

PALM BEACH REAL ESTATE  
Q1 2022 RESIDENTIAL MARKET REPORT  
SINGLE FAMILY & CONDOMINIUM/CO-OP

## OVERVIEW

As prognosticated in our last report, the Q1 2022 Palm Beach real estate market continued its overall positive trajectory. JPMorgan CEO Jamie Dimon recently predicted a relatively strong and growing U.S. economy for the rest of the year, but warned that Russia's invasion of Ukraine, inflation, and anticipated Fed strategies introduce risks of volatility and economic slowing.

Despite this uncertainty, the Palm Beach market had a strong first quarter as exhibited in the data below. And as seen in other times of uncertainty, a flight to quality investments remains of paramount importance. Given the underlying safety, security, and quality of life intrinsic to Palm Beach, we anticipate demand to remain positive for the foreseeable future.



## INVENTORY

### *Single-Family Residential:*

- At the end of Q1 2022, there were only 59 active offerings in the Multiple Listing Service (MLS), the second lowest inventory on record, with Q1 2021 being the lowest ever.
- Based on Q1 2022's established absorption rate, this represents approximately a 5-month supply, again the second most limited Q1 supply on record. While inventory is up slightly over Q1 2021, it remains extremely tight, down over 70% from pre-pandemic Q1 2019 levels.

### *Midtown Condo/Co-Op:*

- At the end of Q1 2022, there were only 26 offerings in the MLS, versus 37 this time last year.
- Based on 2022's established absorption rate, this represents approximately a 1.6-month supply.

### *South End Condo/Co-Op:*

- At the end of Q1 2022, there were 32 offerings in the MLS, versus the 58 at the end of Q1 2021.
- Based on 2022's established absorption rate, this represents only a 1-month supply.



## TRANSACTIONS

### *Single-Family Residential:*

- Year-over-year, Q1 2022 was down 58% in transaction volume with a total of 39 transactions. This was to be expected, as Q1 2021 transaction volume was the highest on record, surpassing the prior four Q1s combined. Due to the aforementioned tight inventory, it is not surprising to see such a distinction. When compared to pre-pandemic Q1 2019 numbers, however, Q1 2022 transaction volume was up 31%. Additionally, of the 59 listings active at the end of the quarter, 88% were priced above the median, and 40% were priced over \$20M, illustrating the impact that escalating prices may have on overall transaction counts, as so few properties are available in accessible price brackets.

*Midtown Condo/Co-Op:*

- While Q1 2022 transactions, totaling 48, were down 49%, they were exactly equal to Q1 2020 totals, illustrating again the extremity of 2021's outlier statistics.

*South End Condo/Co-Op:*

- Q1 2022 transaction volume, totaling 88, was down 23% year-over-year, but was still the second highest Q1 since 2017.
- The South End condo/co-op market is known to have a large percentage of trades occur off-market. As these off-market transactions continue to populate in the Courthouse Retrieval System (CRS), we expect these numbers to increase.



## DOLLAR VOLUME

*Single-Family Residential:*

- Q1 2022 Dollar Volume was down 52% from the record shattering \$1.16B of Q1 2021, amassing \$559M total. When compared again to pre-pandemic 2019 metrics, Q1 2022 was up an impressive 261%, second only to last year's outlier record.
- This first quarter witnessed 15 trades priced over \$10M, 5 of which were over \$30M, with the highest fetching \$53M.

*Midtown Condo/Co-Op:*

- Q1 2022 Dollar Volume, totaling \$133M, was down 16% year-over-year, but still represented the second highest Q1 Dollar Volume on record. Another illustration of surging prices in the face of limited supply.

*South End Condo/Co-Op:*

- In the South End, Dollar Volume remained equal year-over-year, amounting to the same exceptional \$113M seen at the end of Q1 2021.



## PRICES

*Single-Family Residential:*

- The Q1 2022 median price increased an impressive 42% year-over-year, reaching a record breaking \$9.25M, illustrating the strength with which prices have surged in the Palm Beach residential market.
- Similarly, average price was up 14% over Q1 2021, reaching \$14.3M, again the highest Q1 average price ever recorded.
- As inventory remains sparse, Sellers are demanding new and record premiums for their properties, with the average asking price per total square foot now reaching \$4,745 and \$3,153 for waterfront and interior properties, respectively.

*Midtown Condo/Co-Op:*

- Year-over-year, median price saw a 148% increase, reaching a record \$2.6M.
- Similarly, average price jumped 65%, reaching a record \$2.8M.

*South End Condo/Co-Op:*

- Year-over-year, median price increased 22%, reaching a record \$837K.
- Similarly, average price increased 31% year-over-year, passing the million-dollar mark for the first time with a record \$1.3M average sale price.

## OBSERVATIONS

While global relations are laden with uncertainty, Palm Beach appears poised to continue its momentum for the foreseeable future. The Business Development Board of Palm Beach County projects growth of more than 10K jobs over the next five years from the in-migration of financial and technology firms, which will continue to drive the demand for both office space and housing for new residents. Florida remains the beneficiary of incredible in-migration, having received an estimated \$37B of new income during the pandemic, the highest of any state in the country, and mainly a result of the \$30B of income that left New York and California at the same time (Strategas). Forbes' latest list of billionaires, while showing a decrease globally, noted a record-setting 54 billionaires with residential ties to Palm Beach, up from 47 in 2021. For these reasons, we expect demand for Palm Beach real estate to remain strong, applying continued pressure on already-constrained inventory and pushing prices further upward. While we can expect a degree of economic instability as global markets respond to both inflation and Russia's invasion, Palm Beach is likely to endure as a safe haven and prudent investment.

SUZANNE FRISBIE | BROKER ASSOCIATE – THE CORCORAN GROUP, PALM BEACH  
561.373.0941 | [SUZANNE@FRISBIEPALMBEACH.COM](mailto:SUZANNE@FRISBIEPALMBEACH.COM)

2021 WSJ, REAL Trends Ranking, by Individual Sales Volume, **#3** in Palm Beach, **#5** in FL & **#11** in U.S.  
[WWW.FRISBIEPALMBEACH.COM](http://WWW.FRISBIEPALMBEACH.COM) | [FACEBOOK.COM/FRISBIEPALMBEACH](https://FACEBOOK.COM/FRISBIEPALMBEACH) | [@FRISBIEPALMBEACH](https://@FRISBIEPALMBEACH)

*Above information pertains to the 33480 zip code and is derived from the Palm Beach Multiple Listing Service, The Beaches Multiple Listing Service (collectively referred to as the 'MLS') in conjunction with the Property Tax Appraiser's website (PAPA), the Courthouse Retrieval System (CRS) & individual transaction Broker testimonial.*