

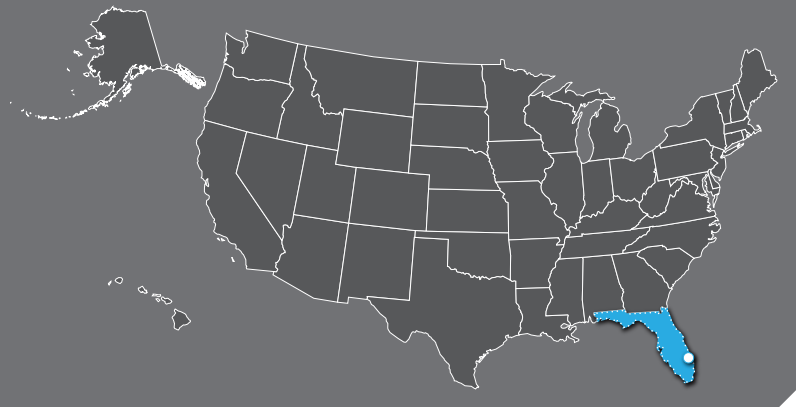
HUD PD&R Housing Market Profiles

West Palm Beach-Boca Raton-Delray Beach, Florida



Quick Facts About West Palm Beach

- Current sales market conditions: balanced
- Current apartment market conditions: slightly soft
- The Palm Beaches is a collection of 39 coastal and inland cities and towns in southeast Florida. Known as Florida's Cultural Capital, the area attracted 9.9 million visitors during 2024, contributing a \$10.5 billion economic impact (Palm Beach County Tourist Development Council). Attractions include the Maltz Jupiter Theatre, Loggerhead Marinelife Center, and Norton Museum of Art. CACTI Park of the Palm Beaches hosts multiple events throughout the year and is the spring training location for the Houston Astros and the Washington Nationals.



West Palm Beach, Florida

By [T. Michael Miller](#) | As of January 1, 2025

Overview

The West Palm Beach-Boca Raton-Delray Beach, FL Metropolitan Division (hereafter, West Palm Beach metropolitan division) along the southeast coast of Florida is coterminous with Palm Beach County. It is the northernmost part of the Miami-Fort Lauderdale-West Palm Beach Metropolitan Statistical Area (hereafter, Miami MSA), which also includes Broward and Miami-Dade Counties. Palm Beach County is the second largest county in Florida by land area, with population and jobs concentrated mostly along the eastern edge within 13 miles of the Atlantic coast. Much of the remaining land area is used for agriculture (primarily sugarcane and vegetables) and equestrian facilities.

- The population of the metropolitan division is estimated at 1.56 million, increasing an average of 13,200, or 0.9 percent, a year since 2020, with net in-migration accounting for all the growth. Population growth was faster from 2010 to 2020, averaging 17,200 people, or 1.2 percent, annually, with average net in-migration of 16,850 people a year accounted for nearly 98 percent of the growth, whereas net natural increase was approximately 350 people a year (U.S. Census Bureau population estimates).

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- Residents who relocated from the other two counties in the Miami MSA made up the largest share of net in-migration, followed by residents from the Nassau County-Suffolk County and the New York-Jersey City-White Plains metropolitan divisions within the New York-Newark-Jersey City MSA (2016–2020 American Community Survey [ACS] 5-year estimates).

- The significant portion of net in-migration from other counties within the greater Miami MSA is primarily due to people seeking comparatively affordable housing. Approximately 6,575 and 2,800 people moved from Broward and Miami-Dade Counties, respectively, to Palm Beach County from 2016 to 2020 (ACS 5-year data).

Economic Conditions

The West Palm Beach metropolitan division economy grew strongly during the past year, continuing to the expansion following the recovery from the 2020 recession caused by the COVID-19 pandemic. As of the fourth quarter of 2024, nonfarm payrolls in the metropolitan division increased by 8,600 jobs, or 1.2 percent, from a year earlier to 708,500 jobs, following an increase of 17,800 jobs, or 2.6 percent, as of the same period a year ago. By comparison, nonfarm payrolls increased an average of 2.7 percent annually from 2011 through 2019 before falling 5.6 percent during 2020. The education and health services sector, with 120,500 jobs, is the second largest nonfarm payroll sector and had the largest increase in employment as of the fourth quarter of 2024, adding 3,300 jobs, or 2.8 percent. Five of the 10 largest employers in the metropolitan division are in the sector, including Tenet Healthcare Corporation, HCA Florida Healthcare, and Jupiter Medical Center.

As of the fourth quarter of 2024—

- The government sector was the second fastest growing sector during the period, increasing by 2,200 jobs, or 3.3 percent, primarily because of an increase in the local government subsector, which added 1,700 jobs, or 3.7 percent.
- Losses in four sectors partly offset payroll gains. The professional and business services and the financial activities sectors led losses, decreasing by a respective 1,000 and 600 jobs, or 0.7 and 1.2 percent, from a year ago.
- The leisure and hospitality sector expanded by 2,600 jobs, or 2.8 percent, from a year ago. Although the sector was hard-hit during the pandemic, it is currently the fourth largest nonfarm payroll sector, with 95,100 jobs.

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Nonfarm payroll growth in the West Palm Beach metropolitan division was strong as of the fourth quarter of 2024, with gains in 6 of the 11 sectors from a year ago.

	3 Months Ending		Year-Over-Year Change	
	December 2023 (Thousands)	December 2024 (Thousands)	Absolute (Thousands)	Percent
Total Nonfarm Payrolls	699.9	708.5	8.6	1.2
Goods-Producing Sectors	67.4	69.1	1.7	2.5
Mining, Logging, & Construction	45.0	46.8	1.8	4.0
Manufacturing	22.2	22.1	-0.1	-0.5
Service-Providing Sectors	632.5	639.4	6.9	1.1
Wholesale & Retail Trade	109.1	109.1	0.0	0.0
Transportation & Utilities	20.4	20.6	0.2	1.0
Information	11.6	11.4	-0.2	-1.7
Financial Activities	50.4	49.8	-0.6	-1.2
Professional & Business Services	135.7	134.7	-1.0	-0.7
Education & Health Services	117.2	120.5	3.3	2.8
Leisure & Hospitality	92.5	95.1	2.6	2.8
Other Services	29.9	30.3	0.4	1.3
Government	65.7	67.9	2.2	3.3
Unemployment Rate	3.1%	3.4%		

Note: Numbers may not add to totals due to rounding.

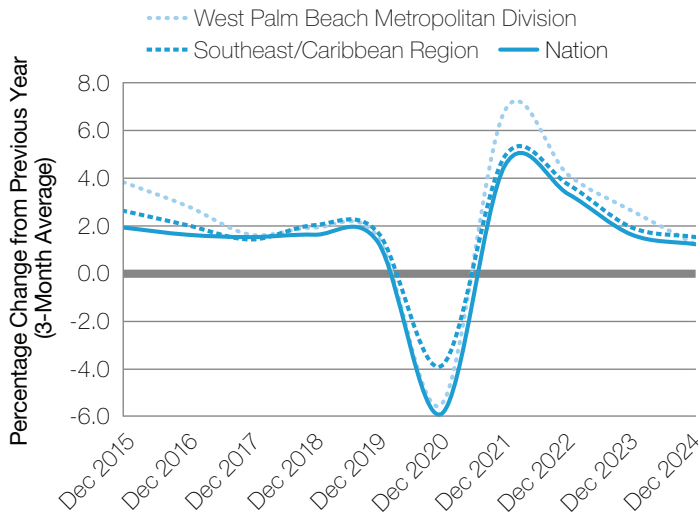
Source: U.S. Bureau of Labor Statistics



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- The unemployment rate rose to 3.4 percent from 3.1 percent during the same period a year earlier. The annual rate fell to a historic low of 3.0 percent during 2022 and 2023 and has

The current rate of job growth in the West Palm Beach metropolitan division is slower than in the Southeast/Caribbean region but similar to the nation, following comparatively faster growth during the previous 3 years.



Source: U.S. Bureau of Labor Statistics

been rising slowly because labor force growth has outpaced resident employment growth.

The mining, logging, and construction sector was the fastest growing sector as of the fourth quarter of 2024, expanding by 1,800 jobs, or 4.0 percent. All the gains were due to growth in the construction subsector. South Flagler House in West Palm Beach is currently under construction. When complete, the two 28-floor towers will include 106 condominiums ranging from 2,000 to 13,000 square feet, with prices from \$5.9 to \$72.5 million. Nora West Palm, a mixed-use development in the city of West Palm Beach, is also under construction. The first phase will include retail and office space, and future phases will include additional office space, residential units, and a hotel.

Largest Employers in the West Palm Beach Metropolitan Division

Name of Employer	Nonfarm Payroll Sector	Number of Employees
Florida Atlantic University	Government	6,335
Palm Beach County Board of County Commissioners	Government	5,873
Tenet Healthcare Corporation	Education & Health Services	5,734

Note: Excludes local school districts.

Source: Business Development Board of Palm Beach County

Sales Market Conditions

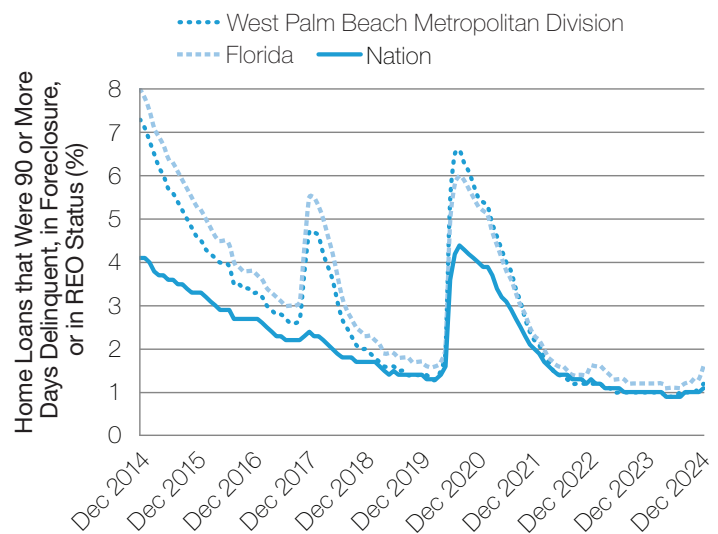
Sales housing market conditions in the West Palm Beach metropolitan division are currently balanced. The estimated sales vacancy rate is 2.3 percent, up from 2.0 percent in April 2020. As of December 2024, a 6.8-month supply of housing inventory was available for sale in the metropolitan division, up from 4.8 months a year earlier (CoreLogic, Inc.). The increase in inventory was partly due to high mortgage interest rates and rising new and existing home sales prices during the past year, which caused home sales to decline. The increase in home prices has led to low mortgage delinquencies during the past 2 years, allowing homeowners with distressed loans the option to sell in lieu of foreclosure. The percentage of home loans in the metropolitan division that were seriously delinquent or had transitioned into real estate owned (REO) status was 1.2 percent in December 2024, up slightly from 1.0 percent a year earlier. The rate of seriously delinquent home loans and REO properties in the metropolitan division was slightly less than the 1.6-percent rate for Florida and slightly more than the 1.1-percent national rate.

During 2024—

- Existing home sales totaled 27,900, down 12 percent from the 31,800 homes sold during the previous year (CoreLogic, Inc., with estimates by the analyst).

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The shares of seriously delinquent home loans in the West Palm Beach metropolitan division, the state of Florida, and the nation increased slightly during the past 12 months, up from the lowest levels during the past decade.



REO = real estate owned.

Source: CoreLogic, Inc.

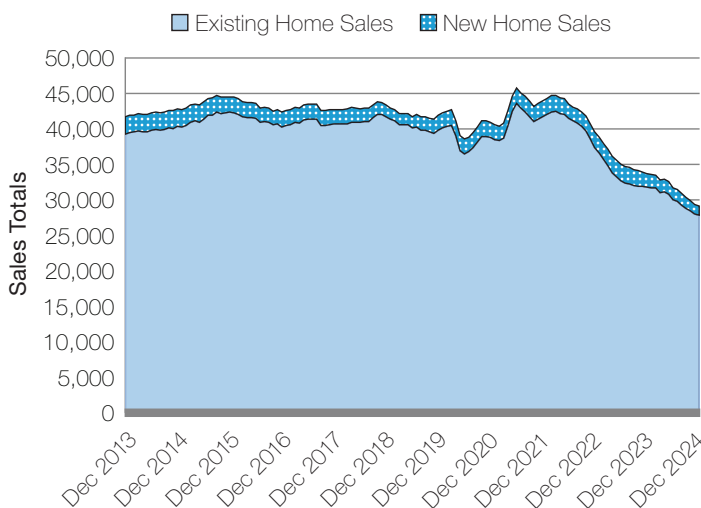
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- The average price of existing homes was \$638,300, a 7-percent increase from \$596,900 a year ago, which followed a 6-percent increase during 2023.
- The number of new homes sold totaled 1,275, down 33 percent from approximately 1,900 homes sold during the previous year.
- The average price for a new home was \$946,500, an 11-percent increase from \$848,900 a year earlier. By comparison, the price of a new home increased 9 percent during 2023.

Single-family homebuilding, as measured by the number of homes permitted, peaked during 2020 and 2021 but has declined each year since. During 2020 and 2021, an average of 4,225 homes were permitted annually. By comparison, an average of 2,800 homes were permitted annually from 2016 through 2019.

- During 2024, 2,900 homes were permitted, a 9-percent decline from 3,200 homes a year earlier (preliminary data).
- From 2022 through 2023, single-family home construction fell by an average of 510 homes, or 13 percent, a year compared with an average increase of 490 homes, or 17 percent, annually from 2017 through 2020.

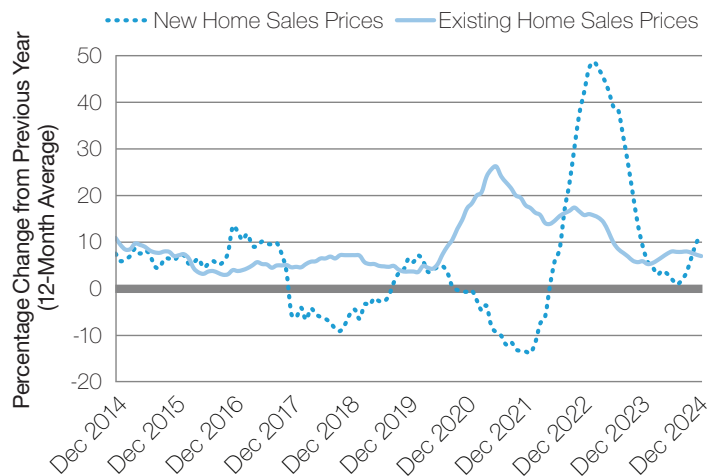
The number of new and existing home sales decreased in the West Palm Beach metropolitan division during 2024.



Note: Sales are for single-family homes, townhomes, and condominiums.
Source: CoreLogic, Inc., with adjustments by the analyst

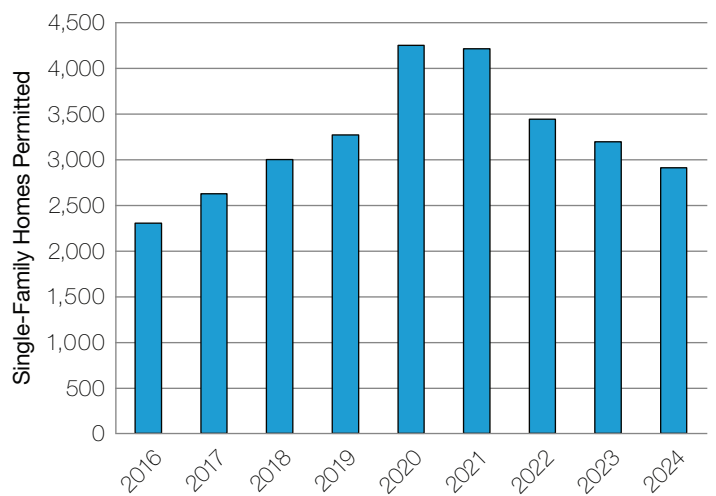
- Avenir, a 4,700-acre, master-planned community in the city of Palm Beach Gardens, broke ground in early 2020, with plans for 4,100 homes when complete. More than 1,300 homes have been constructed in the community, with prices for three-bedroom homes starting in the \$500,000s.

Prices for new and existing homes in the West Palm Beach metropolitan division increased during 2024, but price growth has slowed from its recent peak.



Note: Prices are for single-family homes, townhomes, and condominiums.
Source: CoreLogic, Inc., with adjustments by the analyst

The number of single-family homes permitted in the West Palm Beach metropolitan division declined during the past 3 years, following 2 years of stronger permitting.



12 ME = 12 months ending.

Sources: U.S. Census Bureau, Building Permits Survey; 2016–23—final data and estimates by the analyst; 2024—preliminary data and estimates by the analyst

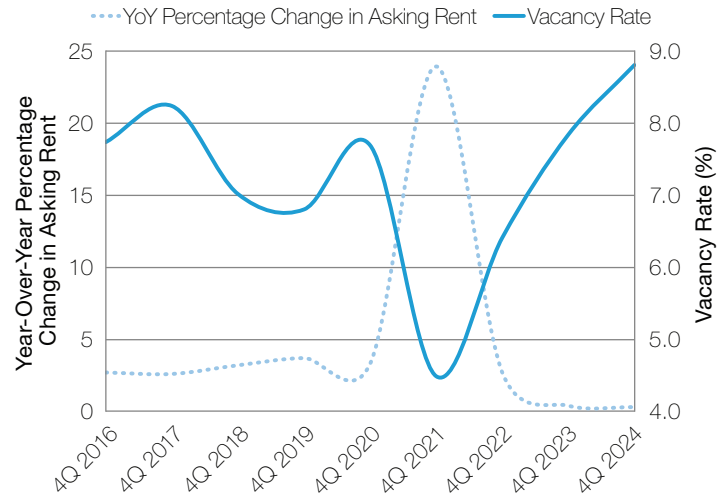
Apartment Market Conditions

The West Palm Beach metropolitan division apartment market is currently slightly soft. Apartment construction has exceeded demand despite the growing population. The apartment vacancy rate during the fourth quarter of 2024 was 8.8 percent, up from 7.8 percent a year earlier (CoStar Group), partly because a large number of units that were under construction during the past 2 years entered the market. The average rent increased minimally during the past 2 years to \$2,501 as of the fourth quarter of 2024, up less than 1 percent from the respective averages of \$2,492 and \$2,483 during the same quarters in 2023 and 2022. By comparison, the average rent increased 24 percent as of the fourth quarter of 2021 compared with a year earlier. During that period, the apartment market tightened because of supply-chain disruptions and labor shortages following the onset of the COVID-19 pandemic, which extended construction times.

- Of the nine CoStar Group-defined market areas in the metropolitan division, the Boca Raton market area had the highest average rent and was among the market areas with the lowest vacancy rates. The average rent decreased less than 1 percent from a year earlier to \$2,834, and the vacancy rate was 5.9 percent, down from 6.8 percent a year earlier.
- The Outlying Palm Beach County and the Belle Glade market areas had the lowest rents and lowest vacancy rates in the metropolitan division. Respective average rents increased 2 and 3 percent to \$606 and \$1,098, and respective vacancy rates averaged 2.6 and 2.3 percent, up from 2.0 percent and down from 12.2 percent a year earlier.
- The Greenacres market area had the third lowest rents at \$1,937, up less than 1 percent from a year earlier. The vacancy rate averaged 7.0 percent, down from 7.8 percent a year earlier.
- The Delray Beach and the West Palm Beach market areas were also among the areas with the highest average rents, each up 1 percent to \$2,790 and \$2,547, respectively; the 16.3- and 10.1-percent vacancy rates as of the fourth quarter of 2024 were up from 11.1 and 8.5 percent a year earlier. Nearly one-half of recently completed units in the metropolitan division were in these market areas.

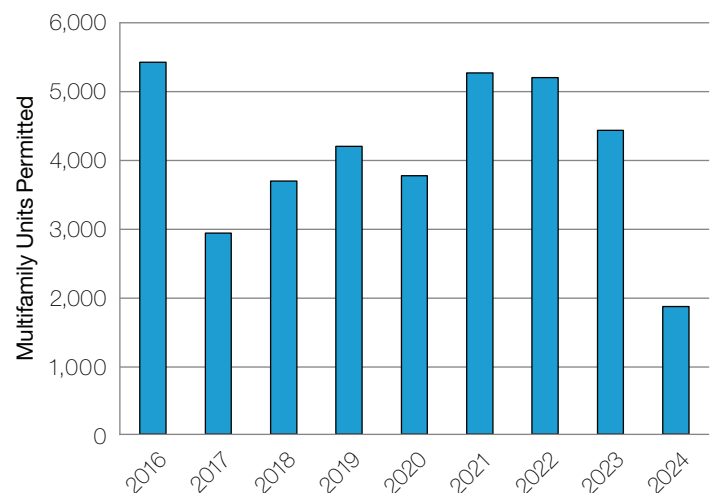
Multifamily construction activity in the metropolitan division, as measured by the number of units permitted, declined significantly during the past year as builders responded to increasing vacancy rates and minimal rent growth. Approximately 1,850 multifamily units were permitted during 2024, down 58 percent from 2023 (preliminary data).

As of the fourth quarter of 2024, growth in average apartment rents was minimal, and vacancy rates increased in the West Palm Beach metropolitan division.



4Q = fourth quarter. YoY = year-over-year.
Source: CoStar Group

Multifamily permitting activity in the West Palm Beach metropolitan division has slowed each year from the recent peak during 2021.



Sources: U.S. Census Bureau, Building Permits Survey; 2016–23—final data and estimates by the analyst; 2024—preliminary data and estimates by the analyst

- Following a decade high of 5,425 units permitted during 2016, the number of multifamily units permitted fell 46 percent during 2017 to 2,925. From 2017 through 2020, multifamily construction averaged 3,650 units annually.
- Condominium construction in the metropolitan division averaged 700 units annually, or 15 percent of multifamily

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construction, from 2016 through 2024, with the condominium share of multifamily units ranging from 25 percent during 2017 to 10 percent during 2022 (CBRE SupplyTrack database, with adjustments by the analyst).

- In the past year, multifamily construction was concentrated in the West Palm Beach, the Royal Palm Beach, and the Greenacres market areas, accounting for a combined 53 percent of all completed multifamily units (CoStar Group).
- An estimated 1,925 apartment units are under construction in the metropolitan division, mostly in the West Palm Beach,

the Royal Palm Beach, and the Greenacres market areas, with 66, 25, and 8 percent, respectively, of total units under construction in the metropolitan division.

- The 284-unit Elan Polo Gardens in the city of Lake Worth is one of the notable developments completed in 2024. Rents for one-, two-, and three-bedroom units start at \$2,221, \$2,644, and \$2,900, respectively.

Terminology Definitions and Notes

A. Definitions

Apartment Market/ Apartment Vacancy Rate	Includes apartments and other rental units, such as single-family, multifamily, and mobile homes.
Building Permits	Building permits do not necessarily reflect all residential building activity. Some units are constructed or created without a building permit or are issued a different type of building permit. For example, some units classified as commercial structures are not reflected in the residential building permits. As a result, the analyst, through diligent fieldwork, makes an estimate of this additional construction activity. Some of these estimates are included in the discussions of single-family and multifamily building permits.
Existing Home Sales	Includes resales, short sales, and real estate owned sales.
Home Sales/Home Sales Prices	Includes single-family home, townhome, and condominium sales.
Net Natural Increase	Resident births are greater than resident deaths.
Seriously Delinquent Mortgages	Mortgages 90 or more days delinquent or in foreclosure.

B. Notes on Geography

1.	The metropolitan division and metropolitan statistical area definitions noted in this report are based on the delineations established by the Office of Management and Budget (OMB) in the OMB Bulletin dated April 10, 2018.
2.	The Southeast/Caribbean HUD-defined region includes Alabama, Florida, Georgia, Kentucky, Mississippi, North Carolina, South Carolina, Tennessee, Puerto Rico, and the Virgin Islands.