

The Growth of Panama City Beach

By Marta Rose

The growth of Panama City Beach has of late been compared to that of its southern cousin, Miami Beach. Known as the “million dollar sandbar,” Miami Beach in the 1930s was born of fantasy and speculation, designed for fun and profit. A morphing of modern architecture and movieland fantasy, Bauhaus sleekness, Art Deco glamour and tropical imagery, the Miami Beach “look” was designed specifically for the hotels and apartments of this emerging resort.

Another Florida city is going through a similar metamorphosis. Both tropical and tranquil in nature, Panama City Beach is an emerging beachfront resort city as well, more the likes of the pre-glittering Miami Beach in the 1920's. In the twenties on the Emerald Coast, small cottages were built, mostly on the north side of the narrow highway spanning the distance of “the island.” Later, when the concept of motels came into being, chain and local mom and pops sprang up all along the water's edge. The cottages and motels were favorite vacation spots for families from Alabama and Georgia. Amusement and theme parks, miniature golf courses, souvenir shops and restaurants supported the tourist trade during the summer months. Few families actually lived on the “Miracle Strip” as the area had become known, and during all but the summer months the beach reminded one of a ghost town.

A new resort destination is on its way.

Once dubbed *The Redneck Riviera*, Panama City Beach is undergoing a massive growth and redevelopment explosion at the moment. As of early 2006, 114 new developments are underway or have recently been completed, representing 26,762 new units with the removal of 3,728 old units, for a net of 23,075 new units – most with completion schedules set by winter of 2007. Twenty of these developments have been completed or have the first phase completed. Many of these resorts will combine residential space with a collection of enchanting eateries, exhilarating attractions and chic retail. A new skyline of distinctive architecture fills the horizon, from classic seaside bungalows to sleek Caribbean-style resorts. Whether strolling, shopping, dining, dancing or people-watching is your thing, Pier Park—the 900 square foot entertainment complex spanning the Gulf of Mexico to Highway 98—will be fully opened by summer of 2007, filled with irresistible cafes, galleries, shops, restaurants and a state-of-the-art 16-screen movie theater. “Pier Park will be the new downtown Panama City Beach,” states Paul Ajdaharian, Regional Vice President of Simon Property Group, the project's developer. If you love to golf, try out the greens at any one of Panama City Beach's five champion golf courses. If you're into swimming, check out the new \$4 million Aquatic Center at Frank Brown, where new hiking trails have also recently been cleared. New museums, theaters, galleries and parks seem to be arriving on the scene daily. Two major “economic development initiatives” are being developed at Interstate 10 and Highway 79, a wildlife park and a theme park. The names of these projects could not be announced at this publication's press time, but a press conference by the developers on May 31st will announce the details to the world.

Despite all this growth, the real estate market in Panama City Beach has been attacked in recent months. As with many things in life, a description of the state of things depends on who you ask. Some feel the market has “hit a trough,” and blame greed as the reason for the stagnation of condo sales. In the past several years “a building frenzy that outpaced even the feverish speculative buyers who swarmed here from places like Birmingham and Atlanta” has taken place, wrote the Atlanta Journal Constitution in April. But many feel the market has finally leveled off, and the moderation is good.

“Real estate is always a good investment,” says Teresa Dyer, President of the Bay County Association of Realtors. “It's now both a seller's and a buyer's market.” Not to mention the fact that anything on the beach will always go up in value. Bob Pirrung, a realtor at Prudential Shimmering Sands, had a man ask him if he thought the area was a just splash in the pan, not really a good place to invest. “I asked him if he had noticed all the new banks coming into the area and the branches popping up like mushrooms all

over the Panama City and Panama City Beach area,” Bob tells. “After a moment, he said yeah.....Well, banks go where the action is, and the action is only just beginning. I think the saying is *money chases money*.”

In March the Forbes/Slatin Report acknowledged that Bay County is about to become one of the fastest growing areas in the nation, declaring that the adage “*Build it and they will come*” occasionally happens in real life. Here, “it” is the new Bay County International Airport, scheduled to break ground later this year and be completed in 2009, and “they” are home-buying retirees from the Midwest and Northeast, time-sharing vacationers, beachfront aficionados, spring-break revelers, real estate investors, developers, speculators and flippers. “The rush is just beginning,” it observes. Rush indeed...in addition to opening direct travel channels from all over the nation, the European market and the rest of the world, the new airport will create an estimated 14,000+ jobs for Bay County and generate hundreds of millions in additional revenue. In May, Money Magazine on CNN.com reported that Panama City Beach is the top city forecasted for the fastest growth in the nation, where prices are expected to rise 21 percent from June 2006 to June 2007. (Other Florida cities in the top ten include Lakeland and Ocala.)

Still a best kept secret.

One Ohio resident, who has bought and sold real estate in Panama City Beach for years, cites two explanations for the area’s bright future: the new airport and the affordable real estate prices. “The new airport should start a frenzy of buying in this area,” he says. “Just a shovel in the ground should bring the prices up.” He observes the popularity of East Coast real estate in the European marketplace, namely to Germans and Brits. “They buy the East Coast like crazy. When they see Panama City Beach’s prices, they’re going to suck up this property like no tomorrow!” ‘*Going to*’ are the key words here...most of the world – and even the country – still don’t know about our little slice of paradise. The Northerners, he adds—referring to three of the top feeder northern and mid-western states, Ohio, Michigan and Indiana—have long been buying Fort Myers and Naples at \$1,100 per square foot. Panama City Beach is about half of that.

“The best way to predict the future is to create it,” states City Planner Mel Leonard, who described the CRA’s (Community Redevelopment Agency) “facelift of Front Beach Road” at the Chamber’s Friday at the Beach breakfast in February. The eight-mile stretch of Front Beach Road, beginning around Laketown Wharf and traveling westward, will begin to transform into a more pedestrian and people-moving zone within two to three years with the addition of sidewalks, bike paths, benches, street lamps, tropical landscaping and a multi-modal transportation system which will run continuously throughout the beach, joined to a central garage.

There’s certainly a lot to love about Panama City Beach, and it’s no surprise that tourism is Panama City Beach’s largest industry. With its 27 miles of white sand beaches and beautiful emerald water, over seven million visitors spend an estimated \$1.29 billion annually while visiting “The World’s Most Beautiful Beaches.” Over four million *overnighters* stay an average of four nights, while an additional three million annual visitors consist of *day trippers*. Although summertime continues to be the busiest tourist season, Panama City Beach is slowly becoming a year-round market. For more updates and information on Panama City Beach, stay in touch with the Chamber by calling (850) 235-1159 or visit us online at www.pcbeach.org.