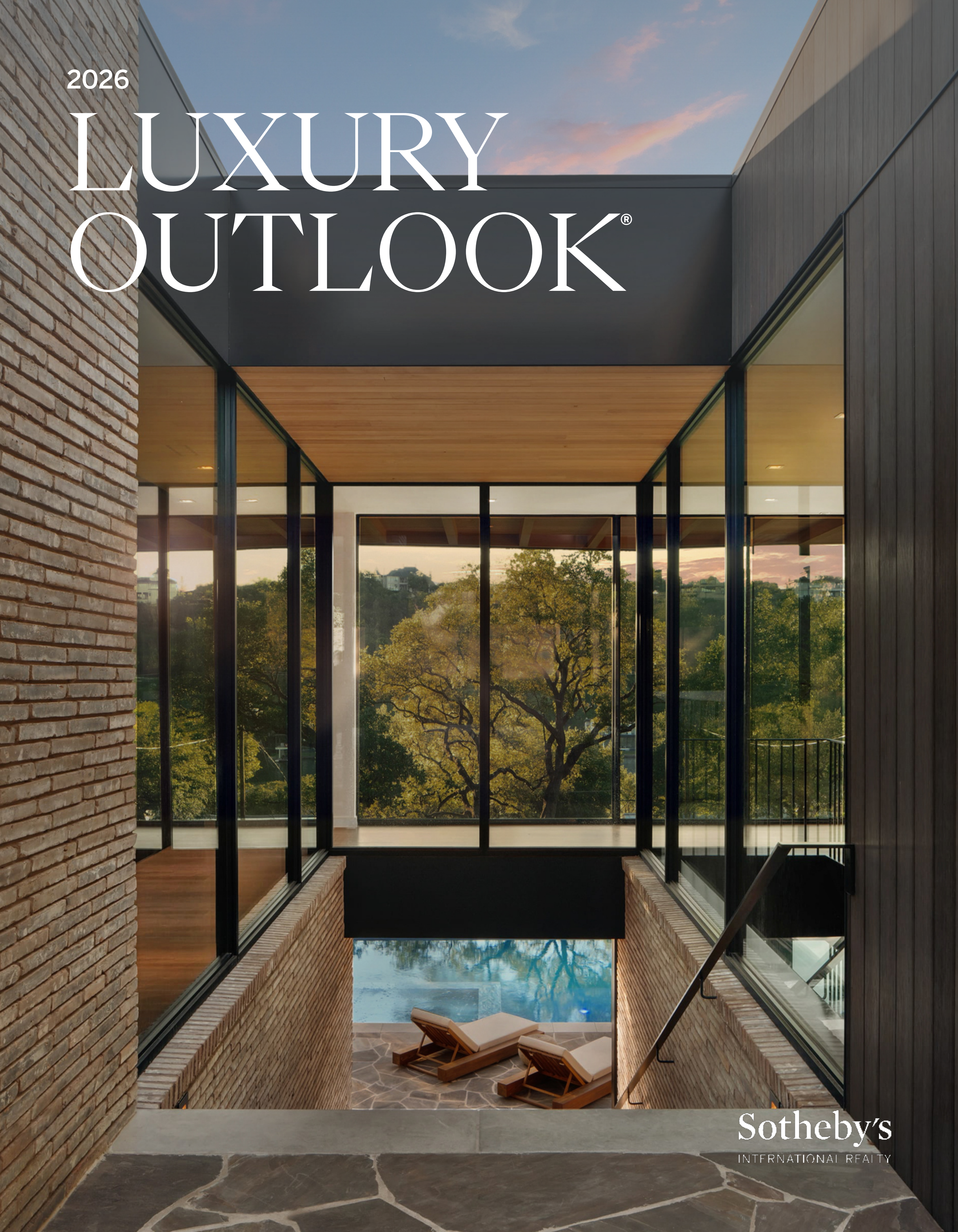
2026

LUXURY OUTLOOK®



Sotheby's
INTERNATIONAL REALTY

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Above: A five-story home in historic Beacon Hill, Boston, Massachusetts, has been renovated with elegant finishes.

Right: A 17-acre estate in the heart of the Buckhead district in Atlanta, Georgia.

Photos: Kuper Sotheby's International Realty (cover); Gibson Sotheby's International Realty (above); Atlanta Fine Homes Sotheby's International Realty (right).

Welcome

A tale of two economies

A. Bradley Nelson, chief marketing officer, Sotheby's International Realty, introduces the 2026 Luxury Outlook report.

The latest edition of our report provides insights into trends and developments that affect the global luxury real estate market. Outperforming traditional real estate in 2025, both in sales and increased value,[1] we expect luxury real estate to continue that trajectory in 2026.

The report also reveals there are effectively two real estate markets—the luxury market and the general market—which perform differently. That phenomenon is seen not just in real estate but also in banking, finance and even the airline industry, where Delta Air Lines is focusing its growth in the premium sector, as reported by The Wall Street Journal in October 2025.[2] The resilience of the luxury real estate market reflects a premium economic foundation that provides greater stability against volatility.

Our research also demonstrates that luxury property buyers are less constrained by geography and macroeconomic factors than other homebuyers. Sustained wealth creation through real estate and equity investments continues to be a key driver of global luxury markets. Some good news from 2025 that bodes well for the luxury real estate market in 2026 is that inventory levels have rebounded to where they were pre-pandemic. A balanced real estate market is healthier and more sustainable, with more options for homebuyers.

To respond to changing market conditions, both home sellers and homebuyers should consider the "first mover advantage"—being the first to act decisively when opportunities arise or shift. This is often seen in development projects that are the first to adjust their pricing. These projects often gain momentum and attract more offers, which snowballs into the development becoming the hottest in the market.

For home sellers, that means pricing realistically rather than opportunistically and considering the potential negative impact of carrying costs if they decide to wait a year or two to sell.

For homebuyers, the "first mover advantage" can mean acting quickly when a once-in-a-generation opportunity arises. In New York City's West Village, a penthouse recently went into contract for US$87.5 million with Nikki Field of Sotheby's International Realty-East Side Manhattan Brokerage representing the buyer. The residence is expected to close around early 2027 and will mark a record-setting deal for downtown Manhattan.[3]

> "BOTH HOME SELLERS AND HOMEBUYERS SHOULD CONSIDER THE 'FIRST MOVER ADVANTAGE'–BEING THE FIRST TO ACT DECISIVELY WHEN OPPORTUNITIES ARISE."
>
> A. BRADLEY NELSON
> *chief marketing officer, Sotheby's International Realty*

Beyond market dynamics, this year's report examines the broader forces shaping luxury real estate decisions. We explore how political and economic policies impact the upper end of residential real estate markets, the rising influence of cryptocurrency, fluctuating inventory in the U.S. and global markets, and how major global sporting events can create lasting impacts on the luxury housing markets in host cities when paired with thoughtful urban planning in the wider area.

Today's wealthy homebuyers are also prioritizing safety and privacy in ways that are reshaping design, from advanced security systems to backup power generators that ensure uninterrupted comfort and protection.

We're also seeing a meaningful shift toward multigenerational living among wealthy households. This trend is about more than a lifestyle—although clearly one major goal is spending time with loved ones. It is also about long-term estate planning and legacy building, a way homeowners can transfer some of their wealth during their lifetime by building or buying a home for their heirs.

The global perspective of the Sotheby's International Realty brand's network provides unique insight into these evolving trends and shifting priorities. Whether it's luxury housing under construction in Utah or emerging developments in Dubai, the brand's affiliated agents across these markets offer deep local expertise and comprehensive global knowledge. This worldwide reach enables homebuyers to make informed decisions—wherever their search takes them.

Ultimately, luxury real estate purchases are about much more than a financial investment. They are lifestyle-driven choices shaped by the amenities and experiences in any given location that offer the relaxation, stimulation or comfort that wealthy homebuyers seek both for themselves and for their families. ■

Situated in one of the most prestigious neighborhoods in Antwerp, Belgium, this contemporary villa offers a harmony of light, space and architectural elegance.

Photo: Belgium Sotheby's International Realty.

Endurance TEST

Luxury real estate holds its appeal as an investment—and a lifestyle.

Sea views come as standard at this stunning clifftop home near Auckland, New Zealand.

A luxury penthouse at the Four Seasons Private Residences in Abu Dhabi, United Arab Emirates, broke records when it sold for US$54.5 million in 2025.

“RECENT RECORD-BREAKING SALES DEMONSTRATE THE PROPERTY MARKET’S STRENGTH AND APPETITE FOR PREMIUM PROPERTIES.”

—

PHILIP A. WHITE JR.
president and CEO, Sotheby’s International Realty

Whether driven by economic opportunities or the desire for a lifestyle to share with friends and family, property purchases by high-net-worth individuals (HNWIs) in 2025, when the luxury real estate market outperformed the overall housing market, position the sector for continued strength, says Philip A. White Jr., president and CEO, Sotheby’s International Realty.

“The general real estate market was more impacted by elevated interest rates and affordability issues such as higher prices,” White says, “but the luxury real estate market is positioned for continued outperformance, building on 2025’s robust foundation, which included areas seeing increased inventory, growing international homebuyer activity and a larger percentage of all-cash sales, particularly at the higher end.”

While market performance depends on a variety of factors, the Sotheby’s International Realty affiliated agents who primarily sell homes in the US$10 million and above range were the most optimistic about their global markets for 2026, according to the 2026 Sotheby’s International Realty agent survey (see report starting on page 22).

“We expect global sales to further strengthen, as luxury property buyers are less constrained by geography,” White says. “The fundamentals supporting luxury real estate remain strong. We are seeing sustained wealth creation at the high end, inventory remains constrained in premier markets with some growth, and lifestyle-driven demand shows no signs of stopping.”

In the U.S., the contrast between the luxury and general housing markets is significant, according to Lawrence Yun, chief economist and senior vice president of research at the National Association of REALTORS® (NAR). “The upper end has seen huge home equity gains, so if homeowners in that price range decide to sell, they have additional buying power,” he says. “We’ve also seen the stock market reach an all-time high [in October 2025], which can loosen up the purse strings.”

Homebuyers at the very high end of housing markets tend to be impervious to macroeconomic factors, says Mark Zandi, chief economist at Moody’s Analytics. “They’re in great financial shape,” he says. “At the lower end of the luxury market spectrum, homebuyers are a little more sensitive to their overall net worth and the stock market.”

The threshold for a luxury home in the U.S. now starts at US$1.3 million nationally and is much higher in some markets, according to research released in September 2025 by Realtor.com®, which defines “entry-level” as within the top 10% most expensive homes.[1] “High-end” luxury, within the top 5% of the market, starts at US$2 million nationally and “ultra-luxury,” the top 1%, starts at US$5.4 million. In 2016, the entry point for a luxury home nationally was just US$796,922, according to Realtor.com®, while today in Los Angeles, California, entry-level luxury starts at US$3.9 million, and in New York City at US$2.8 million.

Despite the potential headwinds of slower job growth and inflation, Yun is optimistic about the prospects for the upper end of the housing market in 2026. If mortgage rates continue to decline, as they have according to a November 2025 report by mortgage company Freddie Mac,[2] he anticipates a surge of demand.

“Interest rate stability, if achieved, could unlock significant additional homebuyer activity,” White says. “Ultra-high-net-worth individuals [UHNWIs] are less rate-sensitive, but we know they are inclined to be more active when financial markets demonstrate stability.”

Yun anticipates that, following the rate cuts in September, October and December 2025, the Federal Reserve will continue to lower interest rates incrementally, which could in turn help lower mortgage rates. “I expect the economy to continue to hum along nicely, with stable unemployment rates and respectable 2% GDP growth into at least the middle of 2026,” he says.

Stock market performance also had an impact on luxury homebuying. “The luxury housing market stalled for a short time in March 2025, when the stock market corrected, but since then it has been outperforming the lower end,” Yun says. “I can’t predict exactly what will happen with the stock market, but based on its current performance, the outlook for luxury real estate in 2026 is bright.”

Despite some volatility, the overall strong stock market performance of the last two years has increased the net worth of households, which in turn benefits the luxury real estate market, agrees White. “We’re also seeing that luxury homebuyers are younger, which is a function of wealth creation and the transfer of wealth to a new generation. This is in contrast to the overall housing market, where homebuyers are older.”

Another trend is that periods of high inflation can spur the sales of luxury properties as a hedge. Values typically rise along with inflation, adding to profitability for home sellers, and inflation levels have hovered around 3%, according to data released by the U.S. Department of Labor in October 2025.[3]

“Recent record-breaking sales demonstrate the property market’s strength and appetite for premium properties,” White says. “In downtown Manhattan, New York, a penthouse is under contract for US$87.5 million, and a co-op in San Francisco, California, sold for US$24 million. In Abu Dhabi, a penthouse in the Four Seasons Private Residences at Saadiyat Beach—which is still under construction—sold for US$54.5 million, well above the previous record price of US$37.3 million set in 2024, according to Abu Dhabi Sotheby’s International Realty. These transactions, as well as a record sale in Old Greenwich, Connecticut, for US$21 million and a record sale for US$50 million in San Diego, California, signal sustained demand at the highest levels.”

In the general housing market, the government-backed mortgage provider Fannie Mae predicts that home sales—including existing homes and new-builds—will rebound in 2026, rising an estimated 9.2% over the previous year, according to a September 2025 report by Real Estate News.[4] ▸

Photos: (previous page) New Zealand Sotheby’s International Realty; Abu Dhabi Sotheby’s International Realty.

The impact of inherited wealth

Wealth creation comes from a variety of sources, including business success, investment gains and, increasingly, inheritance. Generational wealth transfers should continue to drive luxury real estate demand, building on 2025 flows that reached an estimated US$6 trillion across wealthy nations, the equivalent of 10% of global GDP, according to research published in June 2025 by The Economist.[5] In Italy, for example, inheritances represent 20% of the country's GDP.

An estimated US$124 trillion will now transfer intergenerationally through 2048, mainly between the Silent Generation (born 1928-45) and Baby Boomers (born 1946-64) to younger generations, according to a Q1 2025 report by Cerulli Associates, a research and consulting firm.[6] Included in the total figure is an estimated US$25 trillion in real estate, according to Federal Reserve data reported by CNBC in August 2025.[7]

This generational wealth transfer, which a February 2025 report in The Economist terms "inheritocracy," is creating an emerging class of HNWIs who are influencing global real estate markets. In the U.S., where asset values—including real estate and the stock market—have risen in recent years while inheritance taxes have fallen, the number of wealthy individuals continues to grow, according to the report.[8]

Cryptocurrency and luxury real estate

Another source of wealth that is beginning to impact the luxury property market is cryptocurrency. In 2021, a US$22.5 million penthouse sale at Arte Surfside in Miami, Florida, made headlines as the first publicly known example of a crypto purchase, as reported by Forbes in June 2021.[9] In 2024, Neyshia Go, global real estate advisor, Sotheby's International Realty - Beverly Hills Brokerage, sold a newly built house in Beverly Grove for US$4.925 million, with the buyers cashing in their crypto investment for the purchase. Since then, some sellers of luxury properties in Dubai, California and New York have expressed a willingness to accept cryptocurrency.

In Dubai, 30% of UHNWIs hold crypto assets, which is having an impact on the real estate market there, according to a February 2025 report by Forbes, citing research by the residence and citizenship consultancy Henley & Partners.[10] Loans made with Bitcoin as collateral, estimated at US$8.58 billion today, are expected to reach US$45.27 billion by 2030, according to a June 2025 report by Realtor.com®, and crypto loans are particularly popular for second homes.[11]

However, Zandi warns that the increased use of cryptocurrency for home purchases could generate volatility in the luxury housing market. "Crypto prices are subject to wild swings, which could result in similar variations in luxury home demand," he says.

Conversely, Yun argues that this volatility might be offset by the expanding homebuyer pool. "Major financial institutions are investing in cryptocurrencies, as are younger people," he says. "Finding a way to include those assets in underwriting widens the pool of homebuyers, which could be beneficial to the luxury housing market."

The regulatory landscape around cryptocurrencies is evolving rapidly. Since the current administration took office in January 2025, there have been moves to encourage the use of digital assets in a variety of ways, such as the U.S. Securities and Exchange Commission (SEC) and the U.S. Commodity Futures Trading Commission coordinating efforts to facilitate crypto trading, according to a joint statement issued in September 2025.[12]

In June 2025, the Federal Housing Finance Agency, which oversees the mortgage providers Fannie Mae and Freddie Mac, ordered the agencies to prepare a proposal that would allow cryptocurrency holdings to count as an asset for mortgage applicants, according to a report by AP News.[13] And while that policy has yet to be enacted, a handful of private lenders already allow it, as reported in August 2025 by Yahoo Finance.[14] Otherwise, borrowers are typically required to convert their cryptocurrency holdings into dollars if they are to be included among their assets.

In the years ahead, cryptocurrency may play a larger role in the economy and real estate, since globally just over half (51%) of Gen Z own crypto assets, according to research released in January 2025 by Gemini, a finance platform.[15] This compares to 35% of people of all ages globally. The research also found that nearly half (48%) of Gen Z use crypto to generate investment income, compared with 41% of all crypto owners. ▸

This estate in Montecito, California, evokes quiet sophistication.

Inherited wealth in 2025

US$6 trillion to be inherited worldwide = 10% of global GDP

Source: "How to Invest Your Enormous Inheritance," The Economist, June 2025

Photo: Sotheby's International Realty - Montecito - Coast Village Road Brokerage.

The striking modern interior of a luxury home in Tucson, Arizona.

Photo: Russ Lyon Sotheby's International Realty.

Taxes, tariffs, exchange rates and geopolitics

Tax policy changes also bode well for luxury real estate, particularly the raising of caps on state and local tax deductions, from US$10,000 to US$40,000, on U.S. federal income tax returns for 2025.

"This will be a game changer in states with higher taxes—it's a clear additional benefit to buying a more costly home if you can deduct more," Yun says. "Real estate agents should relay this message to their customers, especially in states with higher taxes such as New Jersey, New York, Massachusetts, Maryland, California and Washington."

A potential wild card for the luxury housing market in the U.S. is the discussion about raising the limits on capital gains tax exclusions, Zandi says. Currently, home sellers can exclude up to US$250,000 (or US$500,000 for married couples) in capital gains on their home from their tax calculation. If the rules on capital gains exclusion change, Zandi believes it could generate more luxury property inventory.

Tariffs, a less positive policy change, typically raise inflation and lower economic growth, Zandi says. "Overall, the effective rate of tariffs in late summer 2025 was about 10%, compared to typically 2% in the past. I expect tariffs to gradually settle into an overall effective rate of 15%, which may have a negative effect on the U.S. economy into 2026 or longer."

However, factors such as tariffs, shifting exchange rates and geopolitical dynamics have been less disruptive to luxury real estate than initially expected, White says. "The big story is really about selectivity. We're seeing wealthy homebuyers become much more particular about where they invest. Compared to during the pandemic, we're seeing that homebuyers are gravitating toward established luxury property markets with more solid fundamentals, rather than trying to chase speculative opportunities."

Currency fluctuations are also creating interesting dynamics, he says. "Real estate markets in foreign countries that seemed expensive six months ago might look attractive now, depending on exchange rates. Additionally, ongoing geopolitical tensions have driven homebuyers toward regions they view as more secure and stable, while tariff uncertainty is making some international homebuyers more cautious about timing their purchases."

International viewpoints and local trends

Agents within the Sotheby's International Realty network say that political and economic stability are extremely important factors, along with security and privacy, in a homebuyer's choice of where in the world to buy their residence, according to the 2026 Sotheby's International Realty agent survey.

"We continue to see luxury real estate buyers increase their portfolio of homes in different areas, both in the U.S. and internationally," White says. "Our collaboration with Concierge Auctions has shown us that luxury homebuyers often bid on multiple properties across various locations. This global perspective reinforces our view of the real estate market as a unified landscape, where buyers consider investments not just locally but internationally."

However, he believes that not all high-end real estate markets will perform equally. "We expect continued geographic selectivity. Prime urban property markets with strong economic drivers, world-class amenities and limited supply will continue to outperform."

As always, real estate trends are highly localized. "The inventory story varies dramatically by price point and location," White says. "We're seeing opportunities emerge in certain segments and markets—in Washington, D.C., and Houston, Texas, in the U.S., and abroad in Portugal, Spain and Thailand—which are showing improved inventory levels compared to recent years, particularly in ▸

This newly built sculptural residence commands an elevated view across 120 acres near Australia's Byron Bay.

the luxury range. The key for homebuyers is to understand these dynamics—what appears to be a homebuyer's market in one segment may still be highly competitive in another, even within the same geographic area."

While there are luxury properties in numerous areas within the U.S., there are some locations with a particularly high concentration. Seven of the top 10 most-expensive zip codes in the U.S. are in Southern California, but Fisher Island in Miami Beach is the most expensive, according to an August 2025 report by Realtor.com®.[16] The other two East Coast zip codes on the list, Bridgehampton and Water Mill, New York, are both in the Hamptons on Long Island. These locations represent "ultra-luxury territory, where virtually every home on the market is a multi-million-dollar listing and the majority are among the top 1% most expensive listings within the U.S.—a tier for those priced at US$5.7 million and up," White says.

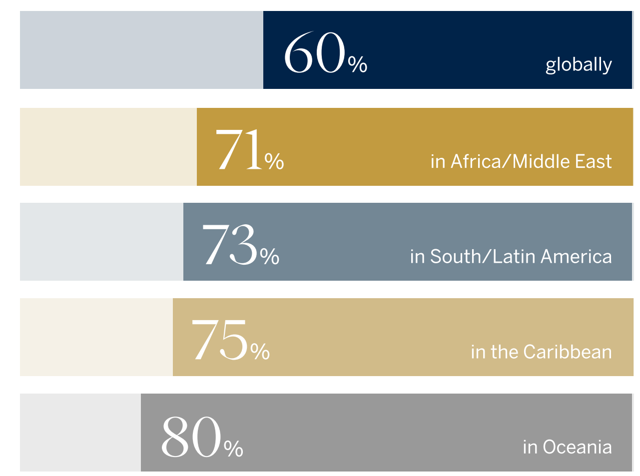
> "WE'RE SEEING WEALTHY HOMEBUYERS BECOME MUCH MORE PARTICULAR ABOUT WHERE THEY INVEST."
>
> —
>
> MARK ZANDI
> *chief economist, Moody's Analytics*

Photo: Byron Bay Sotheby's International Realty.

Is lifestyle a growing decision-making factor for today's homebuyers?

Most Sotheby's International Realty affiliated agents say it is, but it varies across regions

Source: 2026 Sotheby's International Realty agent survey



Lifestyle is driving choice

In the 2026 Sotheby's International Realty agent survey, more than half (60%) of affiliated agents said that lifestyle had been a more important factor to luxury homebuyers than in previous years (see report on page 22). The emphasis on lifestyle was particularly important to homebuyers in Oceania, the Caribbean, South and Latin America, and Africa and the Middle East.

"Lifestyle-driven property markets are certainly thriving," White says. "Ski destinations continue to show exceptional strength. In fact, Aspen Snowmass Sotheby's International Realty listed a US$300 million estate in August 2025—with 74 acres and just a mile from town—which is the most expensive home ever listed in the U.S., according to an August 2025 report by Forbes.[17] And in October 2025, Puerto Rico Sotheby's International Realty listed a multigenerational estate for US$65 million in Puerto Rico, which will be the highest-priced property there if it sells near the asking price, according to an October 2025 report by The Wall Street Journal."[18]

"Legacy Properties Sotheby's International Realty in Maine achieved the sale of a home near the Bush family compound in Kennebunkport for US$12 million in July 2025—after just 90 minutes on the market. This was followed by the September 2025 sale of Bette Davis's former estate in Cape Elizabeth, Maine, for US$13.4 million, marking the state's priciest deal in a decade."

"We're also seeing strong performance in property markets that combine multiple lifestyle elements, such as ski-to-golf communities or wine country properties," White says. "Additionally, the wellness trend has evolved since the pandemic, with homebuyers prioritizing in-home spas and hotel-style amenities, particularly in branded residences." ▸

The luxury housing market in central London—where this three-bedroom apartment is located, in the OWO Residences by Raffles—is bucking the trend of volatility seen in other locations.

Cross-border transactions

The U.S. remains a popular location for UHNWIs looking to buy a home. According to a July 2025 report by NAR on international residential transactions in the U.S., foreign homebuyer activity for existing homes increased by 44% from April 2024 through March 2025, the first year-over-year growth since 2017.[19]

"From our perspective, the primary factor in its continued appeal is the relative stability of U.S. real estate, which is especially compelling amid ongoing geopolitical uncertainties," White says. "We anticipate this continuing throughout 2026."

Yun also believes that the current U.S. administration's push to introduce a "golden visa" for foreigners willing to pay US$1 million for a path to citizenship will open more opportunities. "I expect to see more Chinese homebuyers in the U.S. because their economy is expanding, and there are more millionaires and billionaires there who want to invest their money in the U.S.," he says. "The economy in India is also growing, so we're likely to see more investors from there."

According to NAR's research, China remains the top country of origin among foreign real estate buyers, with Canada, Mexico, India and the U.K. rounding out the top five.

When it comes to the location of U.S. real estate investments, traditional patterns continue to hold, White says. Florida leads, accounting for 21% of purchases by foreign homebuyers, followed by California, Texas and New York, according to NAR.

"What's particularly interesting is the growing interest in lifestyle destinations beyond the traditional gateway cities—places like Charleston, South Carolina; Nashville, Tennessee; and ski markets in Colorado and Utah," White says. "These offer compelling value propositions for international homebuyers seeking lifestyle experiences."

Travel patterns also reflect where people buy property, particularly second homes. "Rather than collecting properties in numerous destinations, homebuyers are focusing on places where they plan to spend extended periods," White says. "American Express Travel's March 2025 Global Travel Trends Report highlighted that travelers were prioritizing experiences that blend luxury, cultural immersion and personal connection—and that's what is driving decisions."[20]

Foreign homebuying activity in the U.S.

Source: National Association of REALTORS®, "International Transactions in U.S. Residential Real Estate," July 14, 2025

44% rise in foreign homebuyers for existing homes from April 2024 through March 2025

15% of foreign homebuyers are from China, accounting for US$13.7 billion in sales

21% of foreign homebuyers are purchasing property in Florida

Photos: United Kingdom Sotheby's International Realty; Sotheby's International Realty - East Side Manhattan Brokerage.

Spotlight on global markets

While global politics and economics play a role in high-end property purchases, national and regional factors are also influential, as evidenced in trends across key markets within the Sotheby's International Realty network.

Property in Manhattan, such as this US$10.25 million apartment in Chelsea, is particularly appealing to buyers from overseas.

New York, New York

The dearth of inventory at the upper end of the market—above US$20 million—in New York City has kept prices high even if there are fewer sales, says Daniela Sassoun, global real estate advisor, Sotheby's International Realty - East Side Manhattan Brokerage. "We're seeing lots of foreign homebuyers, especially from Brazil, Argentina, the Middle East and London, in part because the U.S. dollar is cheaper," she says. "Homebuyers have realized they can get 10% more property value for their pesos or pounds."

Other sources of demand include younger homebuyers who have benefited from the "great wealth transfer" between older generations and their children or grandchildren, and people who moved to Florida and want or need to be in New York City more often.

"For many of our clients, a place in Manhattan is a second home where they spend three or four months every year," Sassoun says. "These homebuyers are not bothered by inflation, but they are sensitive to the mood in general, so they're a little more cautious now about the economic climate. They are also more likely to shy away from something that needs work because of the potential costs of construction."

Local politics has been on the minds of property owners, too. "After the New York City mayoral primary [in June 2025], we got 15 to 20 calls a day from our clients wanting to know what the political climate would mean for home values," Sassoun says. "We found that prices held steady under every mayor going back 25 years, despite corrections after 9/11 [in 2001], the start of the Great Recession [2007-08] and the pandemic [from 2020], which reassured them." ▸

In Aspen, Colorado, a vast 74-acre estate featuring a carefully designed residence and a private lake is on the market for US$300 million.

Photo: Aspen Snowmass Sotheby's International Realty.

Aspen, Colorado

While there are plenty of ski resorts around the world, few can match the year-round attraction of Aspen, says Mandy Welgos, global real estate advisor, Aspen Snowmass Sotheby's International Realty.

"Some people come here in the summer only or in the winter to ski, while others like the shoulder seasons in spring and fall, when it's quieter. What's unusual about Aspen is that while we have all the natural beauty and outdoor mountain activities, we also have downtown, which is a mecca for art, music, high-end shopping and restaurants, alongside charm and history."

"We never have much inventory, particularly high-caliber properties, but we always have demand," Welgos says. "There's a lot of competition for single-family homes and condos within walking or biking distance of downtown, but some people prefer larger estates for privacy in the mountains."

To keep Aspen's charm intact, the surrounding Pitkin County restricts newly built homes to a maximum of 9,250 square feet. Welgos recently listed a property less than a mile from downtown Aspen with two parcels of land, each 36 acres, along with two smaller parcels of an acre each.

"One of the larger parcels has a beautiful 19,500-square-foot house on it and a six-acre lake, while the other has an entitlement that allows someone to build another house of that size, until it expires in 2028," she says. "The property has guest and employee housing onsite, along with space for 45 cars, which is extremely valuable in Aspen, where there's a shortage of both housing and parking."

London, U.K.

The luxury housing market in central London is bucking the trend of volatility seen in some other markets, says Alex Isidro, managing director of United Kingdom Sotheby's International Realty. "Transactions increased slightly, although values were down a little during the first half of 2025. Because prices are slightly weaker than normal, averaging about UK£7 million (US$9.4 million), domestic homebuyers have been our largest group of clients."

Domestic homebuyers looking for residential neighborhoods are buying in Belgravia, Chelsea and Knightsbridge, while international property buyers are drawn to Mayfair. "Americans are the second-largest pool of homebuyers, although many of them decide to 'try before they buy' and rent for a while before purchasing property," Isidro says. "Our other international buyers now are coming from India, Kuwait and Italy."

A proposal to impose an additional tax on homes in the U.K. valued at more than UK£2 million (US$2.7 million) from 2028, as part of the government budget, could impact luxury market sales, the BBC reported in November 2025.[21] Despite concern about tax laws driving international homeowners out of London, Isidro says the city is resilient. "We've seen some people leave, but others have seen it as an opportunity to move in. UHNWIs who own homes valued above UK£5 million (US$6.7 million) are holding onto their property or renting it rather than selling. People see London real estate as a stable asset that's much less volatile than some other investments."

The vast majority (92%) of homebuyers Isidro's office dealt with during the first half of 2025 paid cash, which is a testament to the strength of the Sotheby's International Realty brand and its clientele, he says. "Our market should remain as it is for the next few years, until we see another change in our government. In the meantime, we'll likely start to see more international activity in London because people like the safety of investing here."

Dubai, United Arab Emirates

The migration of wealth to the U.A.E. from the U.K. and Europe has led to record sales for both existing homes and yet-to-be-built luxury properties, according to Leigh Williamson, managing director, Dubai Sotheby's International Realty.

"Inventory remains about the same in Dubai, and we still don't have enough supply for the amount of demand from UHNWIs moving here for their permanent home," Williamson says. "U.K. homebuyers are still number one for us, and with Europe going through changes, many love what Dubai has to offer. We also see people who live in the U.A.E. trading up, as business continues to grow here." People from India, Pakistan, Saudi Arabia and Russia are also keen homebuyers, and now Canadians and Americans are showing up as well. While some are purely investing in property for the 5% to 8% return on investment, others are purchasing second homes and primary residences. "We're seeing a rise in full-service buildings, like those we've seen in Hong Kong, China and New York City for years," Williamson says. ▸

> "THERE'S BEEN A MODEST LIFT IN INVENTORY THANKS TO THE COMPLETION AND LAUNCH OF SEVERAL NOTABLE HIGH-END PROJECTS OVER THE PAST YEAR."

WOODY MAH, *managing director, List Sotheby's International Realty, Hong Kong*

"Branded residences continue to be the driving force for off-plan sales. Waterfront property has always been prime real estate in the U.A.E., along with golf-course living in a gated community. Some of the world's top architects are coming up with incredible designs that are truly inspiring."

She anticipates prices for resale assets to level off, especially some that have been overpriced. "Home sellers will have to adjust to the market when they're looking for a sale, which makes it all the more important to speak with a qualified, experienced real estate agent who is going to be honest and transparent."

Hong Kong, China

The luxury property market in Hong Kong continued its steady recovery in 2025 after the disruptions of recent years, says Woody Mah, managing director, List Sotheby's International Realty, Hong Kong. The number of high-end transactions was up 8% to 10% during the first half of 2025, with prime locations such as The Peak, Mid-Levels and Repulse Bay recording price growth of 2% to 4%, he says.

"Much of this momentum is being driven by sustained low interest rates and the return of international homebuyers, particularly from mainland China and across Asia. There's been a modest lift in inventory thanks to the completion and launch of several notable high-end projects over the past year. Even so, stock remains tight in top-tier districts such as Central and Tsim Sha Tsui in Kowloon, where demand consistently outpaces availability. This imbalance is keeping sustained upward pressure on values, especially in the ultraluxury bracket above HK$100 million (US$12.8 million), which continues to perform strongly."

Hong Kong's role as a major financial hub, combined with its enduring appeal to UHNW homebuyers, continues to support confidence in the real estate market, Mah says. Luxury homebuyers include mainland Chinese investors, local residents, long-term expatriates and UHNWIs from the mainland, many of whom have Hong Kong permanent residency.

The biggest change in 2025 was the government easing some of the toughest property-market cooling measures, such as removing extra stamp duties for non-local and second-home buyers, and relaxing mortgage rules. "For many homebuyers, that's taken millions of dollars off the upfront cost and made financing high-value homes much easier," Mah says. He sees an opportunity for the Sotheby's International Realty global network to assist the increasing global mindset of affluent local homebuyers, as destinations like Japan, Thailand, Australia, New Zealand and the U.K. become especially attractive.

Queenstown, New Zealand

In the Southern Lakes region of New Zealand, sales in the NZ$4 million (US$2.3 million) and higher luxury property market—and total sales volume—increased in 2025, says Clodagh Hall, chief operating officer, New Zealand Sotheby's International Realty.

"Inventory levels are down, so our drive now is to get more listings," Hall says. "We want to be ready—domestic demand and global geopolitical turmoil are driving homebuyers our way."

New Zealand's prime minister, Christopher Luxon, announced that foreign buyers can now purchase homes valued at NZ$5 million (US$2.9 million) and above, according to a September 2025 report by Mansion Global.[22] Previously, they could only buy property if they invested at least NZ$10 million (US$5.8 million) in government-approved assets. Only overseas homebuyers from Australia and Singapore were exempt.

"This will reopen the doors to international homebuyers who are already looking at New Zealand and the region for property," Hall says. "We're seeing significant recovery in international visitor numbers, reaching around 87% of pre-pandemic levels. The majority of them are Australians."

Hall also says the New Zealand Sotheby's International Realty website is recording increasing numbers of international visits, particularly from the U.S., which indicates that the policy change will have a positive impact. "This is particularly relevant to us, as we are the only truly global real estate brand in the market and can open doors to vendors in a way no other company can."

In the meantime, there has been a big increase in demand from local homebuyers for lock-and-leave holiday homes close to the Queenstown central business district and for rural properties with space, privacy and access to outdoor pursuits, because prices are still below their peak values.

Prices in California are among the highest in the U.S. This house in Newport Beach, California, is on the market for US$27.4 million

Photo: Pacific Sotheby's International Realty.

Market transitions require global expertise

The Sotheby's International Realty brand's global network enables it to provide coordinated guidance across real estate markets, ensuring clients understand comparative value and opportunity, whether they're considering domestic or international properties, White says. "Our affiliated agents' expertise becomes particularly valuable during market transitions. For home sellers, we develop strategic pricing approaches by analyzing current market activity and homebuyer preferences. Properly priced luxury properties continue to attract strong interest." For homebuyers, the Sotheby's International Realty brand provides market insights to help them identify value and recognize opportunities.

Sales volumes in 2026 will likely depend on pricing discipline—accurately priced luxury real estate inventory should continue to move, while overpriced properties may stay on the market for longer. The biggest differentiator will be scarcity and location quality, with properties in supply-constrained markets maintaining their premium pricing power.

"While I don't have a crystal ball, in June 2025 NAR projected home prices to grow by 4% in 2026, and the luxury real estate market has historically shown resilience during periods of broader uncertainty," White says.[23] "I expect luxury properties in premier locations to continue commanding premiums." ■

PRIME *numbers*

What the 2026 Sotheby's International Realty agent survey tells us about the state of luxury property markets worldwide.

The Sage Hills Estate Winery, situated on more than 10 acres in Summerland, British Columbia, Canada, includes a stunning modern home.

The 2026 Sotheby's International Realty® agent survey is a comprehensive poll of the brand's luxury real estate agents and franchise owners. For homebuyers and sellers, the survey reveals key factors impacting today's luxury real estate market—including the extent to which geopolitical uncertainty is exerting an influence around the world, the continuing strength of cross-border demand, and the general steadiness of home prices—allowing them to make informed decisions based on the insights and opinions of the network's worldwide affiliates and agents.

One of the key findings is the unique nature of the global luxury property market: In 2025, only 51% of homebuyers worldwide purchased a property as their primary residence. The percentage was higher in North America, South/Latin America, Europe and Oceania, but much lower in Asia, Africa/Middle East and the Caribbean.

"Affluent buyers think in terms of property portfolios rather than single homes," says Philip A. White Jr., president and CEO of Sotheby's International Realty. "They are often splitting their time between multiple residences. For many Sotheby's International Realty clients, this isn't their first home—it's the second, third or sometimes even the fourth property in their portfolio."

Second-home ownership accounted for 28% of luxury purchases globally—a significant share that underscores how common multi-property ownership is among affluent buyers. Regional variations were modest, with second-home purchases rising to 34% in Asia and 33% in the Caribbean—but more local markets revealed dramatic patterns.

In Florida, for instance, 54% of luxury purchases were second homes. This concurs with an August 2025 report from wealth intelligence firm Altrata, which identified Miami as the top destination for ultra-high-net-worth individuals (UHNWIs) looking for a second home, followed by New York, London and Los Angeles.[1]

The agent survey reveals what is driving today's affluent buyers across seven global regions: North America, South/Latin America, the Caribbean, Europe, Africa/Middle East, Asia and Oceania. It also shows where the market is heading in these places—where prices are rising, where they are falling and where competition with foreign buyers is increasing. ▸

Luxury properties in San Miguel de Allende, northwest of Mexico City, are sought after as second homes.

The main reasons homebuyers are looking to purchase a property

Source: 2026 Sotheby's International Realty agent survey

Photo: (previous page) Canada Sotheby's International Realty.

Photo: San Miguel Sotheby's International Realty.

"FOR MANY SOTHEBY'S INTERNATIONAL REALTY CLIENTS, THIS ISN'T THEIR FIRST HOME—IT'S THE SECOND, THIRD OR SOMETIMES EVEN THE FOURTH PROPERTY IN THEIR PORTFOLIO."

PHILIP A. WHITE JR., *president and CEO, Sotheby's International Realty*

The motivations of luxury homebuyers

While seeing an appreciation in their home's value or benefiting from rental income from a second or third property were considerations for many homebuyers, relatively few purchases were driven primarily by such motives. Purchases made mainly for capital growth or rental income each accounted for just 10% of sales on average across the world. However, in certain regions this figure was higher, with homebuyers in Asia and Africa/Middle East more interested in capital growth and many in the Caribbean and South/Latin America seeking properties they could rent out.

Security and privacy were the top priorities among homebuyers, with most agents reporting these factors as growing concerns for their clients (see page 64 for more on this topic). An area's economic and political stability were also major factors. An area's local tax structure was a significant driver of interest, with more than half of respondents saying a "favorable tax environment" was a key concern. This was particularly true in Europe and the Caribbean, where at least three-quarters of agents said their clients cited taxes as a motivator in choosing a future home there.

Multigenerational living is also becoming increasingly important in certain regions, including Africa/Middle East, North America, and South/Latin America (for more on this topic, see page 52).

Homebuyer demand is on the rise in Oceania, placing a premium on properties like this apartment overlooking the Swan River in Perth, Western Australia.

Western Australia Sotheby's International Realty.

Major considerations among homebuyers

Source: 2026 Sotheby's International Realty agent survey (ranked by importance)

81%	Security and privacy
68%	Economic stability
65%	Political stability
60%	Lifestyle
55%	Favorable tax environment
43%	Work from home capabilities
24%	Climate concerns
21%	Multigenerational living

Economic and political impacts on luxury markets

Source: 2026 Sotheby's International Realty agent survey

Most Negative		Factor	Most Positive	
North America	-58%	Inflation	+0%	Asia
North & South /L. America	-54%	Domestic geopolitics	+24%	Asia
North America	-55%	Global geopolitics	+33%	Caribbean
Oceania	-40%	Tax changes	+33%	Caribbean
Caribbean	-58%	Inventory levels	+18%	Asia
North America	-67%	Interest rates	+20%	Oceania
North America	-46%	Stock market fluctuations	+29%	Africa /M. East
Caribbean & N. America	-17%	Currency fluctuations	+57%	Africa /M. East

Economic and political impacts on markets

Sotheby's International Realty affiliated agents were asked to evaluate factors that had impacted their local markets over the past 12 months and whether those factors had had an overall positive, negative or unchanged effect.

Globally, inflation was identified as the biggest obstacle—apart from in Asia, where responses were evenly split between both positive and negative impacts. This reflects a trend seen across the continent, with The Economist reporting in September 2025 that, apart from in Japan and Bangladesh, "the average rate across the continent's 10 biggest economies is a tame 1.3%. Consumer prices have fallen outright in China, the biggest of all, and in Thailand. Other Asian economies, including the Philippines, are not far from deflation. Even in inflation-prone India, prices rose by just 1.6% in the year to July 2025, the slowest rate since 2017."[2]

Meanwhile, in North America, interest rates were a bigger concern, with just over two-thirds of agents reporting a negative influence on their markets. This view was echoed in the Caribbean and South/Latin America.

However, interest rate changes have had a more positive impact in Oceania and Europe. With the U.S. Federal Reserve cutting benchmark interest rates in September, October and December 2025,[3] homebuyers' concerns could be alleviated somewhat in 2026. According to commentary released in September 2025, the Mortgage Bankers Association in the U.S. forecasts "a 30-year mortgage rate expectation of 6.5% by the end of the year, declining to 6.2% by the end of 2027."[4]

Politics was also a significant factor in homebuying choices. More than half of agents in North America, South/Latin America and Oceania said domestic politics was hampering their markets, and the global political situation was having a negative effect on several markets, particularly in North America. Respondents in Asia, the Caribbean and Africa/Middle East were more neutral or upbeat about the impact of both.

Real estate metrics and transactions

Agents also provided insight into local property market metrics, including the number of homebuyers and home sellers, inventory levels and the number of sales over the past year.

In terms of supply, inventory levels rose around the world, particularly in North and South/Latin America. The Caribbean was the only region where agents reported less inventory.

Homebuyer demand varied widely across the globe, with the biggest boost reported in the Caribbean, followed by Africa/Middle East and Oceania, pointing to a sellers' market continuing in these locations. Meanwhile, homebuyers had less competition in South/Latin America and in North America. ▸

The number of transactions in luxury property markets also varied widely by region. Sales activity increased in the Caribbean, Asia and Europe, according to agents, while Oceania saw a decrease.

The survey also captured data on home price changes over the past 12 months. Agents in both Africa/Middle East and Asia report double-digit price growth, particularly in Japan, where agents reported 21.4% growth. Dubai also showed exceptional strength in the region.

"Dubai continues to demonstrate exceptional resilience and growth, with double-digit price appreciation driven by sustained demand for prime and super-prime properties," says Leigh Borg, executive partner, Dubai Sotheby's International Realty. "The market has evolved beyond short-term speculation; today's buyers are long-term investors who see Dubai as a global city of stability, sophistication and increasing opportunity. Recent landmark transactions, including several record-breaking villa and branded residence sales, reflect the depth of wealth entering the market and the continued confidence in Dubai's luxury real estate sector. As inventory tightens and new launches grow more curated, we expect premium properties to maintain their upward trajectory into 2026."

In regions where prices decreased, including North America and Europe, the reductions were relatively modest. Oceania showed a larger drop, driven primarily by a 13.1% decline in New Zealand.

Sotheby's International Realty affiliated agents also provided forecasts for their local housing markets through mid-2026. Agents in several regions said they expected to see property prices grow, including in Oceania, South/Latin America and Europe. Prices in Asia are projected to continue growing, but at a slower pace than in 2025. And in the Caribbean and North America, agents anticipated a small decline. ▸

Change in market indicators over the past 12 months

Source: 2026 Sotheby's International Realty agent survey

	Africa/ Middle East	Asia	Caribbean	Europe	South/ Latin America	North America	Oceania
Change in number of luxury homebuyers	+29%	0%	+58%	-8%	-46%	-33%	+20%
Change in housing inventory	+14%	+35%	-8%	+21%	+61%	+61%	+13%
Change in transactions	+14%	+18%	+25%	+13%	-15%	-14%	-20%

Luxury home price growth

Source: 2026 Sotheby's International Realty agent survey

	Africa/ Middle East	Asia	Caribbean	Europe	South/ Latin America	North America	Oceania
Past 12 months	+43%	+10.3%	+7.2%	-2.2%	-1.5%	-2%	+5.7%
Forecast for the next 12 months	+7.9%	+6.6%	-1.4%	+1.3%	+1.6%	+1.6%	+5.7%

Photo: Premier Sotheby's International Realty.

Properties in Florida, like this one in Sarasota, are hugely popular with both domestic and overseas homebuyers.

Luxury homebuyers are increasingly drawn to properties with wellness facilities, such as this eight-bedroom oceanfront property with an infinity pool in Puerto Rico.

Photo: Puerto Rico Sotheby's International Realty.

The rise of Millennial homebuyers

Several groups of homebuyers are becoming more active according to the survey, particularly Millennials (born 1981-96) and foreign buyers looking for a "golden visa" or other residency benefits.

The biggest jumps in the number of Millennial buyers of luxury properties were in the Caribbean, where 75% of agents noted an increase, followed by South/Latin America (64%) and Asia (59%). "As global economies shift, we are continuing to see an influx of new primary and secondary homebuyers choosing Puerto Rico," says Oriana Juvelier, vice president and broker, Puerto Rico Sotheby's International Realty. "We are increasingly seeing that HNWIs in particular are drawn to the wellness-inspired quality of life in warmer climates, such as we have here in Puerto Rico. Furthermore, business incentives are more important than ever due to rising costs of living and doing business in the U.S. This is driving Millennials, many of whom are for the first time considering their family's long-term prospects, to choose locations that are both culturally aligned and tax-favorable for building family wealth."

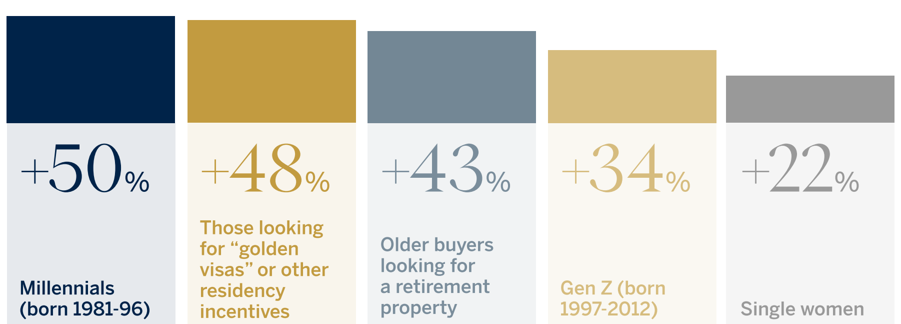
Millennials are also becoming more active in North America, primarily in the U.S., according to 44% of agents there. This concurs with findings in the 2025 Home Buyers and Sellers Generational Trends Report, released by the National Association of REALTORS® in April 2025, which found that Millennials made up 29% of recent homebuyers in the U.S., second only to Baby Boomers (born 1946-64), who made up 42%.[5]

The Caribbean islands, meanwhile, remain a hotspot for those looking for so-called golden visas—citizenship and residency benefits given to foreigners who make a sizable investment in a country's economy. A large majority (83%) of agents working in the region reported an increase in this type of buyer, compared with a global average of nearly half. The lure of Oceania for foreign buyers is also above average, with more than half of agents noting an uptick.

According to a September 2025 report in the Guardian,[6] since the requirements for New Zealand's Active Investor Plus visa were relaxed in April 2025—lowering investment thresholds and reducing the time applicants must spend in the country to establish residency—the number of foreigners who have applied has tripled, with most coming from the U.S. and China.

Change in buyer types

Source: 2026 Sotheby's International Realty agent survey



An increasingly active overseas market

Foreign homebuyers are active all over the world. According to the survey, 82% of agents sold properties to homebuyers from outside their own countries, with Africa/Middle East, Europe and the Caribbean seeing the highest international activity. North America was the outlier, with a little over a third of respondents dealing with overseas purchasers, though this figure rose to 61% in Florida.

Among the agents who sold to both domestic and foreign buyers, a little over one third of their clients were from outside the country. The Caribbean and South/Latin America had the highest proportion, with more than half of buyers coming from abroad, followed by Africa/Middle East and Asia.

While in Africa/Middle East and South/Latin America most agents reported an increase of overseas buyers over the past two years, in other regions agents reported activity consistent with previous years.

Looking specifically at overseas buyers who want to relocate permanently to another country, the survey results show a higher proportion in tropical locations. More than 90% of agents in the Caribbean and roughly 80% from Oceania and South/Latin America noted an increase there, as well as all of the respondents from Africa/Middle East.

Agents outside the U.S. identified American buyers as the dominant overseas buying force in their markets, including across Asia, the Caribbean, Europe and South/Latin America.

In Oceania, however, homebuyers from China were the biggest overseas players. They were also the third most active in the U.S., behind Canadians and British homebuyers. Meanwhile, in Asia, apart from the large American presence, most foreign homebuyers came from other parts of the continent, including Hong Kong, Singapore and Malaysia.

"In many global cities, such as Singapore, London and Hong Kong, governments have introduced policies to curb property price increases—such as additional taxes and purchase restrictions—which have made acquisitions more difficult," says Sara Grace Takano, global real estate advisor, List Sotheby's International Realty, Japan. "In contrast, Japan imposes relatively few restrictions on foreign buyers, and the depreciation of the yen has created a strong sense of value. Moreover, Tokyo's excellent infrastructure, safety and global reputation make it an attractive 'safe asset' destination for wealthy individuals and institutional investors worldwide."

As the survey findings reveal, despite varying regional conditions, luxury real estate markets continue to operate globally with sustained cross-border activity. Homebuyers can use these trends to identify locations that fit their lifestyle preferences and meet their needs. This can help them establish where the best opportunities for their next purchase can be found. ■

Change in market indicators for foreign buyers

Source: 2026 Sotheby's International Realty agent survey

	Africa/ Middle East	Asia	Caribbean	Europe	South/ Latin America	North America	Oceania
% of agents selling properties to overseas buyers in 2025	+100%	+87%	+92%	-95%	+82%	+39%	+80%
% of buyers from outside the country in 2025	+46%	+44%	+51%	+36%	+51%	+11%	+15%

There has been a significant increase in the number of houses on the market in Houston, Texas, such as this custom built seven-bedroom residence.

Inventory RETURNS

As the supply of homes increases, sellers need to ensure that their properties are properly priced and marketed.

Housing provision in the U.S. is starting to climb again, according to data released in September 2025 by the U.S. Census Bureau, which found there were 124,000 new homes waiting for homebuyers—the highest number in 16 years according to an October 2025 report by Scripps News.[1]

Housing stock had been low for several years previously, partly due to a real estate buying spree prompted by the COVID-19 pandemic and historically low interest rates. For example, more than 2.1 million more people became homeowners in 2020, according to a March 2021 report by Pew Research Center.[2] The current rise in housing stock means that in many areas, homebuyers now have more options, and that includes the luxury sector of the market.

However, not every region of the globe has seen an increase in supply. Inventory remains tight in the capital cities of Europe, where purchases by institutional investors have tripled over the past decade, says a July 2025 report in the Guardian,[3] as well as in the Northeast and Midwest regions of the U.S., according to August 2025 data released by Realtor.com®.[4] But new opportunities are coming online elsewhere, as branded residences are being built at speed in Spain, Portugal and beyond.

"We're seeing interesting regional patterns emerge, and it's important to remember that luxury real estate often moves independently of broader market trends," says Tammy Fahmi, senior vice president, global servicing and strategy, Sotheby's International Realty. "Some luxury property markets are experiencing increased inventory as homebuyers explore new destinations, while others are seeing tighter supply. Additionally, areas with the greatest lifestyle advantages continue to attract investment interest."

In many places listings are being buoyed by new developments, especially branded residences. This high-service, low-maintenance model is expanding into new markets and continuing to attract homebuyers—a July 2025 report by Yahoo Finance estimates that the Middle East and Africa will see 270% growth in branded residences over the next seven years.[5] It's also apparent that "what's old is new again," as the adage goes, as developers renovate historic buildings with modern interiors. This is certainly the case in Spain, where affluent homebuyers from South America prefer traditional exteriors with an old-school feel, says Ugo Bagration, regional director for East Andalusia, Spain Sotheby's International Realty.

"Overall, the luxury real estate market is rewarding quality and authenticity over simply having a home for sale," Fahmi says. "While some homes may remain on the market for significantly longer, exceptional properties in popular regions still attract homebuyers relatively quickly."

U.S. housing supply

Source: U.S. Census Bureau, September 2025

124,000

The number of new homes in the U.S. awaiting homebuyers

Inventory increases across the U.S.

The number of homes on the market in the U.S. dropped to historic lows during the pandemic, according to a July 2025 report by the Federal Reserve Bank of St. Louis.[6] This frustrated cash-ready homebuyers, who faced limited inventory and intense competition. But the supply has now bounced back.

In response to questions for this report, the National Association of REALTORS® (NAR) noted there were five months' worth of inventory of existing homes priced over US$1 million available in the U.S. in October 2025, up from 4.5 months in August 2025. "Current inventory is at its highest since May 2020, during the COVID-19 lockdown," Lawrence Yun, NAR's chief economist, wrote in an August 2025 report.[7] Total housing supply across all segments rose 11.7% year over year, according to NAR data released in September 2025.[8]

Many homeowners were feeling "locked in" because of low mortgage rates they negotiated during the pandemic, Yun says. "Lower rates—which the Federal Reserve cut by a quarter point each month in September and October 2025—could help home sellers come off the fence, adding even more inventory. That's important to affluent homebuyers, even those who don't need a mortgage. While many pay cash, they behave as if the interest rate really is important in a home purchase. In Aspen, Colorado, for example, homes are very expensive, but when you look at how sales spike or decline, ►

Photos: (previous page) Martha Turner Sotheby's International Realty · Central Houston Brokerage; Dubai Sotheby's International Realty.

Branded residences, like the triplex Crown Penthouse in Raffles the Palm, are contributing to the expanding luxury property market in Dubai, United Arab Emirates.

"IT'S IMPORTANT TO REMEMBER THAT LUXURY REAL ESTATE OFTEN MOVES INDEPENDENTLY OF BROADER MARKET TRENDS."

TAMMY FAHMI, *senior vice president, global servicing and strategy, Sotheby's International Realty* they follow mortgage rate changes, even though more than half of the purchases are all-cash."

The increase in inventory of homes priced at US$1 million or more means "we are seeing more transactions in the upper end proportionately, compared to the rest of the market," Yun adds. "That clearly implies that inventory availability is important in getting the market moving."

Regional variations on both sides of the market

"This trend is particularly pronounced in certain luxury property markets," Fahmi says. Houston, Texas, for example, is seeing notable inventory increases. Supply was up 27% year-over-year in the city in July 2025, but in prime neighborhoods, availability is still limited, and homes sell quickly, says Taylor Jackson, global real estate advisor, Martha Turner Sotheby's International Realty. "If I have a listing in a sought after neighborhood and I've priced it right, I'm seeing multiple offers, often above the asking price, with homebuyers waiving contingencies."

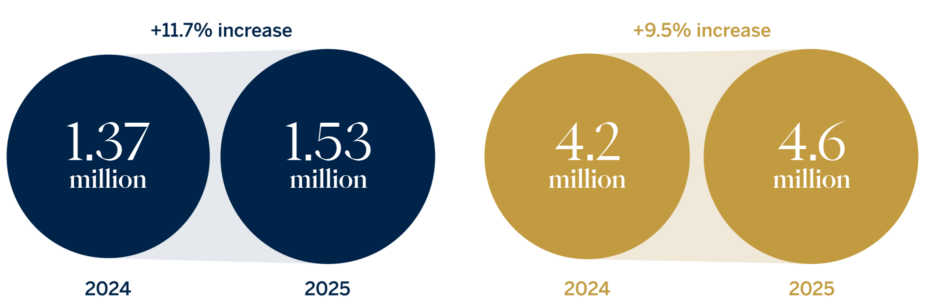
Residential supply is tightest in the Northeast and Upper Midwest, with the hottest home sellers' markets found in major metropolitan locations, including Milwaukee, Wisconsin; Chicago, Illinois; Philadelphia, Pennsylvania; Minneapolis, Minnesota; and New York, New York, according to an August 2025 report by MarketWatch.[9]

In contrast, homebuyers have the upper hand in property markets in the South and West, according to the same report. Las Vegas, Nevada, was a standout, with housing inventory seeing a 44.8% annual increase in June 2025 and home prices plateauing.

Newly built homes in Spain, such as this estate, which blends contemporary Mediterranean architecture with the traditional styles of Mallorca, are attracting international homebuyers.

U.S. housing inventory

Source: National Association of REALTORS®, "NAR Existing-Home Sales Report Shows 0.2% Decrease in August," September 25, 2025



Inventory in Houston, Texas (year-over-year, October 2025)

Source: Martha Turner Sotheby's International Realty

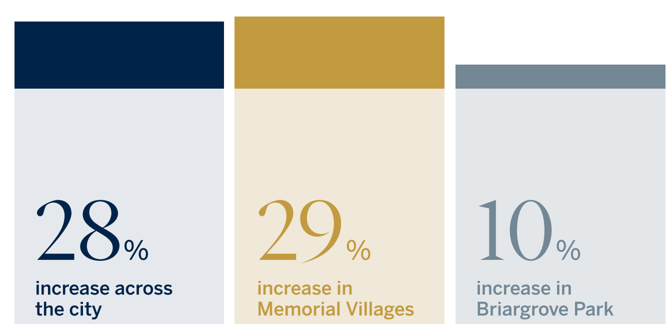


Photo: Spain Sotheby's International Realty.

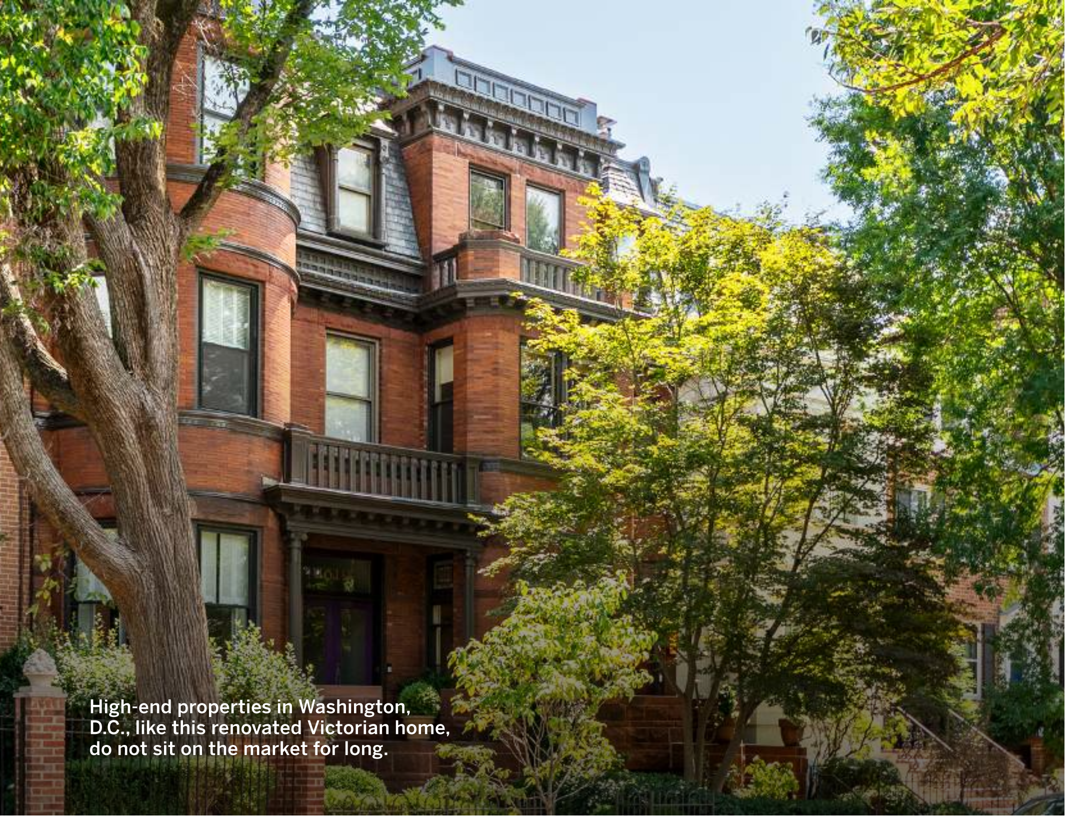
Hitting the right spot in Houston

As Jackson says, inventory has risen in Houston, Texas. Matching a 28% bump in supply across the city,[10] in the high-end Memorial Villages—including Hunters Creek, Piney Point and Hedwig—inventory rose 29% year-over-year in the third quarter of 2025, according to October 2025 data from Martha Turner Sotheby's International Realty.[11] "The villages are very sought after because there are good schools and you typically have larger lots," she says. "I've seen lot value go as high as US$20,000 a square foot."

Another neighborhood attracting homebuyer interest is Briargrove Park, a small area to the west of Houston, where Jackson has seen "incredible appreciation." There, inventory rose 10% year-over-year in the third quarter, the data showed.[12]

Residences in these hotspots—even those that need extensive renovation or a total tear-down—can garner multiple offers. "I listed a home for US$2 million, knowing it was a strategic price given the property's condition. The market responded strongly. We had 11 offers, and it sold for US$700,000 over the asking price," Jackson says. Some of her older clients, including couples who are downsizing, are having issues finding the right property. "They can't believe how much prices have gone up. It's almost like they are having to look for a unicorn."

For home sellers, it's all about setting the price right and letting the market dictate the value. "The good houses that are sitting on the market for longer periods are priced too high, and the home sellers and homebuyers can't come to an agreement," Jackson says. ▸



High-end properties in Washington, D.C., like this renovated Victorian home, do not sit on the market for long.

Photo: TTR Sotheby's International Realty.

> “THERE HAS BEEN A HUGE SURGE IN NEW DEVELOPMENTS AND OFF-PLAN PURCHASES.”
>
> —
>
> UGO BAGRATION
> *regional director for East Andalusia, Spain Sotheby's International Realty*

The Turks and Caicos Islands have seen a noticeable jump in inventory since 2024, including this five-bedroom beachfront property

Photo: Turks & Caicos Sotheby's International Realty.

Healthy sales in Washington, D.C.

Meanwhile, markets in the Northeast are seeing a rise in luxury real estate sales. “TTR Sotheby's International Realty in Washington, D.C., has achieved a significant increase in luxury home sales,” Fahmi says. “The number of US$10 million-plus sales increased by 50% between 2023 and 2024 and has increased again by 43% so far in 2025.”

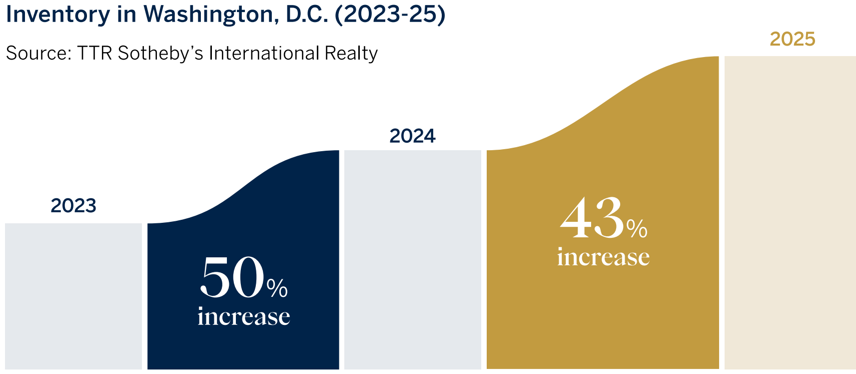
That is an especially high figure for the Washington, D.C., market, where the starting price for a luxury home is less than in other major metropolitan areas—around US$6 million, according to David DeSantis, partner and managing broker, TTR Sotheby's International Realty. These high-end listings—more than half of which are handled by his office—are not sitting on the market for long, he says. “We have 26 active listings, and we're on pace to do 30 sales in 2025. That's a pretty balanced and healthy market,” he says, noting that by August 2025 they had sold 17 luxury homes. “Included in those are some big sales—over US$20 million.”

The global picture

Internationally, inventory patterns vary dramatically by region, says Fahmi. “Across the Caribbean, availability has remained relatively constrained compared to pre-COVID levels, with demand for second homes and oceanfront residences continuing to outpace supply.”

Inventory in Washington, D.C. (2023-25)

Source: TTR Sotheby's International Realty



This is echoed in the 2026 Sotheby's International Realty agent survey, in which 50% of respondents from the region reported that inventory had slightly or significantly decreased over the past year (see page 22).

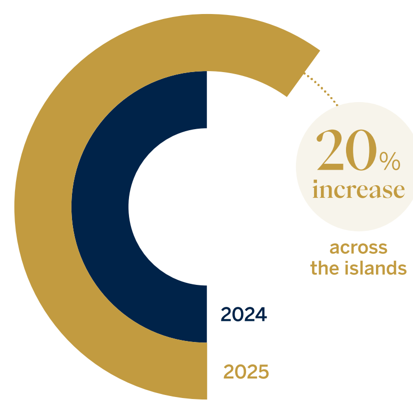
That is certainly the case in the Cayman Islands, where waterfront properties are scarce, pushing up prices and fueling strong competition between homebuyers, according to data released in May 2025 by Cayman Islands Sotheby's International Realty.[13]

The Turks and Caicos Islands are also seeing “an inevitable recalibration period” after an extended surge in business, according to a July 2025 report from Turks & Caicos Sotheby's International Realty.[14] Inventory across the market increased 20% year over year in the second quarter of 2025, with the average time on the market rising from 189 to 238 days, “creating a more measured homebuyer outlook,” the report said.

“In contrast, some traditionally tight European real estate markets, such as Spain, are now showing increased inventory availability, while Portugal demonstrates strong market growth with significant increases in transactions and new luxury developments,” Fahmi says. “Meanwhile, in Asia, Thailand is seeing luxury branded residences leading the next wave of development.”

Inventory in the Turks and Caicos Islands (year-over-year, July 2025)

Source: Turks & Caicos Sotheby's International Realty



Opportunities in the south of Spain

Investors appreciate the value proposition in Spain, where they can generally expect about 5% to 10% year-over-year appreciation, says Bagration. But once again, supply varies dramatically depending on location and the quality of the property.

“There has been a huge surge in new developments and off-plan purchases, especially in the south and the east. There are a vast number of new projects in the pipeline that are attracting international homebuyers and alleviating the scarcity we have when it comes to luxury inventory.”

This new supply is attracting younger buyers, with Millennial (born 1981-96) and Generation X (born 1965-80) homebuyers replacing Baby Boomers (born 1946-64). “A big chunk of these new homebuyers prefers more contemporary and modern developments,” he adds. “This does not mean that demand for traditional Spanish Mission-style homes is not strong: they are still a top choice for many of our very affluent families.”

Meanwhile, South American homebuyers have flooded cities like Madrid, he says. Investors from the U.S., Canada, South America and the Middle East are also discovering Spain, with many choosing to become permanent residents.

Pushing prices up in Portugal

Portugal also offers a lifestyle sought by many international homebuyers, especially people from the U.K., the U.S. and Germany, according to Portugal Sotheby's International Realty.

In 2024, total home sales rose 14.5% compared to the previous year, according to data published in March 2025 by the Instituto Nacional de Estatística (INE), Portugal's government office for statistics.[15] The total value of transactions reached EU€33.8 billion (US$39.2 billion) in 2024, a nearly 21% annual increase. That trend continued into 2025. In the first half of the year, total property sales spiked 34% annually for Portugal Sotheby's International Realty, and home prices were up 16.3% year over year in the first quarter, according to the INE's data report.

Strong demand and limited supply are putting upward pressure on prices, says Miguel Poisson, chief executive officer, Portugal Sotheby's International Realty. The capital, Lisbon, where much of the country's ultra-prime real estate is concentrated, continues to attract homebuyers, while Porto and the Algarve are also popular. “We are seeing premium residential development in new zones that appeal to homebuyers seeking exclusivity,” Poisson says. ▸

A Hollywood boost in Thailand

The market in Thailand is becoming more competitive, says Phakrjira Jansakran, director of sales, List Sotheby's International Realty, Thailand. "Our homebuyers now have more options and leverage, especially in and around Bangkok and Phuket."

One area that is seeing increasing demand is Koh Samui, which has benefited from a Hollywood boost: since the third season of HBO's hit television drama "The White Lotus" was filmed at the Four Seasons Resort on the island, international homebuyers have been flocking there.

"Phuket and Koh Samui have solidified their reputations as Asia's leading destinations for lifestyle-focused property investment," Jansakran says. "Demand from international homebuyers remains strong, and we're now seeing a clear increase in luxury inventory—particularly in the US$10 million-plus segment."

However, despite their popularity, upscale residences can take eight to 12 months to sell, according to data compiled by List Sotheby's International Realty, Thailand. "Ultra-high-end units may take longer to find the right homebuyer but typically achieve premium prices when sold," adds Jansakran.

Buying into the brands

Branded residences are one of the biggest drivers of inventory around the world. They appeal to international homebuyers because of global brand recognition, guaranteed privacy and the flexibility of ownership options. In Thailand's capital, Bangkok, "the best value lies in well-managed branded residences, which have better rental yield and capital preservation," Jansakran says. Discussions about several projects on Koh Samui have already begun, she adds.

Branded residences also represent the biggest growth segment on the Costa del Sol of Spain, says Bagration. Hotel chains such as Four Seasons, Hilton and Marriott, and top-tier brands including Dolce & Gabbana and Lamborghini have recently broken ground in the region, he says. Although these types of projects have already found success elsewhere, they are new to Spain—and are paying off.

"Major luxury brands are collaborating with well-established developers in joint ventures to build them in record time," he adds. "We're seeing the highest prices per square meter on the Costa del Sol in the branded residence segment—US$20,000 to US$25,000."

Homebuyers who buy off-plan can expect healthy returns as soon as the project is completed. "If they decide to sell immediately, the return can be anywhere between 20% and 25%," Bagration says. "We're seeing a major influx of investors purchasing several units within the same development."

Portugal is also seeing branded residences gain traction. The beach town of Comporta, just south of Lisbon, has been attracting new interest, as have coastal destinations west of the capital, like Cascais, Estoril and Oeiras.

In the U.S., Miami, Florida, is the center of the branded residence world, although there are also developments in New York City and other luxury markets, such as Washington, D.C. In March 2025, Four Seasons Private Residences announced plans to build 64 new ultra-luxury homes in Georgetown,[16] while all 96 units in the Rafael Viñoly-designed Amaris, located in The Wharf neighborhood, were sold out as of July 2025, according to the building's owner.

Luxury properties in Thailand are benefiting from a Hollywood boost thanks to the TV drama "The White Lotus."

Photo: LIST Sotheby's International Realty, Thailand.

> "WE ARE SEEING PREMIUM RESIDENTIAL DEVELOPMENT IN NEW ZONES THAT APPEAL TO HOMEBUYERS SEEKING EXCLUSIVITY."
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> MIGUEL POISSON
> *chief executive officer, Portugal Sotheby's International Realty*

Not a true homebuyers' market—yet

Without question, the luxury real estate market has changed dramatically over the past five years. Opportunities exist for homebuyers and home sellers, "though it requires more strategic thinking than we've seen in years past," Fahmi says. "With inventory levels up from last year, homebuyers have more choice in certain markets and price points, giving them leverage to be more discerning."

In the U.S., lower interest rates are also a catalyst for the market, DeSantis says. "We are already seeing increased homebuyer activity as a result of interest rates dropping," he says. "I suspect even more homebuyers will come out of the woodwork, presuming the economy stays relatively stable." However, Jackson notes that mortgage rates probably won't reach the historic lows seen during the pandemic, so this is unlikely to affect prices right away. "When the interest rate drops, homebuyers who were staying put due to their low mortgage rate might enter the market," she says. "There would be more competition, and you might end up paying more in multiple-offer situations."

The shifting market means it's more important than ever for home sellers to find the right price when considering a sale. And for today's luxury homebuyers, any increase in inventory represents a selective opportunity rather than a broad advantage. Success requires identifying markets where supply and demand create leverage, while recognizing that premier locations continue to reward decisive, cash-ready purchases.

"Sotheby's International Realty affiliated agents believe that while it isn't a true homebuyers' market just yet, home sellers need to be realistic about pricing—the luxury real estate market rewards properties that are well-positioned and properly marketed," Fahmi says. ■

Game ON

How major sporting events shape luxury property markets around the world.

Brisbane, Australia, the location of this pavilion-style residence, is already experiencing growing interest from homebuyers ahead of the city hosting the 2032 Summer Games.

The 2026 Global Soccer Tournament presents a unique opportunity to showcase Dallas, Texas— where this eight-bedroom estate is located—to a wider global audience.

The post-Games bump in property values

Source: The Telegraph, July 2013; Housing Japan, July 2021; and Il Sole 24 Ore, July 2024

10%	10%	22%
rise in London, United Kingdom, after 2012 Games	rise in Tokyo, Japan, after 2020/21 Games	rise in Paris, France, after 2024 Games

In summer 2026, the Global Soccer Tournament will return to North American soil for the first time in over 30 years. Co-hosted by Canada, Mexico and the U.S., the matches will be held across 16 cities, from Toronto and Mexico City to Philadelphia, Pennsylvania, and Los Angeles, California. Not long after, Los Angeles will again be in the spotlight as host of the 2028 Summer Games.

The public enthusiasm for such events is staggering. The 2024 Paris Summer Games sold 9.5 million tickets to people from more than 222 countries—a record for the event—according to an October 2024 report by the city authority.[1] And the 2022 Global Soccer Tournament in Qatar attracted more than 3.4 million visitors, according to the post-tournament report by the sport's governing body.[2] If history is any guide, these globally popular events not only promise a spectacle of sport; they are also a potential catalyst for urban and real estate development in the long term.

The term "Olympic effect" was first coined in 2009 by Andrew K. Rose and Mark M. Spiegel in a paper published by the National Bureau of Economic Research. It refers to the economic boost and corresponding property market shifts that can accompany international sporting tournaments.[3]

But the relationship between major sports events and luxury real estate is complex and nuanced. New York University economist Constantine Kontokosta's April 2012 paper "The Price of Victory" identified both opportunities and risks—from short-term demand surges and increased global visibility to potential housing supply strains and post-event market corrections.[4]

Although global sporting events can be seen as a one-size-fits-all tool for economic development, Kontokosta concluded that each city "must appraise its own goals, objectives and capabilities before pursuing such a costly and resource-consuming endeavor."

According to a July 2012 report by investment bank and financial services company Goldman Sachs, the Games "may help raise the host city's profile globally and provide a boost to its tourism industries and local economy. Such benefits may be capitalized in local house prices as well." The report's authors estimated an average annual appreciation rate increase of 1% for local property values following a city hosting the Games. "Assuming the effect lasts for 10 quarters after the Games, the cumulative effect is 2.5%."[5]

Photo: (previous page) Queensland Sotheby's International Realty.

Photo: Briggs Freeman Sotheby's International Realty.

From Tokyo, Japan, to Paris, France, and from Doha, Qatar, to Dallas, Texas, recent and upcoming host cities offer a revealing look at how the world's biggest games reshape property markets.

A short-term high— followed by a correction

Major sporting events often act as a catalyst for a localized economic boom in the years leading up to the opening ceremony. According to a study published by Matthias Firgo of the Austrian Institute of Economic Research in January 2020, host cities typically see a measurable increase in GDP preceding the Games.[6] Cities invest billions in new infrastructure —stadiums, airports, public transportation and hotels—while developers race to meet anticipated demand from tourists, short-term renters and a boosted local workforce.

This was evident in London and Paris ahead of the 2012 and 2024 Summer Games, respectively. London's property resale and rental rates saw a spike ahead of the Games, as reported in March 2012 by the Guardian, with some rental prices near Games venues quadrupling.[7] The Telegraph reported in July 2013 that London had seen a 10% year-over-year rise in luxury property values.[8]

In a July 2024 report, Italian financial newspaper Il Sole 24 Ore estimated that prices in the three Paris municipalities around the Athletes' Village—Saint-Denis, L'Île-Saint-Denis and Saint-Ouen-sur-Seine—rose by an average of 22% year-over-year in the lead up to the 2024 Games.[9]

"The effect showed up early in Paris. Our website saw a surge of more than 70% in foreign traffic, mostly from the U.S., focused largely on homes with spectacular views," says Paulo Fernandes, chief executive officer, Paris Ouest Sotheby's International Realty. "The Games served as a powerful catalyst, helping people rediscover Paris and, more broadly, France. The impact of such an event is both direct and indirect and lasts for several years—directly for those lucky enough to attend the Games and visit Paris in person and indirectly for those who followed from afar and are now inspired to experience the city for themselves."

However, the post-event phase can bring a dip in both demand and prices, and a short-term rental boom can lead to an oversupply once the crowds leave, especially if speculative investors ▸

misjudge long-term demand. "For those looking at short-term rentals, major sporting events provide high yields," says Jessica Lautz, deputy chief economist and vice president of research at the National Association of REALTORS®. "However, while owners can demand a premium during the events, normal pricing would likely resume after the event."

Brazil, which hosted the 2014 Global Soccer Tournament and the 2016 Summer Games, saw rapid growth followed closely by a number of economic challenges. From 2010 to 2013, residential property valuations in Rio de Janeiro increased by 84%, according to a March 2014 paper about the influence of the soccer tournament by researchers at Fluminense Federal University, in Niteroi, Brazil, published in the journal International Proceedings of Economics Development and Research.[10] Rental prices surged 35% during the event, and hotel prices soared 600%, according to a December 2022 report by Mansion Global.[11] However, growth had stalled by mid-2016, when inflated prices caused a market slowdown, and remained stagnant until 2019, after which the COVID-19 pandemic led to a drop in prices and the market began to recover.

Meanwhile, the US$700 million Athletes' Village in Rio de Janeiro—slated to become luxury condos after the 2016 Games—was reported to be 93% vacant by Business Insider in July 2017.[12]

Qatar also offers a cautionary tale. The 2022 Global Soccer Tournament spurred massive infrastructure investment, estimated at US$220 billion, according to Forbes in November 2022.[13] But it also resulted in a housing crunch, with high eviction rates and overcrowding among foreign workers, as reported in October 2022 by Reuters.[14] The country now has an estimated surplus of 80,000 units, according to a June 2025 report by the Global Property Guide.[15] While Qatar's high-end market remains strong, partly due to the easing of government restrictions on foreign buyers, its experience underscores the lessons to be learned from building too much.

A long-term legacy of improvement

Not all impacts of hosting a major sporting event are fleeting. The key to long-term success lies in thoughtful urban planning. Barcelona, Spain, experienced mixed results following its hosting of the 1992 Summer Games. The International Academic Workshop on Social Sciences published a study in October 2013 that found that Barcelona experienced a roughly 300% increase in property values starting six months before the Games—and an increase of around 325% for housing surrounding the Athletes' Village—with the bubble quickly bursting once the Games were over.[16] By 1993, real estate prices had already dropped back to pre-Games levels, and developments built for middle- and upper-class buyers struggled to retain occupancy. Property markets across Spain boomed over the next decade, however, with the Bank of Spain reporting in December 2006 that housing prices had increased by more than 100% in real terms since 1997.[17]

Meanwhile, the London Borough of Newham, where the city's stadium and Athletes' Village were completed in 2012, experienced the highest rise in property prices across the U.K. from 1999 to 2019, as reported by the Guardian in December 2019—429%, more than double the average rise across the U.K. (207%).[18]

Paris, France, had a housing-centered approach that has so far proven beneficial for both short- and long-term growth. "The Games' momentum sparked renovations across the city: period apartments and historic buildings were revitalized for high-end rentals, breathing new life into forgotten heritage," Fernandes notes.

Hotel rates surged during the Games, particularly for properties with views of the Eiffel Tower or the River Seine. Despite increases in demand, short-term rentals remained stable, and the market never overheated. Visible upgrades, from rejuvenated city squares to restored façades, ensured Paris was radiant before, during and after the Games.

"There was no post-Games downturn," Fernandes says. "Some owners were able to rent out their properties at premium rates during the event, but the market quickly returned to normal afterwards. None of our clients were disappointed—they had calculated their return on investment based on regular rental rates, and the Games-period income was simply a bonus."

The long-term effect of major sporting events can sometimes be delayed. According to the Mansion Global December 2022 report, international interest in real estate in South Africa wasn't immediately evident following the 2010 Global Soccer Tournament. Yet from 2011 onward, a slow increase in foreign buying emerged. Data compiled by the Institute of Estate Agents Western Cape and reported in the industry publication Property Professional in February 2015 showed foreign buyer transactions tripled between mid-2011 and mid-2014, from 14 to 43 sales, attributing the rise to a growing international interest stemming from the worldwide exposure the country received because of the tournament.[19]

Tokyo, Japan, experienced unique challenges during its recent Summer Games, which were pushed forward from 2020 to 2021 due to the COVID-19 pandemic. While the Games boosted global visibility for the city, their real estate impact was dampened by strict pandemic protocols that kept international visitors away, according to a July 2023 editorial by market analyst Michael Matusik in Australian Property Investor magazine.[20]

However, there was still an uptick in real estate prices in some of the most desirable areas. In July 2021, just days before the Games began, Housing Japan reported that property prices in central Tokyo's Chiyoda and Minato wards rose more than 10% from April to September 2020, while pre-owned single-family home purchase contracts jumped 21% year-over-year.[21]

Soccer drives growth in North America

In a February 2018 study, The Boston Consulting Group estimated North America will see more than US$5 billion in short-term economic activity from hosting the 2026 Global Soccer Tournament, according to the Soccer Forward Foundation.[22] ▸

The 2024 Summer Games served as a powerful catalyst for international visitors to rediscover Parisian neighborhoods such as Saint-Germain-des-Prés, where this 18th-century townhouse is located.

Photo: Propriétés Parisiennes Sotheby's International Realty.

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> PAULO FERNANDES
> *chief executive officer, Paris Ouest Sotheby's International Realty*

MetLife Stadium in East Rutherford, New Jersey, is set to host the tournament final, and the New York metropolitan area is already seeing heightened economic activity—although not necessarily in the real estate sector.

According to a March 2024 report by Blueprint, a student-led publication from New York University's Schack Institute of Real Estate, the whole event is projected to generate over US$2 billion in regional economic activity.[23] Infrastructure improvements will benefit the tri-state area in both the long and short term, including US$30 million in planning and design upgrades to the stadium and surrounding areas, along with US$35 million in NJ Transit upgrades, the report says.

Real estate professionals don't expect a downturn after the tournament. "Because we are in a densely populated metropolitan area of more than 10 million people, the downturn never really happens," says Charlie Oppler, president and chief executive officer, Prominent Properties Sotheby's International Realty, which serves the New Jersey and New York metropolitan property markets. "We're hearing stories of short-term rental market activity related to the tournament. In host cities, property owners are starting to list rentals for the tournament week, particularly around the final. It's too early to see any measurable impact on luxury real estate transactions, but as we move closer, I expect this short-term rental activity to build—especially for properties within reasonable distance of the stadiums."

Short-term rental restrictions in many neighborhoods may also limit future activity, according to Oppler. "Many communities have prohibitions and ordinances restricting short-term or Airbnb-type rentals," he says. "That will certainly impact the availability of residences to be rented by people that are coming in from outside the metropolitan area. Vacancy rates on rentals and demand for property are truly 'supply and demand' right now because of the lack of inventory. New rental buildings are everywhere. Demand has not wavered, because the New York metropolitan area is a global community like no other."

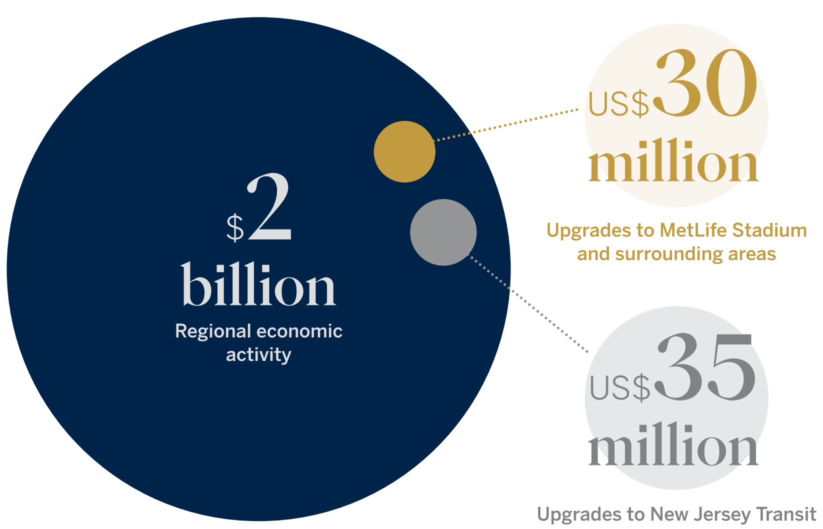
The Global Soccer Tournament is also expected to generate around US$2 billion for the North Texas region, where Arlington's AT&T Stadium is set to host nine matches, according to a June 2025 report by CBS News, though it is too soon to tell how it will affect local real estate.[24]

"The luxury markets [in Dallas and Fort Worth] are growing faster than the overall market," says Russ Anderson, president and chief executive officer, Briggs Freeman Sotheby's International Realty in North Texas, with luxury property values appreciating at rates of 5% to 10%, compared with typical growth between zero and 5% for homes under US$1 million. "We are seeing a faster rate of appreciation, and we think that's because of the vitality of the market."

But the soccer tournament does present a unique opportunity to showcase Dallas and Fort Worth to a wider global audience. "The big value in soccer is that it has international popularity," Anderson says. "The exposure will hopefully attract the wealthy from all over the world, which could have a lasting impact we will see for over a decade."

2026 Global Soccer Tournament economic impact in New York, New Jersey and Texas

Source: Blueprint (New York University Schack Institute of Real Estate), "The 2026 FIFA World Cup Final's Influence on Real Estate in NJ and NY," March 26, 2024



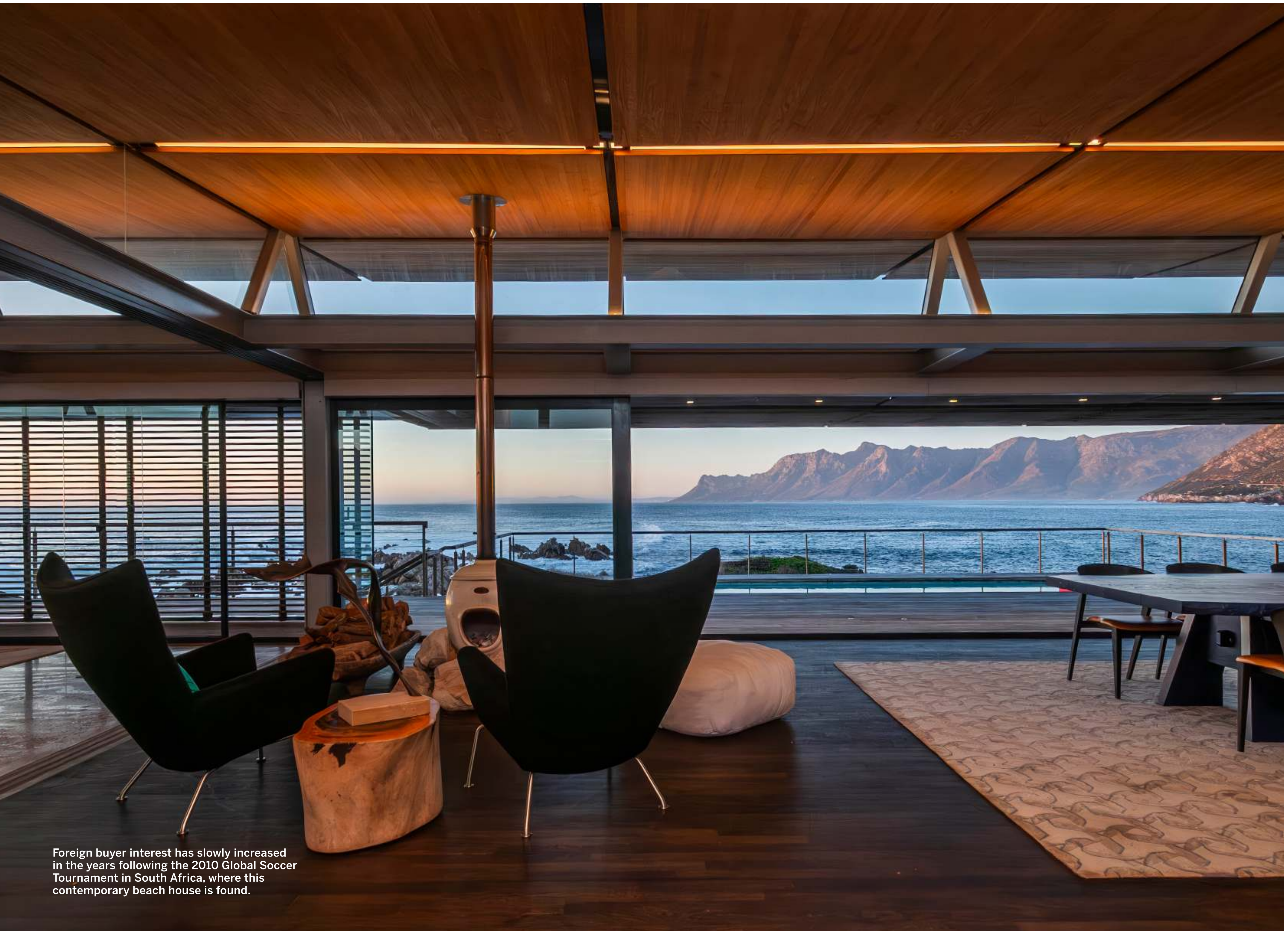
A look ahead to upcoming Games

The 2026 Winter Games will take place in two Italian locations. Milan will host the indoor events, such as ice hockey and figure skating, while the skiing, snowboarding, and bobsleigh competitions will be held in the Dolomites resort of Cortina d'Ampezzo.

Milan, which is already known for high property prices, especially in the luxury segment, is expected to see some market boost from the Games, though experts don't predict dramatic changes. ▸

Photo: Qatar Sotheby's International Realty.

The pool and gazebo at a newly built property on Pearl Island in Qatar. While the country's high-end luxury market remains strong, lessons can be learned from its experience hosting the 2022 Global Soccer Tournament.



Foreign buyer interest has slowly increased in the years following the 2010 Global Soccer Tournament in South Africa, where this contemporary beach house is found.

Photo: Lew Geffen Sotheby's International Realty.

"Market shifts are usually driven by factors like tax policies and lifestyle appeal. We've certainly seen a boost in tourism for both Cortina and Milan," says Diletta Giorgolo, head of residential, Italy Sotheby's International Realty. "Cortina, being a niche market, will attract significant international interest, but we don't anticipate big price increases. We have a strong market already, with more international buyers coming to Italy due to favorable tax policies for foreign investors. The Games will likely boost tourism more than real estate."

A new crop of luxury hotels with a more authentic feel than big foreign chains is expected to further enhance tourism, according to an article in Vogue magazine in July 2025.[25] Additionally, a new slope connection between Cortina's ski resorts will allow visitors to explore the Dolomites with one pass.

"We've seen an increase in short-term rentals and expect to see more after the Games," Giorgolo adds. "There are more requests for Cortina short-term rentals, and while it's already famous among Italians and Europeans, we're now seeing an influx of American tourists and renters. We'll see, after the Games, if these renters turn into buyers."

Looking further into the future, Brisbane, Australia, which is set to host the 2032 Summer Games, is already experiencing growing interest.

"There has been a material rise in property values across Brisbane since the announcement," says Paul Arthur, chief executive officer, Queensland Sotheby's International Realty. "Brisbane was progressing and maturing into a vibrant city, but the Games announcement took confidence and energy levels to new highs. We've seen a significant increase in property values in the past 12 months, and with interest rates decreasing, this has the potential to add further fuel to property prices. The Brisbane market continues to be 'white hot,' with no end in sight."

The AU$3.6 billion (US$2.4 billion) Queen's Wharf Brisbane development, which includes public spaces, hotels, entertainment venues and around 1,800 residential apartments, has been opening in stages since 2019 and is due for completion in 2029-30, according to a December 2024 project update by the Queensland Government.[26] Major sporting venues, like a soon-to-be-built 60,000-seat stadium in Victoria Park, are also in the works, ESPN reported in March 2025.[27] However, it is important to note that while the Games may accelerate growth, they aren't the only factor in play.

"I believe it's fair to say that the recent increase in property values in Brisbane and Southeast Queensland is not fueled solely by the Games but rather by the demand for a certain lifestyle that the area offers—relaxed, vibrant, outdoors-oriented and wellness-focused," Arthur says. "Given the migration we're experiencing from the southern capitals of Sydney and Melbourne, we don't foresee any post-Games hangover or downturn. In fact, Brisbane will shine on the world stage and put an even greater spotlight on Southeast Queensland, from the Gold Coast to the Sunshine Coast."

Luxury real estate wins

For luxury buyers and investors, the lesson is clear: Timing, location and long-term vision matter. Luxury properties close to sporting venues, and well connected by transit and integrated into future urban planning, tend to hold the most value after the closing ceremonies. Speculative purchases driven solely by short-term rental gains can backfire, especially if demand wanes after the event. Cities that align their housing, transportation and development strategies with goals of short-term visibility and long-term livability will emerge as the champions in the global real estate market. ■

Multigenerational LIVING

Many luxury homebuyers are looking for properties that bring the whole family together.

Set on 84 acres in Pescadero, California, this striking home has six bedrooms, abundant space and privacy.

This expansive property in Southampton, New York, dates to 1885 and has 13 bedrooms.

Several generations sharing a family home is emerging as a significant trend in luxury real estate. While families once often shared a home primarily to reduce costs and provide a secure launchpad for their children, today many of them are more focused on emotional connections, shared caregiving across generations and creating a family legacy.

In 2024, an estimated 17% of U.S. homebuyers purchased a residence with the intent to house multiple generations, according to an April 2025 report by the National Association of REALTORS® (NAR).[1] The report defines a multi-generational household as one that includes more than one adult generation, such as a couple living with their adult children or their own parents.

"More and more families see a home as one of the best ways to pass down both wealth and values," says Rodd Macklin, co-founder and senior managing director, Pennington Partners & Co., LLC. "With roughly US$84 trillion expected to change hands down the generations in the U.S. over the next 20 years, people want that transfer to feel real and lasting. A house can do that. Unlike stocks or a business, a home has stories attached to it. It can become a place where weddings, holidays and traditions keep the legacy alive."

Each generation thinks about multigenerational homes in different ways, Macklin says. Baby Boomers (those born 1946-64) often downsize their day-to-day living arrangements but keep a home where everyone can gather, while Generation X (born 1965-80) are increasingly providing for elderly parents and their adult children under one roof.

Meanwhile, Millennials (born 1981-96) and Gen Z (born 1997-2012) prefer flexible living spaces rather than large houses. "What's the same across all generations is that their homes give a sense of belonging. It's not just real estate," Macklin says. "It's where the family heartbeat is."

Renewed interest in a traditional lifestyle

At the turn of the 20th century, 57% of Americans over the age of 65 lived with their children, grandchildren or other family members, according to a July 2021 Generations United® report.[2] Social Security, introduced in 1935, enabled more older adults to live independently, with the number of multigenerational homes slowly decreasing to approximately 7% in 2011.

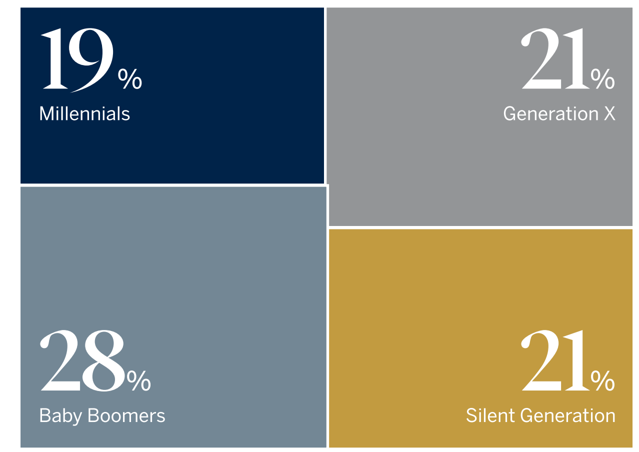
The COVID-19 pandemic, which began in 2020, was largely responsible for rekindling interest in multigenerational living, and by 2021 one in four adult Americans (aged 18 and older) were living in such a household—a 271% rise over just a decade, the report found.

Photo: (previous page) Golden Gate Sotheby's International Realty.

Photo: Sotheby's International Realty - Southampton Brokerage.

The demographics of multigenerational homebuyers

Source: National Association of REALTORS®, "2025 Home Buyers and Sellers Generational Trends Report," April 2025



The rise in adult children living with their parents is a primary driver for multigenerational living, according to another report released by NAR in May 2025.[3] In 2024, 21% of respondents in the study said that adult children moving back home was a reason they had bought a multigenerational residence—nearly double the 2015 figure (12%). Equally influential was the desire to spend time with or care for aging parents.

Generation X is now driving the demand for shared housing, accounting for 21% of homebuyers, up from 12% in 2014, according to NAR's research. The representation of Millennials among multigenerational homebuyers also grew, from 6% to 19%. At the same time, the proportion of Baby Boomer homebuyers stayed steady at 28%.

"We are seeing this trend quite often now, from multiple age groups and for both new construction and renovations," says Bob Zuber, a partner at Morgante Wilson Architects in Chicago, Illinois. "Younger couples who have maybe broken through into the luxury housing market are finding that it may be more economical for their parents to live with them instead of paying the high costs of independent living."

John Young, global real estate advisor, Golden Gate Sotheby's International Realty, characterizes the homebuyers he encounters in his markets of Palo Alto and Silicon Valley in California as an active, hardworking group. "They perhaps have small children, and they're in a position to give a better life to their parents, who got them where they are," he says.

In some cases, the younger generations look to their parents for ongoing advice. "What I've experienced with adult children and their parents is that they want their parents' input on whether or not a space would work for them," says Tammy Tinnerello, global real estate advisor, William Pitt Sotheby's International Realty in Connecticut. "They want their parents to be part of their lives." In addition, she says that there is an increased sense of caring for one another in families considering an investment in a multigenerational home. "The attitude tends to be: You raised us, and we've got these great careers because you helped us through college and everything else. I don't know if it's related to the pandemic period, when people started spending more time with their families, but it is on a different level."

Among high-net-worth individuals (HNWIs) the decision to purchase a multigenerational property is as much about family ties as it is about preserving a legacy, even though over time it's likely the property's value will appreciate, says John LeMieux, co-founder of Anton LeMieux, a wealth management firm based in Maine and Florida. ▸

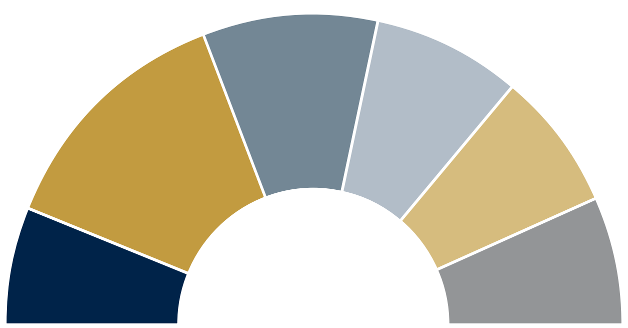
"Around the world, wealthy families have used property to preserve wealth for generations," adds Macklin. "In the U.S., we're seeing more of it now, often with limited liability companies, trusts or partnerships that make it easier to share costs and plan for taxes while letting the property grow in value. But it's also about having somewhere that ties everyone together. A ski place in Vail, Colorado, a beach house in Florida, or a home in the Hamptons, New York, often fills that role."

Legacy often dominates conversations about buying a multigenerational home, particularly at higher price points—and the most cohesive families align an emotional legacy of shared values and a sense of belonging with preserving and transferring wealth, Macklin says. "A home is often the anchor where families come together, making it a natural place for conversations about prosperity," he says. "At the same time, it's a major asset that must be structured thoughtfully if it's going to last across generations."

Wealthy families use legal and financial tools to ensure they preserve the value of a multigenerational home, but they don't stop there, Macklin says. "They also set clear expectations for use and make sure the property remains the gathering place that keeps the family's story and its values alive. These families treat the property almost like an enterprise. They'll set up informal boards or councils and hold regular meetings, often at the home itself, to talk about stewardship, costs and long-term goals. These gatherings double as family reunions and structured conversations, which is why the home continues to be both an appreciating asset and a unifying tradition." ▸

Multigenerational home purchases in 2023-24

Source: National Association of REALTORS®, "2025 Home Buyers and Sellers Generational Trends Report," April 2025



17% of all U.S. homebuyers purchased a multigenerational home

36% cited cost savings as a reason for the purchase

25% cited health/caring for aging parents

21% cited adult children/relatives moving back home

20% cited adult children/relatives who have never left home

18% cited spending more time with aging parents

Photo: Greece Sotheby's International Realty.

Panorama, a rare private estate on the Greek island of Mykonos, offers uninterrupted Aegean views.

A global perspective

Outside the U.S., multigenerational living is making a similar comeback, especially in countries that have a cultural heritage of honoring and valuing the older members of their families.

"In Japan, the idea of a family living together has profound roots," says Kantaro Aoki, global real estate advisor, List Sotheby's International Realty, Japan. "Historically, it was common for the grandparents, parents and children to live together in the same household, especially in rural areas. Although the nuclear family became more common in the postwar years, the trend toward multigenerational homes is re-emerging."

Two key factors are contributing to the increased demand for multigenerational homes, he says: the functional benefits of keeping extended family members nearby for childcare, eldercare or shared daily responsibilities, and the long-term strategy of maintaining family-owned properties across generations.

Multigenerational homes are common in Brazil, but the reasons for their popularity among high-net-worth households are changing. "Traditional family values continue to shape how homebuyers envision their homes, but in a more nuanced and evolved way," says Renata Victorino, general sales director, Bossa Nova Sotheby's International Realty, in São Paulo, Brazil. "Historically, Brazilians lived in multigenerational homes out of necessity. Today, the concept has transformed. The desire for closeness and family connection remains, but it is now paired with a strong emphasis on individual autonomy and quality of life."

In Greece, the motivations among the wealthiest domestic homebuyers "are deeply personal rather than financial—they buy homes to live in, enjoy, and share with family, not for international capital placement or speculative gain," according to a 2025 report by Greece Sotheby's International Realty.[4]

What homebuyers want

The desire to create a place for the family to come together is a prime driver for the multigenerational trend in higher price brackets. Location, purpose, architecture, land availability and cultural norms play into what makes a property ideal for several generations.

"Thoughtful planning by an architect of how people want to live is the difference between successful intergenerational living and a big house," says Zuber, who is a strong proponent of what he dubs "away space."

"Think rec rooms, sitting rooms, separate entry points if necessary, reading nooks and playrooms. Not everyone wants or needs to be surrounded by family members at all times. Dividing up a shared place cleverly can allow older folks to have a feeling of independence from their adult children and grandkids—features such as kitchenettes or separate TV rooms and sitting areas mean they can have meals and evenings on their own if they want."

Even before the pandemic, architects were designing homes with dedicated spaces for the older or younger generations. Today, many high-end builders offer options such as a guest suite incorporating a kitchen, living area, bedroom, bathroom and laundry area to accommodate multiple generations in one home.

It is common in Brazil for several generations of a family to occupy the same house. This property in São Paulo has five bedrooms and five bathrooms.

Photo: Bossa Nova Sotheby's International Realty.

> "EACH FAMILY HAS ITS OWN SPECIAL NEEDS, WHICH MEANS EACH HOUSE CAN BE A BETTER OR LESS SUITABLE FIT FOR THEM."
>
> —
>
> JOHN YOUNG
> *global real estate advisor, Golden Gate Sotheby's International Realty*

At higher price points, the term "multigenerational living" encompasses a diverse range of options, from single-family homes with integrated spaces for extended family to larger properties with multiple dwellings or homes located nearby but not on the same piece of land. In some instances, having an accessory dwelling unit (ADU) in the backyard can be an acceptable compromise.

However, Young says, many clients, particularly those from overseas, want to take active care of older relatives. "Some families feel that an ADU is too far away," Young says. "Even if only for a two-month visit, some foreign homebuyers want to have a bedroom on the ground floor, with the rest of the family upstairs."

A traditional solution is an apartment or suite on a level below ground. "That works fine if you've got mobility," Young says. "It's great for a teenager who wants a bit of distance. But it's a question mark for aging parents who might have concerns with stairs. Each family has its own special needs, which means each house can be a better or less suitable fit for them."

"For younger families building or renovating homes there is a lot of interest in including 'in-law' suites with a bit of privacy from the main areas of the home," says Zuber. In a more urban location, such as Miami, Florida, or New York City, a strategy of purchasing two adjacent townhouses or condos might better fulfill the desire for a multigenerational property.

Finding the right property and meeting a homebuyer's vision can require "outside-the-box thinking," which Tinnerello considers essential.▸

In Tokyo, Japan, luxury homes are often tailor-made, such as this three-story residence in Meguro-Ku.

"There is no drop-down menu option for multi-generational homes on the multiple listing service. You actually have to put it in the verbiage and describe the property as suitable for multiple generations."

In Japan, families today are seeking designs that respect both traditional and modern lifestyles, and homes that will allow grandparents and parents to live closely together while still maintaining their independence, Aoki says.

In Tokyo's luxury market, multi-generational homes are often tailor-made. They may be large urban residences or condominiums designed with several separate suites, complete with private entrances or entire wings for different family members.

"Outside the capital, in places such as suburban Tokyo or Kanagawa, or resort areas such as Karuizawa and Niseko, homebuyers tend to lean toward spacious detached homes or estates," he adds. "These often include multiple primary bedrooms, self-contained guest quarters and generous outdoor spaces. Scenic gardens or viewpoints are significant, as the home typically serves as a gathering place for the extended family."

In Brazil, younger generations value their independence but like having emotional and logistical support from their families, says Victorino. Meanwhile, older people who are more active and financially independent want to preserve their privacy while staying close to their children and grandchildren. "This has created demand for properties that function as family compounds, whether in urban settings with independent but nearby units, attached guest residences or a second home that can serve as a natural gathering point."

High demand has fueled an increasingly sophisticated supply of family compounds in the country that rival international resort standards, she adds. "In countryside communities these projects create self-sufficient ecosystems, where proximity to nature blends seamlessly with urban comforts. Usually located within a two-hour drive of Brazil's major cities, they allow people to enjoy a superior quality of life—ample space, security and nature without losing access to essentials like international schools, top-tier hospitals and luxury shopping."

Photo: LIST Sotheby's International Realty, Japan.

Building generational real-estate wealth

Multigenerational housing doesn't look the same for everyone, Macklin says. "It might include a ski house, beach house or mountain lodge that everyone uses at different times of the year. It could involve multiple structures on the same piece of land. Another example is a vineyard, ranch or historic home that doubles as a place to gather and also produces income."

Generational housing takes many forms within the luxury real estate market, says Sandra Wendland, global real estate advisor, Legacy Sotheby's International Realty in Portland, Maine. "Sometimes it's a lakefront property, sometimes oceanfront or even island compounds, because it goes back to the family seeking meaningful time together with extended family and friends. Those homebuyers are often drawn to properties featuring multiple dwellings that provide ample space for everyone to gather."

Although creating a family legacy may not be explicitly stated, it is a goal for many homebuyers, particularly those in the market for vacation homes. Wendland cites the example of a seasonal lake property comprising a main lodge, two cabins and a garage apartment.

"The client was a family from the Midwest looking for a special retreat where their children, parents and eventually grandchildren could come together," she says. "This property had already served as a cherished gathering place for building long-lasting family memories, a tradition the previous owner upheld for 70 years. To see a property go from one extended family to another with the same intent is not uncommon, especially in Maine."

One of her recent transactions – a lakefront property near the base of a ski resort – included the buyer's mother, who had grown up skiing there. "She was elated to be able to enjoy the mountain and lake with her grandchildren," says Wendland. "The former owner had built the property 50 years ago for his own family."

A place to unplug with the rest of the family

Since every family is different, luxury multigenerational home purchases are made for diverse reasons. "From the cultural aspect, I think the luxury end is really about unplugging and not having to be on all the time," says Margaret "Meg" Smith, global real estate advisor, Daniel Gale Sotheby's International Realty in Bay Shore, New York.

This is a homebuyer profile she frequently sees on Fire Island, New York, which is considered a laid-back alternative to the Hamptons. This market offers a lot of multigenerational homes that are ideal for buyers who are purchasing with family in mind, she says.

For example, Smith recently sold a property with three separate houses that had been reconstructed by architects so that one house was sited on the bay, one faced the ocean and the third was centered between them as an entertainment space. Two brothers thought it was a perfect property for them because each one could have their own home and they could bring their families together in the middle for dinner and relaxation, Smith says.

"What we learned from that transaction is that a lot of people who own houses in other parts of the country want a place where they and their family members can completely shut out the outside world and just be themselves, without having to worry about the hustle and bustle of their regular lives. They want to be surrounded by the people they cherish the most."

Architectural changes can make it easier for extended families to share ▸

their lives without losing their privacy. "For example, a property that became known as the Three Sisters House in Islip, New York, involved dividing up a large home owned by one sister after the death of her spouse," Smith says. "Each sister had her own space, and another portion became a space they shared."

Beware financial pitfalls

As is common for most luxury transactions, homebuyers of multigenerational properties often pay in cash. What is different, though, is the need to determine how to divide responsibilities for the property—such as taxes, insurance and maintenance costs—if the house is owned by multiple generations.

"Financing can present hurdles, since arrangements can become complex when multiple generations are involved, often requiring unconventional banking services," Aoki says. However, most high-net-worth homebuyers already have financial and estate planning advisors, often with an established trust, who can help navigate financial agreements. After a purchase in the U.S., homeowners can transfer the property to the trust with a "quitclaim deed," a legal document used when transferring property without a sale.

The future of multigenerational living

As family ties are becoming increasingly valued and the population ages, interest in multigenerational living should continue to be strong. In the U.S., as more states and municipalities relax zoning laws regarding ADUs, more properties could be candidates for this type of housing. Maine recently adopted new regulations regarding ADUs on single-family properties, which "creates valuable opportunities for homeowners to expand their living spaces," says Wendland.

In Brazil, Victorino says developers who recognize the demand for premium infrastructure with flexible multigenerational use will be at the forefront of a constantly evolving market, where luxury, convenience and a connection to nature define a new concept of home.

Although comprehensive statistics for Japan are limited, since many multigenerational homes are custom-designed and rarely appear in public listings, Aoki believes the overall trajectory is evident. "Compared to 10 years ago, demand has grown significantly, especially among affluent families seeking properties that can serve as lasting legacies," he says. "In response, developers are introducing dedicated projects tailored to this niche."

In today's evolving landscape, the intersection of rising housing costs, more expensive eldercare and shifting family dynamics have created a sustainable market for luxury multigenerational properties. For affluent families, these purchases represent more than a lifestyle choice—they are strategic investments that address multiple financial objectives while creating space for the family to thrive across generations.

Whether they are for vacations with extended family or year-round living, multigenerational homes offer the chance to deepen family connections and create a lasting real estate legacy. ■

This property in Avon, Colorado, is perfectly positioned for winter sports enthusiasts.

Photo: LIV Sotheby's International Realty.

PRIVATE *lives*

The security features that matter most to high-end homebuyers today.

Castillo de Mar, a grand Mediterranean-style home on the waterfront in the Galleon Bay gated community in Stuart, Florida, provides privacy and security along with Atlantic Ocean views and luxurious amenities.

For many of today's wealthy homebuyers, concerns about safety and privacy shape purchase decisions as much as location and price. Discreet architectural design, gated access and advanced technology-driven security features are increasingly in demand.

According to a July 2025 survey by the independent research site SafeWise, which tests and reviews home security products, break-ins remain the leading property crime concern.[1] However, data from the Federal Bureau of Investigation shows that home burglaries have actually declined by at least 68% in the U.S. over the past three decades, SafeWise reported in August 2025.[2]

Such concerns aren't limited to the U.S.—they are also fueling substantial growth in the global home security market. The worldwide spend on "smart" home security is estimated to reach US$39 billion by 2029, according to a July 2025 report by market research firm Statista, with the number of households having some form of "smart" security installed reaching an estimated 1.1 billion by 2029.[3]

Global security

Statista, "Security—Worldwide," July 2025

US$39 billion

Estimated total market value for home security worldwide by 2029

1.1 billion

The number of households estimated to have some form of "smart" security in their home by 2029

In response to homebuyers' privacy worries, some real estate agents are taking proactive measures. They may run listings without street numbers or remove all online presence of a property at the close of escrow.

Nick Damianos, global real estate advisor, Bahamas Sotheby's International Realty, stays ahead of client preferences using market research to track adoption trends of various smart home technologies, including closed-circuit television (CCTV) and intrusion detection, and keeps a close eye on new systems as they become available.

Designers respond to security demands

Beyond the data, Damianos turns to architects who design for ultra-high-net-worth (UHNW) clients. "They have to stay at the forefront of what's involved in terms of security considerations," he says.

In the Bahamas, property market buyers most often ask to see single-family homes or estates in gated communities. These provide the benefit of added privacy with the same level of service as condominiums with concierges. "You get 24/7 security staff, patrols and monitored entries, plus land and sea perimeter surveillance," Damianos adds.

Sometimes he rules out showing certain properties, such as older estates built before gated communities became a reality, if they are on a public beach or near a resort. Even properties that might seem ideal—private islands, for example—can pose challenges. "Celebrities often feel safe on islands because they are some of the only places in the world where they can be sure they're not going to be bothered by anyone," Damianos says. "But an island can be more difficult to secure than a house in a gated community."

Columbia House is a canal-front retreat in the gated community of Lyford Cay in the Bahamas.

According to the 2026 Sotheby's International Realty agent survey (see page 22), visibility onto a property was high on the list of security and privacy considerations voiced by luxury homebuyers, with nearly 44% of respondents ranking it as the top concern among clients.

"One of the first things I look at on a property is the sight lines," Damianos says. "Where can people in public spaces, whether on a road or on the sea, easily see into the property?" In the Bahamas, buyers may have to weigh the benefits of privacy against ocean views, he adds. "Strategic landscaping is probably the best way to achieve the best of both worlds. If you've got a long winding driveway, you could put in landscaping or trees so the house is not visible from the road. It is also quite common for homebuyers to buy two adjacent lots."

Photo: (previous page) ONE Sotheby's International Realty.

Photo: Bahamas Sotheby's International Realty.

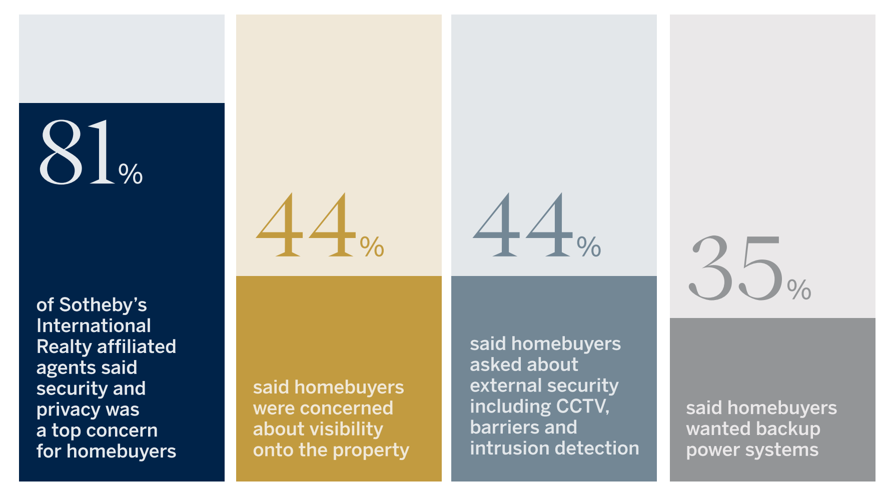
External security also ranked high among homebuyers' concerns, according to 44% of agents surveyed. As a general rule, multistory homes are easier to secure than single-story designs because there are usually fewer ground-level access points. This architectural feature alone can influence buying choices.

"The accessibility of security measures, especially CCTV, is widespread, and the majority of homes I sell have some form of it," says Neyshia Go, global real estate advisor, Sotheby's International Realty - Beverly Hills Brokerage. Infrared sensors or perimeter laser beams can be paired with security cameras to detect heat signatures as well as movement.

The global market for security cameras was estimated to have reached US$17.2 billion in 2025, according to a July 2025 report from Statista, with revenue expected to grow annually by 8.83%. It is ▸

Security concerns among homebuyers

Source: 2026 Sotheby's International Realty agent survey




This gated Tuscan-style estate in the Lower Bel Air neighborhood of Los Angeles, California, is surrounded by citrus groves, olive trees and sophisticated landscaping, giving it a feeling of privacy.

Photo: Sotheby's International Realty - Beverly Hills Brokerage.

predicted to reach US$24.2 billion by 2029, with 578.5 million households expected to have security cameras.[4]

Alongside exterior protection, interior monitoring and security was an important feature for homebuyers, according to the agent survey, with 19% of respondents citing this as a common concern. Michael Martinez, global real estate advisor, ONE Sotheby's International Realty in Miami, Florida, has seen indoor cameras at the entry points of homes in his market, which includes the high-end neighborhoods of Pinecrest and Coral Gables. "In a two-story house they'll put a camera by the staircase," Martinez says. "If somebody comes in on the ground level, the owner can monitor this on their phone or tablet."

Keeping an eye on your property

Source: Statista, "Smart Security Cameras—Worldwide," July 2025

US$17.2 billion

Estimated global market value for security cameras in 2025

578.5 million

The number of households worldwide expected to have security cameras installed by 2029

Backup power pays off

While making sure a home is secure inside and out is key, functional issues are also top of the agenda for many homeowners. The second-most-frequent concern identified in the agent survey, at 35%, was having a backup power system, a feature that is nearly ubiquitous in the storm-prone Bahamas. "At the high end we see people having dual-fuel generator systems with propane backups for redundancy," Damianos says. "People are also adding solar arrays with battery storage."

The desire for such features is not limited to the Bahamas—buyers in parts of Southern California are also prioritizing standby power systems. In Malibu, Calabasas and other windy areas of California, there is growing demand for compact solar battery systems, such as the Tesla Powerwall.

"If you're going to live in neighborhoods that are more prone to power outages, it's really important to get backup generators," says Go. Her clients have found solar backup systems are a viable alternative to more traditional diesel, natural gas or propane generators. "It means you won't run out of power, because every day it recharges your energy supply."

Besides the peace of mind of having an immediate power source, she cites a property value advantage to such a system. "I think they are worthy investments and great for resale. Homes with backup generators and alternative energy systems definitely demand a higher price point."

Taking a high-tech, holistic approach

For more robust protection, some homeowners go a step further and build a secure space that can be used for many different purposes—as a panic room or to store jewelry and important documents. "Even the staff who work in the house often don't know the room exists because it's behind a closet or heavy clothing or disguised by a bookshelf," Martinez says.

Bespoke safe and panic rooms are especially popular in Europe and the U.S., according to a comprehensive June 2025 report by market research firm Valuates, which predicts a compound annual growth rate of 7.6% through 2031 for the industry.[5] Among major global providers are Fortified Estate, Henleys Security Doors and Bespoke Home & Yacht Security, which offer armored doors and fortified walls that can be incorporated into new-builds or the retrofit of a closet, bedroom or office. U.K.-based Henleys makes wooden security doors that have concealed solid steel cores and can be customized to replicate any interior or exterior wood finish—even "the high-gloss finish of Number 10 Downing Street," according to its website.

Alongside physical reinforcements, technology-enabled access systems are becoming more sophisticated and readily available. Fingerprint recognition systems are growing in popularity, and there is increased integration with other smart home devices. Facial recognition, already in wide use for phones, computers and other personal devices, is also an option, as are voice or iris recognition systems.

Other interior deterrents Martinez sees in Florida's luxury homes are central alarm systems with remote cellular backup that can call the local police in the event of a break-in. Reinforced building materials, such as glass designed to withstand winds of up to 180 miles per hour, are also common. "Impact glass is much harder to break than a regular window," Martinez says. "If you take a baseball bat to it, you may crack the glass, but you're not going to be able to put your hand through and turn the dial on a lock."

While biometric entry, CCTV and gated community access can deter thieves and may help in an investigation after a loss, they are not usually required for insurance purposes and won't necessarily command a discount, says Nick Kiniry, a client advisor with World Insurance Private Client Group. However, a centrally monitored fire and burglar alarm system may be required by insurance companies for homes above a certain value.

Kiniry suggests buyers take a holistic view. "Rather than just meeting the requirement by having a burglar or fire alarm, people should really be thinking beyond that to provide additional layers of protection and mitigate any loss," he says.

This broader approach to protection extends beyond physical threats. While only 9% of Sotheby's International Realty affiliated agents surveyed mentioned cybersecurity as a concern among homeowners, in Damianos's market it is a widespread concern.

"We get a lot of high-profile fund managers and people who are very big in the financial industry," he says. "High-speed internet access is very important for them, as well as the safety of their connection. A lot of these people will install 'enterprise-grade' firewalls or private networks to protect the financial data they may be handling."

Safety is a selling point

Technology, however, is only part of the picture. The need for space for private security personnel was identified by 12% of those surveyed. "We do see the need for space a lot more with celebrity clients, who often have an entourage—not just for security posts but for sleeping quarters as well," Martinez says.

Celebrity and UHNW clients may also send in a team to conduct a pre-purchase security audit, flying in experts to examine the area and the property and to determine exit or extraction strategies in case of an emergency.

Even with all the devices and safeguards available, Martinez starts by arming his Florida buyers with information about the surrounding area. "They want to know about the neighborhood, the local police department and any existing concerns," he says. His buyers tend to favor incorporated neighborhoods with their own police departments or gated communities with guarded entry points and roving security.

Street location can play a role in deciding where to buy, Martinez adds. Some clients shy away from intersections due to higher visibility, while others prefer the added activity and accessibility of a more visible location.

Considering local regulations is important too. Go is well versed in the building codes across different neighborhoods in her Beverly Hills, Los Angeles and Santa Barbara territories. Some areas have maximum height limits for gates and fences, while others don't permit gates at all.

"If you're a high-profile or celebrity client, I'm going to dissuade you from a couple of neighborhoods that I know aren't going to allow you the security you desire," she says.

At the end of the day, properly addressing buyer concerns can have a financial payoff for the home seller, Martinez says. "In my experience, gated entrances, full-perimeter surveillance, impact windows and privacy landscaping can drive faster sales and stronger offers. These features can help eliminate days on the market, and in some cases even command a higher price per square foot."

As privacy concerns continue driving luxury home purchases, buyers who prioritize security features early in their search—from backup power systems to biometric access controls—are positioning themselves ahead of a trend that is reshaping the high-end market. ■

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Prices are rounded and accurate as of December 2025.
Listings may be subject to change and currency fluctuations.

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Price upon request (ID: XZ23M3)
Kuper Sotheby's
International Realty

Boston, Massachusetts
US$15.5 million (ID: QG23CH)
Gibson Sotheby's
International Realty

Atlanta, Georgia
US$25 million (ID: 2XKPPP)
Atlanta Fine Homes Sotheby's
International Realty

Antwerp, Belgium
Price upon request (ID: YE8YZ2)
Belgium Sotheby's
International Realty

Auckland, New Zealand
Price upon request (ID: M47TSL)
New Zealand Sotheby's
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Abu Dhabi, United Arab Emirates
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Abu Dhabi Sotheby's
International Realty

Montecito, California
US$11.5 million (ID: KGSEBT)
Sotheby's International
Realty - Montecito -
Coast Village Road Brokerage

Tucson, Arizona
US$12 million (ID: J99YE7)
Russ Lyon Sotheby's
International Realty

Byron Bay, New South Wales, Australia
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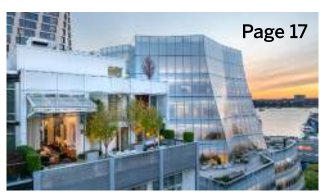
Sotheby's International Realty



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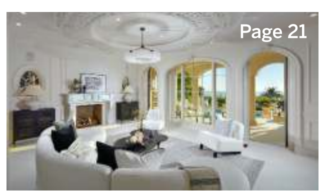

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Summerland, British Columbia, Canada
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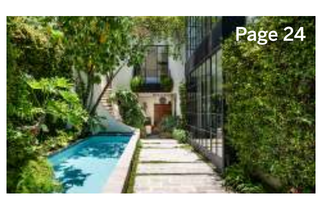
International Realty



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San Miguel Sotheby's
International Realty

Perth, Western Australia
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Western Australia Sotheby's
International Realty

Sarasota, Florida
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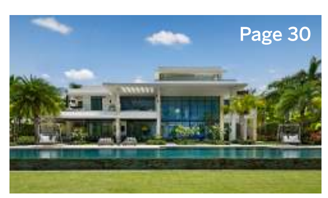
Premier Sotheby's
International Realty



Dorado, Puerto Rico
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Puerto Rico Sotheby's
International Realty

Houston, Texas
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Martha Turner Sotheby's
International Realty - Central
Houston Brokerage

Dubai, United Arab Emirates
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Dubai Sotheby's
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Bunyola, Mallorca, Spain
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Spain Sotheby's
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TTR Sotheby's International Realty

Turks and Caicos Islands
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Qatar Sotheby's
International Realty

Western Cape, South Africa
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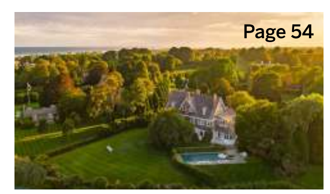
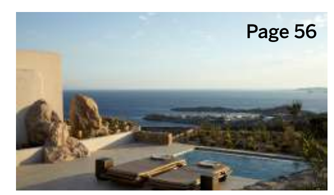
Lew Geffen Sotheby's
International Realty

Pescadero, California
US$5.99 million (ID: 52BL5B)
Golden Gate Sotheby's
International Realty

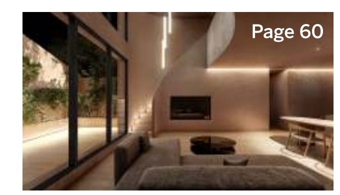


Southampton, New York
US$34 million (ID: 2YMSGN)
Sotheby's International Realty -
Southampton Brokerage



Mykonos, Greece
Price upon request (ID: LP597C)
Greece Sotheby's
International Realty

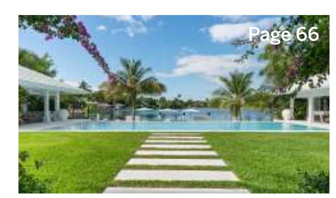
São Paulo, Brazil
Price upon request (ID: YFE26C)
Bossa Nova Sotheby's
International Realty



Tokyo, Japan
US$2.1 million (ID: PJ4X7E)
List Sotheby's International
Realty, Japan

Avon, Colorado
SOLD
LIV Sotheby's
International Realty

Galleon Bay, Florida
US$19.99 million (ID: XC88DT)
ONE Sotheby's
International Realty



Nassau Island, Bahamas
US$22 million (ID: ED72HN)
Bahamas Sotheby's
International Realty

Los Angeles, California
US$39.99 million (ID: V3D2HD)
Sotheby's International Realty -
Beverly Hills Brokerage

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