

PROPERTY VALUES & LANDMARKING IN PALM BEACH

**A Study of the Impacts of Landmarking
on Property Values in Palm Beach**

Executive Summary | October 2021

Completed by PlaceEconomics



EXECUTIVE SUMMARY

The historic landmarked properties of Palm Beach set a high standard for beauty, quality, character, design, and stewardship. This study was commissioned by the Preservation Foundation of Palm Beach primarily to determine if landmarking has an adverse impact on property values. **The findings are clear: landmarked properties in Palm Beach are a valuable economic asset for their owners, and a valuable aesthetic, cultural, historical, and symbolic asset for the public.**

THE BIG NEWS...

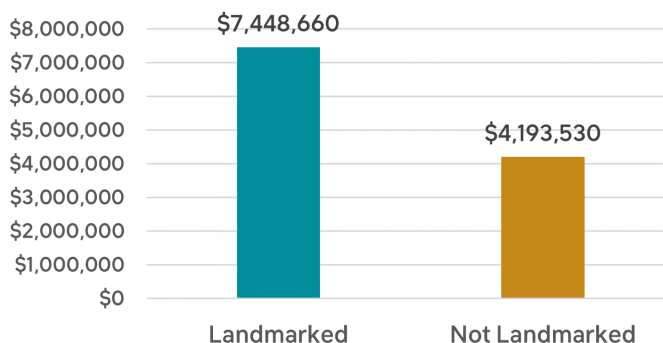
This analysis found that landmarking had **no negative impact** on property values, either in current values, value change over time, value change following designation, or when accounting for differences in age, condition, size, water access, or location. Not only does landmarking not reduce property values, landmarked properties experience greater rates of value increase than do non-landmarked properties.

Legend

- Landmarked Parcels
- Rest of Palm Beach

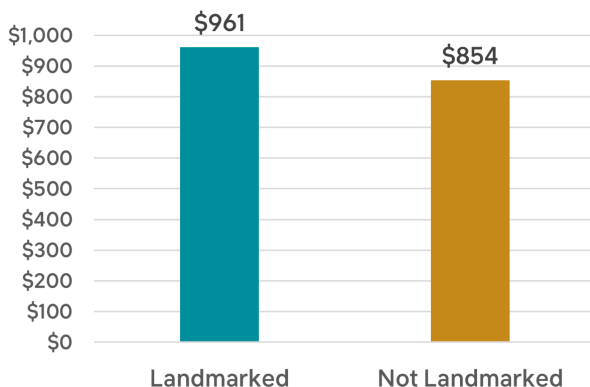


Median Values of Landmarked and Non Landmarked Properties



Not only does landmarking not reduce property values, it creates an economic premium for those properties in the marketplace.

Median Value Per Square Foot



The median value of undesignated properties directly adjacent to landmarked properties is \$1 million more than properties in the rest of the city.



\$7.4 MILLION
Median Value
of Landmarked
Properties



\$5 MILLION
Median Value
of Adjacent
Properties



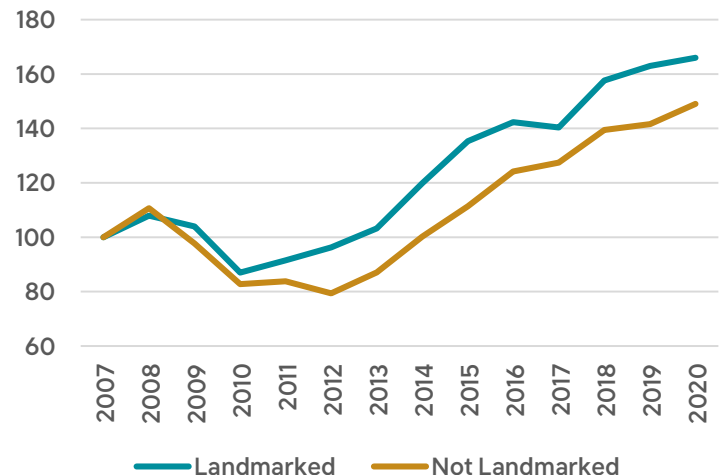
\$3.9 MILLION
Median Value
of Rest of
Palm Beach

VALUE CHANGE OVER TIME

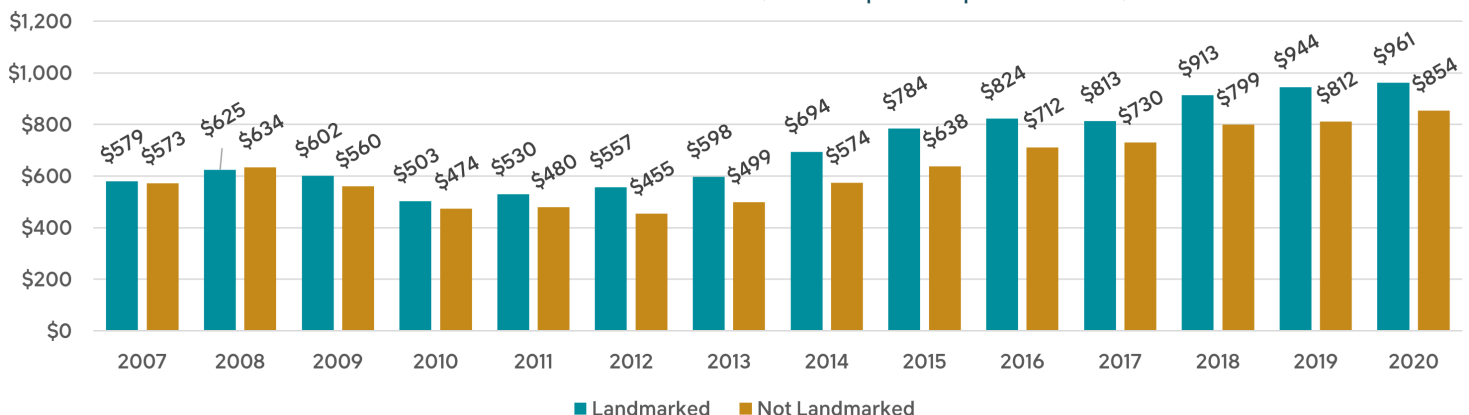
Landmarked properties experience greater rates of value increase than do non-landmarked properties.

Over the 14 year study period, both landmarked and undesignated properties increased significantly in value. The increase for landmarked properties was measurably greater than for non-landmarked properties, and while both designated and non-designated properties lost value during the Great Recession, landmarked properties began their price recovery sooner than did other properties. Landmarked properties did better in both the declining and the recovery markets.

Indexed Change in Value, 2007-2020 (Value per Square Foot)



Median Value Over Time (Value per Square Foot)

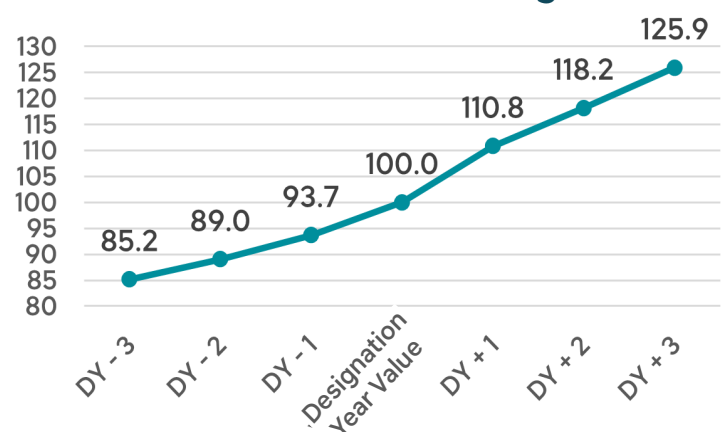


VALUE CHANGE BEFORE AND AFTER LANDMARKING

Designation did not negatively impact the total value or change in value for landmarked properties between 2010 and 2017.

To most directly measure the impact of designation on value, all of the properties designated as landmarks between 2010 and 2017 were subjected to a separate analysis. The goal of this particular analysis was to look at the pattern of value change in the three years before designation and the value change in the three years after designation. The values of all properties landmarked over this period averaged around 15% less three years prior to designation and about 25% more three years after designation. The findings demonstrate that landmarking did not reduce the property value, and the pattern of value enhancement continued in the years following designation.

Landmarked Properties Change in Value Before and After Designation

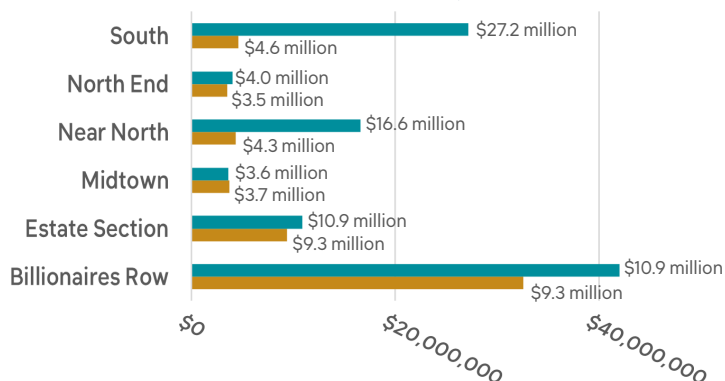


VALUE BY PROPERTY CHARACTERISTICS

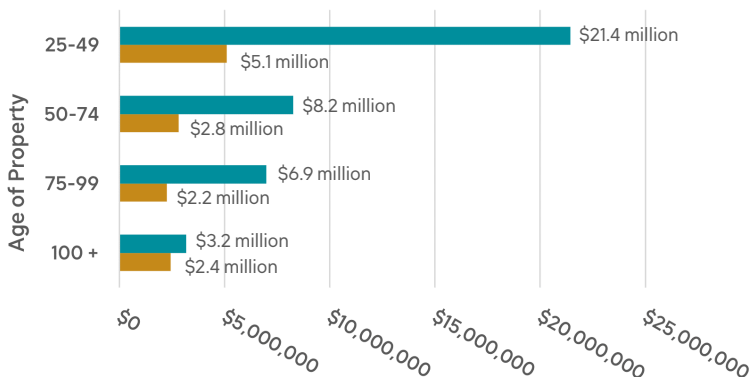
By any category, landmarked properties outperform comparable undesignated properties.

Landmarked properties are more valuable than non-landmarked properties in both total value and square foot value when compared by age, by condition, by water frontage, by submarket within Palm Beach, and by proximity.

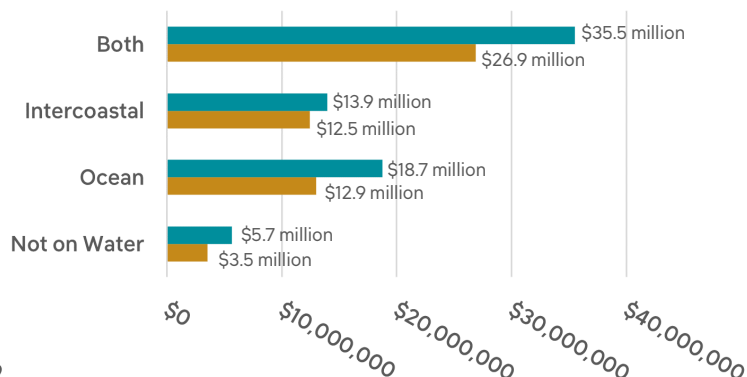
Difference in Value by Submarket



Difference in Value by Age



Difference in Value by Water Proximity



■ Landmarked ■ Not Landmarked

WILLINGNESS TO PAY SURVEY

A Willingness to Pay Survey was conducted as part of a contingent valuation to assess the non-economic values of Palm Beach's historic resources.

The non-economic value of Palm Beach's historic character is between \$59,000,000 and \$63,000,000. In a market where some individual properties have a value that high, \$60 million may not seem a large amount. But looked at another way, that willingness to pay represents:

There are non-economic values attributable to the historic character of Palm Beach that, when quantified, total more than the Town's entire annual property tax revenue.



\$170,000

for every landmarked building in Palm Beach



\$6,900

for every resident in Palm Beach



\$12,000

for every household in Palm Beach