

# Annual Report on the Palm Beach County Housing Market

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FOR RESIDENTIAL REAL ESTATE ACTIVITY IN  
PALM BEACH COUNTY



# 2011

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What was largely touted as a recovery year for our nation turned into a morass of political gridlock, credit downgrades, financial volatility, upstart protest movements and a sluggish jobs picture. The housing sector, in particular, did not see the recovery it should have. It was another transition year in what has become a more drawn-out bottoming process than most would like.

Let's face facts: There is no way to know for sure what the future holds. But a few important patterns emerged in 2011 that could clue us in. Key leading indicators are setting the stage for better times ahead and we are encouraged by these emerging patterns. There is a sense of momentum in the right direction.

Falling supply and rising demand suggest improving fundamentals. Distressed properties made up a sizable share of that demand, which prevented price gains. Although foreclosures continued to hinder a full-on housing recovery in 2011, many of them were sold, bringing supply of this price drag to a much lower level than in recent years. The path of least resistance is higher prices.

And remember that 2010 tax credit for first-time home buyers? Hindsight indicates that Washington was trying to catch a falling knife. The credit temporarily reversed the market's natural tide, causing forecasters to prematurely declare that we'd hit bottom.

Make no mistake, the economy is on the mend. Layoffs have slowed, hiring has accelerated, fewer homes in financial distress are entering the market. It's good to see that time still has a way of healing most wounds.

Housing demand has stabilized and a steadily expanding construction sector is generating the jobs needed to invigorate recovery. New jobs will drive housing demand and activate the widely-coveted "positive feedback loop." Housing helps jobs which helps housing which helps jobs. You get the idea.

Additional labor market growth combined with record-low mortgage rates have bolstered purchase demand. Armed with cheap money, buyers took to the streets in 2011 and are expected to continue forging new households at a reasonable clip.

**Listings** Seller activity slowed during the year, both for traditional sellers as well as for banks. The net result was a significant reduction in the supply of homes compared to 2010.

**Sales** Housing recovery won't occur without consumer participation. In 2011, housing demand strengthened organically on its own, independent of government incentives. Closed sales were up 23.7 percent to 25,228 for the year.

**Inventory** No matter your personal beliefs or favorite type of Angry Bird, there's no denying the fact that buyers have fewer choices from which to pick and sellers are facing less competition.

**Prices** Home prices remained depressed for most of the year and indeed ended the year 16.7 percent lower than in 2010. At \$125,000, prices have come down roughly 56.0 percent from their bubbly apex in 2007.

Higher. Increase. Positive. These are words we expect to use more of in 2012. The major factor constraining market recovery will not be with us forever. Lender-mediated inventory is a tar pit in the near-term, but it will soon be absorbed, removing the downward pressure on overall prices.

At the same time, housing doesn't live in a vacuum. A number of local, national and global changes must take place to restore stability and confidence in the marketplace. For one, credit-worthy home buyers need access to mortgage capital. And although past policies temporarily dampened the natural ebb and flow of the market, a comprehensive housing policy framework is necessary to guide sustained recovery.

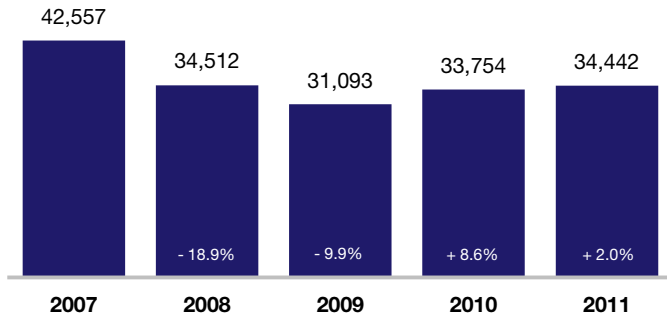
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# Quick Facts

## New Listings



### Top 5 Areas: Change in New Listings from 2010

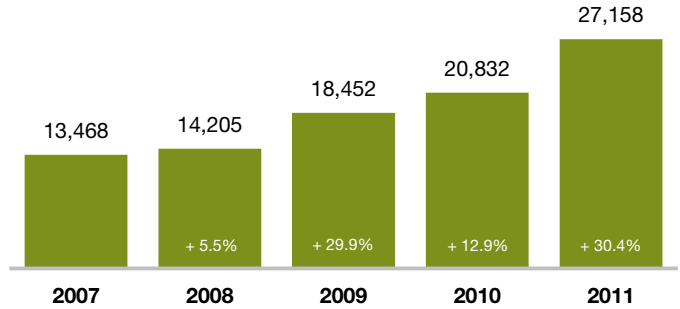
South Bay	+ 20.0%
Hypoluxo	+ 17.1%
Palm Beach Shores	+ 14.6%
Lake Worth	+ 7.6%
Riviera Beach	+ 7.4%

### Bottom 5 Areas: Change in New Listings from 2010

Belle Glade	- 12.5%
Lake Park	- 14.2%
Pahokee	- 25.0%
Lake Clarke Shores	- 28.6%
Haverhill	- 47.8%

## Pending Sales

\*Includes properties in pending or contingent status.



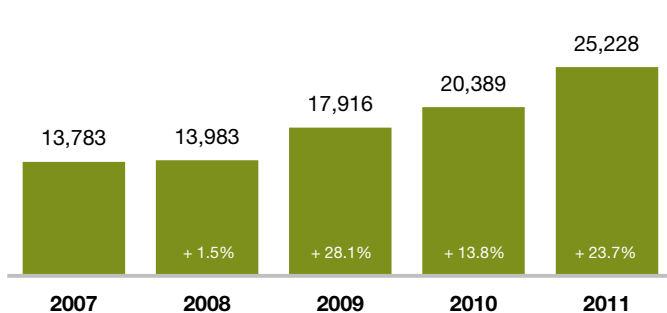
### Top 5 Areas: Change in Pending Sales from 2010

Loxahatchee Groves	+ 76.1%
Lantana	+ 58.1%
Palm Springs	+ 54.2%
Green Acres	+ 49.8%
Belle Glade	+ 47.4%

### Bottom 5 Areas: Change in Pending Sales from 2010

Palm Beach Shores	+ 12.5%
Haverhill	0.0%
Haverhill	0.0%
Pahokee	- 40.0%
South Bay	- 50.0%

## Closed Sales



### Top 5 Areas: Change in Closed Sales from 2010

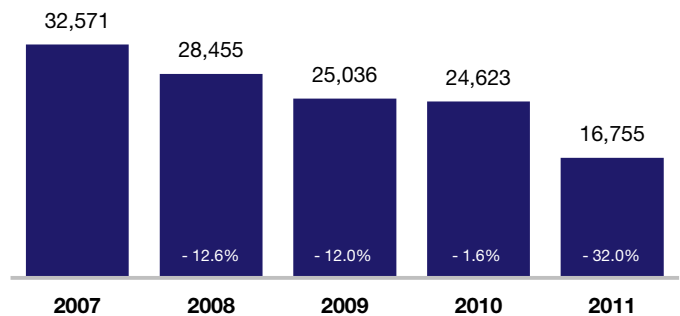
Atlantis	+ 87.0%
Loxahatchee Groves	+ 73.7%
Belle Glade	+ 70.6%
Lantana	+ 50.9%
Hypoluxo	+ 44.8%

### Bottom 5 Areas: Change in Closed Sales from 2010

Haverhill	- 7.7%
Haverhill	- 7.7%
South Palm Beach	- 12.5%
Pahokee	- 45.5%
South Bay	- 50.0%

## Inventory of Homes for Sale

At the end of the year.



### Top 5 Areas: Change in Homes for Sale from 2010

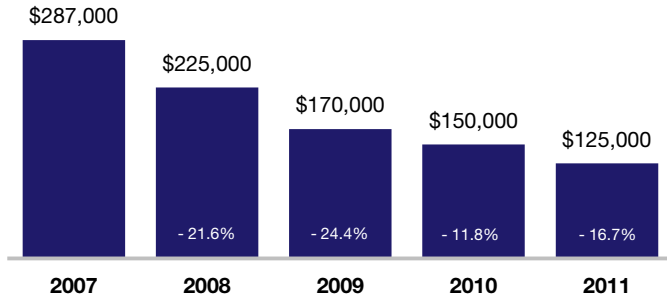
South Bay	+ 66.7%
Palm Beach Shores	+ 5.9%
Atlantis	- 12.1%
Tequesta	- 16.7%
Juno Beach	- 21.6%

### Top 5 Areas: Change in Homes for Sale from 2010

Green Acres	- 48.5%
Lantana	- 49.2%
Palm Springs	- 53.1%
Lake Clarke Shores	- 55.6%
Haverhill	- 70.0%

# Quick Facts

## Median Sales Price



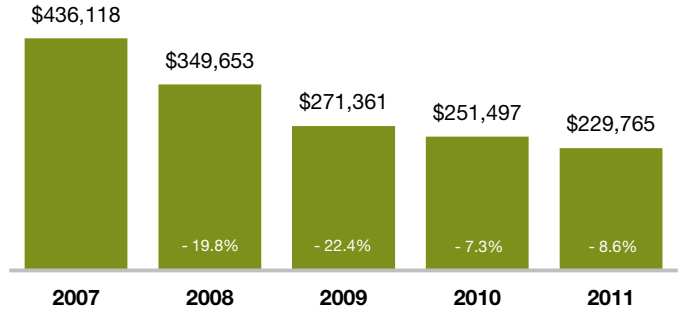
### Top 5 Areas: Change in Median Sales Price from 2010

Atlantis	+ 18.2%
Juno Beach	+ 13.3%
Riviera Beach	+ 8.3%
Palm Beach Shores	+ 2.7%
Ocean Ridge	- 4.8%

### Bottom 5 Areas: Change in Median Sales Price from 2010

South Palm Beach	- 24.3%
Green Acres	- 25.7%
Lantana	- 29.5%
South Bay	- 33.3%
Pahokee	- 73.7%

## Average Sales Price



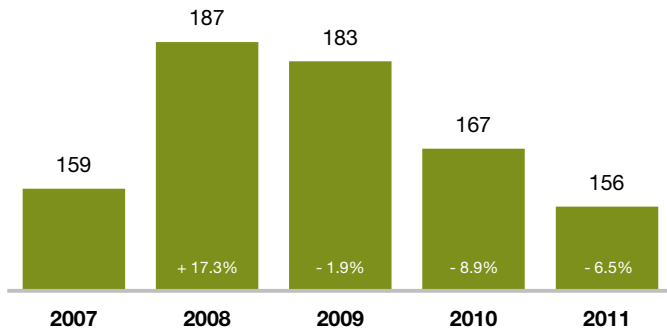
### Top 5 Areas: Change in Average Sales Price from 2010

Lantana	+ 21.0%
Palm Beach Shores	+ 14.4%
Highland Beach	+ 9.9%
Tequesta	+ 2.9%
Juno Beach	+ 1.6%

### Bottom 5 Areas: Change in Average Sales Price from 2010

Palm Springs	- 19.5%
Belle Glade	- 23.4%
South Palm Beach	- 28.9%
Pahokee	- 52.9%
South Bay	- 67.2%

## Days on Market Until Sale



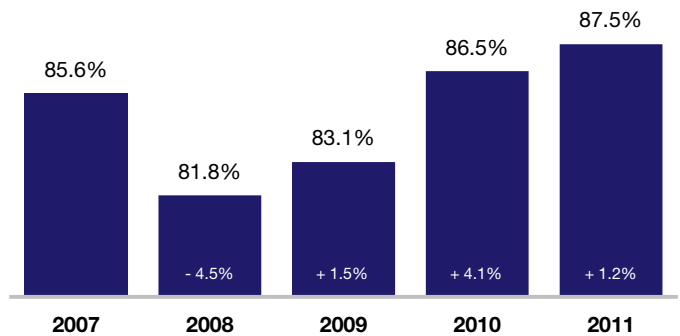
### Top 5 Areas: Change in Days on Market from 2010

Pahokee	+ 175.5%
South Palm Beach	+ 35.2%
Lake Clarke Shores	+ 13.1%
Palm Springs	+ 9.4%
Belle Glade	+ 8.0%

### Bottom 5 Areas: Change in Days on Market from 2010

Riviera Beach	- 17.1%
Ocean Ridge	- 17.3%
Hypoluxo	- 21.3%
Haverhill	- 21.6%
South Bay	- 23.3%

## Percent of Original List Price Received



### Top 5 Areas: Change in Pct. of Orig. Price Received from 2010

Lake Clarke Shores	+ 10.3%
Riviera Beach	+ 6.1%
Haverhill	+ 5.8%
Palm Beach Shores	+ 4.2%
Loxahatchee Groves	+ 4.0%

### Bottom 5 Areas: Change in Pct. of Orig. Price Received from 2010

Lantana	- 1.7%
Pahokee	- 1.9%
South Palm Beach	- 2.2%
Ocean Ridge	- 3.4%
Belle Glade	- 9.0%

# Property Type Review

**158**

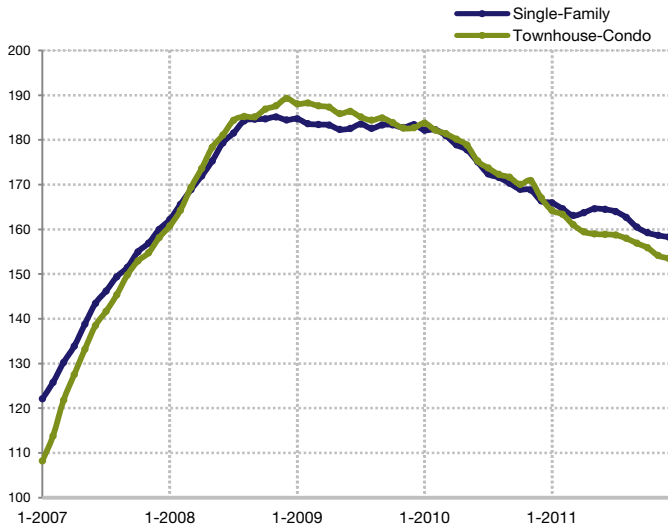
Average Days on Market  
Single-Family Detached

**154**

Average Days on Market  
Townhouse-Condo Attached

## Days on Market Until Sale

This chart uses a rolling 12-month average for each data point.



## Top Areas: Townhouse-Condo Attached Market Share in 2011

South Palm Beach	100.0%
Hypoluxo	98.4%
Highland Beach	90.7%
Juno Beach	77.0%
Palm Springs	72.2%
Delray Beach	70.9%
Green Acres	68.1%
North Palm Beach	63.6%
Riviera Beach	62.9%
West Palm Beach	59.8%
Lake Park	58.3%
Ocean Ridge	57.4%
Boca Raton	54.3%
Palm Beach County	52.2%
Palm Beach Shores	52.0%
Palm Beach Gardens	46.1%
Jupiter	45.8%
Boynton Beach	45.7%
Tequesta	43.5%
Royal Palm Beach	41.0%
Lantana	35.6%
Lake Clarke Shores	33.3%
Lake Worth	32.1%
Atlantis	30.2%
Wellington	25.9%
Hobe Sound	22.6%

**-14.0%**

One-Year Change in Price  
Single-Family Detached

**-15.8%**

One-Year Change in Price  
Townhouse-Condo Attached

**88.0%**

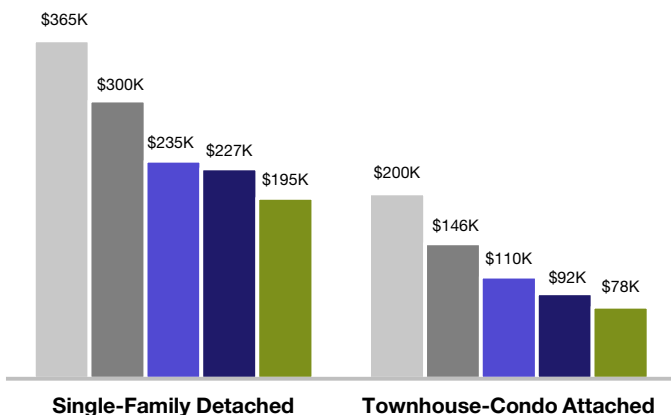
Pct. of Orig. Price Received  
Single-Family Detached

**87.1%**

Pct. of Orig. Price Received  
Townhouse-Condo Attached

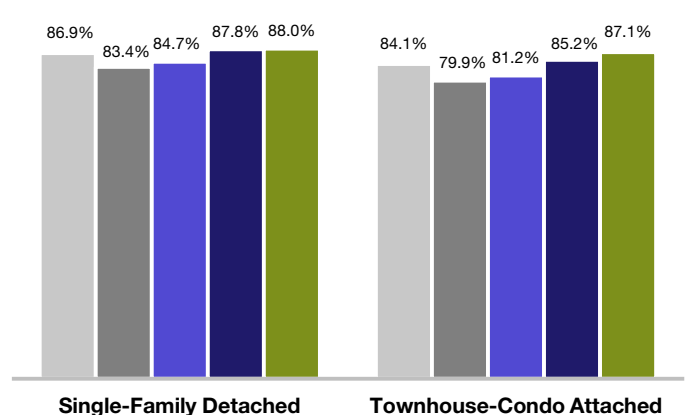
## Median Sales Price

2007 2008 2009 2010 2011



## Percent of Original List Price Received

2007 2008 2009 2010 2011





# Distressed Homes Review

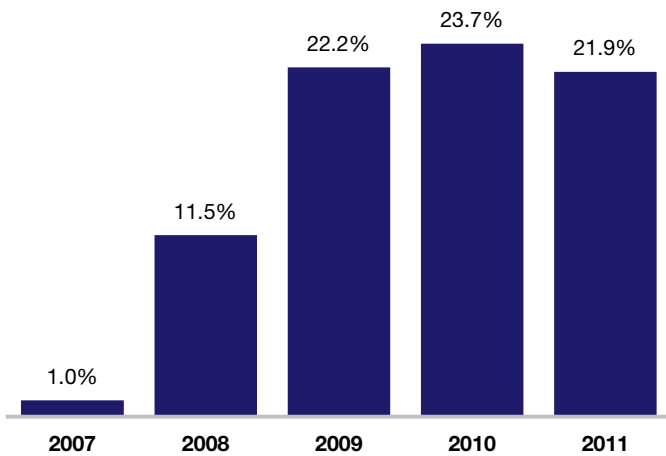
**21.9%**

Percent of Lender-Mediated Sold in 2011

**+ 14.4%**

One-Year Change in Sales of Lender-Mediated

## Percent of Sales That Were Lender-Mediated



## Top Areas: Lender-Mediated Market Share in 2011

Pahokee	50.0%
South Bay	50.0%
Loxahatchee Groves	38.5%
Royal Palm Beach	34.9%
Riviera Beach	34.6%
Lake Clarke Shores	33.3%
Hypoluxo	31.0%
Lake Park	30.6%
Wellington	30.1%
Palm Springs	29.9%
Green Acres	28.7%
West Palm Beach	28.2%
Lantana	25.7%
Lake Worth	24.5%
Palm Beach County	21.9%
Palm Beach Gardens	20.3%
Jupiter	19.4%
Boynton Beach	18.1%
Belle Glade	17.2%
Juno Beach	17.0%
Haverhill	16.7%
Tequesta	15.2%
Boca Raton	14.8%
South Palm Beach	14.3%
North Palm Beach	13.4%
Delray Beach	12.7%

**- 56.4%**

Four-Year Change in Price All Properties

**- 54.9%**

Four-Year Change in Price Traditional Properties

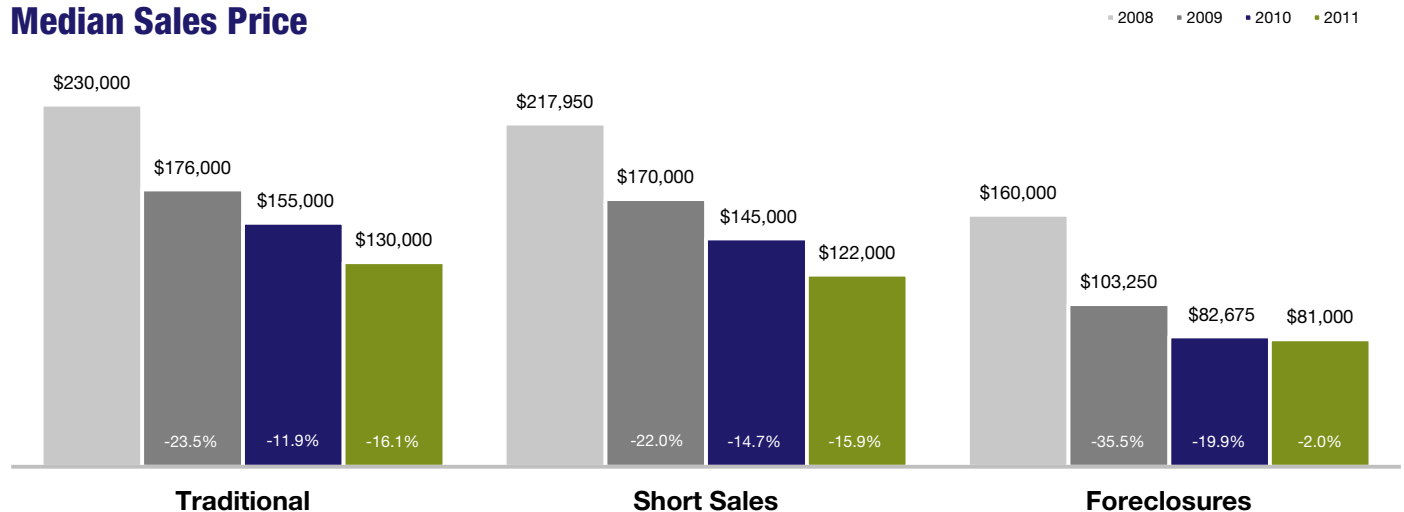
**- 49.2%**

Four-Year Change in Price Short Sales

**- 65.5%**

Four-Year Change in Price Foreclosures

## Median Sales Price





# Bedroom Count Review

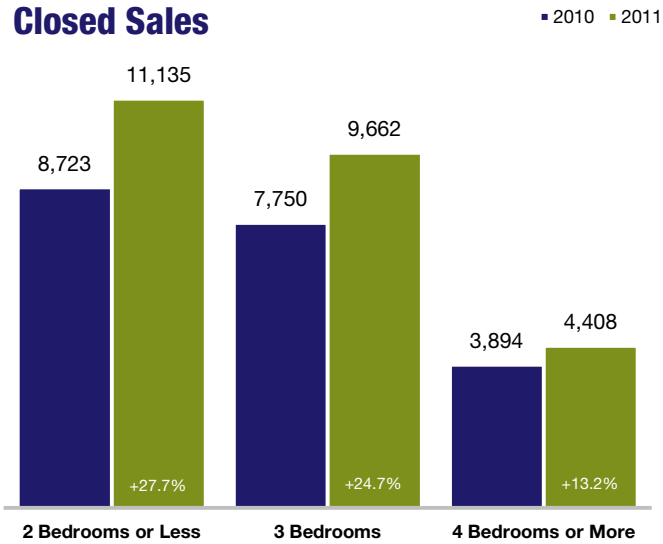
**+ 27.7%**

Growth in Closed Sales  
2 Bedrooms or Less

**+ 13.2%**

Growth in Closed Sales  
4 Bedrooms or More

## Closed Sales



### Top Areas: 4 Bedrooms or More Market Share in 2011

South Bay	50.0%
Wellington	46.0%
Loxahatchee Groves	34.6%
Lake Clarke Shores	33.3%
Pahokee	33.3%
Royal Palm Beach	28.4%
Ocean Ridge	26.2%
Tequesta	23.2%
Palm Beach Gardens	22.1%
Boca Raton	21.8%
Jupiter	21.6%
Lake Worth	20.9%
Atlantis	18.6%
Hobe Sound	17.3%
Belle Glade	17.2%
Haverhill	16.7%
Boynton Beach	14.6%
North Palm Beach	13.4%
Lantana	12.3%
Palm Beach Shores	12.0%
West Palm Beach	11.1%
Highland Beach	10.8%
Riviera Beach	10.2%
Delray Beach	9.8%
Green Acres	8.1%

**87.5%**

Percent of Original List Price  
Received in 2011 for  
All Properties

**86.3%**

Percent of Original List Price  
Received in 2011 for  
2 Bedrooms or Less

**88.7%**

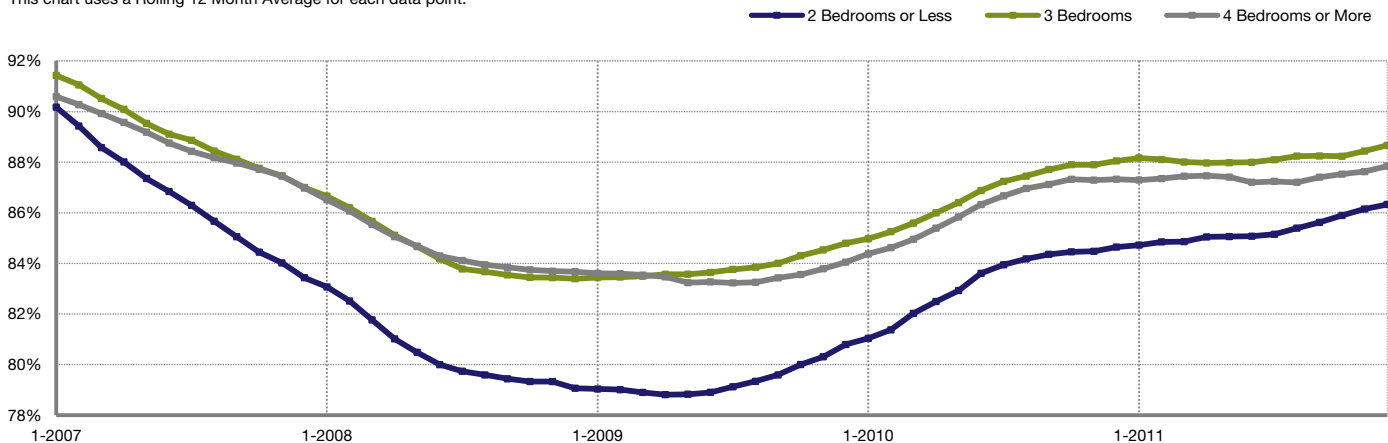
Percent of Original List Price  
Received in 2011 for  
3 Bedrooms

**87.8%**

Percent of Original List Price  
Received in 2011 for  
4 Bedrooms or More

## Percent of Original List Price Received

This chart uses a Rolling 12 Month Average for each data point.





# Area Overviews

	Total Closed Sales	Change from 2010	Percent TH- Condo	Percent Distressed	Percent 2 Beds or Less	Days on Market	Pct. of Orig. Price Rcv'd.
<b>Palm Beach County</b>	<b>25,228</b>	<b>+ 23.7%</b>	<b>52.2%</b>	<b>21.9%</b>	<b>44.1%</b>	<b>156</b>	<b>87.5%</b>
Atlantis	43	+ 87.0%	30.2%	11.6%	30.2%	183	82.1%
Belle Glade	29	+ 70.6%	0.0%	17.2%	13.8%	173	79.2%
Boca Raton	3,526	+ 17.1%	54.3%	14.8%	42.7%	170	85.0%
Boynton Beach	2,952	+ 12.9%	45.7%	18.1%	42.1%	154	87.6%
Delray Beach	2,677	+ 23.3%	70.9%	12.7%	66.3%	152	84.7%
Green Acres	714	+ 38.1%	68.1%	28.7%	51.8%	135	90.7%
Haverhill	12	- 7.7%	0.0%	16.7%	8.3%	132	94.9%
Highland Beach	194	+ 24.4%	90.7%	9.8%	63.9%	262	82.1%
Hobe Sound	248	+ 8.3%	22.6%	12.1%	35.1%	181	85.1%
Hypoluxo	126	+ 44.8%	98.4%	31.0%	64.3%	151	90.5%
Juno Beach	100	+ 37.0%	77.0%	17.0%	49.0%	209	82.6%
Jupiter	1,623	+ 20.3%	45.8%	19.4%	33.3%	162	87.1%
Lake Clarke Shores	12	- 7.7%	33.3%	33.3%	25.0%	251	82.0%
Lake Park	108	+ 10.2%	58.3%	30.6%	62.0%	180	88.5%
Lake Worth	2,268	+ 25.0%	32.1%	24.5%	35.0%	142	88.3%
Lantana	261	+ 50.9%	35.6%	25.7%	51.0%	147	85.6%
Loxahatchee Groves	462	+ 73.7%	0.0%	38.5%	2.4%	128	91.5%
North Palm Beach	313	+ 15.1%	63.6%	13.4%	59.4%	194	83.6%
Ocean Ridge	61	+ 27.1%	57.4%	8.2%	39.3%	316	77.8%
Pahokee	6	- 45.5%	0.0%	50.0%	16.7%	329	86.7%
Palm Beach Gardens	1,520	+ 20.9%	46.1%	20.3%	30.3%	179	87.1%
Palm Beach Shores	25	+ 4.2%	52.0%	12.0%	64.0%	207	80.9%
Palm Springs	241	+ 35.4%	72.2%	29.9%	55.2%	132	88.9%
Riviera Beach	463	+ 42.9%	62.9%	34.6%	33.5%	132	96.3%
Royal Palm Beach	869	+ 24.3%	41.0%	34.9%	27.5%	126	91.2%
South Bay	2	- 50.0%	0.0%	50.0%	0.0%	161	84.8%
South Palm Beach	7	- 12.5%	100.0%	14.3%	100.0%	227	79.6%
Tequesta	237	+ 10.2%	43.5%	15.2%	31.6%	233	83.0%
Wellington	1,023	+ 8.1%	25.9%	30.1%	13.5%	169	88.8%
West Palm Beach	4,935	+ 35.2%	59.8%	28.2%	54.4%	137	89.7%



# Area Historical Median Prices

	2007	2008	2009	2010	2011	Change From 2010	Change From 2007
<b>Palm Beach County</b>	<b>\$287,000</b>	<b>\$225,000</b>	<b>\$170,000</b>	<b>\$150,000</b>	<b>\$125,000</b>	<b>- 16.7%</b>	<b>- 56.4%</b>
Atlantis	\$410,000	\$335,400	\$230,000	\$217,500	\$257,000	+ 18.2%	- 37.3%
Belle Glade	\$187,500	\$135,000	\$137,450	\$77,500	\$65,000	- 16.1%	- 65.3%
Boca Raton	\$364,900	\$289,000	\$230,000	\$217,000	\$190,000	- 12.4%	- 47.9%
Boynton Beach	\$259,430	\$210,000	\$165,000	\$155,000	\$126,000	- 18.7%	- 51.4%
Delray Beach	\$235,000	\$150,000	\$116,000	\$110,000	\$88,000	- 20.0%	- 62.6%
Green Acres	\$180,000	\$128,000	\$110,000	\$80,000	\$59,450	- 25.7%	- 67.0%
Haverhill	\$266,750	\$157,450	\$145,000	\$128,000	\$120,510	- 5.9%	- 54.8%
Highland Beach	\$583,500	\$435,000	\$418,000	\$400,000	\$375,000	- 6.3%	- 35.7%
Hobe Sound	\$310,000	\$275,000	\$215,000	\$229,500	\$180,000	- 21.6%	- 41.9%
Hypoluxo	\$197,500	\$191,500	\$134,500	\$131,001	\$105,500	- 19.5%	- 46.6%
Juno Beach	\$502,398	\$360,000	\$252,500	\$300,000	\$340,000	+ 13.3%	- 32.3%
Jupiter	\$350,000	\$290,000	\$240,000	\$232,000	\$220,000	- 5.2%	- 37.1%
Lake Clarke Shores	\$230,000	\$180,000	\$235,000	\$230,000	\$217,750	- 5.3%	- 5.3%
Lake Park	\$205,000	\$138,000	\$101,000	\$79,000	\$73,250	- 7.3%	- 64.3%
Lake Worth	\$262,000	\$185,000	\$130,000	\$110,000	\$91,750	- 16.6%	- 65.0%
Lantana	\$240,000	\$152,500	\$106,500	\$100,025	\$70,550	- 29.5%	- 70.6%
Loxahatchee Groves	\$326,000	\$229,000	\$185,000	\$159,900	\$141,800	- 11.3%	- 56.5%
North Palm Beach	\$310,000	\$236,000	\$196,900	\$174,500	\$162,500	- 6.9%	- 47.6%
Ocean Ridge	\$725,000	\$800,000	\$578,000	\$605,000	\$576,250	- 4.8%	- 20.5%
Pahokee	\$92,500	\$119,000	\$43,965	\$79,950	\$21,000	- 73.7%	- 77.3%
Palm Beach Gardens	\$370,000	\$300,000	\$255,000	\$230,000	\$210,000	- 8.7%	- 43.2%
Palm Beach Shores	\$435,000	\$424,500	\$334,750	\$300,500	\$308,750	+ 2.7%	- 29.0%
Palm Springs	\$166,250	\$105,000	\$72,500	\$64,500	\$50,000	- 22.5%	- 69.9%
Riviera Beach	\$200,000	\$144,700	\$80,000	\$60,000	\$65,000	+ 8.3%	- 67.5%
Royal Palm Beach	\$273,000	\$198,500	\$169,000	\$137,500	\$115,000	- 16.4%	- 57.9%
South Bay	\$181,900	\$115,000	\$29,000	\$49,500	\$33,000	- 33.3%	- 81.9%
South Palm Beach	\$275,000	\$229,500	\$230,000	\$163,750	\$124,000	- 24.3%	- 54.9%
Tequesta	\$375,000	\$252,400	\$254,250	\$263,000	\$250,000	- 4.9%	- 33.3%
Wellington	\$367,000	\$311,500	\$250,000	\$257,000	\$237,000	- 7.8%	- 35.4%
West Palm Beach	\$218,000	\$150,000	\$100,000	\$75,000	\$67,150	- 10.5%	- 69.2%