



# LUXURY MARKET REPORT

- November 2018 -

INSTITUTE *for*  
LUXURY HOME  
MARKETING®

[www.LuxuryHomeMarketing.com](http://www.LuxuryHomeMarketing.com)

# THIS IS YOUR LUXURY MARKET REPORT



MAP OF LUXURY RESIDENTIAL MARKETS

Welcome to the Luxury Market Report, your guide to luxury real estate market data and trends for North America. Produced monthly by The Institute for Luxury Home Marketing, this report provides an in-depth look at the top residential markets across the United States and Canada. Within the individual markets, you will find established luxury benchmark prices and detailed survey of luxury active and sold properties designed to showcase current market status and recent trends. The national report illustrates a compilation of the top North American markets to review overall standards and trends.

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The Luxury Market Report is a monthly analysis provided by The Institute for Luxury Home Marketing. Luxury benchmark prices are determined by The Institute annually. This active and sold data has been compiled by various sources, including local MLS boards, local tax records and Realtor.com. Data is deemed reliable to the best of our knowledge, but is not guaranteed.

# - LUXURY REPORT EXPLAINED -

The Institute for Luxury Home Marketing has analyzed a number of metrics — including sales prices, sales volumes, number of sales, sales-price-to-list-price ratios, days on market and price-per-square-foot – to provide you a comprehensive North American Luxury Market report.

Additionally, we have further examined all of the individual luxury markets to provide both an overview and an in-depth analysis – including, where data is sufficient, a breakdown by luxury single-family homes and luxury attached homes.

It is our intention to include additional luxury markets on a continual basis. If your market is not featured, please contact us so we can implement the necessary qualification process. More in-depth reports on the luxury communities in your market are available as well.

Looking through this report, you will notice three distinct market statuses, Buyer's Market, Seller's Market, and Balanced Market. A **Buyer's Market** indicates that buyers have greater control over the price point. This market type is demonstrated by a substantial number of homes on the market and few sales, suggesting demand for residential properties is slow for that market and/or price point.

By contrast, a **Seller's Market** gives sellers greater control over the price point. Typically this means there are few homes on the market and a generous demand, causing competition between buyers who ultimately drive sales prices higher.

A **Balanced Market** indicates that neither the buyers nor the sellers control the price point at which that property will sell and that there is neither a glut nor a lack of inventory. Typically, this type of market sees a stabilization of both the list and sold price, the length of time the property is on the market as well as the expectancy amongst homeowners in their respective communities – so long as their home is priced in accordance with the current market value.

## REPORT GLOSSARY

**REMAINING INVENTORY:** The total number of homes available at the close of a month.

**DAYS ON MARKET:** Measures the number of days a home is available on the market before a purchase offer is accepted.

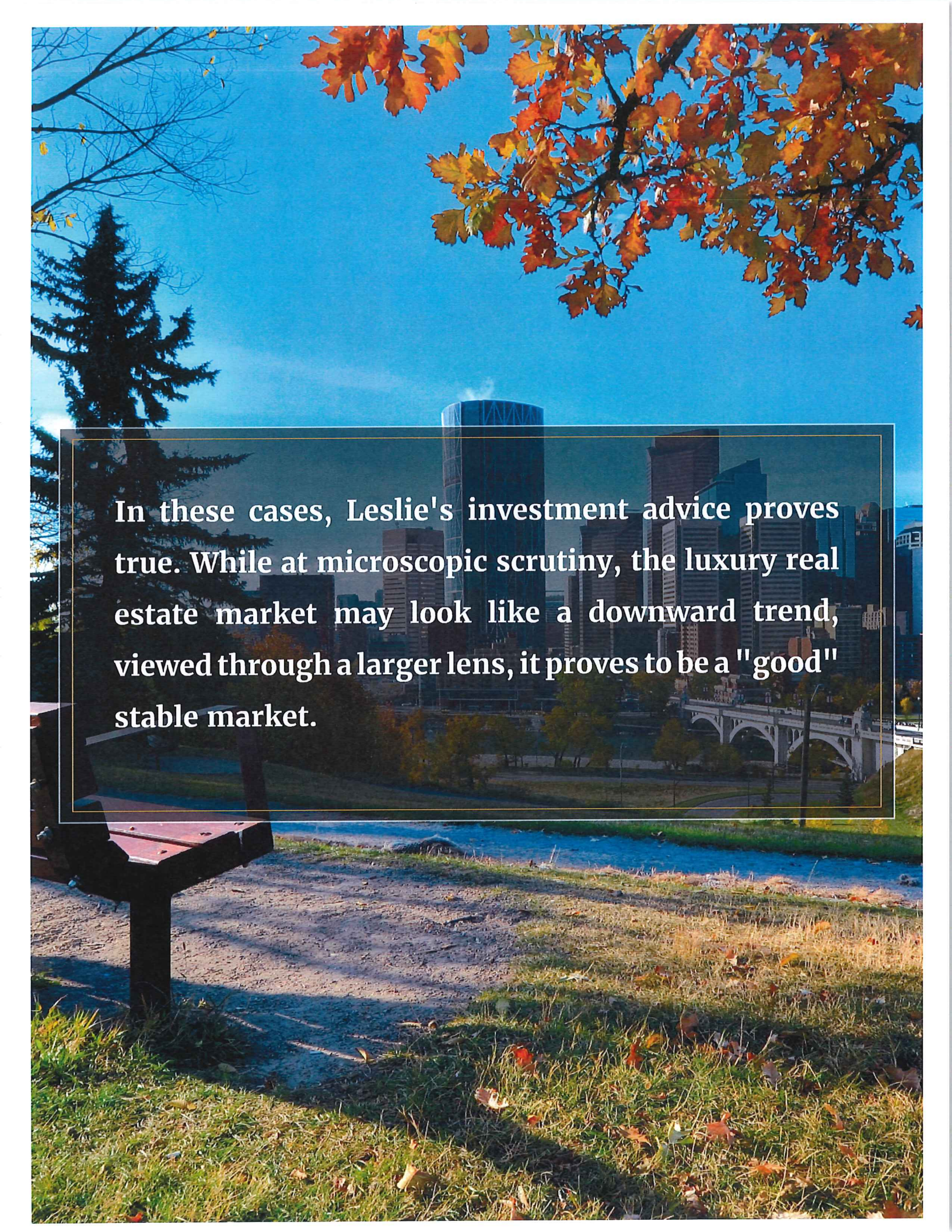
**LUXURY BENCHMARK PRICE:** The price point that marks the transition from traditional homes to luxury homes.

**NEW LISTINGS:** The number of homes that entered the market during the current month.

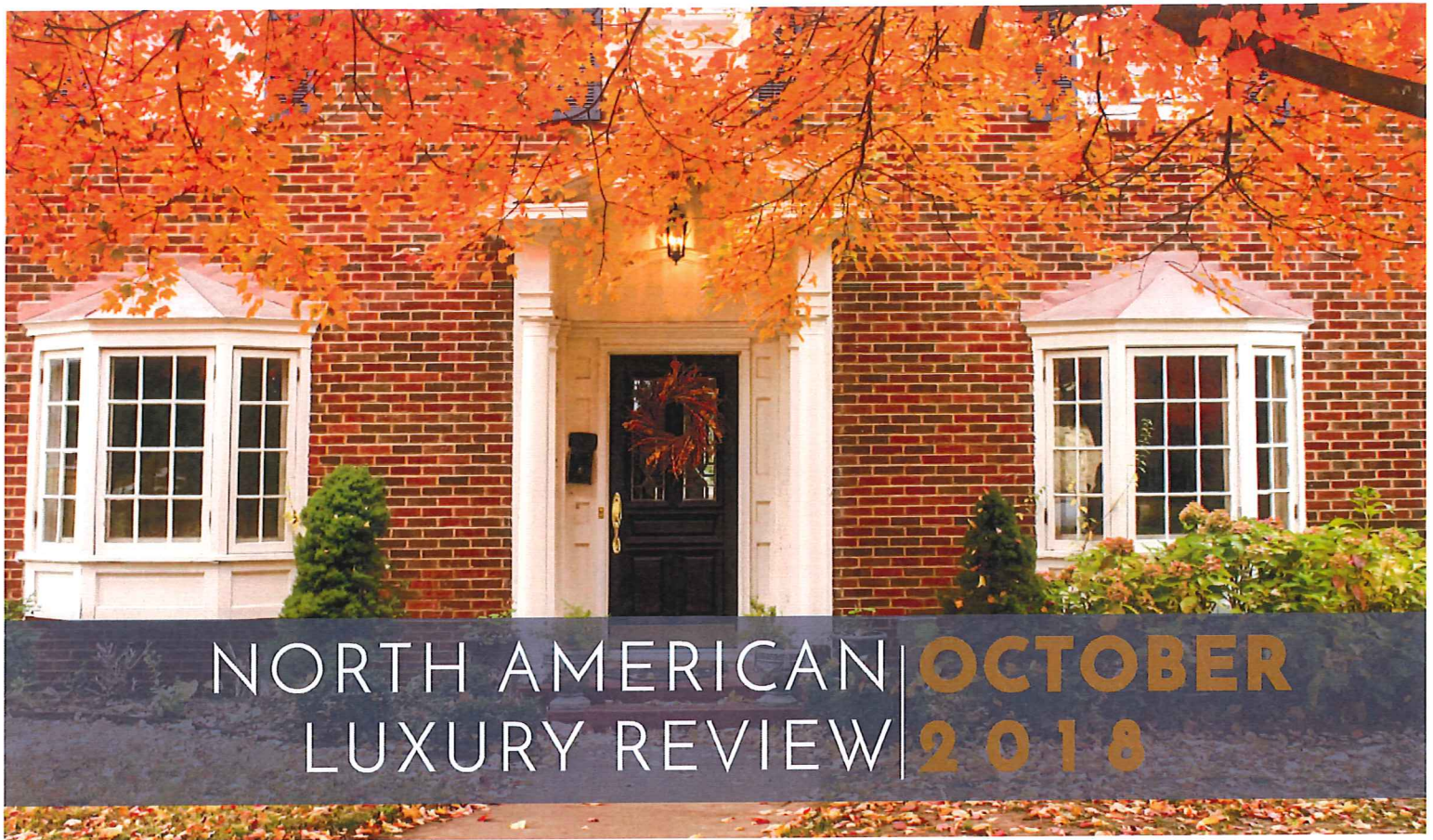
**PRICE PER SQUARE FOOT:** Measures the dollar amount of the home's price for an individual square foot.

**SALES RATIO:** Sales Ratio defines market speed and determines whether the market currently favors buyers or sellers. Buyer's Market = up to 14%; Balanced Market = 15 to 20%; Seller's Market = 21% plus. If >100%, sales from previous month exceeds current inventory.

**SP/LP RATIO:** The Sales Price/List Price Ratio compares the value of the sold price to the value of the list price.

A scenic view of a city skyline across a river, framed by autumn foliage and a wooden bench in the foreground. The image features a mix of green and yellow grass, a dirt path, and a wooden bench in the lower left. In the background, a river flows under a bridge, with a city skyline including a prominent cylindrical tower. The sky is blue, and autumn leaves are visible in the upper right corner.

In these cases, Leslie's investment advice proves true. While at microscopic scrutiny, the luxury real estate market may look like a downward trend, viewed through a larger lens, it proves to be a "good" stable market.



## THE SHIFT INTO CHANGE

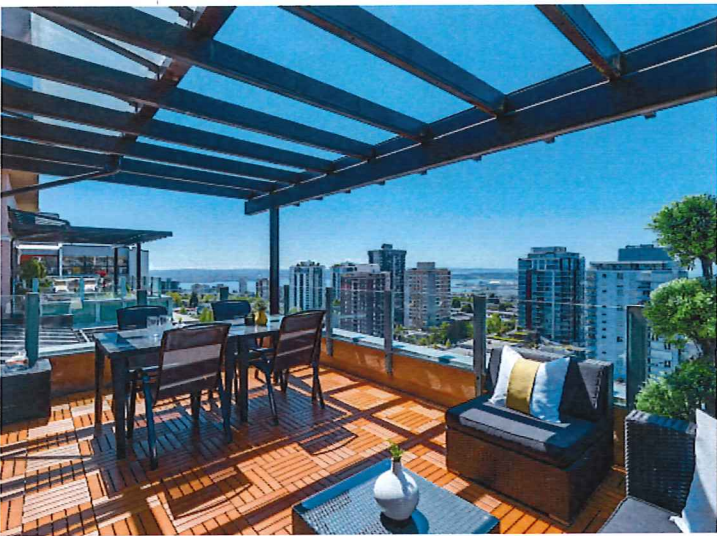
Today, we are reporting from The Institute for Luxury Home Marketing's signature event – Leaders in Luxury – where both industry leaders and some of the finest minds in luxury real estate come together to review, network, and anticipate the future of the market.

This year's event focused on addressing the concerns of 'the winds of change,' claims of a slowing market to forecasts of recession by 2020. However, in her opening statement, Institute President Diane Hartley stated that she believes 2019 will actually be a year of opportunity for both sellers and buyers provided that they remain agile, innovative, and adaptable to their local market influences.

Leslie Appleton-Young, Chief Economist for the California Association of REALTORS®, gave the attendees a new view: **From Great to Good.** In a masterfully in-depth review of the real estate market, she highlighted all the variables from inventory and pricing to equity markets, job growth, home equity, inflation, and personal wealth that impact a market, and coined our current situation as "Great to Good."

The luxury market is often considered a barometer during times of change and this month's statistics show a move back into a balanced market – with increases in sold prices and volume of sales – that further goes to validate Leslie's belief that "uncertainty" and "affordability" are the causes of flux at this time.

As Leslie stated, "investment in real estate needs to be viewed over the long term – not just compared to the last month – only then will the story become obvious." Long term statistics show that the market is now moving at a more even rate rather than at the



rapid, overcharged pace following the market crash in 2008.

In looking at the overall North American luxury market data, comparing month-over-month and over the last 18 months, the picture is clear. Single-family luxury home prices have fallen as much as 5% from one month to the next, but over the last 18 months, the median sold price has remained right around \$1.4 million, illustrating a steady stabilization of the market. Attached luxury homes faced as much as an 8% drop month-over-month, and yet the median sales price is consistently around \$915,000.

The statistic with the greatest drama has been days on market for single-family homes, which has seen a high of 62 days and a low of 31. Upon closer look however, these numbers are merely conforming to traditional swings from the winter to spring market. The luxury single-family median days on market has since swung back up to 53 as we move towards the winter season. In these cases, Leslie's investment advice proves true. While at microscopic scrutiny, the luxury real estate market may look like a downward trend, viewed through a larger lens, it proves to be a "good" stable market.

The economies of Canada and the US are considered to be in strong positions, and the small concessions by both sides in the recent agreement to uphold the 25-year free-trade relationship will have little consequence. If employment is at an all-time high, unemployment at its lowest, little change in inflation, and consumer confidence at its highest, then what is causing this uncertainty in the housing market?

In strong economies, it is typical for governments to raise interest rates and this together with affordability could be the tipping point. With increased home values (due to the escalating prices since 2009), any

small increase in the rate of interest on the mortgage will actually have a significant impact on a household's disposable income. This also affects the amount required for a down payment and income level required to qualify for a mortgage.

Supply and demand are also key factors in today's market with price points in some markets far outside the reach of its general population, especially in the higher priced coastal regions. This affordability problem has further created a supply disconnect. While the quantity of higher priced homes on the market is increasing, supply has not kept up with demand in lower priced areas which, in turn, is causing prices to increase.

The increased inventory in the high-end market does create an opportunity for buyers. Those who previously could not purchase a home due to lack of inventory have come back into the market to find a home – and at a more leisurely pace!

So as you can see, these few variables can create uncertainty in the market.

As to where this leaves the luxury real estate market and future predictions for 2019 – in terms of price points, it is predicated that we will simply see a slowing of the price growth rather than the next great implosion. The stabilization of the price point will naturally slow the market's investors as will the situation that long-time homeowners are not moving in the volumes expected. Typically these homeowners are "baby boomers" with high equity values and low mortgage rates who are concerned about where they will go and how their mortgage rate will be affected.

The luxury market's slow-down is also related to world trade activities; the affluent of countries with political and financial uncertainty still find North America a highly desirable destination to invest in real estate. However, the current demand from the global investor is reported to be softening, with many investors waiting to see if prices will be affected by increasing inventory.

In conclusion, we refer back to Diane Hartley's comment that both sellers and buyers need to remain agile and fully aware of the variables affecting their real estate investment portfolio.

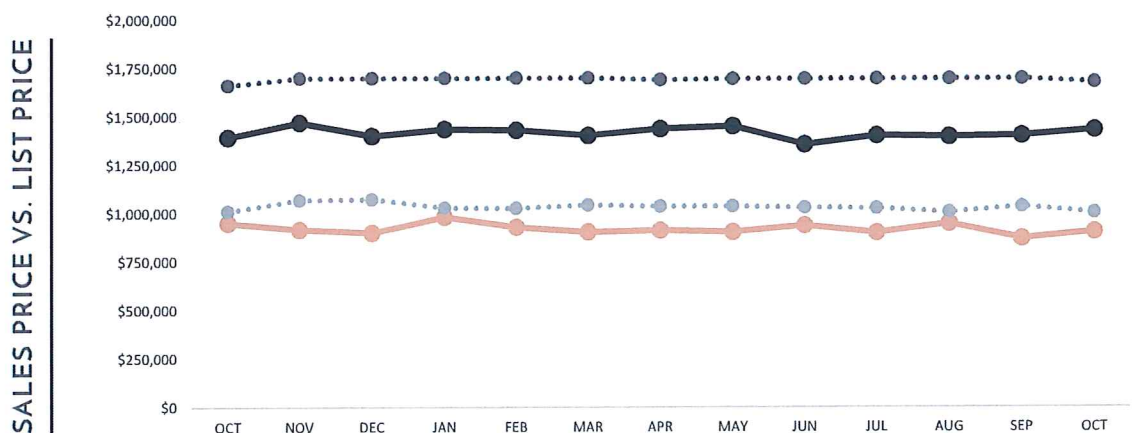
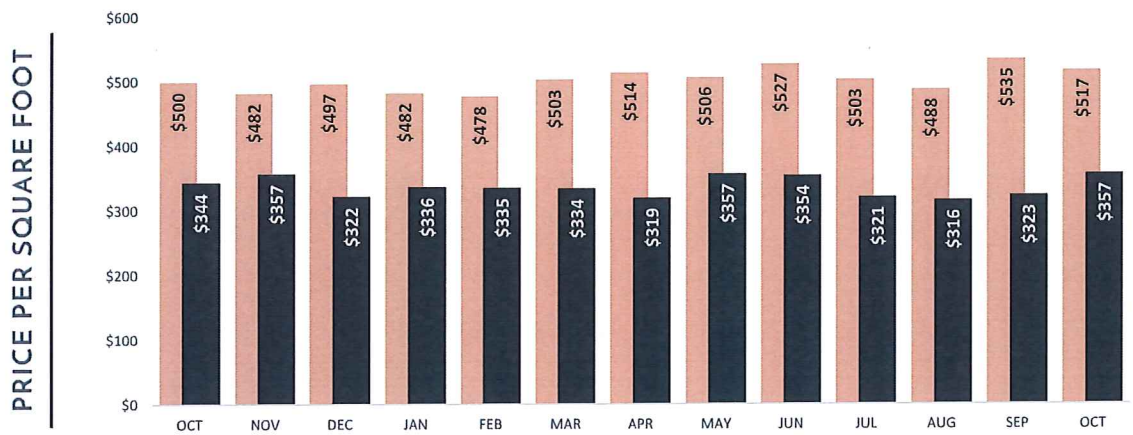
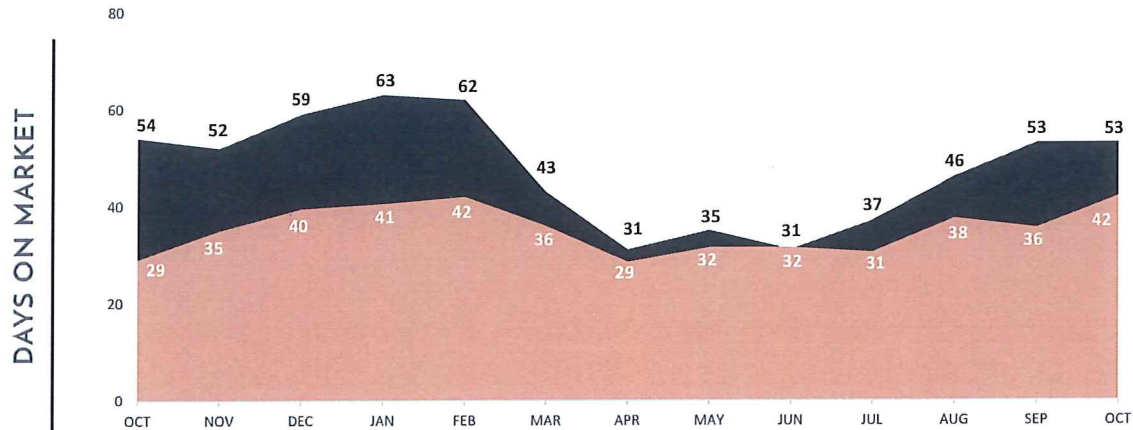


# - 13-MONTH MARKET TRENDS\* -

## FOR THE LUXURY NORTH AMERICAN MARKET

Single-Family Homes
  Attached Homes
  Single-Family List Price
  Attached List Price

All data is based off median values. Median prices represent properties priced above respective city benchmark prices.



# - LUXURY MONTHLY MARKET REVIEW -

## A Review of Key Market Differences Month Over Month

September 2018 | October 2018

### SINGLE-FAMILY HOMES

	September	October		September	October
Median List Price	\$1,695,000	\$1,676,500	Total Inventory	41,036	41,189
Median Sale Price	\$1,400,000	\$1,430,000	New Listings	10,163	10,273
Median SP/LP Ratio	97.01%	96.87%	Total Sold	4,558	5,388
Total Sales Ratio	11.11%	13.08%	Median Days on Market	53	53
Median Price per Sq. Ft.	\$323	\$357	Average Home Size	3,760	3,740

Median prices represent properties priced above respective city benchmark prices.



### SINGLE-FAMILY HOMES MARKET SUMMARY | OCTOBER 2018

- Official Market Type: **Buyer's Market** with a **13.08% Sales Ratio**.<sup>1</sup>
- Homes are selling for an average of **96.87% of list price**.
- The median luxury threshold<sup>2</sup> price is **\$1,000,000**, and the median luxury home sales price is **\$1,480,000**.
- Markets with the Highest Median Sales Price: **LA-Beach Cities** (\$3,937,500), **Vancouver** (\$3,550,000), **San Francisco** (\$3,450,000), and **Washington D.C.** (\$3,387,500).
- Markets with the Highest Sales Ratio: **Silicon Valley** (59%), **San Francisco** (57%), **Seattle** (37%), and **Sacramento** (32%).

<sup>1</sup>Sales Ratio defines market speed and market type: Buyer's = up to 14%; Balanced = 15 to 20%; Seller's = 21% plus. If >100%, sales from previous month exceeds current inventory. <sup>2</sup>The luxury threshold price is set in December of each year by The Institute for Luxury Home Marketing.

# - LUXURY MONTHLY MARKET REVIEW -

## A Review of Key Market Differences Month Over Month

September 2018 | October 2018

### ATTACHED HOMES

	September	October		September	October
Median List Price	\$1,034,750	\$1,003,250	Total Inventory	14,918	15,487
Median Sale Price	\$869,500	\$904,500	New Listings	4,128	4,166
Median SP/LP Ratio	98.10%	97.94%	Total Sold	1,678	1,828
Total Sales Ratio	11.25%	11.80%	Median Days on Market	36	42
Median Price per Sq. Ft.	\$535	\$517	Average Home Size	2,017	1,970

Median prices represent properties priced above respective city benchmark prices.



### ATTACHED HOMES MARKET SUMMARY | OCTOBER 2018

- Official Market Type: **Buyer's Market** with an **11.8% Sales Ratio**.<sup>1</sup>
- Attached homes are selling for an average of **97.94% of list price**.
- The median luxury threshold<sup>2</sup> price is **\$731,250**, and the median attached luxury sale price is **\$904,500**.
- Markets with the Highest Median Sales Price: **Vail** (\$3,387,500), **San Francisco** (\$2,297,500), **Greater Boston** (\$2,075,000), and **Naples** (\$1,900,000).
- Markets with the Highest Sales Ratio: **Marin County** (111%), **Silicon Valley** (103%), **LA-The Valley** (32%), and **Fairfax County** (31%).

<sup>1</sup>Sales Ratio defines market speed and market type: Buyer's = up to 14%; Balanced = 15 to 20%; Seller's = 21% plus. If >100%, sales from previous month exceeds current inventory. <sup>2</sup>The luxury threshold price is set in December of each year by The Institute for Luxury Home Marketing.

# - LUXURY MONTHLY MARKET REVIEW -

## SINGLE-FAMILY HOMES

State	Market Name	Median List Price	Median Sold Price	Inventory	New Listings	Sold	Days on Market	Market Status
AB	Calgary	\$1,152,450	\$1,010,500	720	171	79	42	Buyer's
AZ	Paradise Valley	\$3,000,000	\$2,455,000	224	40	10	36	Buyer's
AZ	Phoenix	\$699,000	\$655,176	844	244	168	66	Balanced
AZ	Scottsdale	\$1,625,000	\$1,430,000	847	221	84	120	Buyer's
AZ	Tucson	\$750,000	\$637,000	755	177	83	38	Buyer's
BC	Okanagan Valley	\$1,650,000	\$1,485,000	625	114	20	100	Buyer's
BC	Vancouver	\$3,980,000	\$3,550,000	1,404	340	55	36	Buyer's
BC	Victoria	\$1,799,900	\$1,502,500	373	100	44	57	Buyer's
CA	Los Angeles Beach Cities	\$4,724,000	\$3,937,500	410	117	62	42	Balanced
CA	Los Angeles City	\$3,995,000	\$3,090,000	929	308	125	31	Buyer's
CA	Los Angeles The Valley	\$2,125,000	\$1,820,250	676	217	138	39	Balanced
CA	Marin County	\$3,695,000	\$2,800,000	132	30	42	28	Seller's
CA	Napa County	\$3,292,500	\$2,335,000	126	20	15	76	Buyer's
CA	Orange County	\$2,299,950	\$1,845,000	1,660	416	249	53	Balanced
CA	Palm Springs & Palm Desert	\$1,795,000	\$1,325,000	505	174	35	111	Buyer's
CA	Placer County	\$1,075,000	\$850,000	243	56	42	56	Balanced
CA	Sacramento	\$788,944	\$704,000	852	300	274	27	Seller's
CA	San Diego	\$2,211,000	\$1,700,000	1,344	415	243	47	Balanced
CA	San Francisco	\$3,847,500	\$3,450,000	92	39	52	14	Seller's
CA	Santa Barbara	\$3,795,000	\$2,482,500	271	47	26	63	Buyer's
CA	Silicon Valley	\$3,982,504	\$3,125,000	236	114	139	11	Seller's
CO	Boulder	\$1,750,000	\$1,321,350	208	50	46	62	Seller's

Median prices represent properties priced above respective city benchmark prices.

# - LUXURY MONTHLY MARKET REVIEW -

## SINGLE-FAMILY HOMES

State	Market Name	Median List Price	Median Sold Price	Inventory	New Listings	Sold	Days on Market	Market Status
CO	Denver	\$929,200	\$840,000	1,176	324	336	22	Seller's
CO	Douglas County	\$1,299,000	\$1,024,000	312	49	45	65	Buyer's
CO	Vail	\$4,500,000	\$3,100,000	127	6	14	99	Buyer's
DC	Washington D.C.	\$3,195,000	\$3,387,500	63	12	4	166	Buyer's
FL	Boca Raton & Delray Beach	\$2,100,000	\$1,925,000	588	98	34	95	Buyer's
FL	Greater Fort Lauderdale	\$1,299,000	\$932,500	1,638	315	133	105	Buyer's
FL	Jacksonville Beaches	\$1,234,000	\$1,100,000	325	54	35	108	Buyer's
FL	Miami	\$1,299,900	\$930,000	1,463	265	67	125	Buyer's
FL	Naples	\$1,890,000	\$1,699,250	1,205	228	68	108	Buyer's
FL	Orlando	\$1,599,000	\$1,295,000	535	65	37	90	Buyer's
FL	Palm Beach Towns	\$2,999,000	\$2,200,000	375	69	25	126	Buyer's
FL	Sarasota & Beaches	\$1,670,000	\$1,287,000	542	97	20	119	Buyer's
GA	Atlanta	\$1,150,000	\$975,000	1,420	353	153	37	Buyer's
HI	Kauai	\$1,999,999	\$1,650,000	466	64	37	47	Buyer's
HI	Maui	\$2,972,500	\$2,030,000	194	28	11	123	Buyer's
IL	Chicago	\$1,250,000	\$1,008,531	2,003	503	198	80	Buyer's
MA	Greater Boston	\$2,995,000	\$3,000,000	125	30	23	19	Balanced
MD	Montgomery County	\$1,695,000	\$1,350,000	365	81	41	54	Buyer's
MI	Oakland County	\$741,250	\$645,000	1,206	358	157	35	Buyer's
MO	St. Louis	\$750,000	\$646,700	245	55	44	21	Balanced
NC	Charlotte	\$898,500	\$775,000	1,025	175	153	40	Buyer's
NC	Raleigh-Durham	\$716,775	\$663,500	1,032	198	161	5	Balanced

Median prices represent properties priced above respective city benchmark prices.

# - LUXURY MONTHLY MARKET REVIEW -

## SINGLE-FAMILY HOMES

State	Market Name	Median List Price	Median Sold Price	Inventory	New Listings	Sold	Days on Market	Market Status
NV	Las Vegas	\$729,000	\$635,000	1,665	484	259	35	Balanced
NY	Brooklyn	\$1,544,000	\$1,550,000	278	58	29	85	Buyer's
NY	Staten Island	\$1,250,000	\$1,148,000	187	47	12	131	Buyer's
ON	GTA - York	\$2,186,495	\$1,830,000	906	352	53	29	Buyer's
ON	Toronto	\$3,398,888	\$3,075,000	575	295	82	14	Buyer's
TN	Nashville	\$999,000	\$979,450	411	142	88	22	Seller's
TX	Austin	\$999,900	\$800,000	729	173	173	46	Seller's
TX	Collin County	\$693,995	\$679,402	958	205	134	73	Buyer's
TX	Dallas	\$999,999	\$872,000	880	235	121	37	Buyer's
TX	Fort Worth	\$885,000	\$750,000	812	175	107	48	Buyer's
TX	Houston	\$822,250	\$750,000	1,928	490	253	39	Buyer's
TX	The Woodlands & Spring	\$750,000	\$654,355	497	105	50	71	Buyer's
UT	Park City	\$2,950,000	\$2,105,250	263	36	30	135	Buyer's
VA	Arlington & Alexandria	\$1,897,000	\$2,150,000	100	32	6	25	Buyer's
VA	Fairfax County	\$1,676,500	\$1,541,395	566	136	50	90	Buyer's
VA	McLean & Vienna	\$1,850,000	\$2,110,000	267	61	17	109	Buyer's
WA	Seattle	\$1,745,000	\$1,438,888	261	110	97	9	Seller's

Median prices represent properties priced above respective city benchmark prices.

# - LUXURY MONTHLY MARKET REVIEW -

## ATTACHED HOMES

State	Market Name	Median List Price	Median Sold Price	Inventory	New Listings	Sold	Days on Market	Market Status
AB	Calgary	\$819,000	\$787,500	335	86	22	53	Buyer's
AZ	Paradise Valley	-	-	-	-	-	-	-
AZ	Phoenix	-	-	-	-	-	-	-
AZ	Scottsdale	\$655,000	\$624,500	137	44	22	73	Balanced
AZ	Tucson	-	-	-	-	-	-	-
BC	Okanagan Valley	-	-	-	-	-	-	-
BC	Vancouver	\$1,950,000	\$1,738,000	800	294	47	21	Buyer's
BC	Victoria	\$829,450	\$775,000	210	75	48	31	Seller's
CA	Los Angeles Beach Cities	\$1,599,000	\$1,299,000	234	106	47	17	Balanced
CA	Los Angeles City	\$1,564,500	\$1,281,500	386	136	78	22	Balanced
CA	Los Angeles The Valley	\$717,000	\$662,500	130	55	42	28	Seller's
CA	Marin County	\$1,185,000	\$1,050,000	9	1	10	35	Seller's
CA	Napa County	-	-	-	-	-	-	-
CA	Orange County	\$999,000	\$916,500	503	154	114	22	Seller's
CA	Palm Springs & Palm Desert	-	-	-	-	-	-	-
CA	Placer County	-	-	-	-	-	-	-
CA	Sacramento	-	-	-	-	-	-	-
CA	San Diego	\$1,007,500	\$867,500	624	228	134	29	Seller's
CA	San Francisco	\$2,847,500	\$2,297,500	144	40	38	16	Seller's
CA	Santa Barbara	\$1,615,000	\$1,625,000	46	14	5	217	Buyer's
CA	Silicon Valley	\$1,499,309	\$1,430,000	86	51	89	9	Seller's
CO	Boulder	\$880,000	\$770,000	77	30	15	67	Balanced

Markets with dashes do not have a significant luxury market for this report. Median prices represent properties priced above respective city benchmark prices.

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## ATTACHED HOMES

State	Market Name	Median List Price	Median Sold Price	Inventory	New Listings	Sold	Days on Market	Market Status
CO	Denver	\$699,000	\$649,500	585	187	130	23	Seller's
CO	Douglas County	\$663,340	\$550,000	27	12	4	19	Buyer's
CO	Vail	\$3,643,000	\$3,387,500	80	3	4	86	Buyer's
DC	Washington D.C.	\$1,662,500	\$1,581,250	172	60	26	27	Balanced
FL	Boca Raton & Delray Beach	\$817,000	\$779,500	386	86	34	92	Buyer's
FL	Greater Fort Lauderdale	\$882,000	\$892,500	1,239	246	68	123	Buyer's
FL	Jacksonville Beaches	\$1,400,000	\$1,200,000	65	19	3	55	Buyer's
FL	Miami	\$989,000	\$800,000	3,068	439	61	134	Buyer's
FL	Naples	\$2,125,000	\$1,900,000	323	58	23	74	Buyer's
FL	Orlando	\$755,750	\$691,500	80	17	8	66	Buyer's
FL	Palm Beach Towns	\$1,295,000	\$1,111,500	329	67	20	117	Buyer's
FL	Sarasota & Beaches	\$1,349,900	\$1,425,000	233	48	7	124	Buyer's
GA	Atlanta	\$660,853	\$602,500	562	164	74	51	Buyer's
HI	Kauai	\$1,406,000	\$1,207,500	206	33	22	47	Buyer's
HI	Maui	\$1,712,500	\$1,780,000	134	27	11	168	Buyer's
IL	Chicago	\$1,160,000	\$1,162,500	937	244	110	68	Buyer's
MA	Greater Boston	\$2,379,820	\$2,075,000	259	75	39	32	Balanced
MD	Montgomery County	\$772,450	\$710,000	176	60	30	36	Balanced
MI	Oakland County	\$787,000	\$592,983	64	12	8	27	Buyer's
MO	St. Louis	-	-	-	-	-	-	-
NC	Charlotte	\$722,948	\$650,000	150	22	15	26	Buyer's
NC	Raleigh-Durham	-	-	-	-	-	-	-

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State	Market Name	Median List Price	Median Sold Price	Inventory	New Listings	Sold	Days on Market	Market Status
NV	Las Vegas	-	-	-	-	-	-	-
NY	Brooklyn	\$1,299,000	\$1,070,000	645	156	53	50	Buyer's
NY	Staten Island	-	-	-	-	-	-	-
ON	GTA - York	\$769,000	\$735,000	185	94	33	26	Balanced
ON	Toronto	\$1,248,400	\$1,150,000	478	340	133	16	Seller's
TN	Nashville	\$724,900	\$640,000	118	33	18	22	Balanced
TX	Austin	\$792,000	\$662,540	220	48	25	35	Buyer's
TX	Collin County	-	-	-	-	-	-	-
TX	Dallas	\$699,000	\$672,000	206	47	14	55	Buyer's
TX	Fort Worth	-	-	-	-	-	-	-
TX	Houston	\$629,000	\$612,450	235	59	26	38	Buyer's
TX	The Woodlands & Spring	-	-	-	-	-	-	-
UT	Park City	\$1,895,000	\$1,692,500	159	20	20	150	Buyer's
VA	Arlington & Alexandria	\$1,049,000	\$966,000	109	36	14	47	Buyer's
VA	Fairfax County	\$714,500	\$719,250	161	60	50	46	Seller's
VA	McLean & Vienna	\$985,125	\$883,650	27	14	4	149	Buyer's
WA	Seattle	\$1,150,000	\$980,000	148	66	30	20	Balanced