

Analysis: Luxury Second Home Demand Continues to Outperform Category and Market

- Luxury second home transactions increased 25% year-over-year during Q2 2022
- Compared to pre-pandemic levels, luxury second home sales increased 235% since Q1 2020
- Second home buyers are flocking to locally-relevant destinations with beaches and year-round outdoor activities, including Coeur d'Alene, ID; Williamson County, TN; and Kitsap County, WA

SAN FRANCISCO, July 20, 2022 /PRNewswire/ -- [Pacaso](#), the leading technology-enabled real estate marketplace that helps people buy and co-own a luxury second home, today released an analysis of the luxury second home market. Read the full analysis on [Pacaso's blog](#).

"Overall, luxury real estate exceeded expectations and outperformed the rest of the second home category and the overall real estate market in Q2 2022," said Pacaso Co-Founder and CEO Austin Allison. "Despite a rising interest rate environment and growing concerns of a recession, it is clear that demand for this type of asset remains strong."

According to second home mortgage rate lock data analyzed by Pacaso's research team, sales of luxury second homes and investment properties - which are defined as homes sold for \$1 million or more that are designated for seasonal and/or recreational use - increased nearly 25% year-over-year during the second quarter of 2022 and approximately 235% compared to Q1 2020, prior to the pandemic intensifying in the U.S.

"Affluent consumers tend to be more insulated from the impacts of an economic downturn," continued Allison. "Some consumers will look to real estate as a more stable place to park their money during times of increased market volatility. Although they may trim their budgets, this group is less likely to completely drop out of the market. As a result, demand for luxury real estate remains strong, but the acceleration of home price appreciation for this category will likely continue to slow as we saw during Q2 2022."

[Recent research from Pacaso](#) revealed that since 1980, real estate has been more stable than typical stock market indexes during periods of economic recession or uncertainty.

In Q2, with summer on the horizon, second home buyers were focused on locally-relevant destinations with year-round outdoor activities and access to beaches, ultimately driving up median purchase prices as compared to the prior year:

Destinations with the Strongest Q2 2022 Luxury Second Home Price Increases

Destination	Median Purchase Price (\$1M+)	YoY Increase
Coeur d'Alene, ID	\$1,745,000	51.7 %
Williamson County, TN	\$1,748,000	42.1 %
Kitsap County, WA	\$1,525,000	38.6 %
Charleston County, SC	\$1,898,000	35.5 %
Truckee-Grass Valley, CA	\$1,613,000	31.6 %
Orange County, FL	\$1,500,000	26.1 %
Currituck County, NC	\$1,512,000	26.0 %
Baldwin County, AL	\$1,338,000	21.6 %
Santa Clara County, CA	\$1,610,000	21.1 %

Heber, UT	\$1,530,000	20.0 %
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Methodology

Pacaso identified the nation's top second home markets by compiling census data on counties with a percentage of seasonal homes and median home values at or above the top 20th percentile, and by excluding those below the bottom 10th percentile of counties with the fewest households.

Pacaso then analyzed real estate activity in the top second home markets by observing mortgage rate lock data, a leading indicator of second home buying activity. When applying for a mortgage rate lock, a home buyer must specify whether they are securing a mortgage rate for a primary home, secondary home or an investment property. Approximately 80% of mortgage rate locks result in home purchases. Mortgage rate lock data was provided by real estate analytics firm Optimal Blue and includes a sizable share of the market that is taken to be representative of the whole. For this analysis Pacaso's research team looked at mortgage rate lock volume for both second homes and investment properties for Q2 2022 with a purchase price of greater than \$1 million to focus on the luxury end of the second home and investment property category. Rate lock transactions and median purchase price data were sourced at the county level for counties that had a minimum of 5 second home transactions and aggregated quarterly, with Q2 representing the months of April through June 2022.


About Pacaso

Pacaso® is a technology-enabled marketplace that modernizes real estate co-ownership to make owning a second home possible and enjoyable for more people. Pacaso curates luxury listings with premium amenities and high-end contemporary interior design, offers 1/8 to 1/2 ownership with integrated financing, and, after purchase, professionally manages the home and supports seamless resale. Co-founded by Austin Allison and Spencer Rascoff in 2020, Pacaso operates in top second home destinations around the world. Pacaso has been certified as a [Great Place to Work](#) and is recognized as one of Glassdoor's [2022 Best Places to Work](#).

For more information about Pacaso and to view luxury second home listings, visit www.pacaso.com or download the Pacaso app for [Android](#) or [iPhone](#). You can also follow Pacaso on social media @PacasoHomes on [Twitter](#), [Instagram](#), [Facebook](#) and [YouTube](#) or @Pacaso_Homes on [TikTok](#).

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For further information: Media contact: Chrissy Bruchey, Cbruchey@pacaso.com, For media inquiries, please contact press@pacaso.com.

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