

The Real Estate Newsletter Of The Florida Keys! Coldwell Banker Schmitt Real Estate Co. *The Most Trusted Name in Florida Keys Real Estate Since 1955*

Florida Keys Real Estate Market Comparison January to December 2007 vs 2006

*Source: Tri-Services Multiple Listing Service (MLS) Board
Key Largo To Key West

KEYS-WIDE OVERVIEW

This overview includes data from previous years (charts on page 2) to provide a better perspective of the dynamics of the Florida Keys real estate market.

Keys-wide sales of all properties for 2007 declined by the lowest amount since the real estate market correction commenced during the second half of 2005 to 1,311, or -12% compared to 2006. For reference, 2006 vs. 2005 was down -45% and 2005 vs. 2004 sales declined -21%. Yearly sales last increased by +4% in 2004 which was the record year for number of sales with 3,510.

The average sales price for all properties dropped -9% in 2007 to \$731K. This is the first sales price reduction year-over-year in a decade. The sales price increased +3% to the record high of \$804K during 2006, with prior year increases of +39% for 2005 and +30% and +32% in 2004 and 2003, respectively.

The average days-to-sell in 2007 rose by +36% to 235, nearly double the +19% of 2006 and +14% in 2005. 2005 was the first year for an increase as days-to-sell were down -11% for 2004 at 140.

The original list price-to-sale price (OLP/SP) declined -4% to 81.9% in 2007. The highest ever OLP/SP Keys-wide, 88.1%, occurred during 2005. OLP/SP compares the sales price of the property to the initial price at the time the property was listed versus the list price at the time the contract was written. This provides a more realistic indicator as the list price of the property may have been reduced one or more times during the listing period.

Properties new to the market "for sale" during 2007 dropped -9%, to 4,585 compared to an increase of +21% during 2006. The reduction in new properties entering the market and the smaller drop in sales reduced the actual number of properties for sale at year's end to 4,430, a reduction of -2% compared to 2006. They had increased by +30% 2006 vs. 2005 after almost having doubled in 2005 vs. 2004.

The average list price for properties available for sale changed slightly, -.6% to \$990K. In 2006 the price rose +2% after a +23% increase in 2005.

KEYS-WIDE MARKET AREA DETAILS

Number of Sales: Key West experienced a very slight growth in sales of +1% to 470. Sales there had declined -39% during 2006 and -31% in 2005 after a +6% increase in 2004. The Lower Keys followed with a -6% drop to 237 properties sold after a -46% reduction in 2006 and -28% in 2005. The Upper Keys was off -21% to 405 versus -44% in 2006 -17% in 2005. The Middle Keys again experienced the biggest decline, -23% to 199 after a drop of -53% in 2006 and -6% in 2005.

Value of Sales: The Key West total sales value was \$386M, a -10% reduction compared to -43% in 2006 and -5% during 2005. The Lower Keys value of \$133M was a -23% decline compared to -49% for 2006 after a +14% rise in 2005. In the Upper Keys, the overall value was off -29% to \$299M, versus the -39% in 2006, following a +18% rise for 2005. (continued on page 2)

Green (+) Red (-)	Upper Keys (Lower Matecumbe to Key Largo)	Middle Keys (7 Mile Bridge to Long Key)	Lower Keys (Bay Point to Big Pine)	Key West (Key West to Shark Key)	All Areas Keys-Wide
Total Number of Sales As of 12/31/07:	21% Less 405	23% Less 199	6% Less 237	1% More 470	12% Less 1,311
\$ Value of Sales As of 12/31/07: (in millions \$)	29% Less \$299MM	33% Less \$138MM	23% Less \$133MM	10% Less \$386MM	20% Less \$958MM
Avg. Days To Sell As of 12/31/07:	28% More 257	37% More 256	34% More 253	55% More 175	36% More 235
Avg. Sales Price As of 12/31/07:	4% Less \$739K	14% Less \$695K	13% Less \$563K	12% Less \$823K	9% Less \$731K
Original List Price to Sale Price As of 12/31/07:	3% Less 76.95%	6% Less 82.5%	10% Less 75.26%	1% More 92.71%	4% Less 81.86%
New Properties Listed As of 12/31/07:	5% Less 1,725	9% Less 830	28% Less 724	1% More 1,306	9% Less 4,585
Avg. List Price Properties "For Sale" As of 12/31/07:	4% More \$1.1MM	4% More \$984K	12% Less \$687K	4% Less \$987K	.6% Less \$990K
Months of Inventory As of 12/31/07:	45% More 46	33% More 52	12% Less 36	11% Less 33	11% More 40
Number of Properties "For Sale" As of 12/31/07:	7% More 1,560	5% More 870	14% Less 714	.7% Less 1,286	2% Less 4,430

Real Estate Market News

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(continued from page 1)

As expected, the Middle Keys value fell the most off **-33%** to **\$138M** after a **-53%** drop in 2006, compared to a **+30%** increase in 2005.

Average Days to Sell: The Upper Keys, with a **+28%** increase to 257, had the lowest increase in 2007 compared to the **+20%** rise in 2006 and **+7%** in 2005. Next, was the Lower Keys at **+34%** and **253** days, compared to rising **+24%** and **+25%** in 2006 and 2005, respectively. The Middle Keys had a **+37%** jump to **256** days after the **+17%** increase in 2006 and **+15%** in 2005. Key West, with **175** days, had the most significant increase, **+55%**, after having decreased **-3%** in 2006 following a rise of **+18%** in 2005. The reported Key West number includes a number of new construction project sales which typically report as "0" days. Excluding those sales, the average is **200** days. Overall, the reported time to sell does not take into account prior listing periods with other brokers, and it is actually quite a bit longer. The overall average Keys-wide for November and December was **329** days, which may better represent the real number for 2008.

Average Sales Price: The lowest reduction of **-4%** to **\$739K** occurred in the Upper Keys after having risen **+9%** in 2006, **+43%** in 2005, and **+28%** in 2004. Key West was second with **-12%** to **\$823K** compared to **-6%** in 2006, **+37%** in 2005 and **+31%** in 2004. The Lower Keys declined **-13%** to **\$563K** versus the 2006 **+11%**, 2005's **+35%**, and **+33%** for 2004. Next, at **-14%** and **\$695K** was the Middle Keys, following a **+1%** rise in 2006, **+38%** in 2005, and **+30%** in 2004.

Original List Price to Sale Price: The Lower Keys led with a **-10%** drop to **75.3%**, followed by the **-6%** at **82.5%** for the Middle Keys, and **-3%** with **77%** in the Upper Keys. Only Key West experienced an increase of just **+1%** to **92.7%**, which, like the Days to Sell, reflect project sales which were reported at 100% of the asking price, and does not represent the resale market average.

New Properties Listed: With a decline of **-28%** to **724** the Lower Keys had the biggest reduction of listings coming on the market during 2007 after increasing **+12%** in 2006. The Middle Keys followed with a **-9%** decline to **830** compared to **-8%** for 2006. The Upper Keys was next with **-5%** to **1,725** after dropping **-4%** during 2006. Only Key West had an increase, though slight, of **+1%** to **1,306**, compared to the **+20%** in 2006.

Average List Price: Increases of **+4%** occurred in the Upper Keys and Middle Keys to **\$1,099K** and **\$984K**, respectively. The Lower Keys declined **-12%** to **\$687K** and **-4%** to **\$987K** in Key West.

Months of Inventory: The Lower Keys and Key West had a decline in months of inventory, **-12%** to **36** months and **-11%** to **33** months, respectively. Months of inventory increased in the Middle Keys **+33%** to **52** months and the Upper Keys **+45%** to **46**. Months of inventory is the measure of how many months it would take to sell the existing inventory of properties on the market at the current rate of sales.

Number of Properties For Sale: Key West, with **1,286** properties on the market, declined **-7%** after having risen **+16%** in 2006 vs. 2005, **+82%** for 2005 vs. 2004, and **+37%** in 2004 vs. 2003. The Lower Keys had **-14%** fewer properties available at **714**, after having risen **+39%** in 2006, **+87%** in 2005, and **+38%** in 2004. The Upper Keys and Middle Keys properties on the market on 31 December 2007 rose for each area by **+7%** to **1,560** and **+5%** to **870**. For 2006 the Upper Keys increased **+35%**, and **+98%** in 2005 after a **-12%** decline in 2004. The Middle Keys rose **+32%** in 2006, **+99%** in 2005 and **+19%** in 2004. (continued on page 4)

Florida Keys Real Estate Market 1998 - 2007

Sold Properties				
	Closed Sales		Average Sales Price	
	# Sales	% Change Vs Previous Year	Average Sales Price	% Change Vs Previous Year
2007	1,311	-12%	\$731,000	-9%
2006	1,500	-45%	\$804,911	3%
2005	2,752	-21%	\$782,400	39%
2004	3,510	4%	\$563,362	30%
2003	3,359	6%	\$434,022	32%
2002	3,162	10%	\$328,801	14%
2001	2,874	19%	\$288,166	5%
2000	2,413	5%	\$274,995	12%
1999	2,301	11%	\$246,525	7%
1998	2,079		\$230,830	

Florida Keys Real Estate Market 1998 - 2007

Listed Properties				
	Listings Taken		Average List Price	
	# Listings On Mkt. 31 Dec.	% Change Vs Previous Year	Average List Price	% Change Vs Previous Year
2007	4,430	-2%	\$990,131	-6%
2006	4,507	30%	\$996,071	2%
2005	3,469	90%	\$976,150	23%
2004	1,818	1%	\$792,371	33%
2003	1,704	7%	\$594,647	26%
2002	1,822	-11%	\$471,377	25%
2001	2,058	-24%	\$375,802	12%
2000	2,712	-14%	\$336,324	11%
1999	3,174	100%	\$303,718	5%
1998	1,585		\$289,380	

Yearly Mortgage Comparison As Of December 31, 2007*

Loan Type	2007		2005		2003		2001	
30-yr Fixed Rate Mortgages Rate/Points	6.10%	0.5%	6.27%	0.5%	5.88%	0.7%	7.07%	0.8%
1-yr Adjustable Rate Mortgages Rate/Points	5.50%	0.6%	5.17%	0.7%	3.75%	0.6%	5.23%	0.8%

*Source: Freddie-Mac

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Coldwell Banker Schmitt News

Coldwell Banker Schmitt Continues to Lead the Florida Keys in Sales, Especially of Million Dollar-Plus Single Family Properties, and Has More Top Agents in Every Category Than the Next Four Companies Combined.

Sales Sides of \$1M+ Single Family Properties Keys-Wide 2007

	\$1M+ Sales		\$1.5M+ Sales		\$2M+ Sales	
	# Sides	% Vs. CBSREC	# Sides	% Vs. CBSREC	# Sides	% Vs. CBSREC
Coldwell Banker Schmitt	70		28		15	
C-21 Prestige	37	-89%	14	-100%	8	-88%
Truman & Co.	29	-141%	13	-116%	10	-50%
Schwartz GMAC	22	-218%	4	-600%	1	-1400%
Marr/American Caribbean	21	-233%	14	-100%	9	-67%
Prudential	10	-600%	6	-367%	3	-400%

Sales Associate Ranking of 1,129 Agents Keys-Wide Jan – Dec 2007 Production

Company	# Agents	Top 50	Top 75	Top 100
Coldwell Banker Schmitt	112	18	26	31
C-21 Prestige	114	4	11	18
Schwartz GMAC	50	2	4	6
Prudential	48	3	3	5
Exit	32	0	2	3

Florida Keys Vacation Rentals, Inc. is a sister company of Coldwell Banker Schmitt Real Estate Co. It manages over 500 properties from Key Largo to Key West, and collected over \$5.9 million in rents in 2007.

We have just redesigned and relaunched its website, RentalsFloridaKeys.com. You will find lots of new features and resources including:

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This site also links to our real estate sales site, RealEstateFloridaKeys.com, should you decide to look for your own perfect piece of paradise while on vacation.

While you are visiting the site, don't forget to sign up for our new vacation rentals e-newsletter, **Tropical Currents**, to stay informed about news and upcoming events in The Keys.

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Florida Keys Vacation Rentals

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SEARCH VACATION RENTALS

Check In Date: 2/1/2008 | Nights: 7
 Bedrooms: No Preference | Guests: 2
 Area to Search: Lower Keys

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- LOWER KEYS AGENT
- KEY WEST AGENT

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WHAT IS AHEAD FOR THE KEYS REAL ESTATE MARKET?

2007 did not bring the recovery to the overall Florida Keys Real Estate Market for which so many had hoped, but there are some good trends. To understand them, it's important to keep the current market in perspective. Nationally, 2007 was the 5th best year on record. Median prices declined **-1.5%** after an unprecedented increase of **+50%** over the past couple of years.

In The Keys, the average sales price of a property declined for the first time in recent history by **-9%** after having almost tripled since 2000. This is not to say that values of some properties haven't declined more than **-9%**, because they have. The **-9%** reduction indicates that with fewer sales, higher priced properties are selling better, propping up the average sales price.

The basic problem with our market is the over-abundance of properties for sale that started to grow in 2005, and skyrocketed as a result of Hurricane Wilma in October 2005 when many people decided to sell, almost doubling the number of listings for sale. The market has not yet recovered from this deluge of new listings. Currently, there are almost 4,500 properties for sale and we are selling about 100 of them a month Keys-wide. Until the ratio of 'for sales' to 'solds' gets better, prices will continue to be under pressure. One of the benefits of the reduced prices is the return of our traditional buyer, who was priced out of the market, and who is again buying property to use and enjoy rather than speculate on. We all recognized that the **+2%** to **+3%** monthly appreciation that we enjoyed in 2003-2005 was not sustainable, we just did not anticipate Wilma and its effect on the market on top of the then declining trends which precipitated an almost overnight and dramatic change in the market.

We are now seeing properties for sale at great prices. The question now is "are we at the bottom yet?" The answer depends on where the property is, and what type of property it is. While the number of sales overall was down, the number of sales of single family waterfront homes in 2007 Keys-wide was almost on par with 2006. The number of sales of all property types in Key West actually increased slightly in 2007 over 2006. The number of sales in the Lower Keys was off only **-6%** while inventory there is down **-14%**. Sales were off over **-20%** in the Middle and Upper Keys while the number of listings for sale remained flat and the number of new listings declined. Virtually all the reduction in sales in 2007 occurred in lots, condos and non-waterfront homes.

The number of 'new listings' coming on the market was down **-9%** Keys-wide in 2007, a sign that the overall inventory should start to recede. This is a necessary precursor to stabilizing prices. We won't likely start to see those effects until late this year at the earliest.

Bottom line: the trends are generally good, but we have a fair way to go to get back to a balanced market.

More Florida Keys History For You



The Clark House. One of Marathon's mystery homes. Adjacent to the old Buccaneer Lodge, this home was the scene of a mysterious death at a New Year's Eve party. Afterwards the house was a hippy haven for a number of years. The building was demolished in the 1970's. The Florida Fish & Wildlife Commission offices are currently located on the property.

If you would like a **FREE** Comparative Market Analysis, contact one of our five offices at the toll free numbers below. We are the **Most Trusted Name In Florida Keys Real Estate.**

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