

BROWN HARRIS STEVENS

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Palm Beach Residential Market Report

Fall 2009



SINGLE-FAMILY HOMES

Single-family home prices continued to fall over the past six months in Palm Beach. The median price, which measures the middle of the market, reached \$2,550,000 for sales in Palm Beach from April to September 2009, 26% lower than the same period in 2008. While the average price posted a dramatic 63% decline over this time, this statistic is misleading. A year ago, there were 3 closings of homes priced over \$60 million, a rare occurrence that drastically inflated the average price during that period. Since the median price is not as impacted by increases or decreases in high-end sales, it tends to provide a more stable indicator of the market than the average.

Midtown, which did not benefit from the increased high-end activity a year ago, posted the smallest price declines over the past year. At \$2,509,375, the average Midtown sales price was 26% lower than a year ago, while the median price fell 16% to \$2,475,000. The North End and Estate Section posted much sharper declines in average price, as there was much less high-end activity than a year ago. The median price declined at a much lower rate in these markets, down 17% over the past year on the North End, and 25% in the Estate Section.

Overall, there were 28% fewer sales of single-family homes in Palm Beach than a year ago. The biggest decline was in Midtown sales, as the 8 closings represented a 47% drop from the same period in 2008. It also took longer for homes to sell, as time on the market rose 51% over the past year to an average of 277 days.

SALES					NEW LISTINGS	
	Number	Average Days on Market	Average Price	Median Price	Number	Median Asking Price
NORTH END						
Apr 09-Sep 09	26	213	\$2,805,519	\$2,515,000	57	\$3,200,000
Apr 08-Sep 08	32	190	\$7,336,779	\$3,025,000	69	\$4,250,000
% Change	-19%	12%	-62%	-17%	-17%	-25%
MIDTOWN						
Apr 09-Sep 09	8	329	\$2,509,375	\$2,475,000	28	\$2,697,000
Apr 08-Sep 08	15	178	\$3,392,100	\$2,950,000	32	\$3,487,000
% Change	-47%	85%	-26%	-16%	-13%	-23%
ESTATE SECTION						
Apr 09-Sep 09	9	426	\$4,852,778	\$6,000,000	14	\$9,462,000
Apr 08-Sep 08	12	156	\$19,622,917	\$8,050,000	14	\$12,500,000
% Change	-25%	173%	-75%	-25%	0%	-24%
PALM BEACH TOTAL						
Apr 09-Sep 09	43	277	\$3,178,919	\$2,550,000	99	\$3,795,000
Apr 08-Sep 08	60	184	\$8,708,782	\$3,465,000	117	\$4,295,000
% Change	-28%	51%	-63%	-26%	-15%	-12%

We are pleased to announce that beginning with the Fall 2008 Market Report, we are now including data from both the Multiple Listing Service and the Palm Beach County Property Appraiser. Also, we are now measuring average days on the market as the period from date listed to when a contract is signed, instead of until the closing date. This report's comparative figures from previous periods have also been adjusted to reflect this change, however prior reports will not be comparable.

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 sales fell 25% over the past year in Palm Beach. While the average apartment price fell 13% from a year ago, this is an improvement from our last report, when the average price fell at a 22% pace. Similarly, the 18% decline in the median price for condos and co-ops over the past year was an improvement from the 22% decline noted in our spring report.

While apartment sales fell most in the Midtown market, price declines in this area were lower than the rest of the market. The average price fell 8% over the past year for Midtown apartments, while the median price fell just 6%. Time on the market was also better in Midtown, up 12% from a year ago compared to an increase of 21% on the South End. The average price fell 11% over the past year for units in the South End, while the median price declined 27%.

SALES					NEW LISTINGS	
	Number	Average Days on Market	Average Price	Median Price	Number	Median Asking Price
MIDTOWN						
Apr 09-Sep 09	37	222	\$1,212,668	\$796,100	116	\$895,000
Apr 08-Sep 08	57	198	\$1,322,752	\$850,000	104	\$952,500
% Change	-35%	12%	-8%	-6%	12%	-6%
SOUTH END						
Apr 09-Sep 09	94	193	\$535,873	\$263,000	203	\$450,000
Apr 08-Sep 08	117	159	\$599,694	\$360,000	235	\$449,000
% Change	-20%	21%	-11%	-27%	-14%	0%
PALM BEACH TOTAL						
Apr 09-Sep 09	131	200	\$727,028	\$371,000	320	\$575,000
Apr 08-Sep 08	175	171	\$837,063	\$450,000	342	\$549,500
% Change	-25%	17%	-13%	-18%	-6%	5%

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 09-Sep 09	3	175	\$656	\$660	7	\$3,095,000
Apr 08-Sep 08	7	49	\$878	\$880	12	\$2,672,500
% Change	-57%	257%	-25%	-25%	-42%	16%

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