

FRISBIE PALM BEACH REAL ESTATE UPDATE

2ND QUARTER 2015 | RESIDENTIAL MARKET ANALYSIS

OVERVIEW

At the end of the 1st half of 2015, our thoughts mirror those shared at the close of Q1 2015 (see below). The economic slow down, coupled with a significant lack of inventory continues to impede momentum, while tax incentives and cold winters continue to motivate people to invest/reinvest in Palm Beach and neighboring premium markets.

INVENTORY

Inventory continues to be tight, particularly waterfront. There are currently 108 residential offerings. Numerically approximating a 6 month supply, however, at least 50% of this inventory, for one reason or another, is not compelling. Lack of good inventory is the #1 complaint among the real estate agents interviewed while compiling this report. In 2014 30% of the residential properties sold were not formally listed in the Multiple Listing Service (aka non-MLS properties). Similarly, 28% of the properties sold in 2015 have been non-MLS. We are constantly calling past clients/friends/acquaintances/professional to ferret out quality inventory. We know of several new buyers to the market who have offered premiums for recently acquired non-MLS properties, as well as a significant number of potential buyers who are struggling to find their preferred property attributes.

TRANSACTIONS

Q1 & Q2 2015's transaction volume of 103 vs. Q1 & Q2 2014's of 128, reflects a decrease of 19.5%.

VOLUME

1st half 2015's volume of \$607M vs. 1st half 2014's of \$697M, reflects a decrease of 13%.

PRICES

Tight inventory & sustained demand continues to put upward pressure on valuations. 1st half 2015 average price of \$5,892,580 vs. 1st half 2014 of \$5,443,518 reflects an increase of 8%.

OBSERVATIONS

The renewed strength of the American economy coupled with a very favorable demand to supply ratio implies sustained momentum through the remainder of 2015.

Please feel free to contact me to discuss any details further.

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