

## Palm Beach stats offer upbeat view

February 16, 2010 01:31PM  
By Christine Davis

Last January, only one home sold in Palm Beach, heralding one of the worst real estate sales seasons on record.

That sole early 2009 sale served as a telling indicator of a winter real estate season in which Palm Beach residents staying put, rather than buying and selling multimillion-dollar properties like a varsity sport. When Palm Beachers refer to "the Season," they're speaking not only of the many charity balls that draw wealthy part-time residents who want a tony place in the sun, but also the high-end house trading that goes on in the winter months.

This January, two single-family homes sold — for \$3 million and \$8 million — and nine homes went under contract, generating cautious optimism among local realtors and analysts, along with some misgivings, according to data compiled from real estate brokerages on the island.

**"I'm predicting that ultra-luxury single-family homes are going to take the largest declines. We will see foreclosures on homes that are more than \$750,000."**

**Jack McCabe, CEO of McCabe Research & Consulting**

"Some weakness still lies ahead for high-end properties, like those in Palm Beach," said Brad Hunter, director of consulting for national housing data consulting firm Metrostudy in South Florida. "However, the rally in the stock market may provide a boost to the Palm Beach market. There are a lot of mixed indicators — some positive, some negative. But it's encouraging that there's a pipeline of pending sales."

The National Association of Realtors and the Florida Association of Realtors said the number of home sales at the end of last year rose 33 percent in Palm Beach County. That's more than twice the 15.5 percent state increase or the national 15 percent hike.

Leslie Roberts Evans, a Palm Beach attorney who tracks and reports sales of single-family Palm Beach homes and condominiums in his Evans Report Analysis, said the increase in sales through the county might not touch the mansion set.

"Those gains reported [by the realtor associations] are due partially to the first-time homebuyer credit and partially to the fact that home prices are down drastically because of foreclosures and short sales," Evans said. "Neither of those applies to home sales in Palm Beach."

But Palm Beachers are returning to property pursuits.

"November and December were slow in Palm Beach," he said, adding, "In January, there was a marked increase in activity, which will reflect an improved first quarter versus last year's first quarter." Six homes sold in the \$2 million to \$6 million range during the first three months of 2009, according to Evans' data.

Scott Gordon, an agent with Fite Shavell & Associates, represented the buyer in the first sale of 2010, an \$8 million deal. "This January, compared to last January, it's like night and day," he said. "I'm showing every day. On my new listing, 14 people came through in a two-hour period."

Gordon's buyer, Campana PB Trust, a Southport, Conn. corporation, purchased 120 Canterbury Lane from Bruce, James, and Robert Schwartz. The property, which closed Jan. 13, was listed for \$9.9 million.

"A lot of people have been sitting on the sidelines," Gordon said. "They don't think prices are going to go drastically down from here, and they see an upside in the values of properties, which are selling for a lot less even as late as September 2008."

January's second single-home sale at 146 Australian Avenue sold Jan. 28 for \$3 million. Patrick and Amber Turner purchased the home from Michael Flynn, who also owned the property, for \$3.395 million.

"December and January are always slow times, so to have that number of sales pending is a great sign," Jeffrey Cloninger said of the nine pending sales. "We'll have to see what happens this season, but my gut feeling is that we have hit bottom in Palm Beach. Prices have adjusted and 146 Australian is a good example of that. It was priced right and sold within 12 percent of the asking price. Buyers are pleasantly surprised at the values that are out there."

Jack McCabe, CEO of McCabe Research & Consulting, is not optimistic. "Nine pending — one month — does not a trend make," he said, referring to the sales totals for January.

Big bonuses on Wall Street will translate to some real estate sales in Palm Beach, he said.

"But this year, I'm predicting that ultra-luxury single-family homes are going to take the largest declines," McCabe said.

"We will see foreclosures on homes that are more than \$750,000. They are over-leveraged and the owners have taken huge financial hits. When [adjustable-rate mortgages] adjust and monthly payments go from \$8,000 to \$14,000 a month, they can't do it and we'll see price drops of 10 to 15 percent. What was \$10 million this year will be \$8 million next year."

Tags: 120 canterbury lane, 146 australian avenue, amber turner, brad hunter, bruce schwartz, campana pb trust, evans report analysis, far, fite shavell & associates, florida association of realtors, jack mccabe, james schwartz, jeffrey cloning, leslie roberts evans, mccabe research & consulting, metrostudy, michael flynn, nar, national association of realtors, patrick turner, robert schwartz, scott gordon

## RELATED POSTS

[Miami-Dade condo sales rise 61 percent](#)

[Miami pending home sales up 25 percent](#)

[Pending home sales rise across South Florida](#)

[Pending home sales up 18% in Miami-Dade](#)