

Annual Report on the Palm Beach County Housing Market

FOR RESIDENTIAL REAL ESTATE ACTIVITY
IN PALM BEACH COUNTY



2012

Annual Report on the Palm Beach County Housing Market



FOR RESIDENTIAL REAL ESTATE ACTIVITY
IN PALM BEACH COUNTY

With a mean crossover dribble and a wicked head fake, housing is again driving the lane with authority.

Between 2007 and 2011, housing markets were overburdened with distressed properties, excessive supply and weak consumer demand. But a timeout was taken in 2012, and the market was able to rehydrate and breathe easier. Yearlong evidence points to market recovery – just in time to alleviate beleaguered homeowners and relieve a dwindling tax base.

Housing has been the center of attention in 2012 – and it's lonely at the top. For the first time since 2006, housing is on track to be a net positive contributor to GDP. Some have claimed that an accommodating Federal Reserve policy has driven down interest rates so much that it's enabled families to purchase up to 50 percent more house than they otherwise could. Others make a more "market fundamentals" argument, asserting that dramatic declines in supply and solid increases in demand have led to the year's successful turnaround jump shot. The truth lies somewhere in the paint.

Low mortgage rates, affordable prices and rising rents created a three-point play that bolstered consumer confidence. On a national scale, natural disasters, fiscal cliffs, contested elections and sovereign debt crises could not slow down buyers. Consequently, home values are ticking higher in many regions.

In addition to the feel-good nature of a housing recovery, it has tangible benefits to homeowners – particularly those still in underwater mortgage situations. Rising prices should convince more sellers to re-enter the marketplace, passing the rock to buyers.

Listings In general, sellers remained along the baseline, but there are hints of change in the listings playbook. Traditional sellers are returning just as banks seem to be listing fewer distressed properties. In 2012, homeowners introduced 33,934 new properties to the marketplace, a 4.2 percent increase or 1,365 more units than 2011.

Sales The buyer rebound remained strong throughout the year. Better still, housing demand strengthened without performance-enhancing government incentives. Closed sales were up 3.6 percent to 26,248 for the year. That's the most since 2007.

Inventory Currently, buyers have 38.8 percent fewer choices than last year at this time. Changing teams, sellers have 38.8 percent less competition. Supply-side correction is generally a positive, but many local communities are on the brink of a housing shortage, which has given rise to new construction in certain neighborhoods. Move-in ready inventory is at a premium. Thus, restoring seller confidence is a slam dunk to continued recovery. Well-priced and well-presented listings are fetching 90.3 percent of list price at sale, on average, up 3.2 percent over last year.

Prices Both locally and nationally, home prices are turning a corner. In fact, we ended 2012 with a 15.2 percent median price gain compared to 2011, to end the year at \$144,000.

Sustaining a healthy, equitable and bubble-free housing market is of paramount importance. It will require both public and private cooperation – something that was difficult to achieve last year. This recovery is fragile, and an injury at this juncture could be devastating. Given the importance of housing to the overall economy, it's also critical to the recovery of our nation. Here's to continued improvement and a breakaway year!

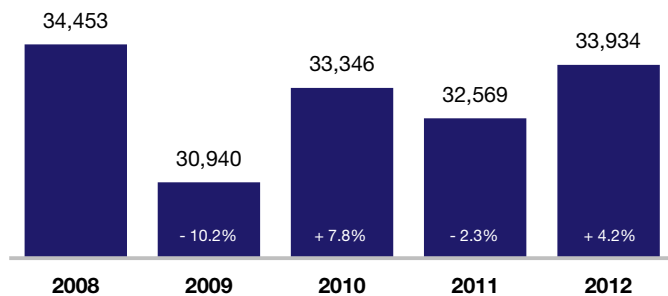
Table of Contents

- 3** Quick Facts
- 5** Property Type Review
- 6** Lender-Mediated Review
- 7** Bedroom Count Review
- 8** Area Overviews
- 9** Area Historical Median Prices

[Click on desired metric to jump to that page.](#)

Quick Facts

New Listings



Top 5 Areas: Change in New Listings from 2011

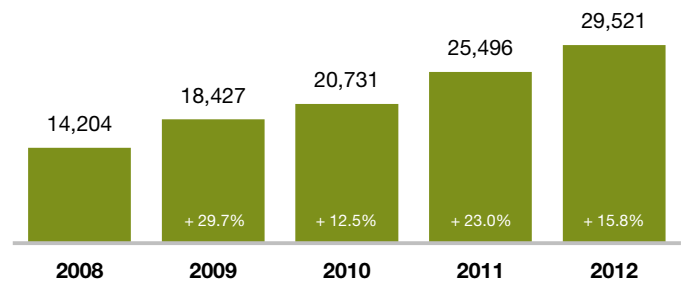
Haverhill	+ 116.7%
Pahokee	+ 46.2%
Atlantis	+ 45.5%
Lake Clarke Shores	+ 28.6%
South Palm Beach	+ 28.0%

Bottom 5 Areas: Change in New Listings from 2011

West Palm Beach	- 4.8%
Ocean Ridge	- 11.1%
Greenacres	- 12.5%
Hypoluxo	- 14.5%
South Bay	- 60.0%

Pending Sales

Includes properties in pending or contingent status.



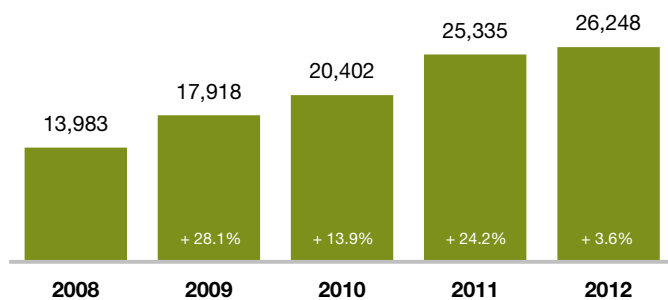
Top 5 Areas: Change in Pending Sales from 2011

Atlantis	+ 84.2%
Pahokee	+ 83.3%
South Palm Beach	+ 62.5%
Haverhill	+ 58.3%
South Bay	+ 50.0%

Bottom 5 Areas: Change in Pending Sales from 2011

Singer Island	+ 5.6%
Riviera Beach	+ 5.3%
Greenacres	+ 4.0%
Hypoluxo	- 1.6%
Ocean Ridge	- 15.0%

Closed Sales



Top 5 Areas: Change in Closed Sales from 2011

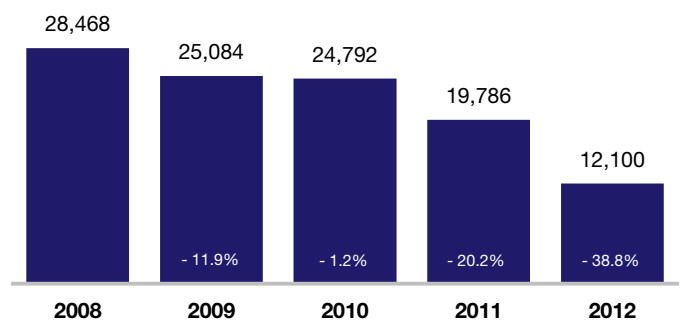
South Palm Beach	+ 71.4%
Pahokee	+ 66.7%
South Bay	+ 50.0%
Atlantis	+ 44.2%
Tequesta	+ 33.8%

Bottom 5 Areas: Change in Closed Sales from 2011

West Palm Beach	- 7.8%
Loxahatchee Groves	- 8.4%
Hypoluxo	- 15.1%
Riviera Beach	- 17.0%
Ocean Ridge	- 21.3%

Inventory of Homes for Sale

At the end of each year.



Top 5 Areas: Change in Homes for Sale from 2011

Haverhill	+ 125.0%
South Palm Beach	+ 22.2%
Hobe Sound	- 14.0%
Atlantis	- 16.7%
Pahokee	- 20.0%

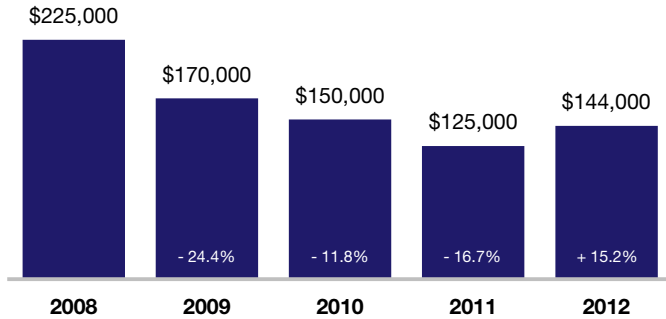
Bottom 5 Areas: Change in Homes for Sale from 2011

Lake Park	- 56.5%
Palm Springs	- 58.1%
Greenacres	- 58.5%
Royal Palm Beach	- 68.8%
South Bay	- 100.0%

* Contingent sales activity was added to the Pending Sales metric as of January 2011, therefore year-over-year comparisons may appear high through 2011.

Quick Facts

Median Sales Price



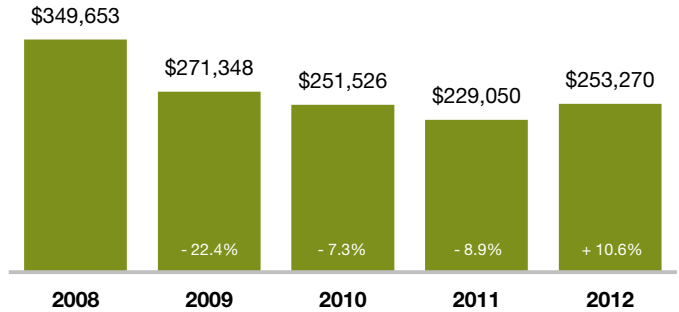
Top 5 Areas: Change in Median Sales Price from 2011

South Palm Beach	+ 57.7%
Pahokee	+ 54.8%
Hypoluxo	+ 32.7%
Lake Park	+ 23.1%
Lantana	+ 22.6%

Bottom 5 Areas: Change in Median Sales Price from 2011

Atlantis	- 1.5%
Singer Island	- 4.3%
Palm Beach Shores	- 7.7%
Ocean Ridge	- 10.3%
Belle Glade	- 26.9%

Average Sales Price



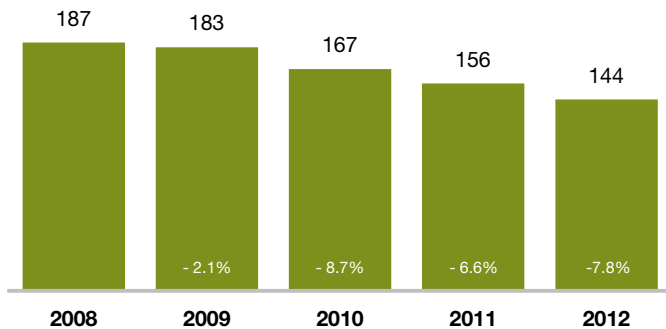
Top 5 Areas: Change in Average Sales Price from 2011

South Palm Beach	+ 67.0%
Juno Beach	+ 23.1%
North Palm Beach	+ 22.0%
Lake Park	+ 21.2%
Wellington	+ 20.0%

Bottom 5 Areas: Change in Average Sales Price from 2011

Hobe Sound	- 9.9%
Singer Island	- 10.1%
Lantana	- 15.2%
Pahokee	- 15.6%
Belle Glade	- 28.4%

Days on Market Until Sale



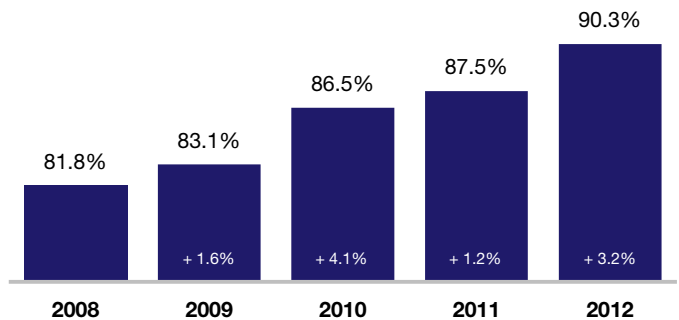
Top 5 Areas: Change in Days on Market Until Sale from 2011

South Bay	+ 29.0%
Atlantis	+ 13.7%
Juno Beach	+ 7.1%
Loxahatchee Groves	+ 5.7%
Royal Palm Beach	+ 2.7%

Bottom 5 Areas: Change in Days on Market Until Sale from 2011

South Palm Beach	- 30.1%
Lake Clarke Shores	- 31.0%
Belle Glade	- 31.6%
Haverhill	- 32.8%
Pahokee	- 71.3%

Percent of Original List Price Received



Top 5 Areas: Change in Pct. of Orig. Price Received from 2011

Belle Glade	+ 12.7%
South Palm Beach	+ 7.4%
Lantana	+ 7.3%
Haverhill	+ 6.4%
Palm Beach Shores	+ 6.3%

Bottom 5 Areas: Change in Pct. of Orig. Price Received from 2011

Hypoluxo	+ 1.0%
Atlantis	+ 0.8%
Pahokee	+ 0.5%
Riviera Beach	- 0.5%
South Bay	- 5.0%

Property Type Review

149

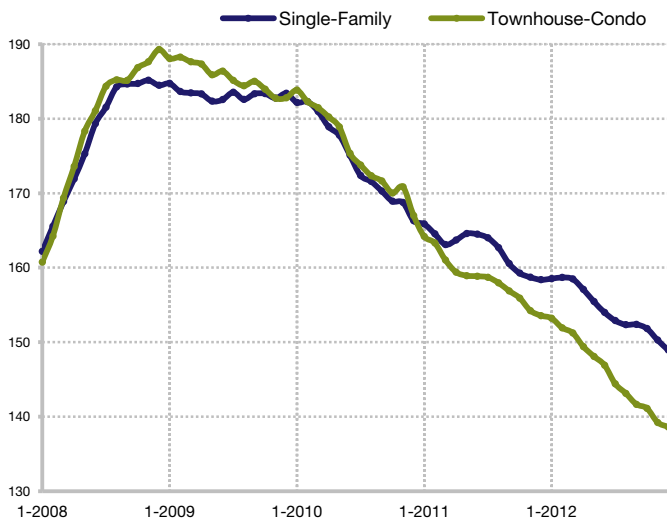
Average Days on Market Until Sale Single-Family Detached

139

Average Days on Market Until Sale Townhouse-Condo

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 2012

South Palm Beach	100.0%
Hypoluxo	96.3%
Highland Beach	93.0%
Singer Island	86.6%
Juno Beach	77.6%
Palm Springs	73.6%
Delray Beach	68.8%
Palm Beach Shores	68.8%
North Palm Beach	65.9%
Greenacres	62.7%
Ocean Ridge	58.3%
West Palm Beach	56.4%
Riviera Beach	54.8%
Boca Raton	52.3%
Lake Park	52.1%
Palm Beach County	50.0%
Tequesta	49.8%
Jupiter	45.4%
Boynton Beach	44.2%
Palm Beach Gardens	41.0%
Royal Palm Beach	36.3%
Lantana	32.0%
Lake Worth	30.6%
Wellington	25.1%
Atlantis	21.0%
Hobe Sound	20.4%

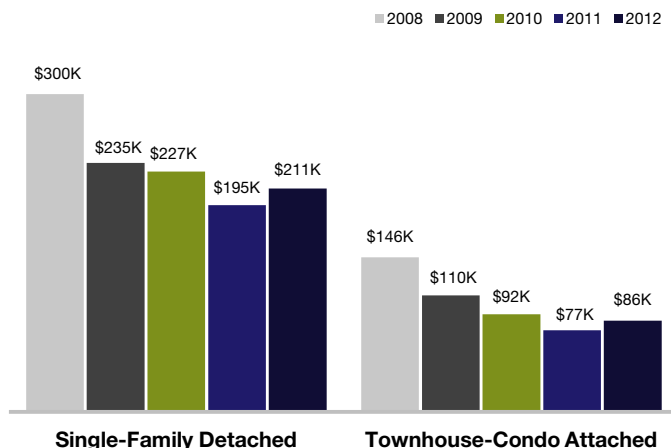
+ 8.2%

One-Year Change in Price Single-Family Detached

+ 11.7%

One-Year Change in Price Townhouse-Condo Attached

Median Sales Price



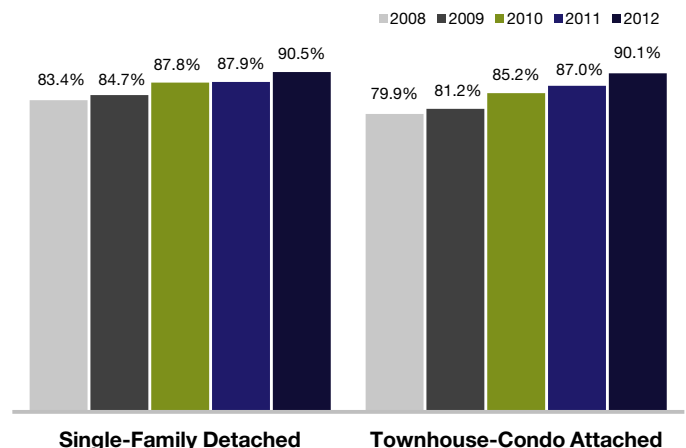
90.5%

Pct. of Orig. Price Received Single-Family Detached

90.1%

Pct. of Orig. Price Received Townhouse-Condo Attached

Percent of Original List Price Received





Lender-Mediated Review

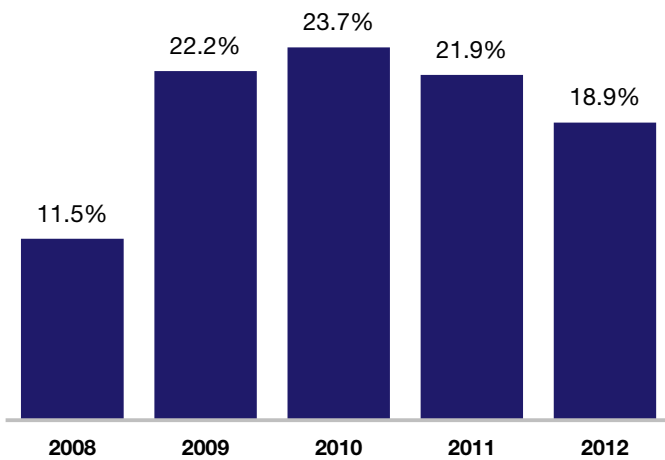
18.9%

Percent of Sales that were Lender-Mediated in 2012

- 10.7%

One-Year Change in Sales of Lender-Mediated

Percent of Sales That Were Lender-Mediated



Top Areas: Lender-Mediated Market Share in 2012

Lantana	34.8%
Loxahatchee Groves	31.4%
Royal Palm Beach	29.9%
Greenacres	29.0%
Lake Park	28.1%
Riviera Beach	26.9%
West Palm Beach	25.9%
Lake Clarke Shores	25.0%
Palm Springs	24.8%
Lake Worth	24.6%
Hypoluxo	24.3%
Wellington	22.8%
Palm Beach County	18.9%
Boynton Beach	18.2%
Palm Beach Gardens	16.9%
Haverhill	16.7%
South Palm Beach	16.7%
Atlantis	16.1%
Hobe Sound	15.9%
Belle Glade	15.2%
North Palm Beach	15.0%
Jupiter	14.5%
Tequesta	13.2%
Boca Raton	11.7%
Delray Beach	10.4%
Ocean Ridge	8.3%

- 15.3%

Four-Year Change in Price All Properties

- 13.1%

Four-Year Change in Price Traditional Properties

- 32.4%

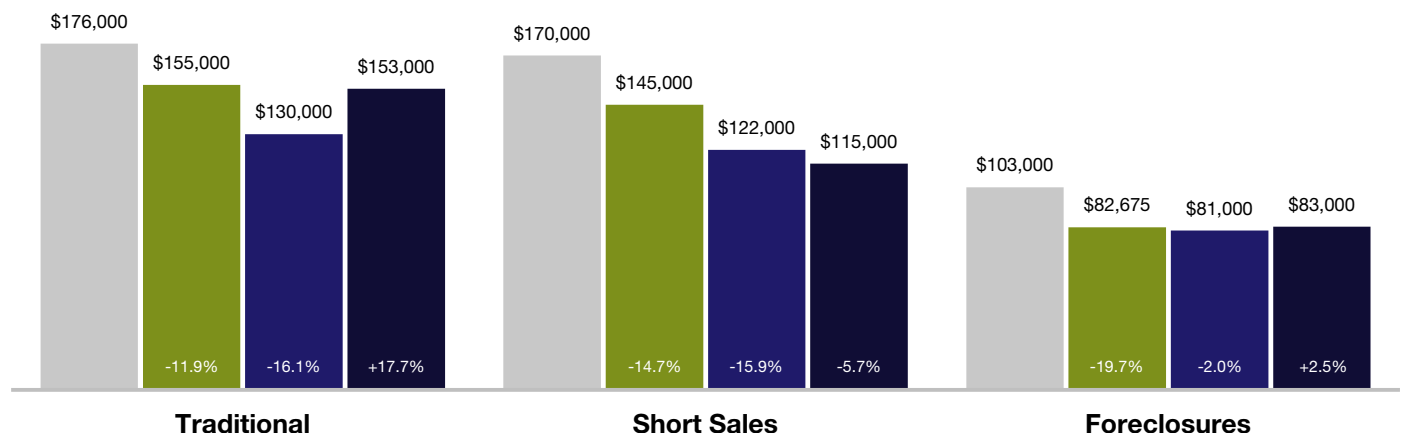
Four-Year Change in Price Short Sales

- 19.4%

Four-Year Change in Price Foreclosures

Median Sales Price

■ 2009 ■ 2010 ■ 2011 ■ 2012





Bedroom Count Review

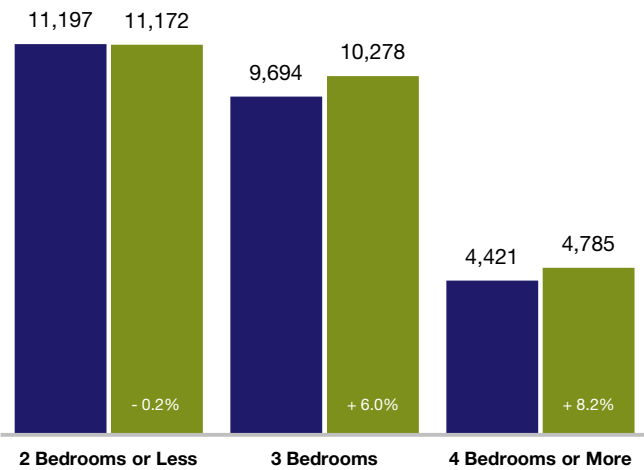
- 0.2%

Reduction in Closed Sales
2 Bedrooms or Less

+ 8.2%

Growth in Closed Sales
4 Bedrooms or More

Closed Sales



The sum of Closed Sales across these breakouts is not necessarily the sum of all sales due to invalid or missing bedroom counts in a listing.

Top Areas: 4 Bedrooms or More Market Share in 2012

Lake Clarke Shores	50.0%
Wellington	45.7%
Haverhill	41.7%
Loxahatchee Groves	39.7%
Royal Palm Beach	31.0%
Ocean Ridge	27.1%
Boca Raton	23.3%
Palm Beach Gardens	23.2%
Jupiter	22.1%
Belle Glade	21.2%
Pahokee	20.0%
Lake Worth	19.7%
Atlantis	19.4%
Hobe Sound	18.7%
Palm Beach County	18.2%
Tequesta	17.7%
North Palm Beach	14.7%
Lantana	13.8%
Boynton Beach	12.9%
West Palm Beach	12.4%
Riviera Beach	11.1%
Lake Park	10.7%
Delray Beach	10.6%
Juno Beach	10.3%
Greenacres	9.3%
Highland Beach	9.3%

90.3%

Percent of Original List Price
Received in 2012 for
All Properties

89.4%

Percent of Original List Price
Received in 2012 for
2 Bedrooms or Less

91.4%

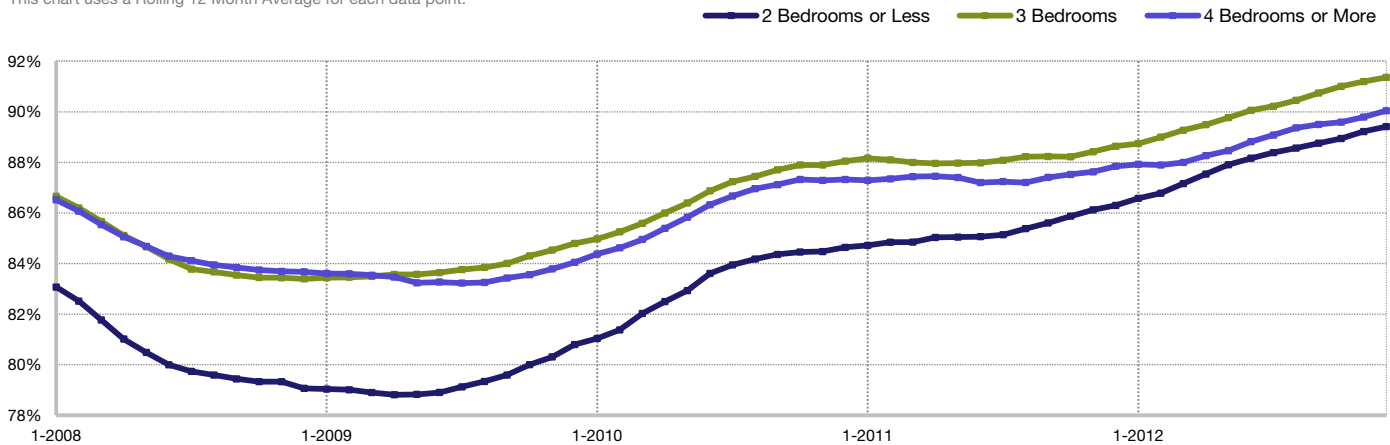
Percent of Original List Price
Received in 2012 for
3 Bedrooms

90.0%

Percent of Original List Price
Received in 2012 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 2011	Percent Townhouse- Condo	Percent Lender- Mediated	Percent 2 Beds or Less	Days on Market Until Sale	Pct. of Orig. Price Received
Palm Beach County	26,248	+ 3.6%	50.5%	18.9%	42.6%	144	90.3%
Atlantis	62	+ 44.2%	21.0%	16.1%	30.6%	209	82.8%
Belle Glade	33	+ 13.8%	3.0%	15.2%	21.2%	119	89.2%
Boca Raton	3,876	+ 9.5%	52.3%	11.7%	40.4%	151	88.3%
Boynton Beach	3,286	+ 11.0%	44.2%	18.2%	40.6%	136	90.5%
Delray Beach	2,843	+ 5.4%	68.8%	10.4%	62.9%	134	88.1%
Greenacres	687	- 4.1%	62.7%	29.0%	49.3%	119	93.5%
Haverhill	12	0.0%	0.0%	16.7%	8.3%	89	101.0%
Highland Beach	227	+ 17.0%	93.0%	4.8%	65.6%	239	84.6%
Hobe Sound	289	+ 15.6%	20.4%	15.9%	36.0%	154	87.9%
Hypoluxo	107	- 15.1%	96.3%	24.3%	65.4%	111	91.3%
Juno Beach	107	+ 7.0%	77.6%	7.5%	55.1%	224	84.7%
Jupiter	1,785	+ 9.8%	45.4%	14.5%	31.5%	155	89.9%
Lake Clarke Shores	16	+ 33.3%	6.3%	25.0%	12.5%	173	84.4%
Lake Park	121	+ 9.0%	52.1%	28.1%	53.7%	145	90.9%
Lake Worth	2,340	+ 2.4%	30.6%	24.6%	34.1%	137	91.2%
Lantana	253	- 3.8%	32.0%	34.8%	43.5%	135	92.0%
Loxahatchee Groves	423	- 8.4%	0.0%	31.4%	5.2%	135	93.0%
North Palm Beach	381	+ 21.7%	65.9%	15.0%	56.7%	166	85.7%
Ocean Ridge	48	- 21.3%	58.3%	8.3%	41.7%	244	81.5%
Pahokee	10	+ 66.7%	10.0%	0.0%	30.0%	94	87.2%
Palm Beach Gardens	1,611	+ 5.9%	41.0%	16.9%	29.1%	165	89.7%
Palm Beach Shores	32	+ 28.0%	68.8%	3.1%	68.8%	197	86.0%
Palm Springs	246	+ 2.1%	73.6%	24.8%	62.6%	114	93.8%
Riviera Beach	387	- 17.0%	54.8%	26.9%	34.4%	111	95.8%
Royal Palm Beach	859	- 1.6%	36.3%	29.9%	27.5%	130	93.5%
Singer Island	172	- 6.0%	86.6%	7.0%	66.3%	239	85.2%
South Bay	3	+ 50.0%	0.0%	0.0%	33.3%	207	80.6%
South Palm Beach	12	+ 71.4%	100.0%	16.7%	83.3%	159	85.5%
Tequesta	317	+ 33.8%	49.8%	13.2%	36.0%	184	87.1%
Wellington	1,103	+ 7.6%	25.1%	22.8%	12.5%	152	91.4%
West Palm Beach	4,567	- 7.8%	56.4%	25.9%	52.9%	128	93.0%



Area Historical Median Prices

	2008	2009	2010	2011	2012	Change From 2011	Change From 2008
Palm Beach County	\$225,000	\$170,000	\$150,000	\$125,000	\$144,000	+ 15.2%	- 36.0%
Atlantis	\$335,400	\$230,000	\$217,500	\$257,000	\$253,250	- 1.5%	- 24.5%
Belle Glade	\$135,000	\$137,450	\$77,500	\$65,000	\$47,500	- 26.9%	- 64.8%
Boca Raton	\$289,000	\$230,000	\$217,000	\$190,000	\$206,000	+ 8.4%	- 28.7%
Boynton Beach	\$210,000	\$165,000	\$155,000	\$125,900	\$135,000	+ 7.2%	- 35.7%
Delray Beach	\$150,000	\$116,000	\$110,000	\$87,250	\$99,900	+ 14.5%	- 33.4%
Greenacres	\$128,000	\$110,000	\$80,000	\$59,500	\$69,705	+ 17.2%	- 45.5%
Haverhill	\$157,450	\$145,000	\$128,000	\$120,510	\$132,000	+ 9.5%	- 16.2%
Highland Beach	\$435,000	\$418,000	\$400,000	\$375,000	\$400,000	+ 6.7%	- 8.0%
Hobe Sound	\$275,000	\$215,000	\$229,500	\$180,000	\$184,500	+ 2.5%	- 32.9%
Hypoluxo	\$191,500	\$134,500	\$131,001	\$105,500	\$140,000	+ 32.7%	- 26.9%
Juno Beach	\$360,000	\$252,500	\$300,000	\$340,000	\$352,500	+ 3.7%	- 2.1%
Jupiter	\$290,000	\$240,000	\$233,000	\$220,000	\$245,000	+ 11.4%	- 15.5%
Lake Clarke Shores	\$180,000	\$235,000	\$230,000	\$217,750	\$220,000	+ 1.0%	+ 22.2%
Lake Park	\$138,000	\$101,000	\$79,000	\$72,500	\$89,229	+ 23.1%	- 35.3%
Lake Worth	\$185,000	\$130,000	\$110,000	\$91,000	\$103,000	+ 13.2%	- 44.3%
Lantana	\$152,500	\$106,500	\$100,025	\$70,550	\$86,500	+ 22.6%	- 43.3%
Loxahatchee Groves	\$229,000	\$185,000	\$159,900	\$141,800	\$157,900	+ 11.4%	- 31.0%
North Palm Beach	\$236,000	\$196,900	\$174,500	\$162,500	\$170,000	+ 4.6%	- 28.0%
Ocean Ridge	\$800,000	\$578,000	\$605,000	\$576,250	\$517,000	- 10.3%	- 35.4%
Pahokee	\$119,000	\$43,965	\$79,950	\$21,000	\$32,500	+ 54.8%	- 72.7%
Palm Beach Gardens	\$300,000	\$255,000	\$230,000	\$210,000	\$240,000	+ 14.3%	- 20.0%
Palm Beach Shores	\$424,500	\$334,750	\$300,500	\$308,750	\$285,000	- 7.7%	- 32.9%
Palm Springs	\$105,000	\$72,500	\$64,500	\$50,000	\$55,000	+ 10.0%	- 47.6%
Riviera Beach	\$144,700	\$80,000	\$60,000	\$65,000	\$75,000	+ 15.4%	- 48.2%
Royal Palm Beach	\$198,500	\$169,000	\$137,750	\$115,000	\$129,900	+ 13.0%	- 34.6%
Singer Island	\$463,750	\$377,500	\$325,000	\$350,000	\$335,000	- 4.3%	- 27.8%
South Bay	\$115,000	\$29,000	\$49,500	\$33,000	\$40,000	+ 21.2%	- 65.2%
South Palm Beach	\$229,500	\$230,000	\$163,750	\$124,000	\$195,500	+ 57.7%	- 14.8%
Tequesta	\$252,400	\$254,250	\$263,000	\$250,000	\$250,000	0.0%	- 1.0%
Wellington	\$311,500	\$250,000	\$257,000	\$236,250	\$237,500	+ 0.5%	- 23.8%
West Palm Beach	\$150,000	\$100,000	\$75,000	\$67,325	\$80,000	+ 18.8%	- 46.7%