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## Analysis: Lower-priced homes drive PB sales



Evans

By **DARRELL HOFHEINZ**  
*Daily News Real Estate Writer*

Even though more single-family houses changed hands in Palm Beach last year than in 2010, a new sales analysis shows that price-conscious buyers continued to drive sales, with the bottom end of the market far more active than any other price segment.

In 2011, for example, 66 island houses changed hands at prices of below \$2.5 million, compared to

But prices paid for condos rose last year, latest Evans Report shows.

54 the previous year, according to the latest Evans Report prepared by Palm Beach real estate attorney and property owner Les Evans. The vast majority of those sales last year were recorded on the North End.

Meanwhile, 31 homes sold last year for between \$2.5 million and \$5 million, versus 29 the year be-

fore. Townwide, 130 Palm Beach single-family homes sold in 2011 compared to 121 in 2010, the report showed.

"This is the first time that I've seen the below-\$2.5 million (price category) represent over 50 percent of sales," said Evans, who has prepared versions of the quarterly sales report for more than a decade. "I think (buyers) are looking more for start-

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# EVANS

## Prices more in line

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er homes that they can upgrade when they feel more confident" about spending more money.

The increased activity in the lower price ranges also likely reflects the fact that home sellers last year were becoming more realistic in their price expectations in the wake of the Great Recession. Buyers, in turn, responded favorably to prices that seemed more in line with the island's evolving economic picture.

And some of the houses sold in the lower price ranges are likely destined at some point for demolition, either to make way for new custom homes or new "spec" houses to be built without a specific buyer in mind. In the past two years, spec houses on the North End have become rare indeed, because the market's economic turbulence discouraged developers from embarking on new projects.

The report's year-to-year comparisons were a focus of the analysis, which

also reported fourth-quarter sales for 2011.

### Top of the market

Moving up the price scale, sales dropped off significantly in the once-hot market for single-family homes selling for between \$5 million and \$10 million, the report showed. In 2010, 25 homes in that segment changed hands, compared to 19 last year.

The very top of the single-family market, however, saw a year-over-year increase in sales. There were five sales of homes above \$20 million last year, including the year's highest-dollar deal: May's \$29.15 million sale of the C. Graham Berwind estate at 40 Blossom Road. In 2010, there were just two sales above \$20 million.

Sales of homes priced between \$10 million and \$20 million, however, remained close to 2010 levels.

The median price of all single-family houses sold was \$2.48 million last year, a drop from the \$2.85 million recorded in 2010. The median is the price at which half of the houses sold for more and half for less.

Of all the houses sold during the year, the ma-

ajority changed hands during the first half of the year. And although real estate brokers typically report that more transactions close in the spring than at any other time of the year, 2011's second quarter was remarkably busy, with 55 sales recorded in the second quarter, compared to 35 the previous year.

Overall, there were 12 fewer sales of single-family houses between July and December of 2011 than during the same period of 2010. And in the fourth quarter of 2011 alone, the number of sales dropped to 21 from 30 the year before.

### Condo prices rise

On the condominium and cooperative scene, 2011 saw fewer apartment sales: 236 transactions last year compared to 267 in 2010. But those units that sold changed hands at higher prices.

In contrast to the single-family sales picture, the bottom end of the condo market saw a marked decrease in the number of sales from the previous year, from 95 in 2010 to 53 last year. Long gone were the so-called fire sales of distressed properties that had kept real estate agents busy for much of 2010, Evans said.

Instead, transactions for apartments sold at prices between \$500,000 and \$1 million rose from 52 in 2010 to 72 last year, the report showed.

The differences in the number of condo sales above \$1 million, however, were not nearly as dramatic. In 2010, for instance, 30 sales of units were recorded at prices between \$1 million and \$2 million; in 2011, there were 33 such sales.

The median price of for condo sales last year reflected the increased activity in the higher brackets. It rose from \$365,000 in 2010 to

EVANS REPORT: 2011 VS. 2010		
SINGLE-FAMILY HOMES		
	2010	2011
Sold	121	130
Median Price	\$2.85M	\$2.48M
Average Price	\$4.36M	\$4.6M
CONDOMINIUM UNITS		
Units sold	267	236
Median price N of Sloan's Curve	\$747K	\$633K
Median price S of Sloan's Curve	\$265K	\$328K
SINGLE-FAMILY HOME SALES BY PRICE RANGE		
More than \$20 million	2	5
\$20 million to \$15 million	4	3
\$15 million to \$10 million	4	6
\$10 million to \$5 million	25	19
\$5 million to \$2.5 million	29	31
Less than \$2.5 million	54	66
SINGLE-FAMILY HOME SALES BY AREA - MEDIAN PRICE		
North End	77 / \$2.28M	86 / \$2M
Midtown	25 / \$2.84M	25 / \$2.18M
South End / Estate Section	19 / \$6.8M	19 / \$8.6M



Photo Courtesy of Christian Angle Real Estate

Properties at the lower end of the island's price range — including this house at 594 N. County Road, which sold for \$1.35 million in September — were among the biggest sellers in 2011, according to the latest Evans Report real estate sales analysis. Christian Angle of Christian Angle Real Estate had listed the house at \$1.7 million for the estate of Nina Neal deWitz, while William Quigley of Fite Shavell & Associates represented the buyers, Frank and Molly McGuire.

\$472,500 last year.

"Condos were strong all over the place," Evans said.

### Distressed properties

The report records nine lender-authorized condo sales in foreclosure last year, versus 28 such sales the year before.

The island's single-family home market, meanwhile, saw two lender-authorized sales in foreclosure during 2011, compared to three in 2010.

The report does not identify the number of so-called "short sales," lender-authorized sales of homes for below the amount owed on them.

Overall, the report showed, the total dollar amount of town-wide condo sales dropped slightly, from about \$166 million in 2010 to about \$165.5 million in 2011.

In the single-family market, the island's house sellers saw nearly a \$75-million increase in what buyers paid them, from a total of about \$514.9 million in 2010 to about \$589.3 million last year, according to Evans' analysis.

The report is compiled from data in public records, newspapers and multiple listing services, Evans said.

— dhofsheinz  
@pbdailynews.com