HOUSING VALUES IN PALM BEACH COUNTY: 1970 TO 1977

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In a dynamic, growing area, the spatial pattern of housing values can change significantly over time. Analysis of the single-family housing market within the urbanized area of Palm Beach County reveals the extent that the median housing value changed from 1970 to 1977. Data obtained from sale transaction records of the County Property Appraiser were aggregated for each census tract, and a median value was computed for each year in each tract.

The value of Palm Beach County housing increased substantially, from $18,000 in 1970 to $36,900 in 1977. The increase, however, was not uniform throughout the county. Some census tracts experienced more rapid increases than others. Between 1970 and 1977, eighteen census tracts experienced increases of 0 to 50 percent in the median value of housing, twenty-seven tracts increased between 50 and 100 percent, seventeen increased from 100 to 150 percent, and eleven showed median housing value increases of more than 150 percent. These groupings reveal substantial deviations in the percentage increase in median housing values within the urbanized area of Palm Beach County. A Spearman's rank order correlation analysis was performed on the two data sets, yielding value of .545. This positive correlation coefficient implies that those tracts which had high median housing values in 1970 were likely to have high median housing values in 1977, and those that were low in 1970 most likely had low values in 1977.

The map of 1970 to 1977 percentage change in median housing value reveals that the highest increases (over 150 percent) were found immediately west of the fully developed area and along the Intracoastal Waterway in the northern part of the county (Fig. 1). The second highest increases (100 to 150 percent) were in those tracts adjacent to the coast (or were on the Intracoastal Waterway) and also generally concentrated in the northern area of the county. Median housing value increases of between 50 and 100 percent were located in an inland strip running north-south the length of the county. The smallest increases (less than 50 percent) were concentrated in the central city area and in those western tracts which have maintained a strong agricultural base.

There appears to be three relatively distinct zones of value change, coastal, central, and western. The coastal and western zones experienced high percent increases in median housing values (over 100 percent). The coastal zone is characterized by high stable land values, luxury housing, and little expansion of the housing stock. In this area the attraction of natural amenities (such as the ocean or Intracoastal Waterway) keeps median values high.
The western zone, conversely, is an area of rapid suburban growth with accelerating land values brought on by large increases in the housing stock. In this zone attraction to man-made amenities of new developments (e.g., golf courses) coupled with the desire to escape declining neighborhoods helps force median housing values upward.

The central zone generally witnessed small increases (less than the countywide average) in median housing values. This area is typified by an older housing stock, little or no new construction, and less stability within neighborhoods. In the census tracks where neighborhoods are declining housing values show their smallest increase.

In areas of rapid growth, like Palm Beach County, median housing values exhibit high percentage increases. These increases in part reflect increased demand due to in-migration of individuals, either for permanent residences or for second homes (which comprise a major component of the housing market in resort areas). Much of the housing demand within Palm Beach County was focused on areas with inherent natural amenities or in areas of new development characterized by man-made amenities. Conversely, areas devoid of such features or dominated by land uses in transition showed only small percentage increases in median housing value.