

# Luxury Real Estate on the Rise

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[Luxury Properties, Vacation, Resort, and Second Homes, International Real Estate](#)

The U.S. luxury real estate market is getting a significant boost from an increasing number of wealthy individuals who are showing a deep appreciation for owning multiple homes. The world's affluent population—those with a net worth of more than \$5 million—grew by nearly 20% in 2021, according to The Report: 2022 Global Luxury Market Insights, produced by Coldwell Banker Real Estate LLC and the Coldwell Banker Global Luxury program. In the U.S. alone, the wealth growth rates pressed even higher, rising nearly 25% during that period.

As a result, luxury real estate is growing. The sales of single-family luxury homes, defined as the top 10% of any given market, climbed nearly 15% in 2021, and prices increased 20% from 2020, according to the report.

“Stock market gains, rising home equity, increased savings and the cryptocurrency boom have all contributed to a massive expansion of wealth and the sheer number of affluent individuals across the globe,” says Michael Altneu, vice president at Coldwell Banker Luxury. “This—combined with a renewed focus on home for fulfilling a range of needs from security, escape, community, work, and wellness—has led to unprecedented demand for bigger and better homes in new locations. As a result, luxury is no longer concentrated in a few major cities; it's everywhere and we'll continue to see the growth of secondary markets for years to come.”

International buyers are expected to add to luxury markets, returning to U.S. real estate as pandemic-led travel restrictions loosen. About 83% of real estate pros surveyed by Coldwell Banker anticipate international buyers coming back to the U.S. market. They believe foreign buyers will most be drawn to turnkey properties that offer additional space and privacy. Real estate pros also believe they will target secondary or suburban areas.

Secondary markets are becoming an increasing draw to the luxury market. For example, markets like Denver; Boise, Idaho; Sacramento, Calif.; San Antonio; Raleigh, N.C.; and Salt Lake City are seeing increasing interest from luxury buyers, according to the report.

“Work-from-home opportunities, climate change considerations, and accessibility to dream locations mean luxury may continue to expand throughout the country as consumers search for the home that best fits their needs and desires,” the report says.

Also, secondary home purchases are increasing as the wealthy add to their real estate portfolios. About 70% of individuals with a net worth of \$5 million or more own two or more properties. More affluent buyers also are purchasing getaway homes—about 32% in 2021, up from 23% in 2020, according to the report.

“Double-digit wealth and affluent population gains have happened concurrently with a once-in-a-generation change in living patterns and migrations,” says Liz Gehringer, president of Coldwell Banker Affiliate Business and chief operating officer for Coldwell Banker Real Estate LLC. “As luxury real estate represents a larger percentage of the total housing market than ever before, it is absolutely crucial that luxury real estate professionals have a firm grasp of all factors influencing wealthy buyers and sellers today. The agent has become the affluent buyer’s connection point to new locations around the world.”

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