

ELLI MAN

REPORT

4Q 2016

PALM BEACH SALES

Quarterly Survey of
Palm Beach Residential Sales

DASHBOARD

year-over-year

CONDO & TOWNHOUSE

PRICES

Median Sales Price

60.7%

SALES

Closed Sales

33.3%

INVENTORY

Total Inventory

6.1%

MARKETING TIME

Days on Market

37 days

SINGLE FAMILY

PRICES

Median Sales Price

37.9%

SALES

Closed Sales

5.9%

INVENTORY

Total Inventory

40.7%

MARKETING TIME

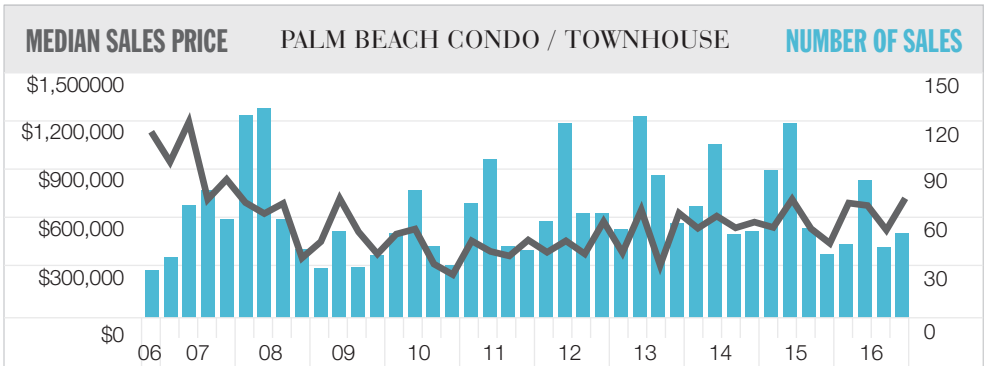
Days on Market

34 days

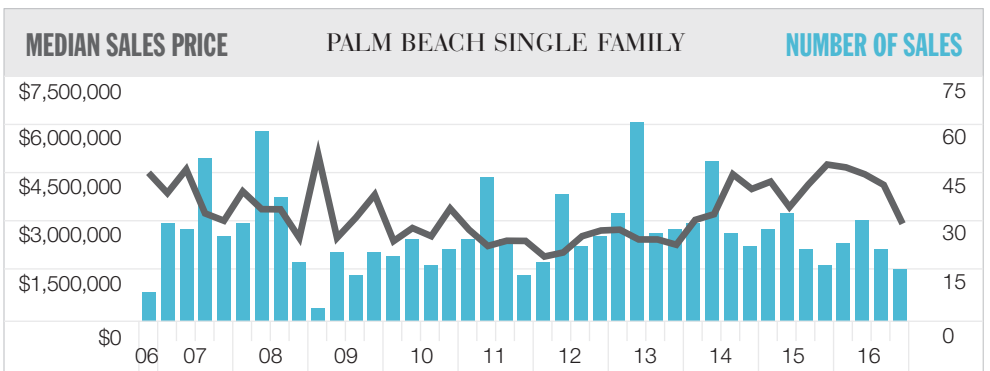
- Larger sized condos and smaller sized single family sales skewed price trends
- Jump in number of condo sales as single family sales slipped
- Expanded negotiability across the market

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)	4Q-2016	%Δ (QRT)	3Q-2016	%Δ (YR)	4Q-2015
Average Sales Price	\$1,074,048	36.7%	\$785,798	-4.5%	\$1,124,432
Average Price Per Sq Ft	\$565	16.3%	\$486	-20.6%	\$712
Median Sales Price	\$731,250	36.3%	\$536,500	60.7%	\$455,000
Number of Sales (Closed)	52	20.9%	43	33.3%	39
Days on Market (From Last List Date)	120	-1.6%	122	-23.6%	157
Listing Discount (From Last List Price)	10.9%		11.3%		9.1%
Listing Inventory (Active)	314	36.5%	230	6.1%	296
Absorption Period (Months)	18.1	13.1%	16.0	-20.6%	22.8
Average Square Feet (Closed)	1,799	17.8%	1,527	5.9%	1,698



Palm Beach Market Matrix (Single Family)	4Q-2016	%Δ (QRT)	3Q-2016	%Δ (YR)	4Q-2015
Average Sales Price	\$4,140,702	-34.0%	\$6,275,708	-42.7%	\$7,220,655
Average Price Per Sq Ft	\$1,152	-19.8%	\$1,437	-25.0%	\$1,535
Median Sales Price	\$2,982,500	-28.6%	\$4,175,000	-37.9%	\$4,800,000
Number of Sales (Closed)	16	-27.3%	22	-5.9%	17
Days on Market (From Last List Date)	185	-2.1%	189	22.5%	151
Listing Discount (From Last List Price)	17.3%		13.1%		9.8%
Listing Inventory (Active)	173	32.1%	131	40.7%	123
Absorption Period (Months)	32.4	81.0%	17.9	49.3%	21.7
Average Square Feet (Closed)	3,329	-19.6%	4,143	-36.3%	5,227



Smaller sized single-family sales and higher condo activity were the norm in the final quarter of 2016 Palm Beach housing market. This mix caused havoc among the price trend

indicators. To illustrate, we've added average square footage to each of the submarket matrix tables presented in this report. The average square footage of a single-family sale dropped 36.3% to 3,329 from the prior year quarter. This result was the smallest single-family square footage average in eleven years. This reflected a pronounced and perhaps temporary shift in sales mix away from the large sized sales of the past several years. The pattern was repeated in the luxury market that is always dominated

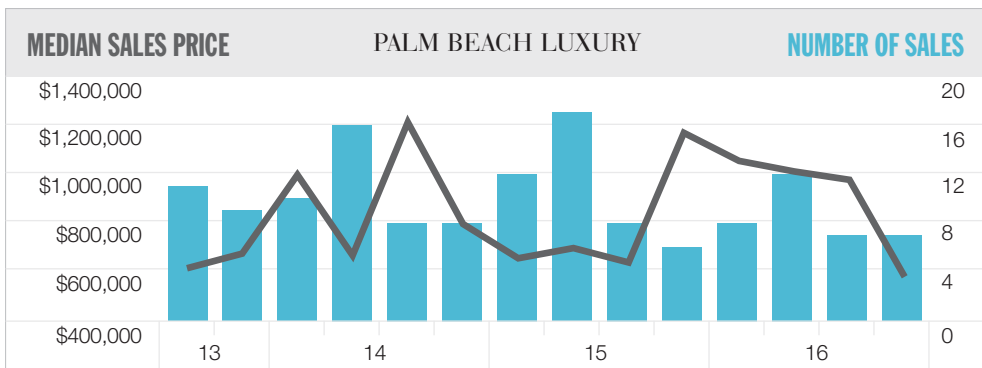
by high-end single-family sales. The average square footage of a luxury sale was 5,025 square feet, 30.2% smaller than the same period last year and the lowest average square footage since mid-2012. Single-family sales slipped 5.9% to 16 sales in the quarter. Condo sales jumped 33.3% to 52 over the same period as lower priced housing sales defined the market this quarter. Condo sales growth overpowered the 6.1% rise in listing inventory. As a result, the condo absorption rate, the number of months to

sell all listings at the current rate of sales, was 20.6% faster than the prior quarter, falling to 18.1 months. In comparison, the pace of the single-family market slowed by 49.3% to 32.4 months over the same period. Days on market, the average number of days between the date of the last price change to the contract date, was 37 days faster than the year ago quarter for condos to an average of 120 days. Days on market for single family sales increased by 34 days to 185 days over the same period.

LUXURY

- Average square footage of sales dropped sharply
- Price trend indicators declined with shift in mix to smaller sales
- More negotiability as listing inventory surged
- Days on market and absorption slowed

Luxury Market Matrix	4Q-2016	%Δ (QRT)	3Q-2016	%Δ (YR)	4Q-2015
Average Sales Price	\$7,192,750	-44.6%	\$12,984,792	-50.4%	\$14,489,606
Average Price Per Sq Ft	\$1,493	-24.5%	\$1,978	-25.8%	\$2,012
Median Sales Price	\$5,800,000	-40.6%	\$9,770,600	-50.4%	\$11,693,819
Number of Sales (Closed)	7	0.0%	7	16.7%	6
Days on Market (From Last List Date)	187	-26.4%	254	20.6%	155
Listing Discount (From Last List Price)	19.0%		15.2%		11.5%
Listing Inventory (Active)	144	58.2%	91	148.3%	58
Absorption Period (Months)	61.7	58.2%	39.0	112.8%	29.0
Entry Threshold	\$4,093,000	-18.1%	\$4,995,000	-54.0%	\$8,900,000
Average Square Feet (Closed)	5,025	-23.4%	6,562	-30.2%	7,200



North End Market Matrix	4Q-2016	%Δ (QRT)	3Q-2016	%Δ (YR)	4Q-2015
Average Sales Price	\$1,996,963	-54.1%	\$4,353,345	-58.3%	\$4,793,954
Average Price per Sq Ft	\$911	-32.9%	\$1,358	-40.8%	\$1,538
Median Sales Price	\$1,127,500	-53.0%	\$2,400,000	-57.6%	\$2,660,500
Number of Sales (Closed)	48	37.1%	35	41.2%	34
Average Square Feet (Closed)	2,285	-27.8%	3,163	-39.6%	3,782

South End Market Matrix	4Q-2016	%Δ (QRT)	3Q-2016	%Δ (YR)	4Q-2015
Average Sales Price	\$1,312,375	102.0%	\$649,593	161.8%	\$501,222
Average Price per Sq Ft	\$472	13.2%	\$417	56.8%	\$301
Median Sales Price	\$731,250	40.0%	\$522,500	89.9%	\$385,000
Number of Sales (Closed)	20	-33.3%	30	-20.0%	25
Average Square Feet (Closed)	1,978	15.6%	1,711	14.8%	1,723

Luxury Mix	Sales Share	Volume Share
>\$20M (%)	N/A	N/A
\$10M - \$20M (%)	14.3%	32.7%
>Min - \$10M (%)	85.7%	67.3%

Palm Beach by LOCATION

- North End sales surged as average size dropped
- South End sales slipped as sales size edged higher
- Tremendous volatility shown in mix of sales

Note: This sub-category is the analysis of Palm Beach single family and condo/townhouse sales within the MLS. The data is also contained within the other markets presented.

Niki Higgins
 Seaside Properties Group at Douglas Elliman
 2100 N. Ocean Boulevard, Suite 402
 Fort Lauderdale, FL 33305
 +1.954.828.1858

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

©2017 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>