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The real estate realities of the great coastal wealth transfer

How luxury agents can guide heirs through carrying costs, updates and sales



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For the past 40 years, the business model for premier coastal second-home markets has followed a steady pattern: Affluent buyers purchase a vacation property, transition it into a full-time retirement residence and use it as a gathering place for their children and grandchildren.

But that long-standing cycle is running into a brand-new set of demographic and economic realities. A massive volume of high-end coastal real estate across the country is currently held by owners who bought during the sustained growth periods of the 1980s and 1990s.

Many of these owners are now in their 80s and 90s.

Over the next five to 10 years, a sizable portion of this premium housing inventory is going to change hands. What happens to local inventory, pricing and community dynamics when these legacy properties transfer to the next generation? This is quickly becoming one of the most pressing questions for luxury agents working in secondary markets today.

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The friction between family assets and daily carrying costs

This upcoming turnover is more than a legal formality. It is a structural market shift happening at a time when inventory is tight, but buyers face distinct financial constraints.

For example, in mid-Atlantic luxury enclaves like coastal Delaware, which includes Bethany Beach, Fenwick Island and North and South Bethany, daily conversations among estate planning attorneys, CPAs and top-producing agents are shifting focus. The market is moving out of the accumulation phase and directly toward the disposition phase.

Current market dynamics

When a high-end beach property is left to multiple adult children, the concept of keeping an asset in the family often hits immediate, real-world roadblocks. Current market dynamics generally force one of three outcomes:

1. Out-of-state liquidation

Many heirs no longer live within a reasonable drive of the family beach home. Furthermore, their own financial obligations are compounded by current inflation and property expenses. This makes keeping a high-carry seasonal home impractical.

When three siblings inherit a $6 million oceanfront property with rising taxes, insurance and maintenance costs, selling is frequently the cleanest solution. A steady rise in these estate sales will introduce new inventory into markets that haven't seen it in years.

2. The strain of co-ownership

For families who want to keep the property, the challenge becomes operational. Passing a home down means navigating fragmented vacation schedules, unequal financial contributions for upkeep and differing opinions on whether to place the home in a seasonal rental pool to offset the bills.

3. The sudden renovation hurdle

Many of these properties haven't been on the open market in 30 years. When heirs decide to sell, a wave of dated luxury inventory enters a market where today's buyers want turnkey, modern spaces. Agents will need to know how to guide families through strategic, pre-listing updates to protect their equity.

"I agree that we're witnessing a significant shift in how families are making decisions around legacy luxury properties. As generational wealth transfers to heirs, many are weighing emotional attachment against the realities of ownership, carrying costs and evolving lifestyle priorities. Across multiple luxury markets throughout the Mid-Atlantic and beyond, we're seeing this trend emerge as a defining force shaping inventory, family decision-making and the future of high-end coastal real estate," said Greg Goldman, regional vice president of Coldwell Banker Realty, Mid-Atlantic Region.

How luxury agents must adapt

Winning these listings requires a shift in approach. Agents cannot treat these situations like standard transactions; they need to position themselves as advisors to the entire family asset structure.

- **Build relationships at the source:** Do not wait for a property to hit probate or for a listing sign to go up down the street. Establish strong professional networks with local wealth managers, estate attorneys and accounting firms who advise families on these transitions long before a sale is openly discussed with their professional advisors.
- **Facilitate rational family conversations:** Emotions run high when a family home is involved. A skilled agent needs to function as an objective consultant, providing clear data on carrying costs, local absorption rates and potential rental yields to help siblings make decisions based on numbers rather than sentiment.
- **Offer full-service project management:** Because many heirs live out of state, the agent who wins the business is the one who can handle the entire logistical burden. Providing a vetted network to manage estate clean-outs, staging and pre-market repairs without requiring the owners to constantly travel to the property is a major competitive advantage.

The shift in coastal property ownership is no longer a distant projection. It is beginning to show up in real-time market discussions, and the professionals who understand how to handle the financial and emotional mechanics of these family transitions are the ones who will secure the next wave of luxury listings.

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