

LOCAL BUSINESS IS OUR BUSINESS

# Palm Beach sales spike

*The island's housing market surged in 2010, and the pace continues.*

By KIMBERLY MILLER  
Palm Beach Post Staff Writer

**PALM BEACH** — Behind the towering ficus walls, amid the well-heeled denizens of Palm Beach, real estate quietly rebounded last year after a dismal 2009 as it became OK again to spend it if you've got it.

Single-family home purchases increased nearly 40 percent on the affluent island to 121, from just 87 the previous year. Condominium sales grew 35 percent to 267 in 2010.

Average prices on single-family homes also saw a boost, growing to \$4.3 million from \$3.8 million in 2009. Condo prices, a small chink in an otherwise straight-A real estate report, fell to \$629,024 on average from \$841,293.

Still, real estate attorney Leslie Robert Evans, who compiles the island's sales data in his quarterly Evans Report, said the numbers reflect a market climbing back from the bust.

"We were the last ones to go into the crash and the first ones to come out," Evans said. "People are buying predicated on the belief that prices are not going to go down further."

The momentum from 2010 has carried into this year, said Realtor Paulette Koch, who has sold homes on the island for nearly 30 years.

Last month, she helped broker the \$26.4 million sale of Conrad Black's former oceanfront mansion — the highest ticket item since at least 2008.

"We've seen a lot of activity," Koch said. "Prices have made an adjustment, and I think it's very clear that people should make their move at this particular time."

Most sales of single-family homes in 2010 had price tags at or below \$2.49 million; there were 54 of those transactions compared with 36 the previous year. But more pricey homes — those between \$5 million and \$9.9 million — had the second-largest increase in sales with 25 purchases last year compared with 14 in 2009.

Bill Hardin, director of real estate programs for Florida International University, said it's not unusual for luxury real estate to recover faster than the

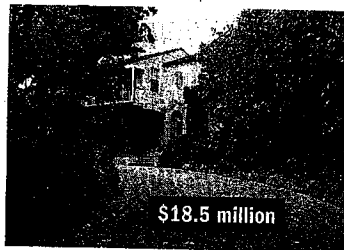
## The state of island's real estate

Palm Beach is rebounding from the market crash faster than the rest of the county. Prices and the number of sales rose significantly last year compared with 2009. And 10 homes sold for \$10 million or more last year, twice the number that sold in that price range in 2009.

### Top sales of 2010



1075 N. Ocean Blvd.

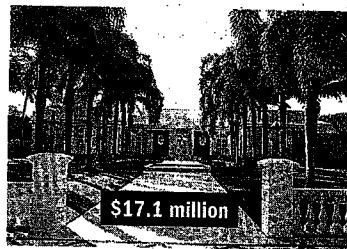


540 S. Ocean Blvd.  
(formerly Jimmy Buffett's)

\$20.5 million 850 S. County Road  
(not shown)

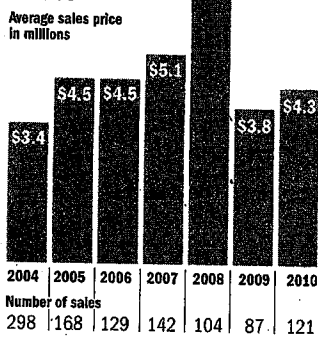


947 N. Ocean Blvd.

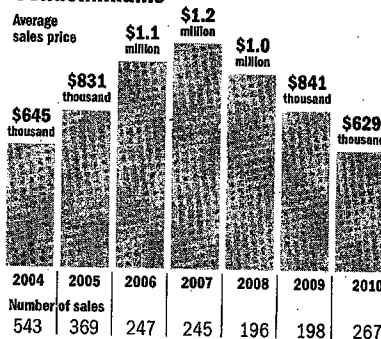


340 Palmer Park Road

### Single-family homes



### Condominiums



Source: Evans Report

BRENNAN KING/Staff Artist

traditional market.

Palm Beach's finite number of properties and lack of land to build makes it an even better candidate for a quick rebound. Just two of last year's sales were of foreclosed homes.

"Palm Beach is unique," Hardin said. "There probably wasn't a lot of speculation going on during the boom."

But there are other issues at work. Big-ticket buyers often purchase homes with cash, meaning they are not dependent

on hard-to-get mortgages. Koch said 99 percent of her sales are cash deals.

The stock market rebound and bonuses for corporate leaders have helped sales.

Also, Evans said people are more willing to spend conspicuously today. Lavish buys became taboo after the 2008 market crash and such big-time investment firm failures as Lehman Brothers.

"When you are laying off hundreds of people, it doesn't look good to go

buy a \$15 million house," Evans said. "That kind of consumption was frowned upon when the economy was doing so poorly."

Although many on the mainland are still hurting financially, Hardin said Palm Beach home sales can boost the general economy.

"These people tend to spend a lot of money on interior design and other features so there is business created for the rest of the county," Hardin said.

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