

Is Luxury Real Estate Losing Its Cash Advantage?

A new Fed trend suggests a fundamental change in buyer behavior.

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THE DATA

4.8%

Median Home Price Appreciation

In the first quarter of 2026, luxury home prices grew at a pace nearly double that of the broader housing market.

According to the Federal Reserve's latest Housing Price Index, luxury homes saw a median appreciation rate of 4.8% in Q1 2026—compared to 2.4% for all U.S. homes. This acceleration signals a growing divergence between high-end and mainstream real estate performance.



Source: Federal Reserve · Published August 25, 2026

01

Buyer Behavior Shifts Toward Stability

The data suggests luxury buyers are prioritizing long-term stability over speculative gains. While cash buyers still dominate, the share of buyers financing with conventional loans has increased by 18% since last year. This indicates a maturation of the luxury market.



02

Georgetown’s Luxury Market Reflects National Trends

In Georgetown, Texas, luxury home prices rose 5.7% year-over-year in Q1 2026—outpacing Williamson County’s 4.1% growth. This reflects how high-end buyers are increasingly drawn to established, stable communities with strong amenities and low volatility.

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