

## REAL ESTATE

# High-end hospitality concepts shifting home buyer demands: ILHM

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Renderings of Dolce & Gabbana's first U.S. branded residences arrive as luxury single-family home buyers seek similar perks for their spaces. Image credit: JDS Development Group

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By ZACH JAMES

The Institute for Luxury Home Marketing (ILHM) has released a new market report.

The organization's latest **research** reveals that, compared to April 2023, sales of single-family luxury homes are up 32.1 percent. Furthermore, insights suggest that those on the hunt for high-end real estate are increasingly borrowing inspiration from their bespoke travel excursions and boutique hotels in pursuit of the "curated lifestyles" that five-star hospitality players are providing.

The report, which covers transactions across the United States and Canada in April 2024, accounts for metrics including sale prices, volumes, sales price to list price ratios, number of sales, days on the market and price-per-square-foot.

## **Seller's market**

Single-family high-end home sales have more than doubled since the beginning of the year, up 104.4 percent.

This growth is expected to continue for the foreseeable future, as an influx in new inventory continues. Experts say that a few other factors are driving this momentum, even as economic uncertainty looms over all industries.

Across the board, the amount of wealthy individuals and families seeking upscale properties is on the rise. International buyers to whom North American lifestyles and neighborhoods remain appealing and foreigners looking for stable investment opportunities are also cited.

The pull of technological advancements heightening the luxury home experience is an additional draw right now, according to ILHM.



*Financial headwinds are having little effect on the luxury real estate scene. Image credit: ILHM*

Sellers seem to have reason to remain confident, as luxury properties closed at or near their respective list prices. Last month's SP/LP ratio, which compares the value of a home's sold price to the value of its list price, returned to the 99th percentile range for the first time in a year.

This measure is highest in Silicon Valley, where a booming artificial intelligence industry is reportedly fueling deals, and Howard County, Maryland, right outside of Washington, D.C.

Properties in more remote areas of Arizona, Colorado, Utah, New Mexico and in Canada, Ontario, are seeing rushes as well. Median sales prices in these cities have reached upward of \$6 million.

All of this activity is occurring as consumers' expectations shift toward exclusivity, privacy and the experiential.

### **Meeting demands**

The expectations of the modern home buyer are a bit different from the norm.

While upscale features, beautiful views and quality craftsmanship are still top of mind, houses and properties that better match the buyer's chosen lifestyle are taking center stage, whether that be a Miami penthouse or a mansion in the Rio Grande Valley of Texas.



*Buyer behavior is shifting to be more personal rather than the expectations placed on a traditional high-end home. Image credit: ILHM*

ILHM spotlighted this shift in a recent podcast ([see story](#)), mentioning the many ways in which millennials, who are just now reaching their full purchasing potential, are leading the charge ([see story](#)).

Its current report states that the luxury real estate market is beginning to mirror trends picked up by hospitality brands.

When it comes to domestic spaces, these clients are gaining inspiration from, say, the degree to which global cultures inform the interior design of local branded residential builds ([see story](#)). Owners are opting for furniture that is not only incredibly customizable but will also adapt to various phases of their lives, as seen in aspirational spaces ([see story](#)).

At far greater frequencies, this group wants the high-caliber immersive experiences offered at renowned five-star resorts and during eco-friendly luxe hotel stays within their homes.

