

ELLIMAN

REPORT

3Q 2014

PALM BEACH SALES

Quarterly Survey of
Palm Beach Residential Sales

DASHBOARD

year-over-year

CONDO & TOWNHOUSE

PRICES

Median Sales Price

71.9%

SALES

Closed Sales

41.4%

INVENTORY

Total Inventory

33.6%

MARKETING TIME

Days on Market

42 days

SINGLE FAMILY

PRICES

Median Sales Price

80%

SALES

Closed Sales

0 mos

INVENTORY

Total Inventory

25.3%

MARKETING TIME

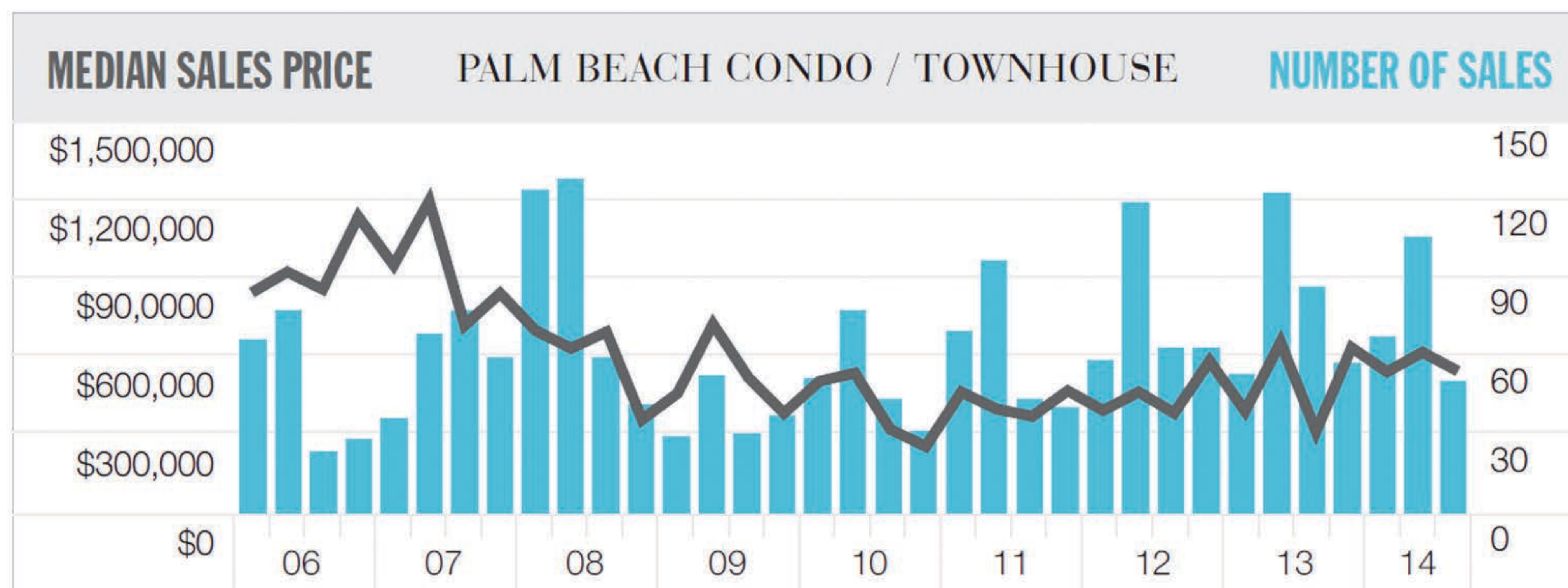
Days on Market

114 days

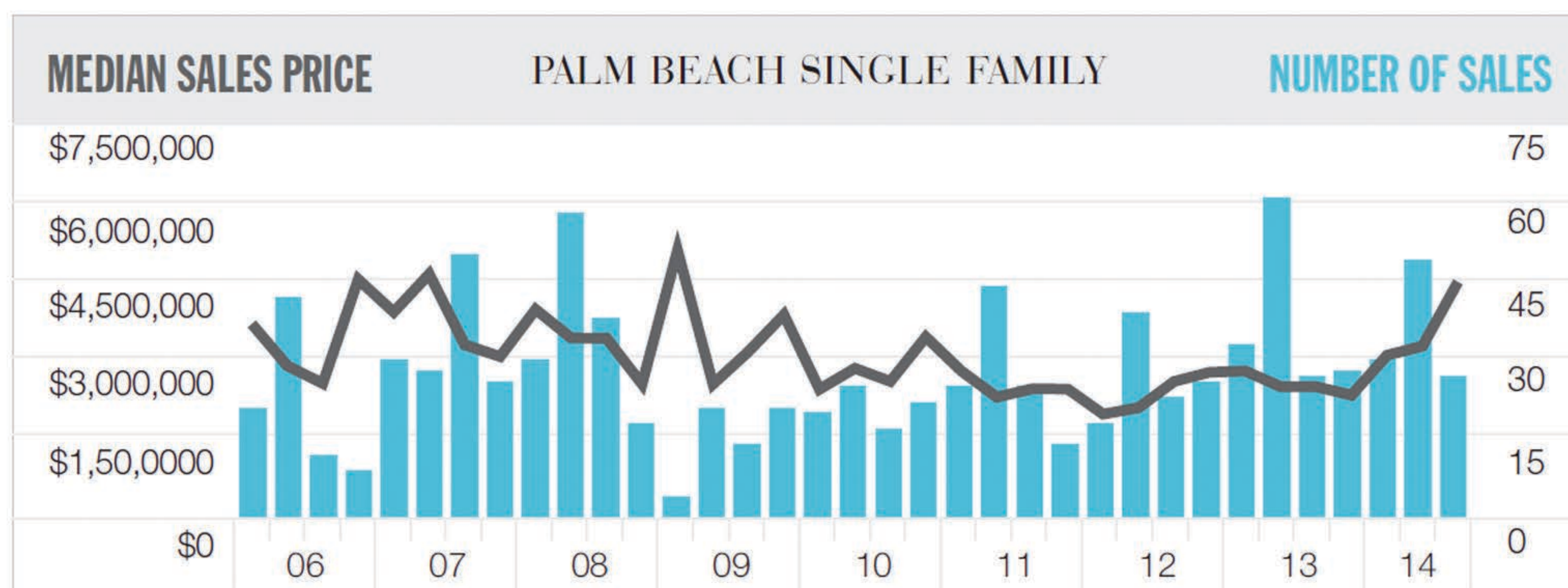
- Condo inventory continued to decline, holding back sales
- Days on market fell sharply as negotiability increased
- Single family sales stabilized

The Douglas Elliman Report series is recognized as the industry standard for providing the state of the residential real estate market. The report includes an extensive suite of tools to help readers objectively identify and measure market trends, provide historical context to current information and provide comprehensive analysis of the results.

Palm Beach Market Matrix (Condos/TH)	3Q-2014	%Chg (QRT)	2Q-2014	%Chg (YR)	3Q-2013
Average Sales Price	\$1,056,543	11.4%	\$948,197	125.5%	\$468,480
Average Price Per Sq Ft	\$565	10.6%	\$511	113.2%	\$265
Median Sales Price	\$550,000	-11.6%	\$622,000	71.9%	\$320,000
Number of Sales (Closed)	51	-51.9%	106	-41.4%	87
Days on Market (From Last List Date)	161	-23.7%	211	-20.7%	203
Listing Discount (From Last List Price)	15.5%		10.1%		9.0%
Listing Inventory (Active)	290	2.8%	282	-33.6%	437
Absorption Rate (Months)	17.1	113.8%	8.0	13.2%	15.1



Palm Beach Market Matrix (Single Family)	3Q-2014	%Chg (QRT)	2Q-2014	%Chg (YR)	3Q-2013
Average Sales Price	\$6,454,092	16.0%	\$5,565,433	82.7%	\$3,533,383
Average Price Per Sq Ft	\$1,230	-5.2%	\$1,297	76.2%	\$698
Median Sales Price	\$4,500,000	37.4%	\$3,275,000	80.0%	\$2,500,000
Number of Sales (Closed)	27	-44.9%	49	0.0%	27
Days on Market (From Last List Date)	189	38.0%	137	-37.6%	303
Listing Discount (From Last List Price)	15.0%		12.1%		11.5%
Listing Inventory (Active)	94	-6.0%	100	25.3%	75
Absorption Rate (Months)	10.4	70.5%	6.1	25.3%	8.3



The continued decline of Palm Beach listing inventory and shift towards larger home sizes were evident in the surge of price indicators across all markets. The average square footage

of a luxury sale was 8,985, up 21.9% from the same period last year. The average condo sale was 1,870 square feet, up 5.8%, while the average single family sale was 5,247, up 3.7%

respectively over the same period. The decline in listing inventory continued across a large part of the housing market. Condo inventory declined 33.6% to 290, while luxury condo and luxury single family inventory combined declined 23.1% to 30 units from the prior year quarter. Condo sales decreased 41.4% to 51, largely as a result of limited supply. Due to the shift in the mix to larger and higher quality properties, the

median sales price for the luxury market nearly doubled, rising 97.2% to a record \$12,125,000 from the prior year quarter. The jump in price reflects a shift in the sales mix toward excessive price appreciation. Median sales price for the overall condo and single family markets rose 71.9% and 80% respectively over the same period. Consistent with the lack of sales, the number of days from the last price change to

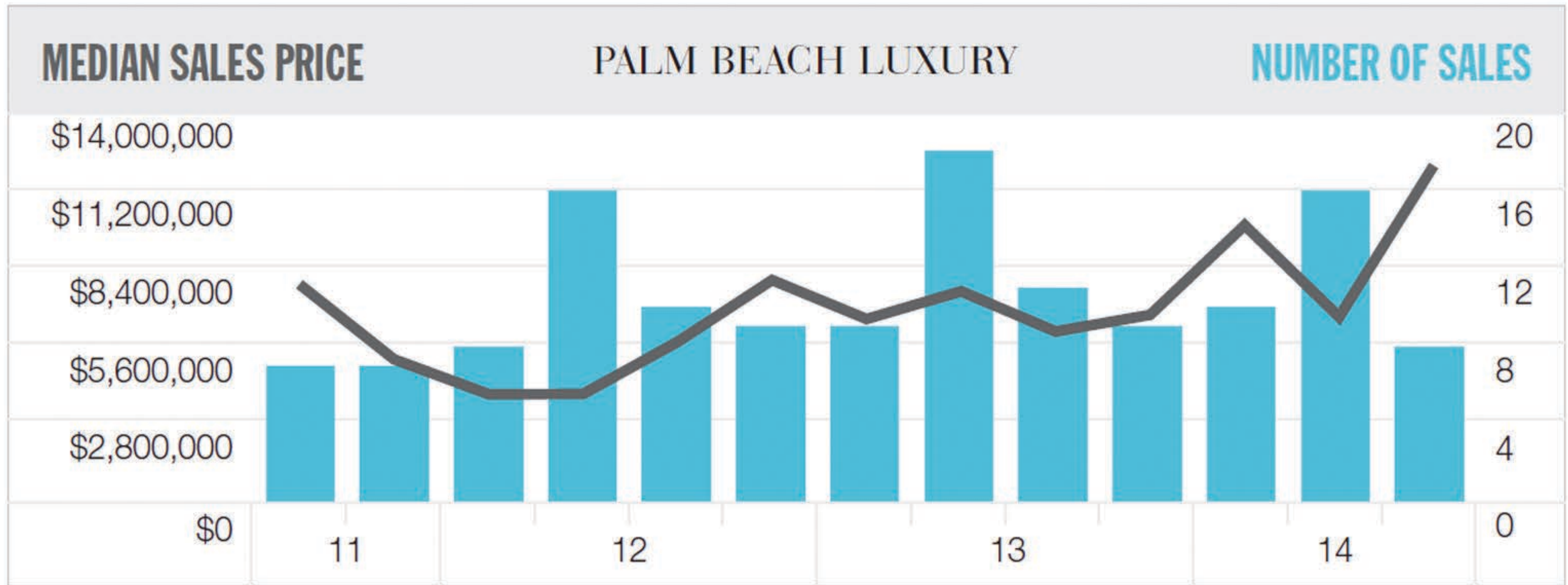
the sales date, was 4 weeks faster than the prior year quarter. However the luxury listing discount, the percentage difference between the list price at time of sale and the sales price, jumped to 17% from 11.1% in the prior year quarter. The expansion of negotiability between buyers and sellers was consistent with the shift towards larger luxury properties.

LUXURY

- Average square footage surged, skewing price indicators higher
- Listing inventory and average marketing times decreased
- Median sales price was recorded in this study
- Entry threshold more than doubled from prior year levels

Luxury Mix	Sales Share	Volume Share
>\$20M (%)	12.5%	22.3%
\$10M - \$20M (%)	50.0%	52.8%
>Entry - \$10M (%)	37.5%	25.0%

Luxury Market Matrix	3Q-2014	%Chg (QRT)	2Q-2014	%Chg (YR)	3Q-2013
Average Sales Price	\$13,055,061	14.4%	\$11,412,230	111.6%	\$6,170,650
Average Price Per Sq Ft	\$1,453	-22.1%	\$1,865	73.6%	\$837
Median Sales Price	\$12,125,000	81.6%	\$6,675,000	97.2%	\$6,150,000
Number of Sales (Closed)	8	-50.0%	16	-27.3%	11
Days on Market (From Last List Date)	133	-10.7%	149	-17.4%	161
Listing Discount (From Last List Price)	17.0%		13.8%		11.1%
Listing Inventory (Active)	30	-51.6%	62	-23.1%	39
Absorption Rate (Months)	11.3	-2.6%	11.6	6.6%	10.6
Entry Threshold	\$8,000,000	42.5%	\$5,615,000	135.3%	\$3,400,000



Palm Beach by LOCATION

- Both regions experienced continued double-digit price growth
- North End number of sales surged
- Marketing times fell across both regions

North End Market Matrix	3Q-2014	%Chg (QRT)	2Q-2014	%Chg (YR)	3Q-2013
Average Sales Price	\$3,391,906	-8.1%	\$3,692,699	28.0%	\$2,650,752
Average Price per Sq Ft	\$1,003	-12.1%	\$1,141	47.5%	\$680
Median Sales Price	\$2,100,000	-13.4%	\$2,425,000	27.3%	\$1,650,000
Number of Sales (Closed)	50	-43.2%	88	22.0%	41

South End Market Matrix	3Q-2014	%Chg (QRT)	2Q-2014	%Chg (YR)	3Q-2013
Average Sales Price	\$2,091,031	190.3%	\$720,263	455.5%	\$376,415
Average Price per Sq Ft	\$791	114.9%	\$368	274.9%	\$211
Median Sales Price	\$532,000	25.2%	\$425,000	100.8%	\$265,000
Number of Sales (Closed)	28	-58.2%	67	-61.6%	73

Note: This sub-category is the analysis of Palm Beach single family and condo/townhouse sales within the MLS. They are located south of Southern Boulevard (Florida State Road 80). The data is also contained within the other markets presented.

Niki Higgins
Seaside Properties Group at Douglas Elliman
340 Royal Poinciana Way, Suite 318
Palm Beach, FL 33480
+1.561.653.6210

Miller Samuel Inc.
Real Estate Appraisers & Consultants
21 West 38th Street
New York, NY 10018
212.768.8100 / millersamuel.com

©2014 Douglas Elliman LLC and Miller Samuel Inc. All worldwide rights reserved.

For more information or electronic copies of this report please visit elliman.com/marketreports. Email report author Jonathan J. Miller at jmiller@millersamuel.com with questions or comments. [Methodology](http://www.millersamuel.com/research-reports/methodology): <http://www.millersamuel.com/research-reports/methodology>