2 million tier and climb to 84.7% at $5-10 million, according to an April 2026 Realtor.com review.[5] Even at the $10 million+ tier, nearly 61% of transactions are done in cash.

CASH PURCHASES IN MIAMI

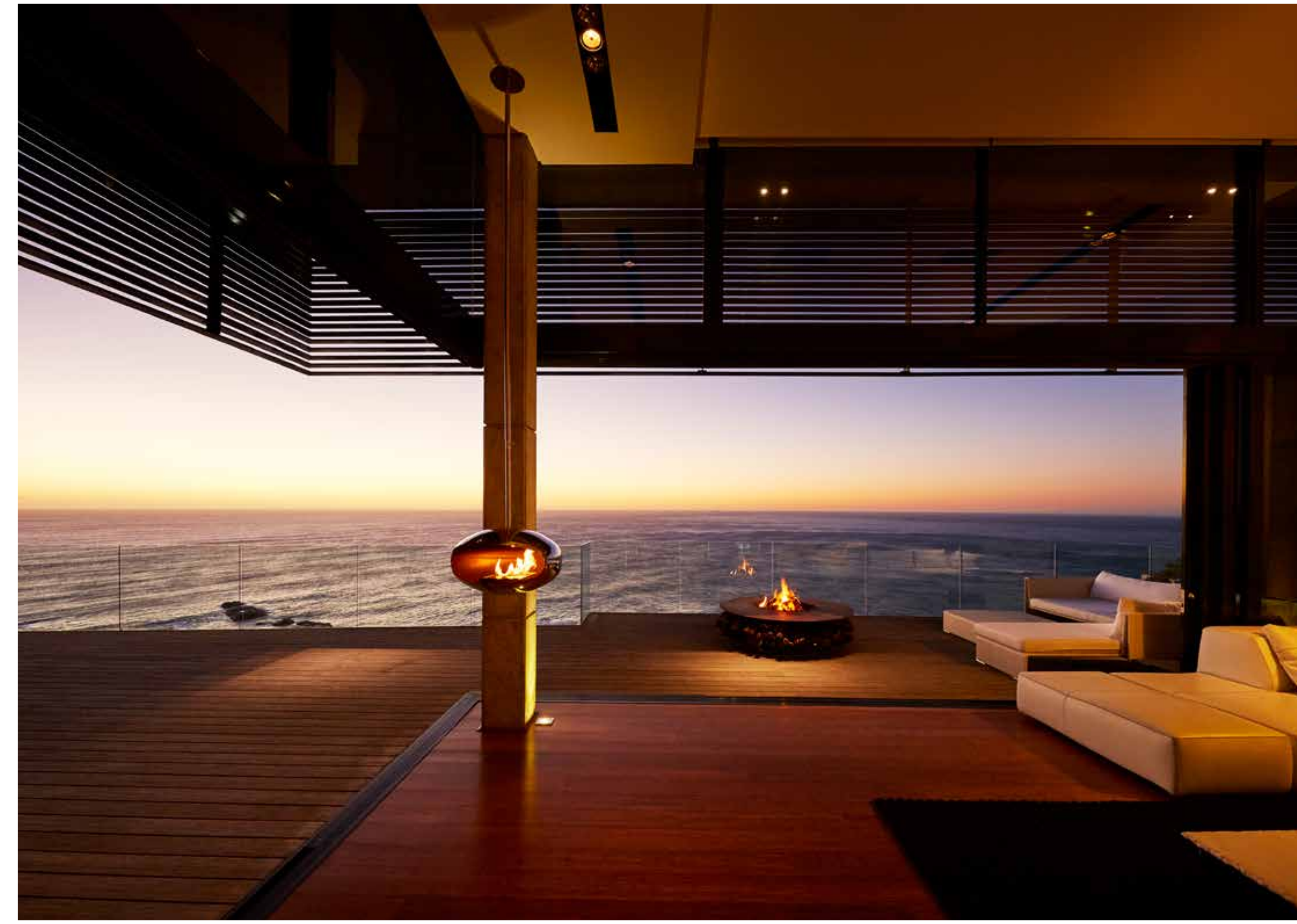


Source: Realtor.com, 2026

The cash infusion to Miami real estate underscores the city's unique position as a global gateway in the U.S. It's a trend closely tracked by members of **The Jills Zeder Group**, a team of Luxury Property Specialists with Coldwell Banker Realty, who specialize in the Miami area's exclusive waterfront enclaves and have discreetly brokered several historic, nine-figure transactions. "Miami Beach and the surrounding areas have always been attractive throughout the world, but the last couple of years have brought a whole new level of high-net-worth buyers," said **Jill Hertzberg and Hillary Hertzberg Benson**.

Operating out of Coral Gables, **Judy, Nathan and Meredith Zeder** have sold a large variety of high-end homes, noting, "Our clients have had such a variety of needs from business, to family and second, third, fourth homes, finding our area accommodating to the variety of needs, regardless of the lifestyle they need or want."

Jill Eber notes that "Many of the clients coming here for all the one-of-a-kind homesites that Miami has to offer, are also seeking the phenomenal hidden trophy gems." Felise Eber added, "Once you pass a certain price threshold, almost all of these transactions are done in cash — especially when you reach the $20 million mark." The desire for private compounds and scarce, ultra-premium waterfront parcels has driven some ultra-affluent individuals towards assemblage.



As **Danny Hertzberg** observes, "the level of sophistication of today's buyer in the Miami area requires a high level of skills, outstanding resources, and a multi-level knowledge of both on and off market properties to serve these unique buyers and sellers."

LUXURY HOME SALES (JANUARY - MAY 2025 VS. 2026)

	Top 1% Change	Top 1-5% Change	Top 5-10% Change
Single-Family Homes	1.5%	3.6%	2.5%
Attached Properties	-5.3%	-4.6%	-2.8%

Source: Institute for Luxury Home Marketing

Dollar Volume Growth

When looking at annual dollar volume across the 120 luxury metros examined for this report, the split down the middle becomes more evident. The majority of luxury dollar volume remains concentrated in the top 5% of single-family transactions, driven by the high-velocity top 1-5% segment which continues to outpace all other tiers in year-over-year sales and dollar volume expansion. In contrast, the ultra-exclusive top 1% has settled into stable gains following a massive surge in volume a year prior. Meanwhile, the attached luxury property segment is experiencing a "fewer transactions at higher prices" dynamic.

The influx of capital flowing into the highest price tiers confirms there is a psychological shift happening among ultra-high-net-worth individuals and family offices. It suggests that the wealthiest buyers view luxury real estate as a vital inflation hedge and a permanent vehicle for intergenerational wealth preservation. By locking in premier tangible assets now, they are effectively front-running the next market cycle to ensure they control the market's most insulated and desirable inventory by the time economic certainty returns.

THE ROAD AHEAD

The forces underpinning the market in 2026 mark a profound evolution in how affluent buyers perceive value, risk, and time. Agents who read these signals correctly and understand the complexities of navigating the current buying and selling environment will remain one step ahead in the second half of the year, even if macro uncertainty continues. Ultimately, it won't be algorithms or data points that move the world's most discerning buyers into their next chapter. It will be the hard-earned human expertise of a true local advisor. ■

Methodology & Sources

The Coldwell Banker Global Luxury® program collaborated with Luxury Property Specialists (through the means of a survey), the Institute for Luxury Home Marketing, JamesEdition B.V., National Association of REALTORS® and Barton Consulting LLC to provide insights into wealth, real estate, property investment, luxury spending preferences, and emerging trends.

THE COLDWELL BANKER GLOBAL LUXURY® PROGRAM SURVEYS

The insights and data points presented in this report are derived from a proprietary survey administered by Coldwell Banker Real Estate LLC in May 2026. The Coldwell Banker® survey, May 2026, captured quantitative and qualitative market insights from 51 certified Luxury Property Specialists representing key high-net-worth markets.

The primary data set, compiled in May 2026, is benchmarked directly against historical data points from the Coldwell Banker® survey of Luxury Property Specialists in May 2025 (with 206 respondents), and the Coldwell Banker® survey of Luxury Property Specialists, November 2026 (with 139 respondents) for the express purpose of tracking market trends over time. All percentages and trend forecasts reflect the aggregate responses of these specialized panels at their respective times of collection. These metrics are subject to sampling variances inherent to qualitative surveys and are presented exclusively for informational purposes.

INSTITUTE FOR LUXURY HOME MARKETING

For The Mid-Year Report 2026, the Institute for Luxury Home Marketing analyzed the data for the top 10% of 120 U.S. markets. Data contained is from January 1, 2024, to May 31, 2026, and has been computed by the Institute for Luxury Home Marketing's data research partner and shared with Coldwell Banker Real Estate LLC® and based on information attained both privately and publicly. The top 10% is defined as a property in the top 10% of any given market. These homes (in terms of inventory, solds, or list prices), match or exceed the 90th percentile sold price for homes sold on a monthly basis from January 1, 2024 to May 31, 2026. Closed sales reported later than the monthly analysis period were not included. Property-specific sales records were standardized, inaccurate sale prices were corrected when necessary and all duplicate records were manually excluded. As a result, statistics available via the source data providers may not correlate to this analysis.

Data is then represented monthly, over five months and yearly throughout the report, using medians, averages, totals, percentages, and ratios. However, unless otherwise specified, statistics typically presented in this report represent both the monthly median and the average of monthly medians of the respective data. Market Status is an analysis of Sales Ratio and represents market speed and market type: where the sales ratio is 12% or less, it is a buyer's market. If it is greater than 12% and less than 21% it is a balanced market. Over 21% it is a seller's market. If greater than 100%, MLS data reported previous month's sales exceeded the remaining inventory pulled at the end of the month.

JAMESEDITION

This data examines buyer inquiry patterns on JamesEdition's global luxury residential listings, comparing activity from January 1 through May 10, 2026, against January 1 through May 10, 2025. The report also references JamesEdition data from January 1 through to October 15, 2025, against January 1 through to October 15, 2024.

The core metric tracks unique users who submitted property inquiries during each period. Percentage figures reflect each category's share of total inquiries within its respective time frame. Because luxury properties frequently feature multiple amenities and attributes, category percentages may exceed 100% when aggregated. All data derives from JamesEdition's proprietary platform tracking system. Supply-side amenity and inquiry data is sourced from JamesEdition's internal BigQuery data warehouse. Property type, demand-side amenity search, and Detached/Attached/Other segmentation data is sourced from Mixpanel event analytics.

IN REVIEW 2026 | PAGES 4 - 7

1. UBS | Next Generation Report 2026, May 2026
2. Deloitte | The 2026 Global Powers of Luxury Report, Jan 2026
3. Investors.com | Luxury Retailer's Earnings Top Views as Affluent Consumers keep Splurging | May 2026
4. Federal Reserve Bank of Atlanta | Summary of Economic Activity | June 2026

MARKET SYNOPSIS | PAGES 14 - 21

1. Realtor.com | A Milestone on the Long Lock-In Recovery Journey: Mortgages Above 6% Exceed Share Below 3% | January 2026

WHAT BUYERS WANT | PAGES 22 - 33

1. Graham Associates | Branded Residences: An Overview – 6th Edition | May 2025
2. 2026 NAR Home Buyers and Sellers Generational Trends
3. Investopedia | How Many Americans Actually Downsize Their Homes for Retirement? | May 2026

TREND OUTLOOK | PAGES 34 - 51

1. FHFA | House Price Index Monthly Report | April 2026
2. Coldwell Banker Global Luxury Program | The Trend Report 2026 | January 2026
3. LeafHome | 2024 Generational Divide in Homeownership Report: Impact of Boomers Aging in Place on Millennial Homeownership | April 2024
4. NAR | 2026 Home Buyers and Sellers Generational Trends Report | April 2026
5. Realtor.com | Luxury Housing Market Trends and Outlook 2026: Prices Stabilize | April 2026

GLOBAL LUXURY

coldwellbankerluxury.com