



2025

insights

The Year Ahead in Real Estate –
National and Market Specific Insights

THE LUXURY
COLLECTIVE

Authored by
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— John Eric

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As we begin 2025, the real estate market is at a critical juncture, navigating complex dynamics shaped by evolving economic conditions, demographic shifts, and impactful policy changes. Across the United States, regional markets reflect unique challenges and opportunities, with technology hubs like Silicon Valley and Seattle maintaining resilience, while suburban areas around major cities face mounting affordability issues and constrained housing supply. To provide deeper insight into these developments, I’ve collaborated with colleagues nationwide to analyze how shifting buyer and seller preferences, investment strategies, and urban planning trends are shaping local markets in this transformative year.

Nationally, the housing sector is contending with an intricate mix of economic and environmental pressures. Inflation, fluctuating interest rates, and persistent inventory shortages dominate the landscape, creating a highly competitive environment. These challenges are further compounded by natural disasters, which are reshaping the insurance industry and leaving significant impacts on real estate markets in key states. California, still reeling from the devastating fires in Los Angeles, faces a persistent insurance crisis as major providers retreat from offering coverage, leaving homeowners and buyers

scrambling. Florida and Texas are similarly grappling with uninsurable markets due to recurring hurricanes, while North Carolina’s Asheville region is now experiencing unprecedented insurance challenges following the catastrophic hurricane and flooding that hit the area last year. These issues not only threaten home values but also disrupt market stability, requiring strategic solutions to maintain buyer and seller confidence.

Despite these challenges, the real estate industry is also seeing innovation and adaptation. Sustainability initiatives, such as green building practices and energy-efficient developments, continue to gain momentum as both consumers and policymakers prioritize climate resilience. At the same time, advancements in technology are driving changes in how properties are marketed, bought, and sold. The integration of artificial intelligence and data-driven tools is enabling more precise forecasting and tailored investment strategies. This report synthesizes expert insights to provide a comprehensive view of these trends, offering actionable strategies for navigating a market increasingly defined by innovation and adaptability.

Looking ahead, it’s clear that the interplay of economic, environmental, and policy-driven factors will profoundly influence the real estate sector in 2025. The impact of legislative reforms—such as zoning changes and sustainable development incentives and the ripple effects of insurance instability in disaster-prone states demand strategic foresight. As markets adjust to these realities, opportunities will emerge for those prepared to adapt and innovate. This report serves as a guide to understanding the transformative shifts ahead, equipping real estate professionals to thrive in an era of unprecedented complexity and opportunity.


John Eric



2025 REAL ESTATE INSIGHTS

National Perspective

The real estate industry continues to evolve, shaped by economic shifts, technological advancements, and changing buyer demands. To gain insight into what lies ahead, I reached out to two industry leaders—**Robert Reffkin, CEO of Compass, and Julie Faupel, Founder of Realm**—both of whom have a deep pulse on market trends, investment strategies, and the forces driving real estate forward. Their perspectives offer a compelling look at where the industry is headed, from luxury and international markets to urban development and shifting consumer behaviors. Here's what they had to say about the future of real estate in 2025.



As we move into 2025
I believe the industry is
poised for a bright future.

— Robert Reffkin

CEO COMPASS

Robert Reffkin

“The year 2024 marked a significant turning point for the real estate industry, and as we look ahead to 2025, we anticipate continued evolution that will benefit buyers, sellers, and real estate professionals alike. One ongoing challenge will remain the limited inventory that has impacted many markets for the past three years. However, those focused on uncovering opportunities for their buyer clients will undoubtedly have a competitive edge.

At Compass, we're working with our agents and their clients to create a company that better serves homeowners and protects and maximizes the value of their homes. Many sellers have been hesitant to list their homes until the spring market, wary of accumulating days on market. To address this, we have introduced innovative solutions like our 3-Phased Marketing Strategy, offering sellers the opportunity to list without the concern of negative indicators such as days on market or price drops first as a Compass Private Exclusive, then as a Compass Coming Soon before going live on the MLS and portal sites. Currently, over 5,000 homes are available nationwide through these exclusive channels.

As the real estate business continues to evolve, it is clear that change will provide more options and better outcomes for all parties involved:

- **Clear Cooperation as We Know It Ends**
Clear Cooperation as we know it ends, giving homeowners the choice on where and how to market their homes and empowering them to be able to list without the risk of days on market and public price drops.
- **The Industry Recognizes the Need for Change**
The real estate industry realizes that Clear Cooperation was forcing agents to cooperate with portal sites - companies that have no listings, no agents and no clients - which was not the founding intent behind MLS cooperation.



- **Empowering Listing Agents**
To incentivize real estate agents to give portal sites their listings as early as MLS “private agent only view”, portal sites place the listing agent's full contact information back on their listings and remove days on market and price drop history when asked. This means that buyer inquiries go to the listing agent and the pathway is created for the entire industry to require portal sites to put the listing agent's full contact information back on their listings.

As we move into 2025 I believe the industry is poised for a bright future.”

FOUNDER, REALM

Julie Faupel

“As we look ahead to 2025 and 2026, we stand on the cusp of a new era for luxury real estate and trusted advisory—one that promises to be among the most dynamic and inspiring in the industry’s global history. This transformation is driven by several key factors, including the \$82 trillion migration of wealth, marking the largest transfer of generational assets in history. While technology, artificial intelligence, and machine learning continue to shape our world, they cannot replace the timeless values that define exceptional real estate advisory: trusted relationships, stewardship of families and legacies, and the creation of spaces that honor cherished memories and connections.

A Shifting Political Landscape

As political dynamics evolve, including the potential impact of the re-election of Donald Trump and a Republican administration, the U.S. and international real estate markets are poised for significant shifts. Policies aimed at economic growth and deregulation may stimulate market activity, creating opportunities for stakeholders who can navigate complexities such as rising interest rates, labor shortages, and trade uncertainties.

The Rise of International Real Estate Opportunities

The global market is becoming increasingly interconnected, with investors seeking diversification across borders. Prime cities such as London, Paris, Dubai, and Singapore are attracting heightened interest, while emerging markets in Southeast Asia, Latin America, and Africa offer untapped potential. At REALM, we are astute students of the opportunities created at the confluence of the current generational wealth transfer, favorable currency exchange rates, and demand for high-yield investments. These factors position international real estate as a critical component of a well-rounded portfolio.

The next 12-24 months present an opportune time to explore these new frontiers, as economic conditions and geopolitical strategies favor global diversification.

Embracing the Global Buyer Surge

The globalization of wealth continues to shape luxury real estate, with younger buyers from Asia-Pacific, the Middle East, and Europe increasingly investing in North American and European markets. Brokers can seize this opportunity by partnering with international real estate networks and advisors offering this specific expertise to broaden their reach, familiarizing themselves with cultural preferences in architecture and design, and staying updated on global financial trends and visa programs tied to real estate investments.

Navigating Intergenerational Dynamics

The ongoing transfer of wealth from Baby Boomers to Millennials and Gen Z is reshaping how luxury properties are bought, sold, and managed. Family dynamics now play a critical role in purchase decisions, requiring brokers to engage multiple generations during property tours and negotiations. Offering advisory services on properties that meet multigenerational needs and addressing concerns about legacy and value alignment will be crucial to maintaining client trust and delivering exceptional results.

Technology’s Role in Real Estate

Amid this evolution, the focus must remain on how technology can enhance, rather than replace, the human element of real estate. By leveraging advancements in data and process, we can deepen our service to clients, providing insights and experiences that solidify our role as trusted advisors.

A Call to Leadership

At the heart of this transformation is leadership rooted in passion, inspiration, and a relentless commitment to delivering world-class results. For the past five years, REALM has brought together the world’s most trusted and respected brokers to build a community defined by our relationships, inspired by our commitment to excellence, and attuned to the changing lifestyles of our customers. This platform transcends markets and elevates the profession to a truly global stage.

REALM represents the next generation of global real estate—shaped by the wisdom, dedication, and vision of today’s leaders. Together, we are not merely responding to change; we are defining it.

Here’s to all that’s ahead – Looking Forward!”

AUTHOR PERSPECTIVE

John Eric

“

Risk comes from not knowing what you’re doing.”

— Warren Buffet

“I begin by focusing on my home city of Washington, DC, and the metropolitan region. Having lived and worked here for nearly four decades, I’ve witnessed the city evolve through many cycles, but what lies ahead feels different. The DC Metro region is on the cusp of remarkable opportunities, offering a resilient landscape that continues to evolve as a sought-after destination for living, working, and playing. While we face considerable challenges, these obstacles are as unpredictable as they are profound. Navigating them will demand foresight, adaptability, and a commitment to seizing opportunities, ensuring the area remains a vibrant hub for growth and innovation.”



Washington DC

DC | Northern Virginia | Suburban Maryland

“Over the past four years, the Washington, DC Metropolitan area has experienced substantial economic expansion, driven by a highly skilled workforce, a thriving tech sector spanning both government and private industry, business-friendly tax policies, and a strategic East Coast location reinforced by the federal government’s presence.

The region’s transformation has been undeniable. Amazon’s HQ2 brought thousands of employees to Northern Virginia, while Boeing and Raytheon relocated their corporate headquarters to Arlington. Tech giants such as Amazon Web Services, Google, and Microsoft have aggressively expanded their footprint. These corporate shifts have spurred widespread development across DC, Northern Virginia, and Suburban Maryland, with business hubs in Bethesda, Tysons Corner, Silver Spring, Reston, the Dulles Corridor, Alexandria, and Arlington continuing to thrive. As a result, the housing market has seen consistent appreciation, with property values rising across all sectors.

As we enter 2025, a change in the administration brings opportunities and challenges. While the region's economic strength remains intact, the Trump administration's "Project 2025" initiative introduces uncertainty. Any restructuring of federal governance will have significant consequences for a region reliant on the stability of federal institutions and their workforce.

The ultra-luxury market has surged post-election, with billionaire donors, tech executives, corporate leaders, and new political appointees rapidly securing high-end properties. This mirrors the patterns observed during Trump's first term, when demand soared among political figures, corporate executives, and international dignitaries in Kalorama, Georgetown, Massachusetts Heights, McLean, and Arlington. This influx of ultra-wealthy buyers has heightened competition in a constrained luxury market.

At the same time, the region continues to grapple with a persistent housing shortage, particularly in the single-family home, luxury townhome, and attached row home markets, where demand far exceeds supply. This ongoing imbalance is pushing prices higher in prime locations. Meanwhile, the condo market is facing headwinds due to rising interest rates, dampening buyer demand and slowing sales. Entering 2025, top-tier neighborhoods remain strong, while areas outside the Beltway are seeing growing inventory levels, now at a 10-year high.

Despite these challenges, Washington, DC, remains one of the most desirable places to live in the United States, attracting a diverse range of residents seeking top-tier career opportunities, an exceptional quality of life, and a dynamic social environment. The region offers unmatched professional advancement in government, technology, healthcare, and other industries. Its cultural, educational, and recreational amenities make it a compelling destination for families, young professionals, and those seeking a sophisticated urban lifestyle. From world-class museums and Michelin-starred dining to scenic parks and waterfronts, DC continues to provide an unparalleled live-work-play environment.

Recent migration trends reveal a significant influx of new residents from Florida, Texas, and Georgia, reflecting a broader national movement toward metropolitan areas offering economic stability and opportunity. The region also continues to attract professionals from the Northeast, particularly from New York City, Massachusetts, Connecticut,

New Jersey, and Pennsylvania. Many of these transplants are drawn to DC's unique balance of urban sophistication and suburban accessibility—offering the best of both worlds without the intensity of larger East Coast cities.

These migration patterns show no signs of slowing. With remote and hybrid work arrangements now standard, professionals are increasingly choosing locations that provide both career opportunities and an enriched personal life. Whether for professional growth, lifestyle preferences, or proximity to political and business hubs, DC remains a premier relocation destination.

Looking ahead, 2025 presents both challenges and opportunities. As the most politically influential city in the world, Washington, DC, will remain at the center of global decision-making. However, the path forward is uncertain. The new administration's policies will shape the region's economic trajectory—potentially fueling further prosperity or introducing obstacles that could redefine its landscape for decades. What is certain is that adaptability and strategic decision-making will be key in navigating the evolving real estate market and broader economic environment."



California

San Diego

COMPASS, SAN DIEGO

Jennifer Anderson

“As we embark into 2025, the San Diego housing market continues to hold steady in the face of some big challenges. The classic imbalance between supply and demand continues to drive competition. Single family homeowners benefited from prices moving up last year (+15.0%), and the market dynamics are poised for that trend to continue. With inventory remaining tight, many of these sellers hold an advantage.

Condo markets, specifically those with high HOA fees (+\$1k/mo), are a different story. They experienced some slight erosion to values (-2.9%) last year compared to the year prior, creating a potentially strategic purchase decision for those who are seeking a “lock-up and leave” second home. This could be especially true for those who have the ability to purchase cash or use a significant downpayment.

The destruction caused by the LA fires is heartbreaking. While the full scope of the damage is yet to be determined, it’s a situation we’re all watching closely. With rebuilding expected to take years, temporary housing/rentals are going to continue to be in unseasonably high demand. We anticipate seeing residents with 2nd homes converting them to their primary residence or seeking 1 year(+) leases nearby. Six months and beyond, we project seeing others relocating within the state, with many electing to stay within reach of LA - making north country San Diego a prime market for more permanent housing solutions. For those who had been contemplating relocating, they may accelerate their timelines and make the jump now. The damage that occurred has already renewed attention to fire-resistant construction, building code changes, and simply being better prepared for natural disasters overall. It’s a critical moment for developers and owners alike to rethink priorities and strategies as to how they approach the market in 2025.”



Costal Orange County

COMPASS, NEWPORT BEACH

Annie Clougherty

“As January 2025 draws to a close, coastal Orange County is already feeling the ripple effects of the devastating Los Angeles fires in Pacific Palisades and Altadena. Displaced residents relocating south have created a notable increase in housing demand.

In the first quarter, we expect rental prices to continue rising, particularly for furnished rentals with three to six-month terms, as those affected by the fires seek temporary housing solutions. By the third quarter, individuals who are insured and financially prepared to recover will likely reenter the market as buyers once their insurance claims are resolved.

Although days on the market remain elevated, home sales have steadily outpaced supply. With the influx of demand from Los Angeles, we anticipate a decrease in days on market and property prices continuing to climb as the year progresses.”

Los Angeles

AKG CHRISTIE’S INTERNATIONAL REALTY,
BEVERLY HILLS

Shelton Wilder

“The Los Angeles real estate market in 2025 is experiencing significant shifts in the wake of devastating wildfires. The destruction in areas like Pacific Palisades has exacerbated the already limited housing inventory, particularly on the Westside. Displaced homeowners are flocking to nearby communities such as Brentwood, Santa Monica, Mar Vista, and Venice, intensifying competition in these markets. This surge in demand extends southward to Manhattan Beach, Redondo Beach, Hermosa Beach, and even as far as Orange County and San Diego. The increased demand is driving up prices on the Westside, with multiple offers becoming commonplace for properties in these areas.

While the market tightens, potential relief may be on the horizon for buyers. Los Angeles officials are reportedly considering the suspension or removal of the ULA tax, which could encourage more homeowners to sell and potentially ease the inventory shortage. For those who lost homes in the fires, the rebuilding process is proving to be longer and more complex than anticipated, leading some families to opt for rentals or relocate to places like Austin, North Carolina, Aspen, New York, Florida, or even internationally. Interestingly, some homeowners unaffected by the fires are reassessing their plans and choosing to list their properties, creating a unique opportunity for buyers despite rising prices and limited inventory.

The rental market is also experiencing increased activity as families make short-term adjustments to accommodate their children’s schooling while exploring long-term options. As the Los Angeles real estate market rapidly adapts to these changes, navigating the evolving landscape requires careful planning and informed decision-making for both buyers and sellers. Professional guidance has become more crucial than ever in ensuring successful outcomes in this competitive and dynamic environment.”

Silicon Valley

COMPASS, LOS GATOS

Dawn Thomas

“For 2025, Silicon Valley’s luxury and ultra-luxury real estate market remains a powerhouse, driven by innovation and a steady influx of high-net-worth buyers who prize exclusivity and convenience. With inventory likely to remain tight at the high end, premier estates in Atherton, Palo Alto, Los Altos Hills and other areas in Silicon Valley are expected to see strong demand—especially those offering exceptional craftsmanship, smart home technology, exclusivity, and expansive outdoor spaces. Privacy and discretion will continue to shape the market, with private listings (such as Private Exclusives from Compass) maintaining their appeal among affluent sellers and buyers.

This year, buyers will remain laser-focused on properties that check all the boxes: move-in ready, architecturally stunning, and designed for seamless entertaining and multi-generational living. Early 2025 presents an opportune moment for sellers to capture pent-up demand and maximize returns before more inventory enters the market later in the year. Strategic positioning will be key for those navigating Silicon Valley’s elite real estate landscape. Home price appreciation is expected to be in the range of 4.0% to 4.5% year-over-year.

Key Trends to Watch:

- 1. Technological Integration:** Smart home systems and sustainable features will continue to be pivotal in buyer decision-making.
- 2. Private Transactions:** Exclusive, off-market listings will cater to affluent sellers and buyers who prioritize discretion.
- 3. Outdoor Living Spaces:** Luxurious outdoor amenities, from infinity pools to modern entertaining areas, will remain in high demand.
- 4. Multi-Generational Layouts:** Properties offering flexible spaces to accommodate extended family living will see increased interest.

As the market evolves, both buyers and sellers in the luxury sector will benefit from an informed, strategic approach that takes into account the nuances of Silicon Valley’s ever-competitive landscape.”

California

San Francisco

ENGEL & VÖLKERS, MANAGING DIRECTOR
OF FAMILY OFFICE DIVISION, SAN
FRANCISCO

Robert Landsness

“San Francisco and the surrounding suburbs are poised for higher demand and increasing prices in the coming year. The macro headwinds of political uncertainty and the shock of higher interest rates are fading.

Regardless of one’s personal political views, many feel that the tech and business economy that are central to the Bay Area will accelerate positively with the second term of Donald Trump. AI, Crypto and a new wave of M&A and venture capital investment will provide more jobs and resources to this region. Buyers who were on the sidelines are already jumping in with both feet and the major problem, as has been the case for years, remains a lack of inventory at all price points.

On the local side of politics, street conditions are still an issue with homelessness and petty theft as well as high cost of living and bureaucracy blunting enthusiasm for the Bay Area. This is true in particular in the city center of San Francisco. Conditions are improving dramatically when compared to just a few years ago and the local sentiment here is that the worst news is behind us. The current District Attorney, Brooke Jenkins, is committed to reversing the law and order trend and the new mayor, Daniel Lurie, is very pro business oriented and has a mandate to push reforms forward. Major companies are demanding that their employees return to work in person which will also be a tailwind on the demand side for real estate as well as a boost to the local economy.”

California Wine Country Napa & Sonoma

COMPASS, SONOMA

Matt Sevenau

San Francisco’s Resurgence Sparks a Luxury Rebound in Napa and Sonoma

“The luxury second-home market in Napa and Sonoma Wine Country is experiencing a rebound, closely tied to trends in San Francisco’s high-end real estate market. Over the past year, San Francisco has seen renewed activity, fueled by the tech sector’s resurgence, a strong stock market, and increasing confidence in real estate. This recovery has directly impacted Wine Country, where affluent Bay Area buyers are seeking second homes that balance proximity to the city with the region’s unique lifestyle.

The San Francisco-Wine Country Connection

As San Francisco’s economic recovery gains momentum, it’s creating a ripple effect in Wine Country’s luxury market. Buyers are drawn to the tranquility, natural beauty, and world-class wine of Napa and Sonoma, making the region a top destination for second homes. This connection underscores how San Francisco’s resurgence drives demand for Wine Country properties.

Remote Work Fuels Second-Home Demand

One of the most significant drivers of the second-home market is the permanence of remote work. Many affluent Bay Area professionals are no longer tied to traditional office schedules, allowing them to spend more time in secondary locations. This flexibility has made second homes in destinations like Napa, Sonoma, Tahoe, Scottsdale, Palm Springs, and Carmel even more desirable, as they offer both escape and accessibility.

Key Drivers of the Rebound

- **Stock Market Strength:** Portfolio gains are giving buyers confidence to invest.
- **Tech Sector Growth:** San Francisco’s recovery is enabling buyers to expand their real estate portfolios.
- **Lifestyle Appeal:** Wine Country’s turnkey homes and serene surroundings offer the perfect retreat for Bay Area residents.

Positioning for Growth

While not fully thriving, the luxury market in

Napa and Sonoma is steadily rebounding. Buyers are seeking turnkey properties and high-end amenities, with the region remaining one of California’s most desirable destinations. As San Francisco’s resurgence continues, it will likely sustain and further drive demand for second homes in Wine Country.

Napa and Sonoma are poised to benefit from this renewed interest, solidifying their position as premier second-home markets for affluent Bay Area buyers. With remote work here to stay, this trend is likely to persist, further anchoring Wine Country as a top choice for luxury second homes.”

Pacific Northwest

Seattle & Bellevue

COMPASS, SEATTLE

Megan Zamberlin Watson & Rich Watson

“The Seattle and Bellevue/Eastside real estate markets continue to show resilience in 2025, driven by strong economic fundamentals, a thriving tech sector, and ongoing demand for housing. Across the region, inventory remains tight, maintaining a competitive landscape for buyers. In Seattle, neighborhoods like Magnolia, Queen Anne, and Ballard remain hot spots, while Bellevue and the broader Eastside markets—home to Microsoft, Amazon, and other tech employers—continue to experience high demand, particularly for luxury properties and single family homes in areas like Kirkland, Sammamish and Redmond. Median home prices have stabilized compared to previous years of rapid growth, though affordability challenges persist, particularly for first-time buyers. Rising interest rates have moderated some buyer activity, but well-priced homes in desirable locations continue to attract multiple offers.

Looking ahead, the Seattle and Bellevue/Eastside markets are poised for steady, moderate growth throughout 2025. We expect a slight easing of interest rates by mid-year, which could invigorate further buyer activity and encourage sellers to list, potentially increasing inventory. On the Eastside, cities like Issaquah and Snoqualmie may see heightened interest as buyers seek more

options within close proximity to major employers. While the luxury market will remain robust, suburban and secondary markets around Seattle and Bellevue, such as Shoreline and Bothell, are expected to draw increased attention due to affordability pressures. Overall, the region remains a strong long-term investment, underpinned by its economic vitality and exceptional quality of life”.

Hawaii

Maui

COMPASS, MAUI

Dennis Rush

“Resilience: the capacity to withstand or to recover quickly from difficulties; toughness.

Maui’s resilience in the luxury real estate market remains a stronghold, driven by high-net-worth individuals seeking exclusive properties. While rising interest rates may temper demand in some segments, the ultra-luxury market is likely to remain robust, supported by limited inventory and a continued influx of affluent buyers seeking retreat-style generational homes and condos.

The shift toward remote work continues to impact Maui’s market positively. Professionals seeking a work-life balance are drawn to the island’s temperate tropical weather and lifestyle offerings, fueling demand for properties that cater to both vacation and extended residency needs. Many Condos offer an opportunity of vacation rental income when not enjoying the premises themselves.”



Nevada

Las Vegas

LAS VEGAS SOTHEBY'S INTERNATIONAL REALTY

Eileen Guilbeault

"2025 is already shaping up to position Las Vegas as the ultimate refuge for those seeking refuge from high taxes & the threat of natural disasters. As a bonus, Buyers are discovering they can get far more for their money than compared to many major U.S. cities.

New home sales in 2024 were approximately one-third of all homes sold in 2024, with no signs of slowing down in 2025. Today's buyers prioritize modern, master-planned communities with resort-style amenities. They are willing to wait for the perfect resale home to come on the market or to go with new construction to create a home that meets their expectations. Meanwhile, resale homes needing updating are lingering on the market longer, with many sellers reducing prices to attract buyers to a deal. Cash still reigns supreme, with 87% of home sales above \$5M and 44% of home sales above \$1M paying cash.

The median home price in December 2024 was \$475,000, up 5.4% year over year. While this is historically an average appreciation in the Las Vegas Valley, first-time home buyers face challenges with fewer options. Builders are trying to step up to meet demand, but inventory in this sector will remain tight for the foreseeable future.

The good news? Las Vegas continues to shine as a hub for opportunity, with professional sports teams, "Hollywood 2.0", and business-friendly tax structures.

It's no longer a long shot to bet on Las Vegas; it's the global destination of the future.

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Arizona

Scottsdale & Paradise Valley

THE NOBLE AGENCY, SCOTTSDALE

Monica Monson

"In 2025, the market in high-value regions of Arizona like Scottsdale and Paradise Valley is expected to maintain momentum, fueled by rising demand for bespoke homes offering unparalleled privacy, sustainability, and lifestyle-enhancing features. Market drivers include a surge of affluent buyers relocating from high-tax states, the increasing appeal of resort-style living, and a focus on properties with private golf club access. As affluent buyers continue seeking opportunities that offer exceptional lifestyle experiences, the ultra-luxury market is poised for further growth this year, albeit with potential challenges due to the current lack of inventory and evolving buyer expectations.

The future of luxury real estate in 2025 promises a blend of innovation, exclusivity, and purpose-driven living, catering to the evolving preferences of ultra-high-net-worth individuals. With sustainability, technology, and wellness at the forefront, ultra-high-net-worth individuals are seeking properties that go beyond traditional luxury—offering eco-conscious designs, state-of-the-art smart home integration, and wellness-focused amenities like private spas, fitness centers, and outdoor retreats. The shift toward bespoke, experience-driven living means we'll see homes increasingly reflect personal values and lifestyles. This evolution emphasizes the importance of investing in properties that not only provide financial returns but also serve as sanctuaries for relaxation, connection, and legacy-building."

Scottsdale

COMPASS, SCOTTSDALE

Chris Karas

"Countless out of state Buyers are calling Arizona Home! No matter if it is Scottsdale, Paradise Valley or Phoenix and its surrounding areas this is a popular destination for relocation due to its

year-round sunshine, diverse outdoor activities, and luxurious lifestyle. Did I mention on average 300 days of sunshine per year! Arizona offers a vibrant arts and culture scene, upscale shopping and dining, and a strong economy with ample job opportunities. These factors contribute to a high quality of life and attract residents seeking a warm climate and an active lifestyle.

The Scottsdale real estate market has experienced significant growth in recent years, characterized by strong buyer demand and limited inventory. This has resulted in competitive market conditions and continued price appreciation. However, real estate here is still undervalued given we have the 5th largest city in the US. Buyers should not be concerned with today's pricing because the room for appreciation is still here.

Looking ahead to Spring 2025, our real estate market is expected to remain competitive with continued buyer demand. Our overall supply of homes are lower than we have seen in years past and the influx of buyers continue for numerous states. While home prices are likely to continue appreciating, the rate of growth may moderate, predicting 3-6%, compared to previous years. The impact of interest rates on buyer affordability will continue to be a crucial factor in the market but the luxury we continue to see the majority of transactions cash. New construction or renovated homes will still be the biggest demand in our market and land options continue to be purchased to build on."



Colorado

Vail & Aspen

SLIFER, SMITH & FRAMPTON FORBES
GLOBAL PROPERTIES

Liz Leeds

“The Vail and Aspen, Colorado markets are strong. For Sellers, if they price their properties right, they will sell rather quickly. Should they list higher than market value they may find their homes sitting with more days on the market. There is a lot of wealth in both of these ski resorts. I recently sold a \$50M single family home in Vail that was ski in/ out and have just listed a beautiful \$60 property in the heart of Aspen. I continually see the market prices increasing with only slight adjustments this past year in decreases. Inventory is always an issue in these resort markets; we will always have more demand than we supply, given the small size of the markets we are in. We simply don’t have a lot to sell or land to develop. I also think because we have so many cash buyers, the buyers’ market will remain strong. With our high sales prices buyers can be a bit choosy and will wait for that special property that is in a good location.

Overall, I think our market will stay strong in the mountains. Interest rates are affecting us a little bit of the lower end, but the lower range of our market is under \$3M, and instead of getting 4-5 offers, maybe we are getting 2. As we go into 2025, I am predicting an increase in luxury sales. It is about lifestyle; our high end buyers want to be in a place where they can work and play safely. While buyers still talk about finding ‘deals’ they really are just not out there; they will be waiting a long time in my opinion to purchase.”



Denver

COMPASS, DENVER

Lori Abbey

“The Denver metro real estate market offers a unique combination of lifestyle, opportunity, and strength of economy that’s hard to find anywhere else. Nestled at the foot of the Rocky Mountains, Denver perfectly balances urban sophistication with access to unparalleled outdoor adventures. Residents enjoy more than 300 days of sunshine a year, which means whether you’re skiing in the winter, hiking in the summer, or simply enjoying wine on a Cherry Creek patio, there’s always something to do.

From a real estate perspective, Denver remains a highly desirable and competitive market. While the median home prices are above the national average, the investment value is undeniable, with home appreciation consistently outperforming many other metro areas across the country. Property taxes are considerably lower than most large cities, which nicely balances out the median prices being above the national average. Buyers will find a variety of options, from charming historic homes in neighborhoods like Wash Park and Highland to sleek, modern condos in LoDo and family-friendly suburbs like Littleton and Centennial. The rental market is also thriving, offering opportunities for investors who want to tap into the steady influx of new residents moving here for career opportunities and lifestyle benefits.

Our strong and diverse economy continues to attract top talent and major companies in industries like tech, healthcare, and renewable energy, creating abundant job opportunities and driving the local real estate market’s stability. Denver also consistently ranks as one of the best places to live in the country, thanks to its top-tier schools, family-friendly neighborhoods, and thriving cultural scene.

What truly sets Denver apart, though, is the lifestyle. People move here for the quality of life and stay because it delivers everything they hoped for and more. The community is welcoming, entrepreneurial, and incredibly diverse. Whether you’re looking to start fresh, raise a family, or embrace a more balanced and adventurous lifestyle, Denver has the space, energy, and opportunity to make it happen.”



Wyoming

Jackson Hole

COMPASS, JACKSON HOLE

Mack Mendenhall

“The Jackson Hole marketplace is coming alive in 2025.

While our market tends to attract some of the most affluent in the country, there is still interest rate and inflationary sensitivity that can be an indicator of investor confidence. As witnessed in Q4 2024, 2025 will see this confidence continue to rise and our market will show robust signs of life coupled with incredibly scarce inventory. This will create an exciting market dynamic where Buyers will try to maintain their negotiating power but will be forced to act fast as Sellers work to hang on to any market leverage they felt during the boom of COVID markets.

Low Inventory is exacerbated by an intimidating construction environment in Jackson Hole as a result of long build times and increased labor costs. This will see Buyers willing to pay top dollar for a newly constructed to realize a legacy compound acquisition and reap the tax benefits of Wyoming residency.”

Illinois

Chicago

COMPASS CHICAGO

Mark Icuss

“Chicago has started the new year off strong after a slower pre-election summer with interest rates and the uncertainty about the election keeping people on the sidelines. Post election/ Holidays has brought out a new crop of buyers across all price points with some very large deals closing in Chicago’s premier neighborhoods and luxury buildings. Turnkey, high-quality properties along with new construction led the way with record pricing being achieved across all property types from the West loop to Roscoe village and every neighborhood in between. The first 60-75 days of Q1 is historically a busy one in the city and this year looks like it will continue. A lack of quality resale inventory, very little large scale new development and a trend towards building luxury rentals instead of for sale condos will keep prices trending up. The West loop and Gold coast neighborhoods will remain the top choice for buyers looking for that luxury condo lifestyle and Lincoln park will remain the top choice for buyers looking for the classic luxury single family home and all that comes with living in one of Chicago’s premier neighborhoods.”

Texas

Houston

COMPASS

DeeDee Guggenheim Howes

“The Houston market continues to thrive, positioning itself as a hub for international Buyers, particularly from Asia, who are drawn to its vibrant culture and unrivaled value. In 2025, my listings accounted for over 16% of the region’s ultra-luxury (\$10M+) inventory, highlighting the demand for statement homes that epitomize elegance and exclusivity. Privacy and security are top priorities for discerning Buyers, who prioritize gated entries, tall landscaping, balcony screens, whole-home generators, and patrol services to create secure sanctuaries. These Buyers are not just seeking homes—they are seeking private retreats that balance luxury with functionality.

Houston’s luxury market remains resilient despite rising interest rates that have slowed other areas of the national market. Highly coveted neighborhoods like River Oaks have seen average sales prices soar over 8% year-over-year, reflecting the city’s unique position as a real estate bubble largely insulated from broader economic trends. This strength is bolstered by an influx of corporate relocations and C-level executives enticed by Texas’ tax advantages. Ultra-high-net-worth Buyers are continually impressed by the value Houston offers, with their dollars stretching further to acquire bespoke properties in prime locations.

Looking ahead to 2025, the key challenge remains inventory constraints, as demand outpaces the availability of top-tier homes. For UHNW individuals, Houston is a city that offers not only a thriving luxury market but also a rare chance to blend expansive living with cultural and economic vibrancy. The year ahead promises continued momentum, driven by international interest, robust market fundamentals, and a steadfast commitment to meeting the needs of the most sophisticated Buyers.”



Austin

KUPER SOTHEBY’S INTERNATIONAL REALTY, AUSTIN, TEXAS

Bridget Ramey

“2024 saw an abundance of inventory in Austin, Texas, with buyers struggling to put pen to paper and a quieter luxury market. However, the landscape has shifted dramatically post-election. Buyers are now taking decisive action, and the luxury market is back in full swing.

Already in the new year, Lake Austin, which historically sees the highest transaction prices, is experienc-ing a resurgence, with multiple properties under contract and new construction homes selling before completion. As a non-disclosure state with no state income tax, Texas continues to attract California buyers, reminiscent of the pandemic-era real estate surge, as they establish their residency here.

I anticipate a strong and promising spring market, with multiple offers likely for properties that stand out and are priced strategically. Pricing has never been more critical. We now have solid data to sup-port valuations across neighborhoods and price points. While the peak sales prices of 2020-2022 deliv-ered staggering numbers, today’s increased inventory and the fading pandemic uncertainty are creating a more balanced playing field for buyers and sellers alike.”



Dallas

COMPASS, DALLAS

Becky Frey

“Dallas’ luxury real estate market is set for significant growth in 2025, driven by a strong economy, an influx of high-net-worth buyers, and an increasing demand for exclusive properties. As one of the nation’s most vibrant metropolitan areas, Dallas continues to attract affluent individuals seeking premier homes that offer elegance, privacy, and modern conveniences. Prestigious neighborhoods like Highland Park, University Park, Preston Hollow, and Turtle Creek remain highly desirable, with limited inventory keeping competition strong. Buyers are drawn to properties that showcase exceptional craftsmanship, expansive living spaces, and world-class amenities, making luxury real estate in Dallas an increasingly valuable investment.

High demand and low supply continue to shape the luxury market, with well-priced homes receiving multiple offers shortly after listing. Many affluent buyers are prioritizing move-in-ready properties that feature cutting-edge smart home technology, sustainable designs, and seamless indoor-outdoor living. Privacy remains a key factor, as more buyers and sellers opt

for discreet, off-market transactions. High-end developments and custom-built estates are also gaining popularity, catering to buyers looking for unique homes that reflect their distinct tastes and lifestyles.

Builders and developers are responding to these evolving preferences by designing luxury homes that integrate advanced technology, high-efficiency sustainability, and resort-style outdoor spaces. Features such as infinity pools, outdoor kitchens, landscaped gardens, and expansive entertaining areas are becoming standard in high-end properties. Additionally, multi-generational living is influencing luxury home design, with more buyers seeking flexible layouts that accommodate extended family while maintaining privacy and comfort.

As 2025 unfolds, strategic positioning will be essential for both buyers and sellers navigating Dallas’ competitive luxury market. Sellers aiming to maximize their returns will need to price their homes competitively and implement sophisticated marketing strategies to attract discerning buyers. With home price appreciation in the luxury sector projected to range from 4.0% to 5.0% year-over-year, Dallas remains a prime destination for luxury real estate investment. Buyers who act decisively will find exceptional opportunities to secure premier properties in one of the country’s most sought-after high-end markets.”



Tennessee

Nashville

BENCHMARK REALTY

Jon Sexton

“The Nashville real estate market in 2025 remains one of the most dynamic in the country, driven by a thriving economy and steady population growth. On the positive side, the city continues to attract new residents thanks to its booming healthcare, tech, and entertainment industries, creating strong demand for housing across all price points. Infrastructure improvements and high-profile developments, such as Nashville’s tallest building, Paramount, set to open downtown, are boosting the city’s appeal for investors and buyers alike. Suburban areas like Brentwood and Franklin remain highly desirable for families seeking space, excellent schools, and a sense of community. Meanwhile, urban neighborhoods with walkability and proximity to Nashville’s vibrant culture continue to experience consistent demand, particularly from younger professionals.

The luxury real estate market in Nashville is equally robust, benefiting from the influx of high-net-worth individuals relocating for business opportunities or seeking a premium lifestyle. Established areas like Belle Meade, Brentwood,

Franklin and Green Hills remain hot spots for luxury buyers, while new high-rise developments in Downtown Nashville are reshaping urban luxury living. Despite rising inventory in the \$2 million to \$5 million range, demand remains strong for unique, high-end properties that offer privacy and lifestyle appeal.

Challenges in the broader market include rising interest rates, which have tempered some of the buying frenzy seen in previous years. Affordability remains a pressing issue for first-time buyers, particularly for homes in the \$300,000 to \$500,000 range, where inventory remains constrained. In the luxury segment, increased competition among sellers means pricing and presentation are more critical than ever. Additionally, suburban markets are facing growing pains, with longer commutes and rising prices making affordability and accessibility a balancing act for many buyers.

Overall, the 2025 Nashville market offers significant opportunities for both buyers and sellers, but success will depend on adaptability. Sellers in all price ranges must focus on strategic pricing and maximizing their home’s appeal, while buyers need to act decisively to secure properties in high-demand areas. For real estate professionals, staying ahead of market trends and providing white-glove service will be essential to navigating this competitive and evolving landscape.”

Coastal South Carolina & Georgia

Charleston, Hilton Head & Savannah

ELEVÉ PROPERTIES

Daniella Stonefield

“The Southeastern United States has seen an extraordinary transformation in recent years. Underpinned by an already growing interest in the area, the pandemic unleashed a renewed appreciation for open spaces, coastal living, and areas that offer a sense of community coupled with the ability to stretch and breathe. While our coastal region between Charleston and Savannah was already on a gentle upward trend going into The Great Migration, like so many secondary markets, we became a magnet for those seeking refuge and reprieve from densely populated urban centers. Post-pandemic migration trends brought a surge of investment in secondary residences, legacy properties, and private retreats. The enduring allure of historic cities like Savannah and Charleston, paired with the serenity and timeless charm of places like Palmetto Bluff, historic Beaufort, and Hilton Head Island, has only solidified the coastal Lowcountry’s position as a premier destination for discerning buyers seeking to balance authenticity, freedom, and a sense of place, all while making a sound investment decision.

The Lowcountry offers an incredible range of lifestyle amenities that appeal to outdoor enthusiasts, sports lovers, sailors, fine dining aficionados, and those seeking leisure and relaxation. Wide, sandy beaches, world-class golf, tennis, pickleball, boating, sailing, kayaking, paddleboarding, and fishing in our pristine waters are at your fingertips. Miles of hiking, biking, and nature trails abound, threaded amidst rich cultural heritage and a lovingly stewarded ecosystem. The charm of this region lies in its ability to feel expansive and untouched, even as it evolves to meet the needs of discerning buyers. Thoughtfully planned communities ensure that residents never feel hemmed in. Whether biking the uncrowded trails of Pinckney Island, boating on the serene waters of the May River, or savoring quiet evenings on a private veranda, the pace of life here allows for both connection and solitude—a rare find in today’s fast-paced world.

Buyers seeking stability and value will continue to see the Southeast as an attractive investment option. Looking ahead to 2025 and beyond, the Lowcountry real estate market is poised for steady growth, marked by strategy, intention, and the continued desire for what we call “an investment with benefits.” Family compounds and legacy properties are in constant demand. Historically, retirees and those transitioning from fast-paced careers are also drawn to the region’s livability, gentle climate, and world-class amenities, and by all indicators, this will only continue. Increasingly, young families and professionals seek the growing opportunities coming to the region and the exceptional lifestyle that comes with them. While small business remains the backbone of our business community, aerospace, cybersecurity, advanced energy, and medical are among the drivers of a continuously diversifying economy. 2024 brought a \$2.4 Billion investment in medical by Novant Health. Only weeks ago, BMW celebrated 30 years in South Carolina, where the company produces the majority of the country’s SUVs. Both businesses and individuals continue to place their confidence in the Lowcountry. With the ever-increasing ease of access to and from major cities by both ground and air and the region’s combination of lifestyle, legacy potential, and financial advantages, we are positioned to remain a growing cornerstone of the luxury real estate market.

Someone once told me, “You can find different but an’t find better.” Never have I heard a more appropriate sentiment for this quietly vibrant slice of heaven.”





Florida

Miami

COMPASS, MIAMI BEACH

Nancy Batchelor

“Miami’s real estate market has experienced significant growth in recent years and continues to attract affluent buyers from across the U.S. and internationally, many drawn by Miami’s favorable tax climate, sunny weather, strong healthcare and growing cultural scene. Even in the face of broader market corrections, Miami’s real estate remains supported/insulated by continued wealth and talent migration.

We have entered a more balanced market as new listings have been expanding, replenishing supply that had previously fallen to some of the lowest on record—still there is an affordability struggle as home prices remain strong and insurance prices have risen substantially. Condo inventory has risen quicker in part due to concerns over increased assessments in older buildings due to stricter code going into effect, but prices overall have held up. Inventory for luxury turnkey properties in prime locations is still extremely limited. The luxury sector in Miami and the surrounding areas continues to transact at all-time highs. David Beckham recently paid nearly \$6k ppsft on Miami Beach, in December we saw an \$85 million trade

that marked the priciest single-family home sale in Miami since Ken Griffin’s purchase in 2022, and new signed contracts in December 2024 for properties above \$10 million increased by 400% YOY. There is still holdback from buyers who would like to relocate here but are unable to secure a spot for their kids in preferred private schools. Spec builder activity has slowed due to rising home and construction costs, which adds to the supply squeeze in certain categories.”

Palm Beach

DOUGLAS ELLIMAN REAL ESTATE
PALM BEACH

Gary Pohrer

“With our busy season finally starting and the election behind us, we are starting to see some action in the market. I expect 2025 to be a strong season but unfortunately, we still don’t have a lot of inventory to choose from. I expect those properties that are in move in condition to sell at a premium and those that need work to sit a little longer on the market. Construction costs have skyrocketed and the time to do work is taking longer and longer.

Overall, I expect it to be a balanced market meaning it’s neither a buyer’s nor a seller’s market.”

Jupiter/Palm Beach Gardens

HUGHES BROWNE GROUP, COMPASS

Tom Hughes

“The Jupiter/Palm Beach Gardens area is poised for an intriguing year in 2025, characterized by a dual-market dynamic. As observed in 2024, demand remains robust while inventory is relatively low, a trend expected to persist throughout the year. Although the Covid-induced rush is now a distant memory, educating sellers on appropriate pricing strategies continues to be crucial. Homes priced more than 10% above their current market value are likely to see extended time on the market, leading to significant price reductions and a perception of a buyer’s market in this segment.

Conversely, sellers who adopt strategic pricing approaches may experience a seller’s market, with multiple offers and minimal negotiation from the initial asking price. New construction remains popular, offering a variety of options, while older homes in prime locations present opportunities for repurposing, renovation, or rebuilding to personal specifications.

Buyers are attracted to Jupiter for its understated lifestyle and commitment to low-density development. The area offers a range of entertainment and dining options, from casual waterfront tiki bars to five-star establishments. Residents enjoy a clean-air, active lifestyle with access to world-class public beaches, numerous high-end golf, tennis, and pickleball clubs, and sport fishing opportunities just a short distance from the Jupiter Inlet. The region’s extensive waterfront living options along the Atlantic Ocean, Intracoastal Waterway, and the scenic Loxahatchee River further enhance its appeal.”



Naples

COMPASS

Yasmin Saad

“The Naples real estate market ended 2024 on a strong note, with December data reflecting continued growth in key metrics. Overall sales increased by 4.6% year-over-year, and new listings rose significantly by 26%, contributing to a 35.7% increase in total inventory. While the median closed price for all properties dipped slightly by 4% to \$600,000, certain price segments, such as \$5 million and above, saw a notable 13.4% sales increase, underscoring the ongoing demand for luxury properties. However, the average days on market rose by 42.4%, now averaging 84 days, indicating a more measured pace of transactions compared to the frenetic activity of prior years.

Looking ahead, the Naples market is poised for a robust start to 2025. January in typical fashion is ushering in increased inventory levels, heightened buyer activity is anticipated to drive contract signings through February and March. For our sellers, pricing correctly from the signing is the key factor in receiving a contracts and a successful closing. As the year progresses, we expect the market to strike a healthy balance, with steady demand for year-round properties and seasonal shifts affecting specific areas. With a well-supplied inventory and favorable conditions, Naples remains an attractive destination for buyers and investors alike. The year is set to conclude on another high note, reflecting the region’s resilience and desirability.”

30A

COMPASS

Allison Richards

“The 30A market continues to exude allure and resiliency for the Luxury buyer who is discerning and appreciates the area’s natural beauty and ecosystem.

There are three primary reasons why buyers choose to invest in 30A. The primary reason is the location and the natural beauty of the area. Paralleling the Gulf Coast for over 28 miles and presenting some of the most unique and charming Beach towns along the Gulf Coast is the best way to describe this secret. There is a level of exclusivity that also draws in high-net-worth individuals and celebrity clientele.

The most desirable communities along 30A are Alys Beach, Kaiya, Rosemary Beach, and Camp Creek. There is a balance of non-short-term rental communities, primary residences, secondary or additional residences, and short-term rental communities.

The forecast for 2025 will demonstrate a continued demand for unique and high-level architectural properties with dynamic Gulf views and deeded beach access. Inventory is currently up 2.3% from 2024, trending toward a buyer’s market. This illustrates why this is the perfect opportunity to invest in 30A today.”

North Carolina

Charlotte

COMPASS, CHARLOTTE

Mike Hedge & Scott Pridemore

“Charlotte’s reputation as one of the Southeast’s premier cities continues to grow, with 117 new residents arriving daily, marking a migration surge not seen in over 15 years. With a robust job market, exceptional quality of life, and relative affordability compared to other major metros, the city appeals to both professionals and families.

As a financial powerhouse, Charlotte is home to

Fortune 500 giants like Bank of America, Lowe’s, Honeywell, and Truist Financial. Adding to its allure are world-class healthcare providers like Atrium Health and Novant Health, along with the newly launched Wake Forest University School of Medicine Charlotte, cementing the city’s reputation as a leader in medical innovation and education.

This blend of economic vitality and premier healthcare access has made Charlotte a magnet for high-net-worth individuals. Demand for luxury single-family homes is particularly fierce in sought-after neighborhoods like Myers Park, Foxcroft, and Eastover, where properties consistently sell at or above their asking price.

Charlotte’s luxury real estate market continues to thrive, with recent data highlighting its strength:

- **Active Listings:** High-end homes range from \$2 million to \$16 million, with an average price per square foot of \$530.27 for active properties.
- **Under Contract:** Properties in prestigious areas like Cotswold and The Sanctuary often go under contract within 30-90 days, reflecting strong buyer interest.
- **Closed Sales:** The average sale-to-list price ratio for recently closed luxury homes is between 96% and 100%, illustrating the competitive nature of the market.

Modern buyer preferences are properties that align with contemporary lifestyles, including:

- Energy-efficient designs
- Multi-generational layouts
- Smart home technologies

Private outdoor spaces, resort-style amenities, and proximity to cultural, financial, and healthcare hubs are also high on the list.

Charlotte’s position as the second-largest banking center in the U.S. and its growing healthcare infrastructure are fueling continued economic growth. The city’s premier medical facilities and cutting-edge education, led by its new medical school, are significant attractions for professionals and investors. These factors, coupled with the presence of global corporate headquarters, are driving demand for luxury housing.

Early 2025 presents an ideal opportunity for sellers to achieve top-dollar returns. Homes featuring premium finishes, move-in readiness, and prime locations are spending minimal time on

the market and often selling above expectations.

With a cap rate of 5.2% and annual appreciation rates exceeding 4% in high-demand communities, Charlotte’s luxury market offers a unique combination of stability and growth. It’s a top choice for families and investors seeking lifestyle upgrades and long-term value.

Charlotte’s unmatched blend of economic strength, world-class healthcare, educational innovation, and luxurious housing options ensures its place as one of the Southeast’s most desirable cities for affluent buyers and savvy investors alike.”

Raleigh Durham | Research Triangle

COMPASS, RALEIGH

Debbie Van Horn

“Raleigh was recently recognized by the Milken Institute report as the #1 big city for economic growth, and our real estate market proves that to be true. The Triangle real estate market continues to be dynamic and competitive for many different pools of buyers. Moreover, we are seeing first-time home buyers dipping their toes into the market, as well as luxury multi-million dollar properties that serve as second homes for some families.

Home prices in the Research Triangle area have been steadily increasing, driven by high demand and limited inventory. This trend reflects the broader national market, where many buyers are competing for fewer available homes. Within the last year, the average home sold for \$577,514, compared to the previous year’s \$556,035, marking a 3.8% increase in just a single year. Wake County alone has seen 5-year historical appreciation remain consistent at 8.29%.

The inventory shortage is widely attributed to the buyer pool staying on the sidelines, waiting for interest rates to come down. Now that we’ve seen consistent metrics proving the rate remains stable, we are experiencing those sideline buyers feeling more stable ground under their feet and getting back into the market.

Homes priced right in Raleigh, Durham, and Chapel Hill are selling quickly, often receiving multiple offers shortly after being listed. With an average of 8 days on the market, this fast-paced



market requires buyers to act swiftly and make competitive offers.

The presence of prestigious institutions like Duke University, the University of North Carolina at Chapel Hill, and North Carolina State University contributes to a culture of innovation and learning. These universities not only provide top-tier education but also foster research and development, attracting talent from around the world. The Triangle was created because of our level of higher education in the immediate area.

With the area’s growing reputation as a desirable place to live — due to job opportunities, affordability, economic growth, and quality of life — it continues to attract a larger pool of buyers and open more doors for sellers, providing security around real estate investments on either side. This is creating a larger luxury market. The Triangle is home to many health and technology companies bringing in experienced employees from different markets, with different expectations in real estate. We’ve been able to grow with the market, with new luxury communities and amenities that this pool of buyers has grown accustomed to. We see builders and designers keeping a close eye on these trends and staying on top of consumer expectations.”

Maryland

Baltimore/Central Maryland

COMPASS, ELLICOTT CITY

Veronica Sniscak

“The real estate market in central Maryland has continued to see rising values, even amidst increasing interest rates. This trend is largely due to a statewide inventory shortage. While the market has shifted from the COVID-era boom, when low interest rates and limited supply drove prices higher, current conditions present a more balanced landscape. Demand has tempered somewhat, with many sellers opting to renovate or stay in their homes rather than move. This has led to a slower market, however as both Baby Boomers, looking to downsize, and Millennials, just entering the homeownership stage, will eventually drive the market into what we hope will be a period of increased movement.

Looking ahead into 2025, we anticipate a year of more activity, especially following the election year of 2024 and as higher interest rates become more normalized. Howard County in particular remains a strong market despite external challenges. In 2024, homes in Howard County sold in an average of just 13 days and for 102% of the listing price. Known for its excellent schools, strong community, and overall development, Howard County offers an ideal location for people commuting to Baltimore or Washington, D.C. Baltimore City, while vibrant, has seen a decline in sales post-COVID. However, it still offers unique urban living.

Other areas such as southern Carroll County and central Anne Arundel County continue to perform well. Overall, central Maryland remains a solid choice for residential real estate investment, offering a range of lifestyles from city living to suburban comfort, waterfront properties, and scenic mountain views. One of Maryland’s greatest assets is its ability to offer something for everyone, no matter their preferences or lifestyle.”

Pennsylvania

Philadelphia Metro Area

DRAYTON YOUNG GROUP,

COMPASS, PHILADELPHIA

Melissa Young

“As we enter 2025, the Philadelphia market presents both challenges and opportunities for discerning families and investors. The Philadelphia region experienced very slow and steady growth prior to the COVID pandemic. Historically, it has maintained its reputation as a more accessible and inexpensive alternative to NYC and DC. We are always 20 years behind.

The Pennsylvania suburbs are to the west of the city, renowned for their prestigious addresses and favorable tax advantages. However, these areas face the drawback of a challenging, complex commute to Philadelphia.

The New Jersey suburbs provide a more cost-effective alternative, with a highly convenient commute to Philadelphia, NYC, DC, and the Jersey Shore. However, this comes with the drawback of higher tax implications.

The luxury market in Center City is expected to see a significant decline as families increasingly seek safer alternatives. In the suburbs, I anticipate a surge in the luxury home market during the first half of 2025, driven by renewed hope and optimism inspired by the change in administration. This trend will be further fueled by exceptionally low inventory levels and rising number of families relocating from Center City, Philadelphia. However, by the second half of 2025, the market will likely stabilize, returning to a more measured pace characterized by slow and steady growth. While suburban markets experience a surge, the Jersey Shore is poised for sustained growth, thanks to its vast development potential. The opportunities in 2025 are both exciting and promising.”



New York

New York City

COMPASS, NEW YORK CITY

Bahar Tavakolian

What to Expect in 2025 for New York City’s Luxury Real Estate Market?

“Before diving into New York City’s luxury real estate landscape, let’s first set the stage with a broader view of the U.S. economy. Currently, unemployment is low, consumer spending is robust, and businesses are maintaining an optimistic outlook. The IMF projects the U.S. economy to grow by 2.7% in 2025, revising its forecast upward from 2.2%, and exceeding previous expectations. This resilience is driven by a strong labor market and an uptick in investments, positioning the country for steady growth despite ongoing challenges such as elevated mortgage rates and global uncertainties.

That said, certain proposed policies, such as tax cuts and deregulation, could spur short-term growth but also carry the potential risk of increasing inflation and market volatility. While inflation has cooled significantly, it remains a key focus, and the Federal Reserve has indicated that rate cuts will likely be more gradual in the year ahead.

A Deeper Dive

Now, turning to the luxury and ultra-luxury residential real estate market in New York City, here are five critical factors to closely monitor in 2025:

1. Interest Rates and Financing Options: While interest rates have a more direct impact on lower-market segments, their influence extends into the luxury space in more nuanced ways. High-net-worth individuals (HNWI) and ultra-high-net-worth individuals (UHNWI) often bypass traditional mortgage routes, opting for cash transactions or borrowing against their portfolios. However, interest rate fluctuations can still affect broader economic conditions, which may influence asset allocation and investment decisions. It’s important to consider & watch closely how credit accessibility and overall financial conditions evolve.

2. Inventory Levels and New Developments: The availability of new luxury properties will remain a key driver in 2025. Notably, the luxury market is experiencing remarkable momentum, with sales of properties priced \$20 million and above increasing by 58.3% by the end of 2024. This trend suggests a potentially record-breaking year for Manhattan’s luxury real estate. However, the market is characterized by nuanced pricing dynamics. While robust, price increases in the luxury & ultra-luxury segment are expected to be modest.

An emerging trend is the resurgence of co-operative apartments. With high asking prices and limited condo inventory, co-ops are becoming increasingly attractive, often offering more value compared to luxury condominiums.

Neighborhoods such as the Upper East Side's Gold Coast, Central Park West, SoHo, Tribeca, and the West Village are poised to continue attracting high-net-worth buyers. A steady pipeline of luxury developments—whether residential skyscrapers or mixed-use projects—will provide clients with more options. Additionally, we're keeping an eye on initiatives like the "City of Yes" program, which could unlock new residential projects in areas previously zoned for commercial use, while also streamlining the conversion of commercial spaces into residential units—further expanding New York City's high-end offerings. These developments will provide additional opportunities for both investors and high-net-worth individuals seeking prime properties.

3. Economic and Employment Trends: In New York City, the luxury real estate market is driven by a stable base of high-net-worth individuals working in industries like finance, tech, and law. These buyers are less influenced by short-term market fluctuations, providing a buffer against broader economic volatility. Strong gains in the stock market over the past year are encouraging affluent buyers to re-enter the real estate market. Additionally, Wall Street bonuses are expected to be 35% higher than last year, likely driving more buyers into the market in 2025. The demand for luxury real estate will likely continue, bolstered by high earners seeking larger homes—especially as remote and hybrid work models shift preferences toward more flexible, spacious residences.

Additionally, the ongoing "great wealth transfer" from Baby Boomers to Gen X and Millennials is reshaping the buyer profile. Younger generations, often with the assistance of their parents or grandparents, are increasingly purchasing luxury properties, especially in "hip" neighborhoods like SoHo, West Village and Brooklyn. This trend not only reflects changing preferences for these areas but also highlights a growing market of multi-generational wealth fueling the demand for high-end properties in New York City. As we advise clients, we consider how these trends will affect their property strategies, with an eye toward opportunities in both residential and investment properties that offer long-term value.



4. Foreign Investment and International Buyers: Manhattan's luxury market continues to attract global attention. Investors from regions such as Asia, the Middle East, Europe and the Americas view New York real estate as a secure, long-term investment. Geopolitical stability, global interest rates, and evolving tax policies will shape how international buyers engage with the market in 2025. Understanding these dynamics can help guide clients looking to diversify their portfolios with Manhattan real estate, whether for prestige, capital appreciation, or security.

5. Tax Policies and SALT Deduction Reforms: The state of New York's tax policies will remain a pivotal factor in 2025. The SALT (State and Local Tax) deduction cap of \$10k, enacted in 2017, disproportionately affects high-net-worth individuals in high-cost states like New York. There is discussion that Congress may remove or adjust the cap (by limiting it to households below a certain income threshold), which could boost the luxury market. Such a change could incentivize high-net-worth individuals to invest more heavily in New York real estate.

In conclusion, these five factors—interest rates, inventory and new developments, economic and employment trends, foreign investment, and tax policies—are top of mind when guiding clients through the luxury and ultra-luxury real estate market in New York City in 2025. By staying attuned to these evolving parameters, we can help clients make informed, strategic decisions that align with both their immediate goals and long-term wealth preservation objectives."

The Hamptons

COMPASS, THE HAMPTONS

Evan R. Kulman

"2025 has started off strong in the Hamptons, as the rise in demand continues year over year. With its close proximity to the rest of the tri-state area, as well as an easy jaunt to southern Florida, the Hamptons continues to be a much desired first, second and third home community.

We are still lacking in inventory (although inventory is creeping upward), and seller's are steering the ship. The luxury market is strong, and we continue to see bidding wars amongst our entry level buyers as well. Now that the election is over, the people who were on the sidelines have jumped back into the market, and our anticipation is that 2025 will be a banner year both on the sales and rental side of our business."

Connecticut

Greenwich

COMPASS, GREENWICH

Julie Grace Burke

"If 2025 expectations include increased capital accumulation among the wealthiest, along with the advent of the largest generational wealth transfer in history (which will carry on through the next two decades), then Greenwich finds itself at the bullseye of domestic luxury real estate markets. Attracting young, wealthy buyers, professional athletes, celebrities, and scores of financial services professionals who require easy access to NYC, as well as those who are purchasing secondary properties, or rounding out an even more extensive real estate investment portfolio, the appetite for Private Exclusive "pocket" listings remains strong as this clientele cherishes privacy.

Few shifts are immediately expected as inventory remains scarce. Listed single family inventory was at its lowest level in history as 2025 began, with our 2024 median price up over 14% from the prior year. There is some optimism that homeowners, particularly those who are downsizing, will choose



to realize the equity in their current home that has recently grown - in some cases nearly doubled over the past 4/5 years - and as they will purchase a smaller home in cash, they will no longer be deterred from entering a marketplace which will force them to trade out of historically low interest rates for today's higher ante. Rates have not stood in the way of Greenwich buyers, by the way, over 60% of whom paid all cash in 2024.

Ultra-luxury markets such as Aspen and Palm Beach saw record sale prices achieved last year, and in Q4 of 2024, Manhattan sales of \$20mm+ properties were up a remarkable 58%. Enjoying consistently rising prices of its own, Greenwich real estate still remains significantly undervalued relative to its peer markets nationwide, thereby making it as desirable an investment as it is a place to call home. Tight inventory, rising prices, and an unfettered appetite for private transactions are expected to continue unabated through 2025."

New England

Regional Perspective

VICE CHAIR LANDVEST

Ruth Kennedy Suddath

“When there isn’t a structural imbalance, real estate follows wealth and employment. If anything, the New England market is imbalanced due to lack of supply.” Lack of supply has eased for sure, but it remains a national issue, both cyclically (because people are locked in by low mortgage rates) and structurally, (as the Millennial demographic increases home demand into an underbuilt environment).

Confidence has a role to play as well. If the environment inspires confidence, the real estate market will follow. As noted before, tax policy influences movement among states, with New Hampshire as a beneficiary of the Massachusetts millionaires’ tax. That said, want-to-dominates have-to-have at the high end, and Vermont and Maine continue to draw for natural beauty and lifestyle.”

Massachusetts

Boston

COMPASS, BOSTON

Megan Kopman

“The upper-tier residential market in Boston’s core is facing an ongoing and acute inventory shortage of fully renovated homes in the few truly coveted locations. The city’s available properties are largely confined to historic buildings, which have stood unchanged for the past 150 years. In Boston, only a handful of locations are truly prized. In Beacon Hill, the Flat of the Hill and Louisburg Square are particularly esteemed, while in Back Bay, buyers are drawn to the areas surrounding Boston Common and the initial blocks of Commonwealth Avenue, favoring the sunny side, as well as the first few blocks of Marlborough Street and Beacon Street. The availability of buildings in these prestigious areas is extremely limited, with much of the housing stock remaining un-renovated for over fifty years, posing a significant challenge for buyers.



The only other option available is a handful of new or newer construction condominiums in full-service towers. Even this inventory is restricted due to Boston’s historic building codes and the amount of time needed to permit and plan these projects. Boston has a new Raffles development in the Back Bay but it is located on the outskirts of the Back Bay in a more commercial zone and does not typically provide the privacy and space needed for those seeking a truly family home in the city

As a result, when there is a well done property in the right location with at least most of the amenities that the buyers demand it moves very quickly and at elevated numbers. Buyers are trending more towards brownstone style, small format buildings with elevators and garage parking. This is the most costly and difficult product to build in the city. Hence, it becomes the most difficult to acquire which is why the process has become more about sourcing an un-renovated property that has the right architectural bones and assembling a team of bespoke designers, architects and builders to assist the client in creating their residence. We advise our clients on all facets of the process and stay on board until the home is ready for occupancy, often years after our clients purchase the asset.”

Matha’s Vineyard

COMPASS

Peyton Wallace

“The Martha’s Vineyard real estate market continues to attract interest from both seasonal buyers and year-round residents, with demand largely driven by the island’s natural beauty, exclusivity, and strong ties to New England tradition. Over the past few years, affluent buyers have trended toward waterfront estates, renovated historic homes, and turnkey vacation properties. Inventory remains tight, especially in sought-after areas along the island’s shorelines and picturesque harbors. However, new construction and development are currently very busy sectors in the local economy.

With limited land availability and strict building regulations, Martha’s Vineyard remains a competitive and resilient market, appealing to those drawn to its balance of luxury, community, and natural charm. Additionally, the five distinct towns on the island (Aquinnah, Chilmark, Edgartown, Oak Bluffs, Vineyard Haven, and West Tisbury) have their own unique elements that provide a variety of experiences for residents, seasonal guests and everyone in between. The average sale price island-wide for 2024 was \$2.25M from 275 units - a total market of \$620 million in sales for the year.”

Nantucket

FISHER REAL ESTATE

J. Brent Tartamella

“As we step into 2025, Nantucket real estate remains a highly sought-after asset for high-net-worth individuals, blending timeless charm with modern investment appeal. The island’s unique allure, historic significance, and constrained inventory have continued to sustain strong demand, even amid fluctuating market conditions. In 2024, the market demonstrated remarkable resilience despite broader economic challenges. High-end properties retained their value and attracted considerable interest from discerning buyers, while less desirable and over priced properties faced longer market times

and significant discounts to their last asking price. These dynamics point to a complex yet opportunity-filled outlook for investors and homeowners alike.

Looking ahead, 2025 is poised for consistency rather than dramatic shifts, no unexpected trends or volatile changes are anticipated. This stability will be welcomed by some and frustrating for others. Buyers will maintain a strong preference for turnkey properties, a trend driven by rising construction costs and prolonged build timelines, which have made ready-to-move-in homes highly desirable. As evidenced by recent market behavior, buyers are willing to pay a premium for properties that are fully updated and move-in ready. Conversely, homes requiring significant updates or featuring outdated designs, such as bathrooms from the ‘70s, will continue to sell more slowly and at lower prices, although sometimes we have a tough time educating our sellers as everyone’s definition of “realistic” pricing varies.

On the seller’s side, demand remains robust. Inventory is still constrained, even with a notable addition of over two dozen homes in January. As of now, the market has fewer than 100 single-family homes available. With limited new construction, most projects will focus on rebuilds or teardowns, each presenting unique challenges. Encouragingly, there are signs of increased inventory earlier in the season, with new listings expected to emerge by mid- to late March, ahead of the usual April timeline. Prospective buyers should keep a close watch on the market as these developments unfold.

For high-net-worth individuals eyeing investments in 2025, success will hinge on a strategic approach: working with experienced local agents, staying informed about market trends, and targeting properties that offer both immediate appeal and long-term value. Nantucket continues to stand out as a crown jewel in real estate but navigating this competitive and dynamic market requires careful planning and insight.”

New Hampshire & Maine

Regional Perspective

LANDVEST

Jim NADEAU

“Luxury Residential Real Estate is STRONG in Maine & New Hampshire

Buyer demand continues to outpace inventory at the \$2M+ level; ME & NH continue to present relative value compared to other national and east coast luxury markets.

Maine - High-end residential market description:

Maine is renowned for its clean air, iconic summers, lobster in the rough, lakes & mountain regions, and an expansive coastline bordering the Gulf of Maine. According to the National Oceanic and Atmospheric Administration (NOAA), Maine’s coastline is only 228 miles, officially. However, if you include Maine’s tidal shoreline, the shoreline of the state is a whopping 3,478 miles – 51 miles longer than California’s Pacific Coast and ranked 4th in the nation. It is along these coastal communities and the southern Maine Lakes Region where most of the significant residential sales in Maine are found. Travel to Maine is relatively easy with international and regional airports located in Boston, MA, Portland, Augusta, Bangor, and Bar Harbor, ME, providing accessibility to the most iconic properties and summer retreats. Most of the luxury home sales in Maine are second homes. We are seeing a trend of luxury home buyers extending their leisure time spent in Maine for a variety of reasons – a peaceful, laid-back lifestyle and sense of community, a strong arts and foodie scene, a stable climate, the four seasons, strong family ties spanning generations and greater adaptation of mobility for work.

Maine by the Numbers:

In 2024, 234 residential sales were recorded in Maine, at \$2M+, per FlexMLS (ME’s statewide MLS) - a 35% increase YOY, compared to 2023. Most sales occurred in 8 of out 16 Maine Counties, with a concentration along the seacoast from Kittery to Bar Harbor. Coincidentally, the top three sales were \$8.4M each and all in southern Maine - two in York and one in Kennebunkport. The average sale price for the top 200 sales was \$3.53M with an average of 63 days on market. Available inventory in southern Maine & Lakes Region is 2.6 months for \$1M+ priced properties, a Seller’s Market. However,

in Mid-coast and Downeast Maine, inventory levels have rebounded from an under-supply in 2022 and 2023 to 5.7 months and 7.1 months respectively, a balanced market.

New Hampshire - High-end residential market description:

Geographically, New Hampshire is conveniently situated between VT & ME, just north of Boston, MA, with only 17 miles of premier coastline. NH offers a diverse landscape from the sea to rolling fields, mountains, lakes, and national forest(s). The state has its own Lakes Region - Winnepesaukee and Sunapee - and is home to the fabled Mount Washington along the Appalachian Trail. New Hampshire residents are as independent thinking as they are fiscally conservative. Regionally, NH has become New England’s favorite tax-advantaged domicile for nearby residents of Massachusetts and other ‘high tax states’ found along the eastern seaboard, United States. The absence of any income tax, sales tax, estate tax and the recent phase-out of interest and dividend taxes on individual incomes are key economic drivers and motivation for high-end residential buyers. A favorable business climate, stable environment, access to world-class health care, education, arts, shopping, and entertainment - all within proximity to Boston, MA & Portland, Maine - make it a desirable seasonal or retirement destination.

New Hampshire by the Numbers:

In 2024, 204 residential sales were recorded in New Hampshire, at or over \$2M, per PrimeMLS (NH’s statewide MLS) - a 19% increase YOY, compared to 2023. The average sale price of those 204 sales was \$3.31M and with an average 51 days on market. The increase in sales, while robust, was ultimately suppressed by a lack of available inventory driven, in part, by NH’s favorable income tax structure. The top three 2024 sales occurred in Seacoast, NH – 2 in Rye and 1 in North Hampton at \$18.5M, \$10.5M, and \$8.5M, respectively. Available inventory in New Hampshire statewide at +\$1M priced properties is 2.7 months, a Seller’s Market.

Summary - Maine and New Hampshire Trends and Forecast, Luxury Residential Markets:

In 2024, luxury home sales in Maine & NH at the \$2M+ price range increased by 35% and 19%, respectively. Throughout New England, LandVest saw a regional increase in sales in 29 of 35 residential markets we follow - closed sales of +\$2M priced properties increased 25% on average. While the availability of higher-end



inventory improved throughout 2024, demand outpaced supply, especially in Southern Maine, Maine’s southern Lakes Region and throughout New Hampshire. The exception to that trend was found in mid-coast and DownEast Maine, where inventory levels climbed to a more ‘balanced’ level overall.

Gains from strong equities markets generally and the ongoing technology, biotech, and financial sectors continue to propel demand for \$2M+ homes, despite sticky inflation and elevated interest rates. In addition, the average sale prices for these markets, relative to other high-end markets along the east coast and nationally, continue to present good value on a price per square foot basis. A ‘left to right’ upward trend in value is expected to continue for several more years in Maine and New Hampshire.

“While many high-end cash buyers are not interest rate sensitive in their pursuit of buying the property of their choice, interest rate relief to

dislodge inventory held & tied to low mortgage rates and growing inventory is the theme heading into 2025,” said Jim Nadeau, Broker ME & NH with LandVest | Christie’s International Real Estate. “Buyer demand remains strong in the predominant markets we serve. Our company’s monthly sentiment survey among LandVest’s regional brokers in New England show both an increased outlook of Seller and Buyer activity in 2025, with a more balanced market for some regional areas of Maine, and a seller’s market in southern Maine and New Hampshire.”



John Eric is an Executive Vice President and Senior Advisor and Founding Member of Compass Washington, DC and Co-Managing Partner of The Luxury Collective. John is a highly sought-after member of Compass's Sports & Entertainment Division, specializing in working with athletes, celebrities, C-suite executives, politicians, media figures and family offices. John Eric works in the Washington, DC Metropolitan Region, London and Santa Barbara.

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