

5 Real Estate Trends That Will Rule the Market in 2024

In a year of expected interest rate drops, real estate could come roaring back from its beauty sleep—here's what to expect

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FrenchCalifornia's staging for the Four Seasons Private Residences in San Francisco Courtesy of FrenchCalifornia

With a new year upon us and interest rates expected to dip, there's reason to be excited about the housing market's future. To help forecast the real estate trends of 2024, AD PRO has tapped developers, stagers, and interior designers for their insights on what could define the industry this year.

Sustainable design attracts more buyers

Sustainability has long been a trendy cherry-on-top feature for home buyers, but in 2024 some industry experts are predicting it will become a much higher priority for prospects as they search for their dream home or vacation property. AD PRO Directory real estate development, staging, and interior design firm The Brooklyn Home Company has been creating spaces with passive house principles in mind for years. Its cofounder Bill Caleo notes a recent shift among consumers.



The Brooklyn Home company designed this home on Sackett Street using passive house principles. Matthew Williams

“I think the real estate community really has been educated and understands sustainability more and more coming in,” Caleo says. “Pre-pandemic, when I said we wanted to invest in it, everyone—the realtor community, our past customers—appreciated it, but I don’t think they really got it.” Now, people get it from the jump: “They’re seeking [sustainability] and asking a lot of questions about it, so it really has been a big change in perception. It’s been a much quicker change than I ever imagined, to be honest with you.”

For the founders of [Hidden Rock Development](#), the next phase in sustainability comes down to education around the elements of design that aren’t immediately obvious to buyers. With their Moccasin Flats project in Utah, just outside of Zion National Park, they worked to ensure sustainability was part of the foundation of the project—from sourcing local materials to figuring out the best positioning of the structures themselves. “There’s a whole bunch of trendy stuff when it comes to sustainability, but [it] phases in and out so quickly,” says cofounder

Dallin Jolley. “What doesn’t phase in and phase out are the core [sustainable] design elements, where the house is designed and built sustainably from the ground up.”

More buyers want to take the plunge—literally

From single-family houses to luxury condos across the country, cold plunges and infrared saunas are becoming the new standard amenities. The former, which are deep baths made specifically for ice cold immersions, have had a particularly big year—USA Today, NPR, and Business Insider have all covered their breakout popularity in 2023. Though some are content to plunge irregularly in a lake or at a spa, real estate trends are proving more and more people want the opportunity to partake habitually in their own residences, whether it be in a purpose-built tub or a prefab option, like those sold by Plunge.

As Bryan Grandison, director of lifestyle services at full-service development company Extell, emphasizes, the trend is less about cold plunges and infrared saunas replacing the old standards and more about a widening field of amenities. Extell’s waterfront condo One Manhattan Square features a dizzying array of options, including a sunken tranquility garden, a hammam with a cold plunge, a hot tub, a sauna, and saltwater swimming pool, among other amenities. Grandison has noticed increasing popularity in the use of these extras across the spectrum. “I think this really stems from coming out of the pandemic because you had such a long period of time that people had a lot of time on their hands, and they realized how important self-care is for their overall health and well-being,” Grandison says. “People want to feel good about themselves, and these amenities are really geared to help them with that.”

American buyers will feel some relief

According to real estate data company Clever, in 2023 a majority (51%) of Americans thought it was a bad time to sell a home and an even greater number (53%) thought it was a bad time to buy. It was a year of worryingly high mortgage rates, with the average 30-year fixed mortgage rate hitting 8% for the first time since 2000 this October. Many owners who secured a 3% 30-year fixed a couple of years ago sat tight in the midst of these high rates, as did prospective buyers. After a year of waiting out, 2024 is expected to bring welcome change.

The chair of the Federal Reserve, Jerome Powell, stated in a press conference that the Fed expects to cut interest rates three times in 2024. Though there’s no predicting exactly when

these rate cuts will come, it's reasonable to assume that buying will be a lot easier to stomach for many in the coming year. Buyers are likely to have more inventory to choose from, too, as more homeowners feel comfortable letting go of their old interest rates.

That being said, the market could turn competitive quickly. "Home buyers should be mindful of the fact that if they are hoping to buy a home as soon as rates fall, they aren't the only ones," said Matt Vernon, head of consumer lending at Bank of America, in reporting at *The Wall Street Journal*.



FrenchCalifornia unveiled lively staging for this child's bedroom at 450 Washington in New York City.

Colin Miller

Staging becomes more distinct

Though staging has always been an important element in showcasing a property's assets, Guillaume Coutheillas, the founder of AD PRO Directory interior design firm FrenchCalifornia, is foreseeing more creativity in property staging in 2023.

“In the last few years, there’s been a tendency for all spaces to look the same. That was partially because projects would always go to the same one or two staging companies,” he says. “Some have a very formulaic way of doing things because they are doing hundreds of units a year, but I think, with market evolution, it’s important now to create spaces that have a different feeling.” Coutheillas further shares that he sees “opportunities to have fun and be a little more maximalist,” and to lean into vintage and interesting objects in the planning and design phases: “I think there’s a bit of a rush of creativity.”

From a development perspective, Andrew Wachtfogel, cofounder and president of new development of real estate brand Official, would agree. “Staging has quickly evolved at the high end of the market from basic furniture to demonstrate space allocation in empty homes to known-designer curated interior furnishings with carefully selected antiques, serious art and sculpture, and even custom furniture pieces,” Wachtfogel says. In his experience, well-considered staging sometimes even sells with the property. “At the top of the market, and in new development, staging has become a necessity to achieve top pricing while also achieving the shortest time on the market,” he says.

Members clubs go residential

2022 and 2023 were the years of the members-only club comeback, and going into 2024 it looks like the next big members club boom might be in the residential sphere. “After developing in parallel over the last several years, we are now seeing the confluence of high-end residences, branded residences, and private clubs into highly tailored residential experiences,” Wachtfogel shares. “We are seeing new development amenity offerings closely mirror private clubs.... Further, some developments are allocating space within the buildings for a dedicated private club, some of which are open to outside memberships.”

One such property is Crossroads, which hospitality interior design studio ROAM is undertaking in Los Angeles. “The owner developer has tasked us with creating something that differentiates itself from every other project in not only Los Angeles, but perhaps in the United States,” says global creative director and founding partner Mary Alice Palmer. “It is extra loaded with every amenity that one could think of that would be appropriate and related to professionals who live in Los Angeles. They’re creating a liveable extension to a private club atmosphere.” This includes third-party-operated bars and restaurants within the living space where residents can entertain friends and business associates, plus ample living spaces, indoor and outdoor bars, two pool decks, and a roof deck club.

“It’s a true platform for their target market to rise,” says global practice manager and founding partner Olga Acosta. “Here is a place that is more than just at home. It actually helps them grow their career and have a multitude of venues for entertainment and socialization.”