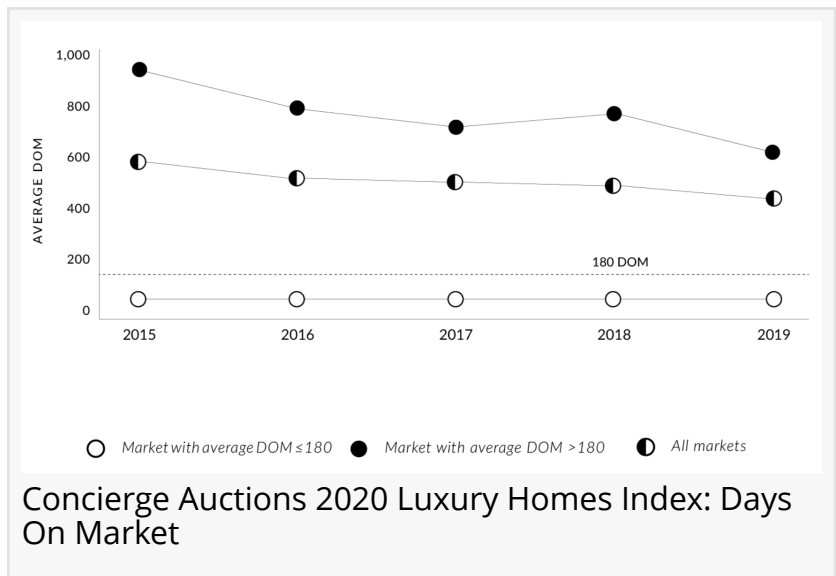


Luxury U.S. Homes are Taking Longer to Sell and Achieving Lower Prices, Concierge Auctions Report Shows

2020 "Luxury Homes Index" analyzes the 10 highest sales in 56 U.S. markets; concludes nearly 70 percent take more than 180 days to sell for 80% of original list

NEW YORK, NEW YORK, UNITED STATES, March 26, 2020 /EINPresswire.com/ -- [Concierge Auctions](#) today releases its fourth annual "[Luxury Homes Index](#)". The findings show that in a shifting U.S. luxury real estate market, homes are taking longer to sell—and when they do, the sale price tends to be well below the original list price.



Nearly 70 percent of the luxury properties analyzed that sold in 2019 took longer than 180 days to sell, achieving less than 80 percent ask, on average. Comparatively, the 30 percent that sold in less than 180 days achieved over 92 percent of their original list price.

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"The largest factor in determining the price that a luxury property will sell for is the number of days that it has been listed for sale. Every day a home sits on the market, it depreciates in value."

*Chad Roffers, Chairman,
Concierge Auctions*

The report reviews the top sales from 2015 to 2018 across 56 of the hottest luxury real estate markets. Concierge Auctions examined the 10 most expensive homes sold in each market to chart the overall health of the luxury tier. The research, drawn from MLS and property record data, demonstrates that in every economic condition, Days On Market are an important consideration for luxury home sellers. New to the index this year are market spotlights with an in-depth analysis of total sale price, Days On Market, and percent to original list price.

"The largest factor in determining the price that a high-end property will sell for is the number of days that it has been

marketed for sale. Every day a home sits on the market, it depreciates in value," stated Concierge Auctions Chairman Chad Roffers, adding, "In 2019, the luxury market as a whole continued to be highly segmented with pockets of strengths and weaknesses. As inventory increased, days on market rose and prices dropped."

DAYS ON MARKET:

Comparing the 2019 data to the 57 markets featured in last year's report, overall, the average total Days On Market of 451 in 2019 was fairly consistent with 2017 and 2018, at 506 and 531 days, respectively.

In 2019, nearly 70% of the properties analyzed took longer than 180 days to sell, a slight increase from 62% in 2018 and an increase from years prior, at 60% in 2015 and 65% in 2016. Further, 19% took a staggering more than two years to sell.

In the hottest markets, where Days On Market are lower, there is also a stronger likelihood of homes selling for close to or above their list prices.

Sonoma County, California ranks the lowest in average Days On Market, dropping 80% since 2016, from 811 days in 2016. In 2019, the top sales in Sonoma were on the market an average of just 162 days. Of the properties that sold in less than 180 days, 99% of original list price was achieved, compared to just 88% for those that took more than 180 days to sell.

By contrast, Vero Beach, Florida and Denver, Colorado are cold. Vero Beach saw the biggest increase in total Days On Market at 253%, from an average of 337 days in 2018 to 1,190 days in 2019, with properties taking more than three years to sell. The market ranks the highest in 2019. Denver also jumped in Days On Market, nearly tripling in 2019. Of the top sales in Denver, average Days On Market was 522 days in 2019, a 160% increase from only 201 days in 2018. Other markets where the average analyzed properties took longer than two years to sell are: Maui, Hawaii (922 days); Cape Cod, Massachusetts (921 days); Park City, Utah (850 days); and Hamptons, New York (847 days).

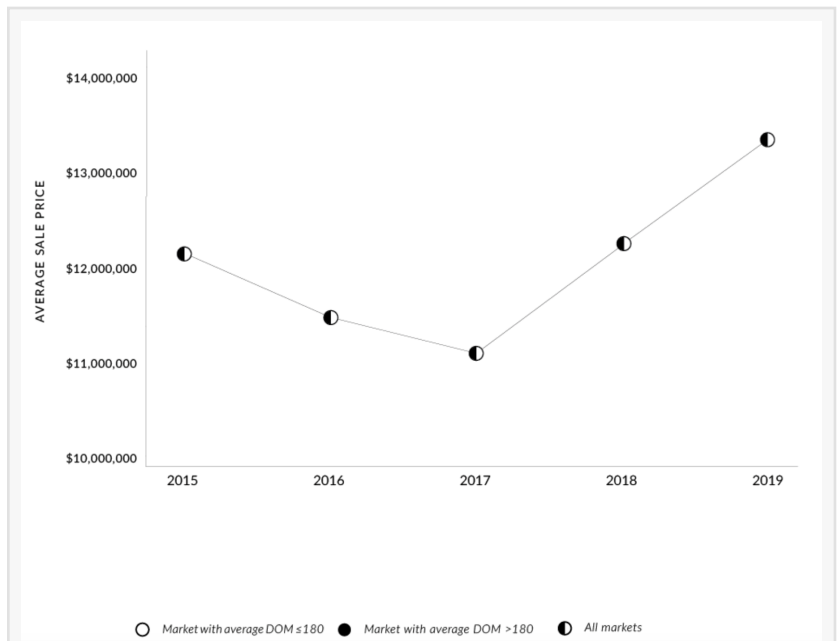
“In general, luxury markets with properties that experienced dramatic price increases also saw a similar increase in Days On Market, as potential buyers waited for price reductions. Our experience shows this strategy doesn’t work, as it undermines the ultimate sale price,” stated Roffers. “Economic, political, and tax factors also influence how luxury markets function.”

SALE PRICE:

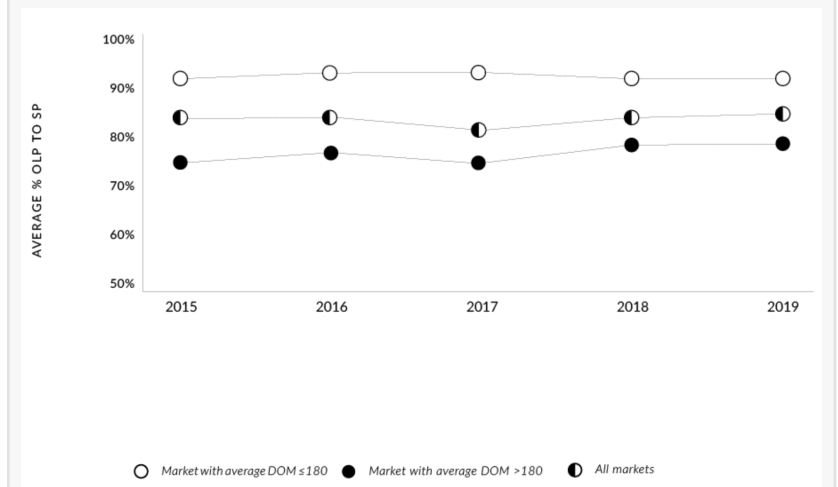
The average sold price for these top 10 properties remained mostly flat, slightly increasing from \$12,219,014 in 2018 to \$13,364,312 in 2019. While prices at the top of the market increased in some locales, many markets saw either a flattening or a large drop in average sale prices.

PERCENT OF LIST PRICE:

Of the 66.6% of properties evaluated in 2019 that took more than 180 days to sell, 79.5% of original list price was achieved. The 33.4% of homes that sold in under 180 days achieved 92.3%



Concierge Auctions 2020 Luxury Homes Index: Sale Price



Concierge Auctions 2020 Luxury Homes Index: % OLP to SP

of their list price.

"This 12.77-percent difference can be substantial when dealing with multi-million dollar properties and does not include carrying costs, property taxes, or other expenditures of both time and money," stated Roffers.

Rhode Island fared the hottest, not only achieving closest to list price of all markets analyzed at 101%, but also rising the most, at 28% compared to only 73% of original list price achieved in 2018.

By contrast, the top sales in Fairfield County, Connecticut achieved an average of just 65% of their original list price in 2019, the lowest percentage in the last three consecutive years—8% lower than 2018 and 17% lower than 2017.

Other markets achieving less than 75% of original sale price are Las Vegas, Nevada (70%); Fairfield County, Connecticut (65.30%); Palm Beach (Proper), Florida (70.73%); Martha's Vineyard, Massachusetts (72.03%); Hamptons, New York (72.61%); Sarasota, Florida (73.32%); and Miami, Florida (74.55%).

"In today's market, there is limited liquidity for luxury. Properties in this category face unique challenges and are often difficult to value and sell, namely given the buyer pool is small and often spread over a large geographic range, and price has little bearing on demand." added Roffers. "Concierge Auctions unprecedented growth continues to be a sign that sellers and forward-thinking real estate professionals value liquidity on their timeline, versus the status quo of what can not only take years to sell, but also a significant cost to carry. It's clear that having a time-certain solution in the buying and selling of luxury real estate is imperative in today's luxury real estate market."

To receive the complete Concierge Auctions "2020 Luxury Homes Index," call 212.984.3896 or visit LuxuryHomesIndex.com.

* Fewer than 10 sales were used for some markets because public data was incomplete.

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