Luxury Prices Are Stabilizing

Or just cooling down?

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THE DATA

5.2%

Year-over-year growth

In top-tier luxury markets as of Q2 2026.

This represents a notable slowdown from the 12.3% annual increase seen in 2024, signaling potential buyer caution amid rising interest rates and shifting demand patterns. The deceleration aligns with broader macroeconomic headwinds affecting high-end real estate sectors nationwide.

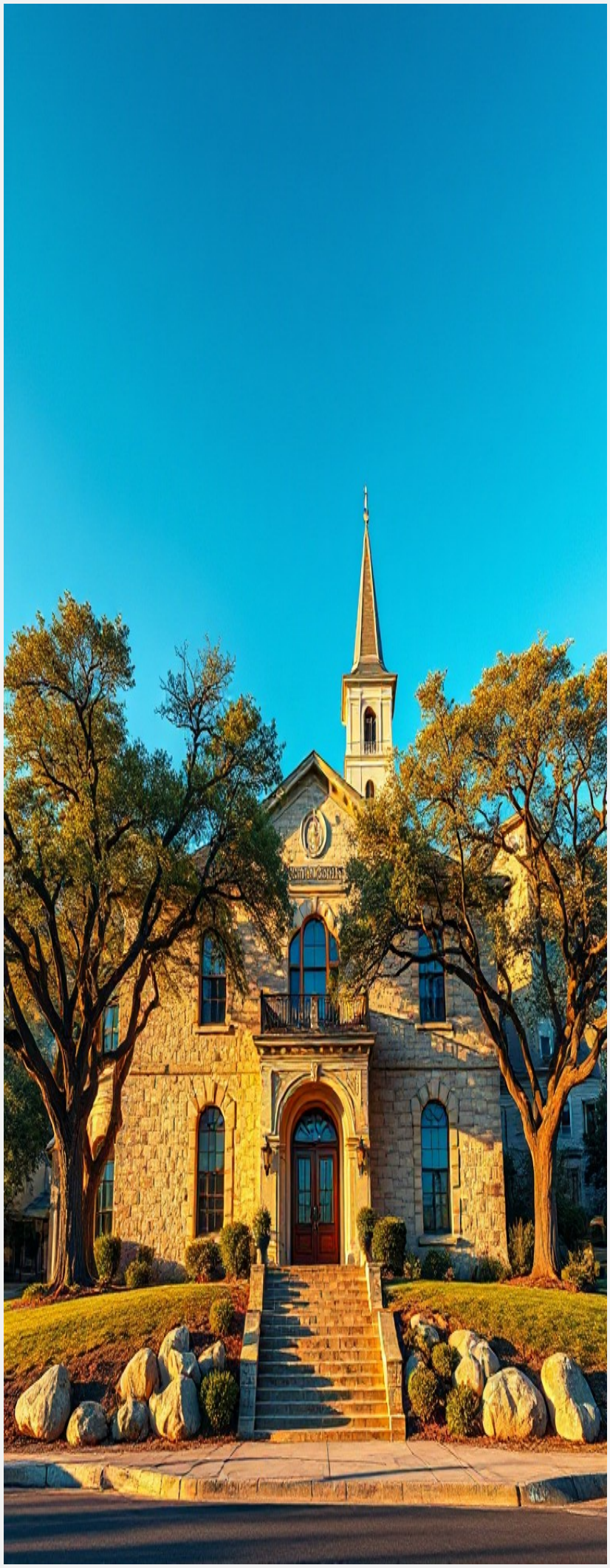


Source: Texas A&M TRERC · Published August 25, 2026

01

Market Caution in High-Income Zip Codes

Federal Reserve data reveals declining luxury home sales particularly in zip codes with median household incomes above $250K. Elevated mortgage rates are dampening buyer confidence, pushing potential purchasers to delay or reconsider premium purchases. This suggests a shift from speculative to strategic buying among affluent households.



02

Urban Infill Projects Drive Stability

New developments like the former college site in Boston’s South End reflect a national trend toward adaptive reuse and urban infill. These projects, often targeting luxury buyers seeking convenience and sustainability, provide stability amid broader market volatility by offering fresh supply in high-demand areas.

Real Estate Strategy & Intelligence Leader. Democratized Blue Ocean Strategist & Operator.

Diane Hart Alexander, MBA, MHA

Designated Broker, ALEX.RealEstate

Chair & CEO, ALEX

+1 713.591.9902 · diane@alex.realestate

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