

COMPREHENSIVE HOUSING MARKET ANALYSIS

West Palm Beach-Boca Raton-Delray Beach, Florida

U.S. Department of Housing and Urban Development,
Office of Policy Development and Research

As of January 1, 2025



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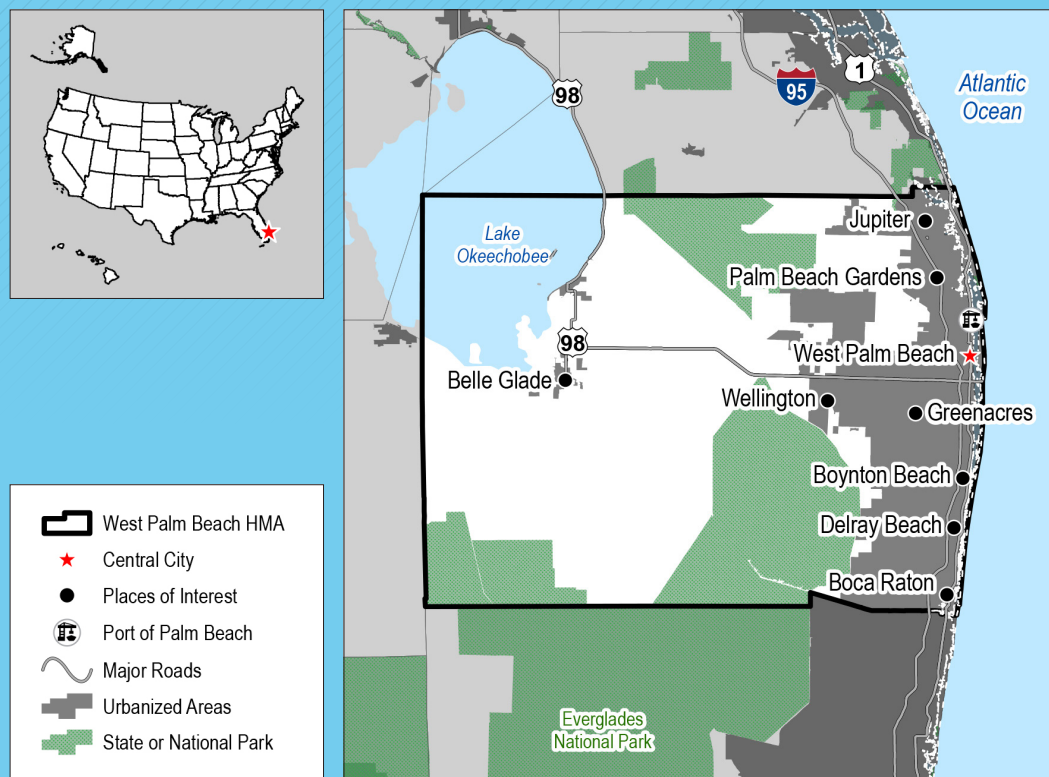
Executive Summary

Housing Market Area Description

The West Palm Beach-Boca Raton-Delray Beach, FL Housing Market Area (hereafter, West Palm Beach HMA) is coterminous with the metropolitan division of the same name and includes Palm Beach County. The HMA, combined with Broward and Miami-Dade Counties along the southeastern coast of Florida, form the Miami-Fort Lauderdale-West Palm Beach, FL Metropolitan Statistical Area (hereafter, Miami MSA). The MSA is the eighth most populous metropolitan area in the nation. Palm Beach County is the second largest county in Florida by land area and the fourth largest by population.

The current population of the HMA is estimated at 1.56 million.

Much of the inland portion of the HMA is agricultural land or protected wetlands, and the population is concentrated along the eastern coast of Florida. The HMA drew nearly 9.9 million visitors to beaches and other attractions in 2024, supporting the tourism industry (The Palm Beaches). Retirees who settle in the HMA are drawn by the warm weather, outdoor recreation amenities, and lack of state income tax. Palm Beach County is home to nearly 60 billionaires, including President Donald J. Trump, owner of the National Historic Landmark Mar-a-Lago Club and the Trump International Golf Club, West Palm Beach.



Tools and Resources

Find interim updates for this metropolitan area, and select geographies nationally, at PD&R's [Market-at-a-Glance tool](#).

Additional data for the HMA can be found in this report's [supplemental tables](#).

For information on HUD-supported activity in this area, see the [Community Assessment Reporting Tool](#).

Market Qualifiers

Economy



Strong: The economic expansion in the West Palm Beach HMA during the past year was a continuation of strong nonfarm payroll growth following the recovery from job losses due to the 2020 pandemic, with payrolls expanding an average of 3.8 percent annually since 2020.

Nonfarm payrolls in the HMA increased by 10,800 jobs, or 1.6 percent, during 2024 following an increase of 22,100 jobs, or 3.3 percent, during the previous year. The labor market has been tight during the past 3 years, with the unemployment rate averaging 3.4 percent during 2024, up from 3.0 percent during 2023 and 2022. During the 3-year forecast period, nonfarm payrolls are expected to increase at an average annual rate of 2.0 percent, with notable growth expected in both the goods-producing and the service-providing sectors.

Sales Market



Balanced: During 2024, average new and existing home sales prices increased 11 and 7 percent to \$946,500 and \$638,300, respectively, despite new home sales decreasing 33 percent and existing home sales decreasing 12 percent (CoreLogic, Inc., with adjustments by the analyst).

The sales vacancy rate in the HMA is estimated at 2.3 percent as of January 1, 2025, up from the 2.0-percent rate in April 2020, when the sales market was also balanced. During 2024, home sales totaled approximately 29,150, down 13 percent from the previous year, with high mortgage interest rates contributing to the decline. The average interest rate for a 30-year, fixed-rate mortgage was 6.90 percent during 2024, up from an annual low of 3.15 percent during 2021 (Freddie Mac). Demand is expected for 13,050 new homes during the forecast period. The 1,450 homes under construction will meet some of that demand during the first year.

Rental Market



Balanced: The overall rental vacancy rate is estimated at 6.8 percent, down from 8.4 percent in April 2020, when conditions were slightly soft before the major impacts of the pandemic.

Apartment market conditions are slightly soft compared with slightly tight conditions in 2021. The apartment vacancy rate was 8.8 percent as of the fourth quarter of 2024, up from 4.5 percent as of the fourth quarter of 2021 (CoStar Group). The average monthly apartment rent in the HMA increased less than 1 percent from a year earlier to \$2,501 as of the fourth quarter of 2024, similar to the year-over-year increase of less than 1 percent as of the fourth quarter of 2023. During the forecast period, demand is expected for 10,800 additional rental units. The 1,925 units under construction are expected to meet some of the demand during the first year of the forecast period.

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3-Year Housing Demand Forecast			
West Palm Beach HMA		Sales Units	Rental Units
	Total Demand	13,050	10,800
	Under Construction	1,450	1,925

Notes: Total demand represents the estimated production necessary to achieve a balanced market at the end of the forecast period. Units under construction as of January 1, 2025. The forecast period is January 1, 2025, to January 1, 2028. Source: Estimates by the analyst



Economic Conditions

Largest Sector: Professional and Business Services

More than 50 major companies are headquartered in the West Palm Beach HMA, including three Fortune 500 companies—NextEra Energy, Inc., in the city of Juno Beach; Carrier Global Corporation in the city of Palm Beach Gardens; and The ODP Corporation in the city of Boca Raton.

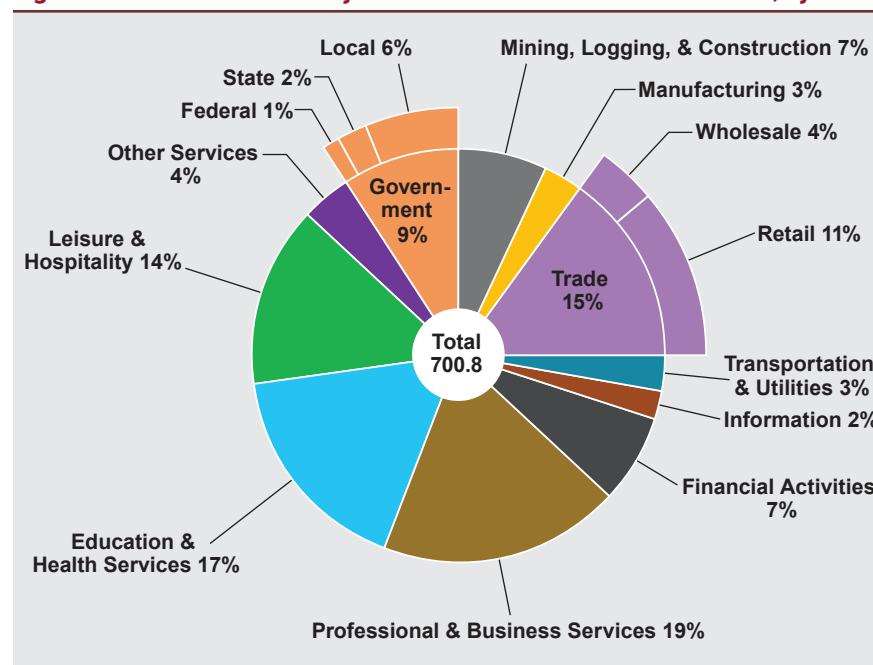
Primary Local Economic Factors

The professional and business services sector accounts for 19 percent of total nonfarm jobs, a slight increase from nearly 17 percent in 2010 (Figure 1).

In addition to having three Fortune 500 company headquarters in the HMA, the sector includes nearly 550 corporate, subsidiary, and regional headquarters. The HMA attracts companies with its economic, cultural, and lifestyle advantages. The lack of state income and corporate taxes and the growth in the financial activities sector in the HMA have contributed to corporate relocations from the northeast region of the nation.

The HMA has a significant agriculture industry, and the Port of Palm Beach supports the export of the resulting products. The port handles nearly \$15 billion of cargo annually and is the fourth busiest port in Florida (Port of Palm Beach). On the basis of sales, Palm Beach County is the largest producer of agricultural goods east of the Mississippi River, with more than one-third of its land dedicated to farming. Florida Crystals Corporation, headquartered in the city of West Palm Beach, is one of nearly 550 agribusiness companies contributing to the more than \$2 billion economic impact of the agriculture industry on the HMA. Palm Beach County is the top county nationally for sugarcane production (2022 Census of Agriculture). More than 50 percent of the 460,000 acres of farmland in the HMA is devoted to sugarcane, and the HMA produces roughly 20 percent of all the sugar in the nation. The HMA also is a leading producer of other agricultural goods, including bell peppers, celery, lettuce and other leafy vegetables, and rice. The agriculture industry employed 10,900 workers in 2023 (Business Development Board

Figure 1. Share of Nonfarm Payroll Jobs in the West Palm Beach HMA, by Sector



Notes: Total nonfarm payroll is in thousands. Percentages may not add to 100 percent due to rounding. Based on 12-month averages through December 2024. Source: U.S. Bureau of Labor Statistics

of Palm Beach County). Approximately 2.52 million tons of cargo are shipped out of the port annually, including sugar and molasses, which account for approximately 24 percent of exports from the port (Port of Palm Beach, fiscal year 2023). The Bahamas is the top destination for all goods exported.

The port is home to two cruise lines, which sail primarily to the Bahamas. During fiscal year 2023, the port handled nearly 412,700 cruise passengers, supporting 1,350 of the 3,500 port jobs and generating \$100 million of the \$260 million in revenue at the port. In addition to cruise passengers, the HMA attracts visitors and retirees with its 47 miles of sandy beaches, more than 150 golf courses, and other outdoor recreational amenities, including wildlife sanctuaries, the eastern portion of Everglades National Park, and a portion

of the third largest barrier reef system in the world, providing opportunities for snorkeling and diving. Tourism in the HMA declined in 2020 after 10 consecutive years of growth but has since rebounded. During fiscal year 2024, about 9.90 million visitors generated an estimated annual economic impact of approximately \$10.5 billion locally and contributed to 98,700 jobs, mostly in the leisure and hospitality and the wholesale and retail trade sectors (Palm Beach County Tourist Development Council). Retirees also benefit from the lack of state income tax. Table 1 shows major employers in the HMA.

Table 1. Major Employers in the West Palm Beach HMA

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
NextEra Energy, Inc.	Transportation & Utilities	5,598
Baptist Health South Florida	Education & Health Services	3,135
Veterans Health Administration	Government	2,948
HCA Florida Healthcare	Education & Health Services	2,612
Jupiter Medical Center	Education & Health Services	2,540
The Breakers Palm Beach	Leisure & Hospitality	2,300
Office Depot, LLC	Professional & Business Services	2,000

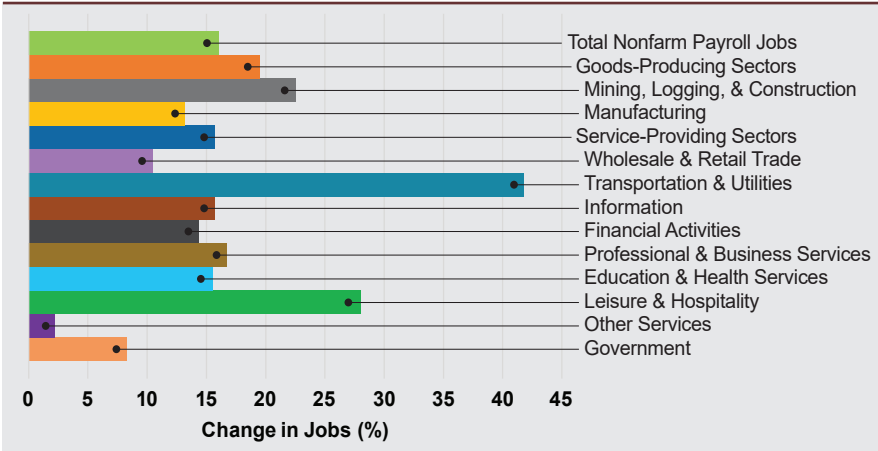
Note: Excludes local school districts.
Source: Business Development Board of Palm Beach County

Current Conditions—Nonfarm Payrolls

Strong job growth continued during 2024, and the economy has steadily expanded following the recovery from the 2020 recession (Figure 2). Nonfarm payrolls increased by 10,800 jobs, or 1.6 percent, to 700,800 jobs during 2024 compared with an increase of 22,100 jobs, or 3.3 percent, during the previous year (Table 2). Job growth in the HMA was faster than the national 1.3-percent increase during the past year and the 2.2-percent gain during 2023.

The service-providing sectors led job growth in the HMA during 2024; five of the nine service-providing sectors increased. The education and

Figure 2. Sector Growth in the West Palm Beach HMA, 2021 to Current



Note: Current data are based on the 12-month averages ending December 2024.
Source: U.S. Bureau of Labor Statistics

Table 2. 12-Month Average Nonfarm Payroll Jobs (1,000s) in the West Palm Beach HMA, by Sector

	12 Months Ending December 2023	12 Months Ending December 2024	Absolute Change	Percentage Change
Total Nonfarm Payroll Jobs	690.0	700.8	10.8	1.6
Goods-Producing Sectors	65.7	68.6	2.9	4.4
Mining, Logging, & Construction	43.6	46.2	2.6	6.0
Manufacturing	21.9	22.2	0.3	1.4
Service-Providing Sectors	624.4	632.2	7.8	1.2
Wholesale & Retail Trade	106.8	107.7	0.9	0.8
Transportation & Utilities	19.5	20.0	0.5	2.6
Information	11.8	11.3	-0.5	-4.2
Financial Activities	49.9	49.6	-0.3	-0.6
Professional & Business Services	135.5	134.0	-1.5	-1.1
Education & Health Services	113.5	118.3	4.8	4.2
Leisure & Hospitality	93.6	95.0	1.4	1.5
Other Services	30.1	29.9	-0.2	-0.7
Government	63.8	66.4	2.6	4.1

Notes: Based on 12-month averages through December 2023 and December 2024. Numbers may not add to totals due to rounding. Data are in thousands.
Source: U.S. Bureau of Labor Statistics



health services sector, which accounts for 17 percent of nonfarm payrolls, led growth with a gain of 4,800 jobs, or 4.2 percent. Gains were partly due to hiring by NYU Langone Health in anticipation of the completion of the Julia Koch Family Ambulatory Care Center, which will employ 200 people when complete in 2026. In addition, Encompass Health Rehabilitation Hospital of Palm Beach Gardens has begun hiring nearly 150 employees in anticipation of opening in 2026. The government sector added 2,600 jobs, or 4.1 percent, with growth primarily due to increases in the local government subsector, which added 2,000 jobs, or 4.4 percent. Despite continuous gains since 2020, employment in the subsector is below the average of 46,400 jobs during 2019. The leisure and hospitality sector gained 1,400 jobs, or 1.5 percent, from 2023.

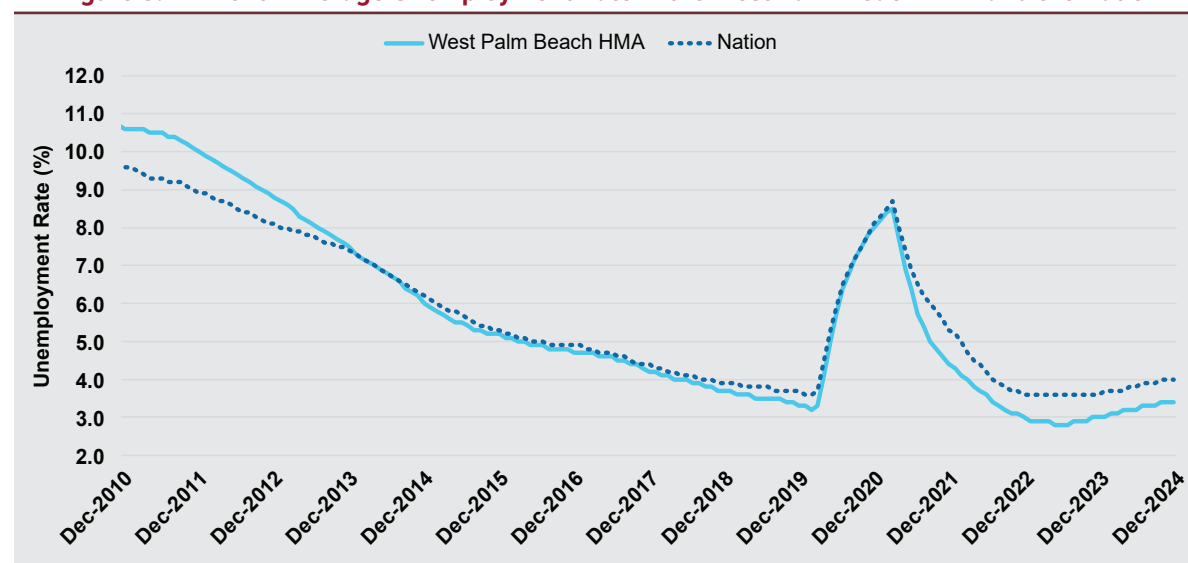
The two goods-producing sectors also grew during 2024. The manufacturing sector added 300 jobs, or 1.4 percent, from 2023 and has expanded nearly every year since 2011, bolstered by the presence of a skilled workforce attracted by the warm climate and the quality of life. The HMA has a well-developed transportation and utility infrastructure, supporting manufacturing activity. The mining, logging, and construction sector expanded by 2,600 jobs, or 6.0 percent, during 2024. All the gains were in the construction

subsector. South Flagler House in the city of West Palm Beach is under construction, adding to jobs in the subsector. When complete, the two 28-floor towers will include 106 condominiums ranging from 2,000 to 13,000 square feet, with prices ranging from \$5.9 to \$72.5 million.

Current Conditions—Unemployment

The labor market in the HMA has been tight for the past 3 years. The unemployment rate during 2024 averaged 3.4 percent, up from 3.0 percent during 2023, reflecting a resident employment decline of 0.3 percent and labor force growth of 0.2 percent. The unemployment rate during 2023 was unchanged from a year earlier because resident employment and the labor force each increased 2.9 percent. The annual average unemployment rate reached a recent peak of 8.0 percent during 2020 before declining to a recent low of 3.0 percent during 2022 and 2023 (Figure 3). During 2024, the respective rates for the state and nation were 3.3 and 4.0 percent.

Figure 3. 12-Month Average Unemployment Rate in the West Palm Beach HMA and the Nation



Note: Based on the 12-month moving average.

Source: U.S. Bureau of Labor Statistics

Economic Periods of Significance

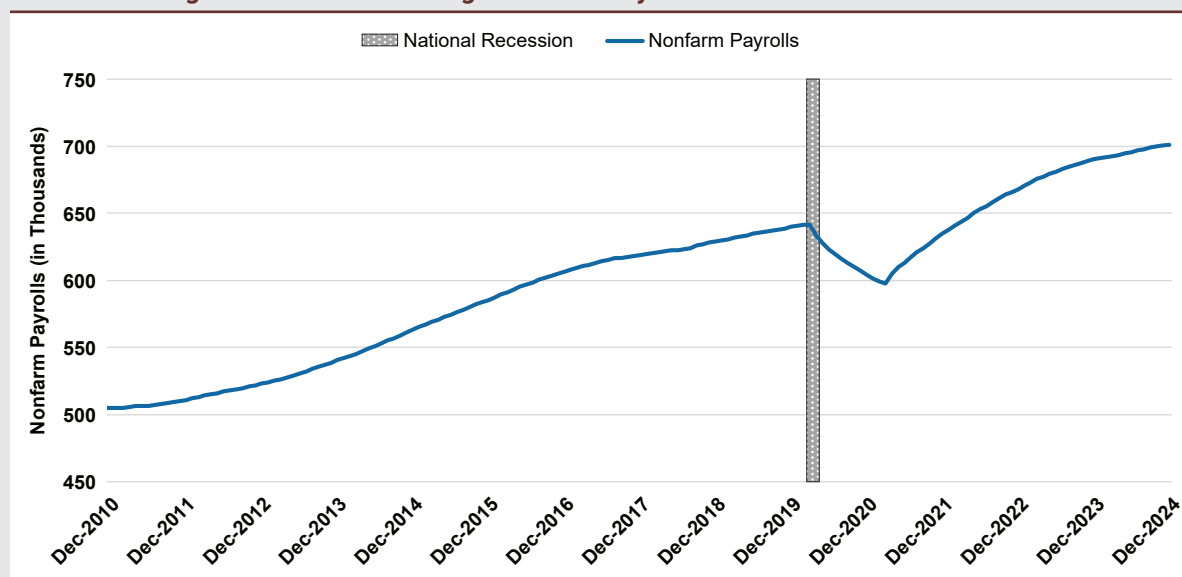
2011 Through 2019

The HMA had strong economic growth during the 2010s. From 2011 through 2017, the HMA gained an average of 16,300 jobs, or 3.0 percent, a year (Figure 4). Government was the only sector to lose jobs, declining by an average of 200 jobs, or less than 1.0 percent, a year. The professional and business services, the leisure and hospitality, and the education and health services sectors grew by respective averages of 4,200, 2,800, and 2,500 jobs, or 4.4, 3.7, and 2.8 percent, a year. Job growth moderated but was strong during 2018 and 2019, when the total number of nonfarm payrolls increased by an average of 10,400 jobs, or 1.7 percent, annually. The education and health services, the professional and business services, and the leisure and hospitality sectors increased by averages of 3,500, 1,700, and 1,600 jobs, or 3.5, 1.4, and 1.8 percent, a year, respectively. The mining, logging, and construction sector also grew at a strong rate, gaining an average of 1,400 jobs, or 3.8 percent, annually. However, the information sector lost an average of 500 jobs each year, or 4.4 percent.

2020

The World Health Organization declared COVID-19 a pandemic in March 2020. Local interventions taken in mid-March 2020 to slow the spread of COVID-19, including enforcing social distancing and discouraging nonessential travel, temporarily disrupted economic activity in the HMA. The impact

Figure 4. 12-Month Average Nonfarm Payrolls in the West Palm Beach HMA



Note: Based on the 12-month moving average.

Sources: U.S. Bureau of Labor Statistics; National Bureau of Economic Research

of the pandemic did not affect all sectors equally, with 46 percent of the nonfarm payroll losses during 2020 in the leisure and hospitality sector. During 2020, nonfarm payrolls in the HMA declined year over year by 35,500 jobs, or 5.6 percent, to 604,100 jobs. Leisure and hospitality payrolls fell by 16,400 jobs, or 18.1 percent, during 2020. Travel cancellations resulted in a severe decline in the hospitality industry, which had a \$7.7 billion economic impact on the HMA in 2019. The HMA had more than 8.0 million visitors in 2019 before declining to less than 5.2 million visitors during 2020 (Palm Beach County Tourist Development Council). Hotels, restaurants, movie theaters, and sporting venues laid off employees as travel slowed. The wholesale and retail trade sector also had significant job losses, decreasing by 5,700 jobs, or 5.5 percent, during 2020, partly because of increased reliance on e-commerce and delivery services. Government payrolls fell by 4,300 jobs, or 6.6 percent; local government accounted for 86 percent of those job losses during 2020, partly because of reduced staffing in public schools.

2021 Through 2022

Strong economic recovery during 2021 and 2022 followed the downturn from the COVID-19 pandemic. Nonfarm payrolls in the HMA increased by an average of 31,900 jobs, or 5.1 percent, annually, fully

recovering the number of jobs lost during the 2020 recession. Every nonfarm payroll sector posted gains during the period, led by the professional and business services sector, which added an average of 9,200 jobs, or 7.7 percent, annually. Several corporate office relocations and expansions in the city of West Palm Beach contributed to gains in the sector, including NewDay USA, which added 600 employees at a new 50,000-square-foot office facility. During 2021 and 2022, the leisure and hospitality sector increased by an average of 7,700 jobs, or 9.9 percent, annually. The Boca Raton, a resort that closed during the pandemic to undergo renovations, partially reopened in 2021, recovering some of the nearly 1,000 jobs lost during the pandemic. The resort is expected to fully reopen in 2025 when the \$130 million renovation is complete. The wholesale and retail trade sector gained an average of 3,600

jobs, or 3.6 percent, annually during 2021 and 2022, with the sector fully recovering the number of jobs lost during 2020. The HMA has attracted many finance jobs from the Northeast to the self-proclaimed “Wall Street South.” The financial activities sector gained an average of 2,700 jobs, or 6.0 percent, annually during 2021 and 2022. The HMA has also attracted hedge fund managers from the Northeast who are looking to benefit from a lower cost of living and the lack of state income tax. More than 300 hedge fund, private equity, and financial services firms are in the HMA, and at least five major financial services firms have moved there since the start of the pandemic, including Elliott Investment Management L.P. and Virtu Financial Inc., which together employ more than 500 workers in the HMA (Palm Beach County Business Development Board).

Forecast

During the 3-year forecast period, nonfarm payrolls are expected to increase an average of 2.0 percent annually. Job growth is expected in most sectors at a pace comparable to the average growth during the past 2 years. Both the goods-producing and the service-providing sectors are expected to contribute to payroll growth during the next 3 years. The Nora District, a

\$1 billion mixed-use development on 40 acres in downtown West Palm Beach, is being built in phases. The initial phases are expected to be complete during the next 3 years, including the first phase in 2025, with 150,000 square feet of office, restaurant, and retail space. Future phases will add more retail and office space, the 201-unit Nora Hotel, and 600 residential units.



Population and Households

Current Population: 1.56 Million

Population growth in the West Palm Beach HMA has been strong since 2010, with the growth almost entirely due to net in-migration.

Population Trends

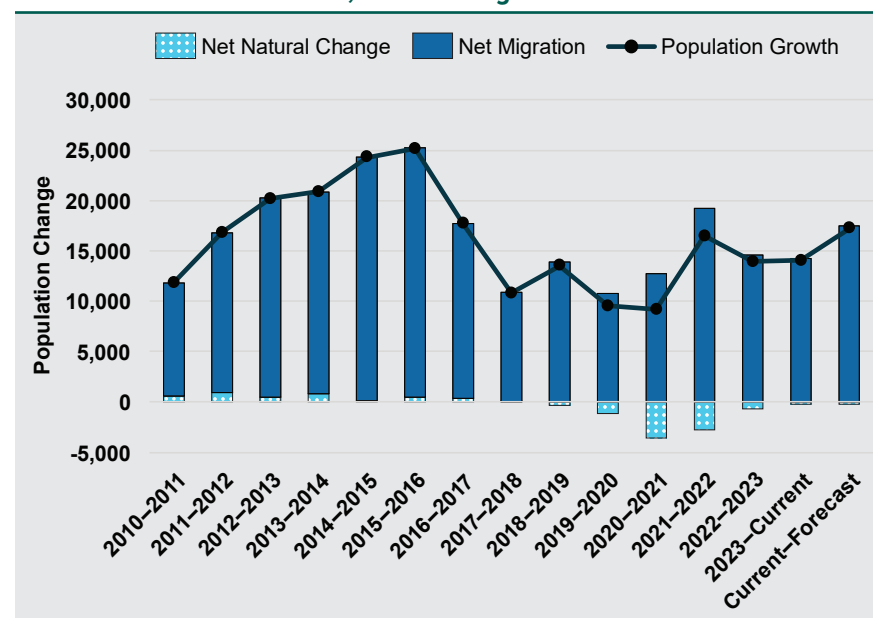
Population growth steadily strengthened from 2010 to 2016 but has since increased at a slower rate, primarily because of a decline in net in-migration. From 2010 to 2016, population growth averaged 19,600 people, or 1.4 percent, annually (U.S. Census Bureau population estimates as of July 1; Figure 5). Net in-migration averaged nearly 19,050 people annually, and net natural increase averaged more than 550 people annually. From 2016 to 2018, population growth slowed to an average of 14,250 people, or 1.0 percent, annually. Net in-migration slowed to an average of 14,050 people annually, partly because job growth in the HMA slowed to a pace similar to the national economy, limiting the draw of workers from outside the HMA. From 2018 to 2021, a period that included the pandemic, population growth continued to slow to an average of 10,750 people, or 0.7 percent, annually. Net natural increase reversed, becoming net natural decline, which averaged nearly 1,700 people a year, partly because of excess deaths caused by COVID-19. Net in-migration in the HMA slowed to an average of 12,450 people annually.

As of January 1, 2025, the population of the HMA is estimated at 1.56 million (Table 3). Since 2021, population growth has averaged 14,700 people, or 1.0 percent, annually. Net in-migration of 15,800 people a year accounted for all of the increase. Despite the reduced effects of COVID-19, net natural decline has averaged 1,100 people a year since 2021, partly offsetting population growth.

Migration Trends

Net in-migration from 2016 through 2020 was primarily from counties in the Miami MSA and the New York-Newark-Jersey City, NY-NJ MSA. Net in-migration from counties in the Miami MSA accounted for nearly one-half

Figure 5. Components of Population Change in the West Palm Beach HMA, 2010 Through the Forecast Period



Notes: Data displayed are average annual totals. The forecast period is the current date (January 1, 2025) to January 1, 2028.

Sources: U.S. Census Bureau; current to forecast—estimates by the analyst

Table 3. West Palm Beach HMA Population and Household Quick Facts

	2020	Current	Forecast
Population Quick Facts	Population	1,492,191	1,555,000
	Average Annual Change	17,200	13,200
	Percentage Change	1.2	0.9
Household Quick Facts	Households	607,880	642,200
	Average Annual Change	6,375	7,225
	Percentage Change	1.1	1.2

Notes: Average annual changes and percentage changes are based on averages from 2010 to 2020, 2020 to current, and current to forecast. The forecast period is the current date (January 1, 2025) to January 1, 2028. Sources: 2010 and 2020—2010 Census and 2020 Census; current and forecast—estimates by the analyst



of all domestic net in-migration to the HMA, led by Broward County, immediately south of the HMA. Of the top 20 counties accounting for net in-migration to the HMA, five were in New York, four were in Florida, and three were in New Jersey. The destinations for out-migration are highly concentrated along the Florida Atlantic Coast, with residents, including many retirees, migrating north to the less populated coastal areas of St. Lucie, Martin, and Volusia Counties. Another top destination, the Tampa-St. Petersburg-Clearwater, FL MSA, including Pasco, Pinellas, and Hillsborough Counties, is a preferred location for young tech professionals (U.S. Census Bureau County-to-County Migration Flows; American Community Survey [ACS] 5-year data; Table 4).

Age Cohort Trends

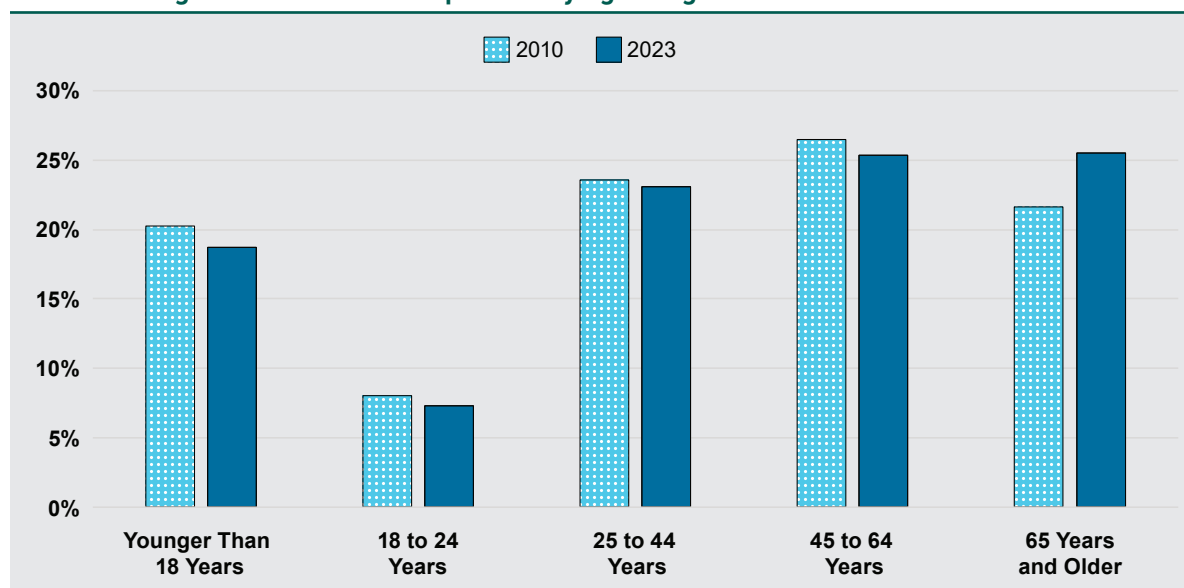
Retiree migration, an increase in lifespans, and a decline in birthrates have contributed to demographic changes by age. The only age cohort to increase as a share of the population from 2010 to 2023 was people aged 65 and older (Figure 6). The HMA is an appealing destination for retirees because of the lack of state income tax, the year-round warm weather, and recreation amenities, such as sandy beaches and golf courses. The share of residents aged 65 and older in the HMA increased from 21.6 percent in 2010 to 25.5 percent in 2023 (2010 and 2023 ACS 1-year estimates). The cohort aged 18 and

Table 4. County-to-County Migration Flows in the West Palm Beach HMA, 2016–20

Into the HMA	
Broward County, FL	6,569
Miami-Dade County, FL	2,792
Nassau County, NY	1,425
Suffolk County, NY	979
Queens County, NY	858
Out of the HMA	
St. Lucie County, FL	2,164
Martin County, FL	1,721
Volusia County, FL	1,582
Pasco County, FL	1,171
Maricopa County, AZ	1,076

Source: U.S. Census Bureau Migration Flows, 2016–2020 American Community Survey 5-year data

Figure 6. Share of the Population by Age Range in the West Palm Beach HMA



Source: 2010 and 2023 American Community Survey 1-year data

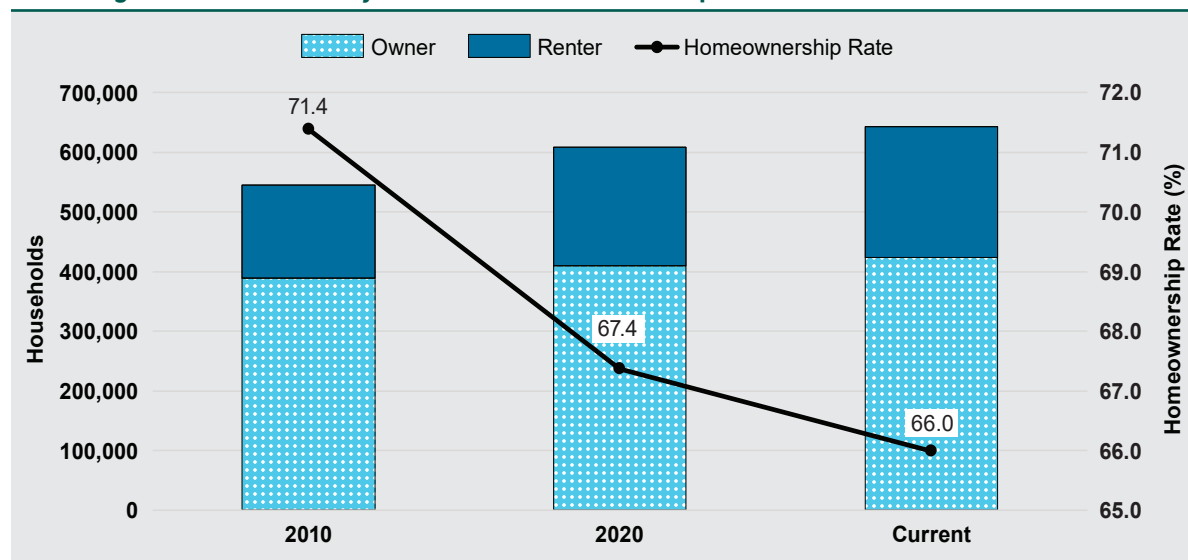
younger had the largest decline, falling from 20.3 percent of the population in 2010 to 18.7 percent in 2023. The cohort with the smallest decline was people aged 25 to 44, falling modestly from 23.6 to 23.1 percent. The cohort has declined despite including many people who fill jobs created by demand from retirees and tourists. Those trends contributed to an increase in the median age, from 43.7 years in 2010 to 45.6 years in 2023. By comparison, the median age in 2023 was 42.8 for all of Florida and 39.2 for the nation.

Household Trends

Household growth in the HMA has slightly outpaced population growth since 2020, partly because of the increase in the cohort of those aged 65 and older, who tend to have smaller household sizes. As of January 1, 2025, the number of households in the HMA is estimated at 642,200, an average increase of 7,225 households, or 1.2 percent, annually since 2020, while population growth averaged 0.9 percent annually. By comparison, household growth from 2010 to 2020 averaged 6,375, or 1.1 percent, annually, slightly lagging population growth, which averaged 1.2 percent annually.

The homeownership rate in the HMA is estimated at 66.0 percent, down from 67.4 percent in 2020 and 71.4 percent in 2010, similar to the national trend of declining homeownership (Figure 7).

Figure 7. Households by Tenure and Homeownership Rate in the West Palm Beach HMA



Note: The current date is January 1, 2025.

Sources: 2010 and 2020—2010 Census and 2020 Census; current—estimates by the analyst

Despite strong economic growth, high mortgage interest rates and rising home prices have been a barrier to homeownership for many younger residents in the HMA.

Forecast

During the 3-year forecast period, the population and number of households in the HMA are expected to increase by averages of 17,250 and 7,200 a year, respectively, or 1.1 percent each, to 1.61 million people and 663,800 households. Net in-migration is expected to account for all of the population growth because of continued net natural decline. Household growth is expected to match the pace of population growth, partly because rental housing is relatively affordable compared with owner housing, and the growth rate for renter households is anticipated to continue outpacing the owner growth rate.

Home Sales Market

Market Conditions: Balanced

The number of homes sold in the West Palm Beach HMA during 2024 declined 13 percent to the lowest annual level since 2012, but home prices increased.

Current Conditions

Sales housing market conditions in the HMA are balanced, with an estimated vacancy rate of 2.3 percent (Table 5), up from 2.0 percent in April 2020, when conditions were also balanced. Strong job growth, increased net in-migration, and declining levels of new home construction have supported balanced sales market conditions despite a decline in home sales. The 6.8-month supply of homes available for sale in the HMA during December 2024 is up from the 4.8-month supply during December 2023 and the 3.5-month supply during December 2022 (CoreLogic, Inc.). New and existing home sales declined 13 percent to 29,150 homes sold during 2024 compared with the previous year (CoreLogic, Inc., with adjustments by the analyst), primarily because elevated mortgage interest rates and increasing new and existing home prices made homes less affordable. Mortgage interest rates have been elevated in the past 3 years. The average annual interest rate for a 30-year, fixed-rate mortgage was 3.15 percent during 2021 but increased to 7.00 percent by 2023 and averaged 6.90 percent during 2024 (Bankrate; Freddie Mac). The average home price increased 7 percent during 2024 to \$651,900, following a 6-percent increase during the previous year.

Resale Home Sales

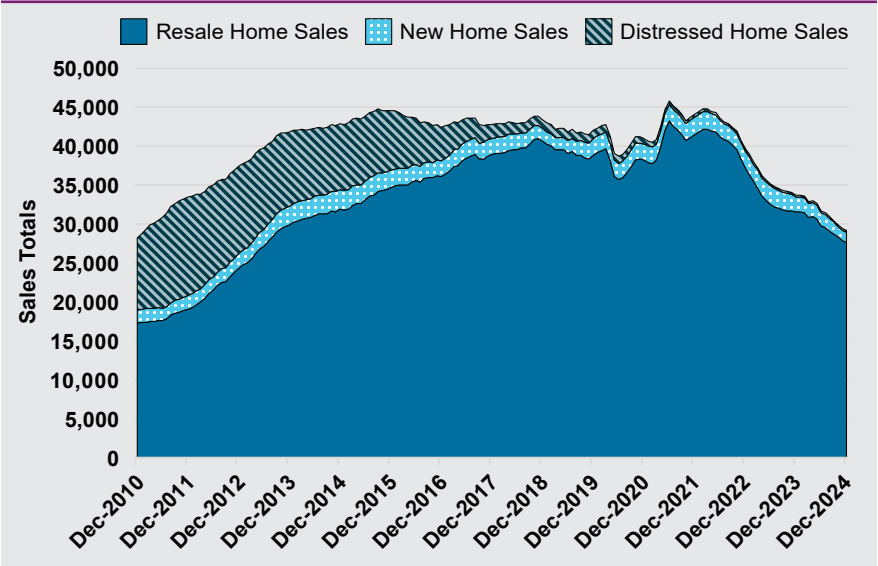
Resales increased each year from 2011 through 2018 and were relatively strong from 2019 through 2021 but have mostly declined since then. Resales in the HMA totaled 17,300 homes sold during 2010 before increasing each year through 2018, rising by an average of 2,900, or 11 percent, annually to 40,550 homes (CoreLogic, Inc., with adjustments by the analyst; Figure 8).

Table 5. Home Sales Quick Facts in the West Palm Beach HMA

	West Palm Beach HMA	Nation
Vacancy Rate	2.3%	NA
Months of Inventory	6.8	3.4
Total Home Sales	29,150	5,004,000
1-Year Change	-13%	-5%
New Home Sales Price	\$946,500	\$494,300
1-Year Change	11%	2%
Existing Home Sales Price	\$638,300	\$416,300
1-Year Change	7%	7%
Mortgage Delinquency Rate	1.2%	1.1%

NA = data not available.
Notes: The vacancy rate is as of the current date; home sales and prices are for the 12 months ending December 2024; and months of inventory and mortgage delinquency data are as of December 2024. The current date is January 1, 2025.
Sources: Vacancy rate—estimates by the analyst; months of inventory and mortgage delinquency rate—CoreLogic, Inc.; home sales and prices—CoreLogic, Inc., with estimates by the analyst

Figure 8. 12-Month Home Sales Totals by Type in the West Palm Beach HMA



Source: CoreLogic, Inc., with estimates by the analyst

Strong net in-migration and an expanding economy fueled the increase in home sales. Resales declined modestly from 2019 through 2020, decreasing by an average of 1,175 homes sold, or 3 percent, annually when net in-migration slowed. However, in 2021, resales increased by 3,200 homes sold, or 8 percent, to a peak of 44,000 homes when mortgage interest rates fell to a recent low. During 2022, when interest rates began to increase sharply, resales declined by 4,325 homes, or 10 percent, to 39,600 homes sold, and during 2023, the 31,550 resale homes sold represented a 15-percent decline from the previous year. During 2024, resales totaled 27,600 homes sold, down 12 percent from a year earlier.

New Home Sales

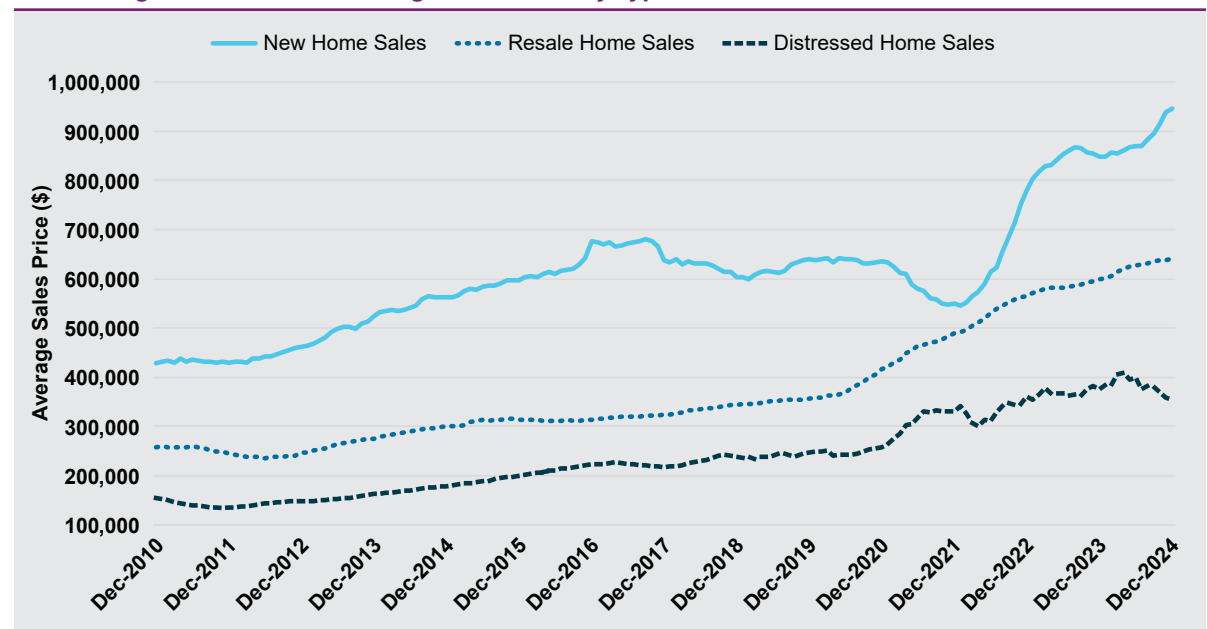
New home sales increased every year from 2011 through 2014 but moderated from 2015 through 2021 and declined in the past 3 years. The 1,650 new home sales during 2010 represented a 10-percent increase from the previous year, and sales from 2011 through 2014 continued to increase an average of 13 percent annually to 2,500 homes sold in 2014. From 2015 through 2021, new home sales ranged from a low of 1,650 during 2018 to a high of 2,275 during 2021. Overall, from 2015 to 2021, the average decline in sales was 30 homes, or 1 percent, annually. New home sales have declined every year since 2021, primarily because of decreased demand stemming from elevated mortgage interest rates

and higher prices for new homes, partly because of rising building costs. During 2022 and 2023, new home sales decreased by an average of 180, or 8 percent, annually. The 1,275 new home sales during 2024 represented a decline of 33 percent from the previous year.

Resale Home Sales Prices

Average resale home prices increased rapidly in the early 2020s, when mortgage interest rates were low, before slowing after 2022 because of higher interest rates. A low supply of homes available for sale since 2020 and increased demand stemming from stronger population growth since 2021 also contributed to the substantial increases in home prices. From 2020 through 2022, the average resale price in the HMA increased an average of 17 percent annually to \$565,600 in 2022, but price growth slowed in the past 2 years. The average resale price increased 6 percent in 2023 and 7 percent during 2024 to \$640,900. By comparison, the average resale price increased an average of 5 percent annually from 2012 through 2019 (Figure 9).

Figure 9. 12-Month Average Sales Price by Type of Sale in the West Palm Beach HMA

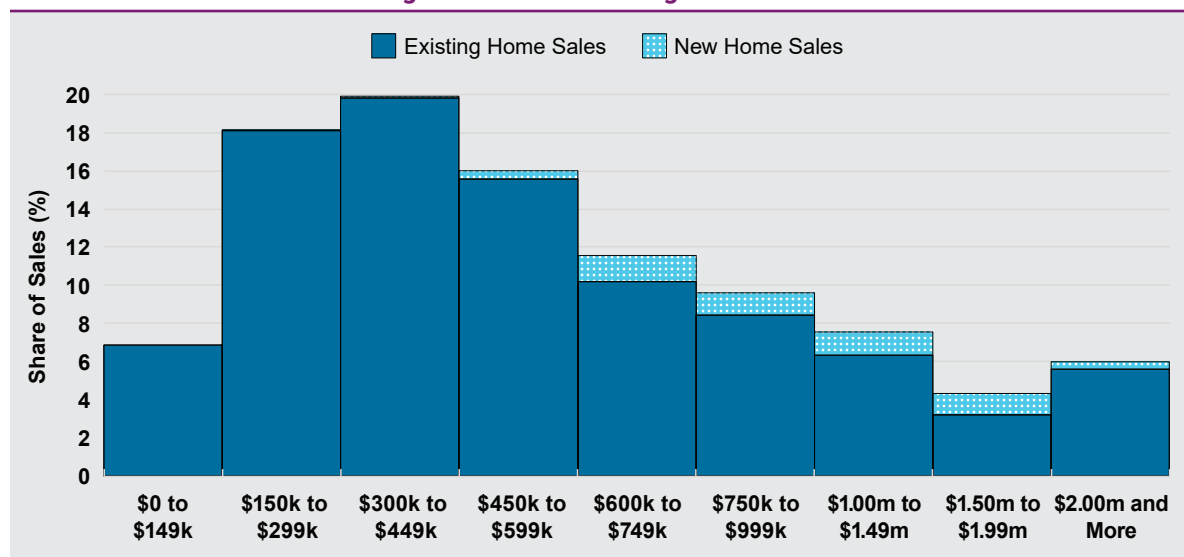


Source: CoreLogic, Inc., with estimates by the analyst

New Home Sales Prices

The average new home price fluctuates significantly, partly reflecting the share of homes sold for more than \$1.50 million, which include luxury highrise condominiums that typically sell in clusters. Elevated mortgage interest rates and declining new home sales demand caused new home price increases to slow during the past 2 years. Nevertheless, during 2024, the average new home price increased 11 percent to \$946,500, following a 9-percent increase a year earlier. During 2023 and 2024, 23 percent of new home sales were for homes sold for more than \$1.50 million, up from 14 percent during 2022 and 7 percent during 2021. During 2022, the average price of new homes increased 42 percent annually to \$779,200. From 2018 through 2021, the average new home price declined 4 percent annually, and only 4 percent of homes sold for more than \$1.50 million. That decline followed an average 6-percent increase from 2011 through 2017, when the portion of homes sold for more than \$1.50 million increased from 1 percent during 2012 to 7 percent from 2015 through 2017. During 2024, nearly 47 percent of new homes sold for more than \$1.00 million (Zonda; Figure 10). However, some transactions in the HMA are not included in the new home sales totals, especially sales of luxury homes and condominiums priced at more than \$1.50 million. Many builders avoid listing properties on multiple listing services, instead selling homes directly, and the number of new home sales in the HMA are often underreported.

Figure 10. Share of Overall Sales by Price Range in the West Palm Beach HMA During the 12 Months Ending December 2024



Note: New and existing sales include single-family homes, townhomes, and condominiums.

Source: Zonda

Distressed Sales and Delinquent Mortgages

Distressed sales in the HMA declined after foreclosures peaked during 2010 (CoreLogic, Inc., with adjustments by the analyst). From 2011 through 2023, distressed sales declined by an average of 24 percent, annually. During 2024, distressed sales totaled 250 homes, up 2 percent from the 245 distressed sales during 2023. Distressed sales represented less than 1 percent of total home sales during 2024 compared with a peak level of nearly 38 percent, or more than 12,650 distressed sales, in 2011.

The average price for a distressed home during 2024 was \$355,200, a 5-percent decline from a year earlier. This decline coincided with a slight increase in the number of distressed properties available for sale, which reflected a slight increase in seriously delinquent mortgages. By comparison, the average distressed home price increased 4 percent during the previous year to approximately \$375,800. From 2011 through 2022, the average distressed home price increased by an average of \$17,150, or 7 percent, annually.

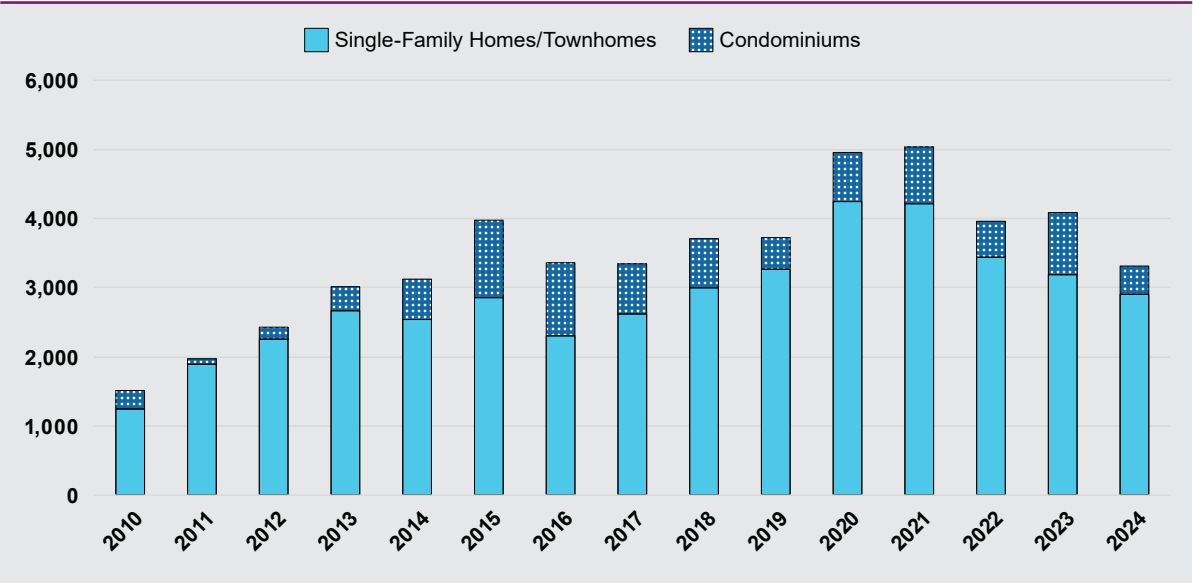
As of December 2024, 1.2 percent of home loans in the HMA were seriously delinquent or had transitioned into real estate owned (REO) status, up from 1.0 percent a year earlier (CoreLogic, Inc.). By comparison, the

percentage of seriously delinquent mortgages and REO properties peaked at 20.4 percent in May 2010 because of the Great Recession and the accompanying housing crisis, but the rate mostly declined during the following 10 years, reaching 1.3 percent in March 2020 early in the pandemic. The rate spiked again to a recent peak of 6.6 percent in August 2020 because measures to slow the spread of COVID-19 and the rise in unemployment led to a significant number of homeowners falling behind on mortgage payments, and many mortgages were in forbearance. The rate of seriously delinquent mortgages and REO properties in the HMA has been at historic lows since 2022 because elevated home prices have made sales in lieu of foreclosure more common.

Sales Construction

Throughout the early 2010s, new home construction activity, as measured by the number of sales housing units permitted (see [building permits](#)), was relatively low in the HMA because the Great Recession reduced demand and greatly increased the supply of lower-priced homes in REO status. From 2010 through 2012, when the housing market was soft, demand for new housing was weak. New home construction, which includes single-family homes, townhomes, and condominiums, averaged 1,975 units annually from 2010 through 2012 (Figure 11). Net in-migration to the HMA strengthened

Figure 11. Annual Sales Permitting Activity in the West Palm Beach HMA



Note: Includes apartments and units intended for rental occupancy.
Sources: U.S. Census Bureau, Building Permits Survey; 2010–23—final data and estimates by the analyst; 2024—preliminary data and estimates by the analyst

because the economy expanded at a faster pace and consumer confidence improved, leading to an increase in the demand for new homes. New home construction increased an average of 18 percent annually from 2013 through 2015 to nearly 3,975 homes, then declined an average 8 percent annually during 2016 and 2017 to 3,350 homes during 2017, when net in-migration slowed and demand weakened. From 2018 through 2021, new home construction increased and peaked during 2020 and 2021 at an annual average of 5,000 homes because new home sales demand increased during the period. During 2022, new home construction fell 21 percent from a year earlier to 3,950 homes, partly because of increased mortgage interest rates. During 2024, the number of homes permitted declined 19 percent to 3,325 from the 4,075 homes permitted a year earlier (preliminary data, with adjustments by the analyst). The number of sales units permitted since 2010 was significantly greater than new home sales, partly due to underreporting of direct sales from homebuilders and because some custom-built homes that require permits are not included in new home sales.



The unincorporated areas of Palm Beach County and the city of Palm Beach Gardens accounted for 38 and 21 percent, respectively, of new homes in the HMA during the past year. Avenir, a 4,700-acre master-planned community in the city of Palm Beach Gardens, broke ground in early 2020 and is expected to include 4,100 single-family homes when complete. More than 1,300 homes have been built, with three-bedroom homes starting in the \$500,000s.

Forecast

During the 3-year forecast period, demand is estimated for 13,050 new single-family homes, townhomes, and condominiums in the HMA (Table 6). The 1,450 homes under construction will satisfy some of the demand, which is

expected to increase slightly each year because of economic and population growth. Sales housing is expected to account for nearly 55 percent of total housing demand in the HMA during the forecast period, up from 53 percent from 2010 through 2020, as a continuing inflow of retirees drives further demand for sales housing.

Table 6. Demand for New Sales Units in the West Palm Beach HMA During the Forecast Period

Sales Units	
Demand	13,050 Units
Under Construction	1,450 Units

Note: The forecast period is January 1, 2025, to January 1, 2028.
Source: Estimates by the analyst

Rental Market

Market Conditions: Balanced

Despite continued net in-migration boosting demand, elevated apartment construction in the West Palm Beach HMA since 2021 has resulted in softer apartment market conditions.

Current Conditions and Recent Trends

Rental housing market conditions in the HMA are balanced, with an overall estimated rental vacancy rate of 6.8 percent, down from 8.4 percent in 2020, when overall rental housing market conditions were slightly soft (Table 7). From the fourth quarter of 2023 to the fourth quarter of 2024, the average asking rent in the HMA increased less than 1 percent to \$2,501, similar to the increase of less than 1 percent the previous year. The average asking rents for studio and one-, two-, and three-bedroom apartments as of the fourth quarter of 2024 were \$2,292, \$2,090, \$2,552, and \$3,338, respectively.

Apartment market conditions have improved since 2010. As of the fourth quarter of 2010, the apartment vacancy rate was 8.0 percent before it declined each of the following 4 years to 6.3 percent as of the fourth quarter of 2014 (CoStar Group; Figure 12). Moderate levels of rental construction and stronger renter household growth driven by the sales housing crisis

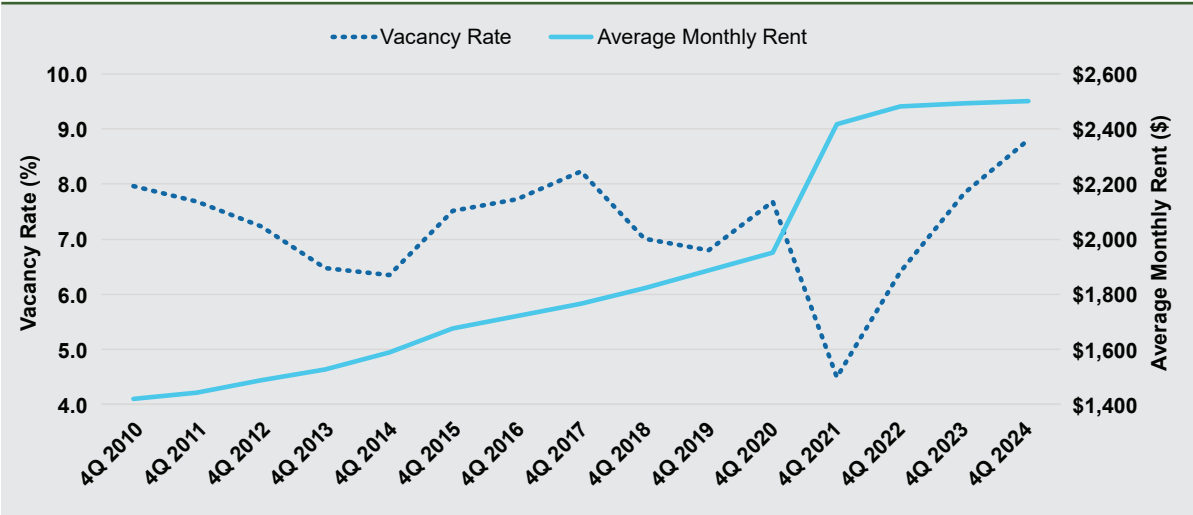
Table 7. Rental and Apartment Market Quick Facts in the West Palm Beach HMA

Rental Market Quick Facts	2020 (%)		Current (%)
	Rental Vacancy Rate	8.4	6.8
	2021 (%)		2023 (%)
	Occupied Rental Units by Structure		
	Single-Family Attached & Detached	27	29
	Multifamily (2–4 Units)	18	15
	Multifamily (5+ Units)	52	54
	Other (Including Mobile Homes)	3	2

Apartment Market Quick Facts	4Q 2024		YoY Change
	Apartment Vacancy Rate	8.8%	-0.3
	Average Rent	\$2,501	<1%
	Studio	\$2,292	3%
	One-Bedroom	\$2,090	<1%
	Two-Bedroom	\$2,552	<1%
	Three-Bedroom	\$3,338	1%

4Q = fourth quarter. YoY = year-over-year.
Notes: The current date is January 1, 2025. Percentages may not add to 100 due to rounding.
Sources: 2020 vacancy rate—2020 Census; current vacancy rate—estimate by the analyst; occupied rental units by structure—2021 and 2023 American Community Survey 1-year data; apartment data—CoStar Group

Figure 12. Apartment Rents and Vacancy Rates in the West Palm Beach HMA



4Q = fourth quarter.
Source: CoStar Group



contributed to declining vacancy rates and rising rents. The vacancy rate increased to 8.2 percent as of the fourth quarter of 2017, when slowing net in-migration contributed to softening apartment market conditions, with rising vacancy rates and moderating rental growth. From 2018 through 2020, decreased construction led to an overall decline in vacancy rates. When apartment completions slowed during 2020 and 2021, primarily because of delays due to labor and construction material shortages, and demand from net in-migration exceeded the growth in supply, the vacancy rate declined significantly, reaching 4.5 percent as of the fourth quarter of 2021. When those disruptions eased in 2022, apartment completions increased, contributing to easing market conditions in 2023 and 2024. The apartment vacancy rate was 8.8 percent as of the fourth quarter of 2024, representing the highest fourth quarter rate in more than a decade and up from 7.8 percent as of the fourth quarter of 2023. The average apartment rent increased 3 percent annually from the fourth quarter of 2010 to the fourth quarter of 2020 before increasing 24 percent as of the fourth quarter of 2021. The average rent then increased 3 percent from the fourth quarter of 2021 to the fourth quarter of 2022.

Current Apartment Conditions by Geography

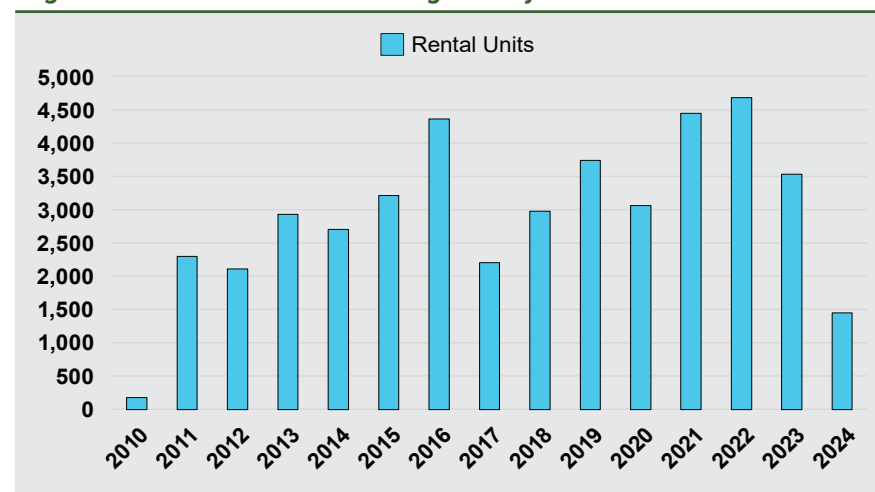
As of the fourth quarter of 2024, apartment market conditions softened compared with a year ago in six of the nine CoStar Group-defined market areas in the HMA, with vacancy rates ranging from 2.3 percent in the Belle Glade market area, where apartment market conditions were tight, to 16.3 percent in the Delray Beach market area, where conditions were soft. Apartment vacancy rates increased the most in the Delray Beach and the Palm Beach Gardens-Jupiter market areas, rising by 5.3 and 2.8 percentage points, respectively, from the same quarter a year earlier. The rising vacancies corresponded with 12- and 5-percent increases in the apartment inventories of the respective areas during the past year because of new construction. The average rent increased in seven of the nine market areas in the HMA. As of the fourth quarter of 2024, the respective average rents in the Belle Glade and Outlying Palm Beach County market areas increased 3 and 2 percent, respectively, to \$1,098 and \$606 from a year earlier. The Boca Raton and

Royal Palm Beach-Wellington market areas were the only market areas where the average rents declined as of the fourth quarter of 2024, down less than 1 percent each to \$2,834 and \$2,368, respectively. During the past year, the West Palm Beach market area had the most multifamily units delivered in the HMA, or one-third of the total completions. The highest average rents, \$2,834, \$2,790, and \$2,632, respectively, were in the Boca Raton, Delray Beach, and Palm Beach Gardens-Jupiter market areas.

Rental Construction

Rental construction activity, as measured by the number of rental units permitted, has slowed in the HMA after peaking during 2022, which is partly attributed to builders responding to rising vacancy rates and slowing rent growth. An average of 2,925 rental units were permitted annually from 2011 through 2016, including an increase to 4,350 units permitted during 2016 when builders responded to an increase in net in-migration during 2015 and 2016 (Figure 13). Slowing population growth from 2017 to 2020 prompted builders to limit construction activity to an average of 3,000 units permitted

Figure 13. Annual Rental Permitting Activity in the West Palm Beach HMA



Note: Includes apartments and units intended for rental occupancy.

Sources: U.S. Census Bureau, Building Permits Survey; 2010–23—final data and estimates by the analyst; 2024—preliminary data and estimates by the analyst

annually. During 2021 and 2022, builders increased rental construction to an average of 4,550 units annually in response to stronger net in-migration, rising rents, and the decline in vacancy rates. During the past year, builders responded to rising vacancy rates and minimal average rent increases with reduced multifamily permitting. In 2024, approximately 1,450 rental units were permitted, down 59 percent from the 3,525 units permitted during the previous year (preliminary data, with adjustments by the analyst).

New rental developments are distributed throughout the HMA. Of the units under construction, approximately 32 and 17 percent are in the cities of West Palm Beach and Delray Beach, respectively. Recent developments include the 264-unit Tortoise One in the city of West Palm Beach, completed in 2024. Rents at Tortoise One for one- and two-bedroom units start at \$2,336 and \$3,445, respectively. Savio, a 420-unit apartment community in the city of Delray Beach, was completed in 2024, with rents for studio and one-, two-, and three-bedroom units starting at \$2,009, \$2,159, \$3,066, and \$3,977, respectively.

Forecast

During the 3-year forecast period, demand is estimated for 10,800 rental units (Table 8). Demand is expected to be relatively steady throughout the forecast period. The 1,925 units under construction will satisfy a portion of demand during the first year.

Table 8. Demand for New Rental Units in the West Palm Beach HMA During the Forecast Period

Rental Units	
Demand	10,800 Units
Under Construction	1,925 Units

Note: The forecast period is January 1, 2025, to January 1, 2028.
Source: Estimates by the analyst

Terminology Definitions and Notes

A. Definitions

Apartment Vacancy Rate	Data are for market-rate and mixed market-rate and affordable general occupancy apartment properties with five or more units, including those that are stabilized and in lease up.
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.
Demand	The demand estimates in the analysis are not a forecast of building activity. They are the estimates of the total housing production needed to achieve a balanced market at the end of the 3-year forecast period given conditions on the as-of date of the analysis, growth, losses, and excess vacancies. The estimates do not account for units currently under construction or units in the development pipeline.
Distressed Sales	Short sales and real estate owned (REO) sales.
Existing Home Sales	Includes resales, short sales, and REO sales.
Forecast Period	1/1/2025–1/1/2028—Estimates by the analyst.
Home Sales	Includes single-family home, townhome, and condominium sales.
Net Natural Increase/Decrease	Resident births minus resident deaths/resident deaths minus resident births.
Rental Vacancy Rate	Includes apartments and other rental units, such as single-family, multifamily, and mobile homes.



Resales	These are home closings that have no ties to either new home closings (builders) or foreclosures. They are homes that were previously constructed and sold to an unaffiliated third party.
Seriously Delinquent Mortgages	Mortgages 90 or more days delinquent or in foreclosure.

B. Notes on Geography

1.	The 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.
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C. Additional Notes

1.	This analysis has been prepared for the assistance and guidance of HUD in its operations. The factual information, findings, and conclusions may also be useful to builders, mortgagees, and others concerned with local housing market conditions and trends. The analysis does not purport to make determinations regarding the acceptability of any mortgage insurance proposals that may be under consideration by the Department.
2.	The factual framework for this analysis follows the guidelines and methods developed by the Economic and Market Analysis Division within HUD. The analysis and findings are as thorough and current as possible based on information available on the as-of date from local and national sources. As such, findings or conclusions may be modified by subsequent developments. HUD expresses its appreciation to those industry sources and state and local government officials who provided data and information on local economic and housing market conditions.

D. Photo/Map Credits

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