

## Palm Beach real estate defies grim slowdown

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**PALM BEACH** — Housing slowdown? What housing slowdown?

Despite the severe real estate downturn pushing Florida into a recession and shaking up world financial markets, home prices in this tony town remain on the rise.

The median price of a single-family home sold in Palm Beach in 2007 rose to \$3.5 million, up 13 percent from 2006's median \$3.1 million price tag, according to *The Evans Report*, a closely watched study by Palm Beach real estate attorney Leslie Evans.

The median price of a condo in Palm Beach, meantime, rose 8 percent to \$825,000 in 2007.

The biggest home sale in 2007 was the \$31.9 million that Miami Dolphins co-owner Stephen Ross paid for 702 N. County Road.

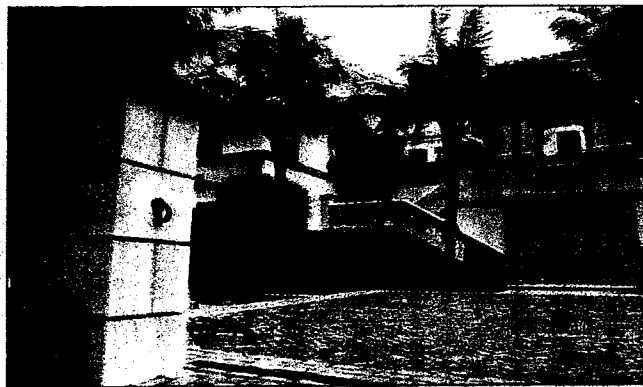
There's no sign that Palm Beach's housing market is slowing.

An 11,000-square-foot home at 460 Worth Ave. sold this month for \$19.9 million, not including furniture, Palm Beach real estate broker Linda Gary said.

Previous sale price: \$4 million in 1993.

The number of sales held steady, too. Palm Beach saw 142 single-family home sales in 2007, up slightly from 139 sales in 2006, while the number of condo sales stayed at 146.

All this is in sharp contrast to the rest of Palm Beach County. Outside the gilt-edged island,



JEFFREY LANGLOIS/Palm Beach Daily News 2007 file photo

**RUNNER-UP, IN PRICE:** This home at 1075 N. Ocean Blvd. fetched \$23 million in 2007, making it the second biggest sale in the town last year.

single-family home prices fell 4 percent from 2006 to 2007, according to the Florida Association of Realtors, while the number of sales plunged 19 percent.

With its low crime rates, lush landscaping and quiet streets, Palm Beach always has been a world apart from the rest of South Florida.

As for Palm Beach's real estate market, "all these terrible articles in the newspaper" just don't apply, Evans said.

"Maybe in certain areas, but not in Palm Beach," Evans said. "This is a different animal here."

How different? For starters, there's no glut of homes for sale in

Palm Beach.

Gary says she wishes there were more homes on the market.

A client recently asked her for a list of homes priced at \$2 million on the north end of the island. Gary could come up with only a dozen or so listings.

"There's just not any product," Gary said.

The supply-and-demand equation in Palm Beach favors sellers in large part because there has been little new building on the island for years.

In fact, Evans said, the supply of homes has dwindled as develop-

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## Conversions, combining lots reduce town's properties

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ers turn apartment buildings with small units into townhouses with much larger units and as well-heeled buyers combine two properties into one larger home.

In another difference between Palm Beach and the rest of the county, foreclosures are a non-issue here.

Fewer than 10 residential properties in Palm Beach went into default in 2007, according to public records.

That's partly because

many Palm Beach buyers pay cash, Evans said.

Other wealthy enclaves, such as Manhattan, the Hamptons and Beverly Hills, are seeing prices soar, too, said Ellen Bitton, owner of Park Avenue Mortgage Group, which has offices in New York and Palm Beach.

True, the broader housing market has been "decimated," she said.

"But," Bitton said, "people with lots of money aren't affected by this."

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### Booming market

Palm Beach home prices are still rising, attorney Leslie Evans said.

#### Single-family homes

Median price 2006: \$3.1 million

Median price 2007: \$3.5 million

Change: 13%

#### Condos

Median price 2006: \$764,000

Median price 2007: \$825,000

Change: 8%

Source: The Evans Report