

6-9-25

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### Spring Chill Hits Sales

#### But Luxury Home Prices Keep Climbing 6-9-2025

Despite a traditionally active spring season, the U.S. luxury real estate market has experienced a noticeable deceleration. According to Zillow's April 2025 Luxury Market Report, both new listings and pending sales have declined.

Nevertheless, luxury home values have demonstrated resilience.

- The typical luxury home, defined as the top 5% most valuable homes in each region—is now valued at approximately \$1.8 million nationwide.
- This figure represents a 2.7% increase over the past year, outpacing the broader housing market's 1.4% growth.
- In high-demand cities such as New York, Los Angeles, San Diego, and San Francisco, luxury homes are commanding prices more than double the national average.

Zillow Senior Economist Orphe Divounguy has stated that, "Despite a slower market, home prices have continued to climb. Luxury home values, in particular, have remained resilient, even as both buyers and sellers took a more cautious approach after the April stock market volatility."

In terms of property characteristics,

- The typical luxury home encompasses nearly 3,500' square feet of living space and is often situated on more than two-thirds of an acre.
- Regional variations are significant, with luxury home values ranging from just over \$835,000 in Buffalo to nearly \$6 million in San Jose.

While the luxury market has shown strength, the broader housing market is experiencing mixed signals.

- Zillow's latest forecast indicates an increase in existing home sales and a decline in home values in 2025.
- Home values are projected to fall by 1.4% this year, revised up from the previous expectation of a 1.9% decrease.

In summary, the luxury housing market is navigating a complex landscape. While activity has slowed, values remain robust, particularly in high-demand urban centers.

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