

BROWN HARRIS STEVENS

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Palm Beach Residential Market Report

Fall 2008



SINGLE-FAMILY HOMES

Several closings of houses at the highest end of the market helped push the average price for single-family homes in Palm Beach up 80% over the past year to \$8,708,782. Among these sales were homes priced at \$68.5 million, \$77.5 million and a closing of \$95 million. Providing a more accurate indicator of the market was the median price, which rose 7% from a year ago to \$3,465,000. The median price measures the middle of the market, and is not impacted by high end sales to the same degree as the average price. For this reason, it is usually viewed as a more stable indicator of prices.

Single-family price increases were most notable in the Estate Section, where the average price doubled from a year ago to just over \$19.6 million. This market is where most of the high end sales occurred, and the median price of \$8,050,000 over the past six months was just 4% higher than a year ago. Similarly, the average price on the North End rose 84% over the prior year, while the median price rose just 8% to \$3,025,000. The sharp increase in the average price on the North End is due mainly to a \$95 million sale, which if removed would lower the average price to \$4,508,933, only a 13% increase from a year ago.

While the number of single family sales fell 17% for all of Palm Beach, this decline was isolated in the Midtown market. The 15 closings during the period from April to September represent a 48% decline from the same period in 2007. Unlike other market areas, the average price fell for the Midtown market, primarily due to a decline in high end sales. The median price rose 4% from a year ago, to \$2,950,000. Houses in Palm Beach took 8% more time to sell than a year ago, with the average days on the market rising to 184.

SALES					NEW LISTINGS	
	Number	Average Days on Market	Average Price	Median Price	Number	Median Asking Price
NORTH END						
Apr 08-Sep 08	32	190	\$7,336,779	\$3,025,000	69	\$4,250,000
Apr 07-Sep 07	31	174	\$3,992,750	\$2,810,000	62	\$3,485,000
% Change	3%	9%	84%	8%	11%	22%
MIDTOWN						
Apr 08-Sep 08	15	178	\$3,392,100	\$2,950,000	32	\$3,487,000
Apr 07-Sep 07	29	174	\$3,937,890	\$2,850,000	31	\$3,617,484
% Change	-48%	2%	-14%	4%	3%	-4%
ESTATE SECTION						
Apr 08-Sep 08	12	156	\$19,622,917	\$8,050,000	14	\$12,500,000
Apr 07-Sep 07	11	168	\$9,803,616	\$7,777,000	13	\$8,000,000
% Change	9%	-7%	100%	4%	8%	56%
PALM BEACH TOTAL						
Apr 08-Sep 08	60	184	\$8,708,782	\$3,465,000	117	\$4,295,000
Apr 07-Sep 07	72	171	\$4,826,928	\$3,250,000	111	\$3,495,000
% Change	-17%	8%	80%	7%	5%	23%
MANALAPAN & HYPOLUXO ISLAND*						
Apr 08-Sep 08	8	254	\$5,589,693	\$2,187,500	23	\$2,495,000
Apr 07-Sep 07	8	226	\$3,522,317	\$1,387,500	17	\$2,200,000
% Change	0%	12%	59%	58%	35%	13%

*Not included in Palm Beach Total

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Source: Palm Beach Board of Realtors' Multiple Listing Service, Palm Beach County Property Appraiser
Prepared by: Gregory Heym, Chief Economist, Brown Harris Stevens

All information is from sources deemed reliable but is subject to errors, omissions, change of price, prior sale or withdrawal without notice.

CONDOS AND CO-OPS

Apartment prices fell throughout Palm Beach over the past year, as the average price of \$837,063 from April to September was 20% less than 2007's comparable period. While some of this decline is due to a 35% drop in sales in the more expensive Midtown market, prices were down both in Midtown and the South End. At \$1,322,752, the average Midtown apartment price was 17% lower than a year ago, while the average price on the South End fell 20% over this time to \$599,694.

There were 175 apartment closings from April to September in Palm Beach, 18% fewer than the same period in 2007. Most of this decrease was in Midtown, but sales volume was down 6% on the South End over this time. Apartments in Palm Beach spent an average of 171 days on the market, 2% longer than a year ago. This increase was contained to the Midtown market, where the average apartment spent 198 days on the market, 14% longer than a year ago.

SALES					NEW LISTINGS	
	Number	Average Days on Market	Average Price	Median Price	Number	Median Asking Price
MIDTOWN						
Apr 08-Sep 08	57	198	\$1,322,752	\$850,000	104	\$952,500
Apr 07-Sep 07	88	173	\$1,589,020	\$1,100,046	92	\$987,500
% Change	-35%	14%	-17%	-23%	13%	-4%
SOUTH END						
Apr 08-Sep 08	117	159	\$599,694	\$360,000	235	\$449,000
Apr 07-Sep 07	124	163	\$666,174	\$467,500	251	\$429,900
% Change	-6%	-2%	-10%	-23%	-6%	4%
PALM BEACH TOTAL						
Apr 08-Sep 08	175	171	\$837,063	\$450,000	342	\$549,500
Apr 07-Sep 07	213	167	\$1,047,485	\$620,000	346	\$562,000
% Change	-18%	2%	-20%	-27%	-1%	-2%

TOWNHOUSES

SALES					NEW LISTINGS	
	Number	Average Days on Market	Average Price Per Square Foot	Median Price Per Square Foot	Number	Median Asking Price
PALM BEACH TOTAL						
Apr 08-Sep 08	7	49	\$878	\$880	12	\$2,672,500
Apr 07-Sep 07	5	68	\$885	\$894	8	\$4,112,500
% Change	40%	-28%	-1%	-2%	50%	-35%

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