

## 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: 1st Half 2011 vs. 2010

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

#### KEYS-WIDE OVERVIEW

**Sales** for the 1<sup>st</sup> Half 2011, **1,126** increased **+15%** from **975** last year and exceeds the 1<sup>st</sup> Half sales total of **893** in 2006. The lowest total for the 1<sup>st</sup> Half of the year was **628** in 2008.

The **Dollar Value of Sales** also rose **+18%=\$478.5MM** compared to the 1<sup>st</sup> Half 2010=**\$404.2MM**, which was up **+13%** over 2009. The Dollar Value of Sales declined yearly from 2006 through 2009, falling **-60%** during this period. For all of 2010 the Dollar Value of Sales rose **+5%** over 2009.

**Average Days to Sell** increased to **249** days **+2%** over the 1<sup>st</sup> Half of 2010 which required **235** days on the market.

The **Sale Price-to-Original List Price (OLP/SP)** increased **+7%** to **76.98%** from **71.97%** in the 1<sup>st</sup> Half of 2010. The OLP/SP compares the sale price of the property to the list price of the property at the time it first came on the market versus the list price at the time the contract was written and provides a measure of the mismatch between many sellers initial list price and the market price acceptable to buyers.

The **Sale Price-to-Final List Price (FLP/SP)** of **91.46%** did not change from 2010. The FLP/SP compares the sale price of the property to the list price of the property at the time the contract was written instead of the time the property was 1<sup>st</sup> listed, and reflects the average discount from the Final List Price that buyers, on average, expect.

The **\$424K Average Sale Price (ASP)** at the end of the 1<sup>st</sup> Half was **+2%** over the **\$414K** for that period last year. As occurred at the end of the 1<sup>st</sup> Qtr. 2011, this is the 1<sup>st</sup> time the ASP has increased over the 1<sup>st</sup> Half of the year since 2006 when it was **\$762K**. The **\$424K** today is a reduction of **-44%** during the past 5 years which puts it in the 2002 and 2003 price range.

**Pending Transactions** provide a forecast for closed sales over the next two months as they are properties that have an agreed upon contract and are in the process of completing the contingencies of that contract such as inspections, financing, title search, etc., prior to the agreed closing date, which tends to be from 15 to 60 days. Keys-wide Pending Transactions increased **+23%** compared to the 1<sup>st</sup> Half of 2010, going from **1,041** to **1,282** in 2011. That is the highest since **1,297** during the 1<sup>st</sup> Half of 2005, after being as low as **724** for the 1<sup>st</sup> Half of 2008. The 2011 increase in Pending Transactions is **+14%** greater than the number of closed sales of the 1<sup>st</sup> six months of 2010, which further reflects the extent of buyer activity during that period.

The **3,345 Properties For Sale** on June 30, 2011 was a drop of **-11%** from **3,769** in 2010 and is a **-34%** reduction from the peak of **5,084** in March of 2007.

The **18 Months of Inventory (MOI)** from **23** at the end of June 2010 is a **-23%** drop, continuing down from **43** months on 30 June 2008. The 2011 reduction in MOI results from the simultaneous increase in sales and the decreased inventory of properties for sale.

The **Average Listed Price (ALP)** also declined, **-9%** to **\$708K** compared to **\$775K** in June of 2010. The ALP peak was **\$990K** at the end of 2007, and has fallen **-28%** since then.  
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	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
<b>Green (+) Red (-)</b>					
<b>Total Number of Sales as of 6/30/11:</b>	<b>33% More 360</b>	<b>11% More 196</b>	<b>8% More 215</b>	<b>8% More 355</b>	<b>15% More 1,126</b>
<b>\$ Value of Sales as of 6/30/11: (in millions \$)</b>	<b>29% More \$151.5MM</b>	<b>9% Less \$73.0MM</b>	<b>11% More \$77.5MM</b>	<b>30% More \$176.3MM</b>	<b>18% More \$478.5MM</b>
<b>Avg. Days to Sell as of 6/30/11:</b>	<b>8% More 283</b>	<b>1% More 308</b>	<b>5% Less 238</b>	<b>2% More 168</b>	<b>2% More 249</b>
<b>Sale Price to Original List Price as of 6/30/11:</b>	<b>4% Less 73.34%</b>	<b>21% More 73.05%</b>	<b>2% More 81.55%</b>	<b>13% More 79.99%</b>	<b>7% More 76.98%</b>
<b>Sale Price to Final List Price as of 6/30/11:</b>	<b>2% Less 88.75%</b>	<b>1% More 90.71%</b>	<b>No Change 91.00%</b>	<b>2% More 95.36%</b>	<b>No Change 91.46%</b>
<b>Avg. Sales Price as of 6/30/11:</b>	<b>3% Less \$420K</b>	<b>18% Less \$372K</b>	<b>2% More \$360K</b>	<b>19% More \$496K</b>	<b>2% More \$424K</b>
<b>Pending Transactions as of 6/30/11:</b>	<b>38% More 430</b>	<b>27% More 238</b>	<b>16% More 248</b>	<b>12% More 366</b>	<b>23% More 1,282</b>
<b>Number of Properties For Sale as of 6/30/11:</b>	<b>17% Less 1,117</b>	<b>17% Less 687</b>	<b>9% More 632</b>	<b>11% Less 909</b>	<b>11% Less 3,345</b>
<b>Months of Inventory as of 6/30/11:</b>	<b>37% Less 19</b>	<b>25% Less 21</b>	<b>1% More 18</b>	<b>18% Less 15</b>	<b>23% Less 18</b>
<b>Avg. List Price Properties For Sale as of 6/30/11:</b>	<b>7% Less \$773K</b>	<b>No Change \$691K</b>	<b>9% Less \$541K</b>	<b>13% Less \$757K</b>	<b>9% Less \$708K</b>

# Florida Keys Real Estate Market

## Trends, Highlights & Projections

### Market Trends & Highlights:

- Number of Sales: UP **+15%** in 2011
- Average Sale Price: UP **+2%** in 2011 to **\$424,000**
- Pending Sales: UP **+23%** in 2011—Market will continue to improve through the 3rd Qtr.
- **Original List Price** Vs. **Final Sale Price** Margin: From **30%** in December 2010 to about **23% Today**—Sellers and buyers expectations about price are aligning.
- The Margin of **Final List Price** to **Sales Price** has compressed from **13%** in December 2009 to **8.5% Today**—The discounts Buyers can expect are less.
- Listings: Down **-34%** from **5,084** in March 2007 to **3,345** today & **-11%** from beginning of the year—This is probably the most important Market Factor and as the inventory continues to decline the sense of urgency will increase.
- Distressed Property Sales (Bank Owned & Short Sales)
  - Down from a peak of almost **1/2** the number of **Sales** in mid-2010 to nearly **1/4<sup>th</sup>** of the **Sales** currently.
  - Listings down from about **1/4<sup>th</sup>** of all **Listings** in 2009 & 2010 to about **1/10<sup>th</sup>** of all **Listings** in 2011—These trends have a large impact on the psychology of the real estate market
- Home Sales
  - Sales of Homes \$500K to \$1 Million are up **+21%**
  - Sales of \$1-2 Million Homes moved UP **+26%** in 2011 with pending sales UP **+48%**
  - Sales of \$2-4 Million Homes moved UP **+20%** in 2011 with pending sales UP **+33%**
  - Condo & Townhome sales in the \$500K to \$1 Million price range are up **+41%** in 2011 with pending sales UP **+22%**.
- Vacant Land Sales UP **+36%** and Pending Sales of Land UP **+54%**. This part of the market was almost nonexistent since 2006.

### Projections:

- Inventory continuing its decline to levels that will continue to sustain property price appreciation.
- Distressed properties becoming an insignificant Market Factor within 2 years.
- The “Upper End” Markets thriving again within 2 years.
- Land sales and speculation becoming a Market Factor in 2 years.

# Keys-Wide Ranking of Top Real Estate Companies & Offices January — June 2011

## Closed Sides

Offices	Company	Ranking	# Sales Sides	Market Share
<b>6</b>	<b>Coldwell Banker Schmitt (CBSREC)</b>	<b>#1</b>	<b>534</b>	<b>23.7%</b>
5	Schwartz	#2	129	5.7%
2	Realty World Freewheeler	#3	105	4.7%
1	Prudential K & G	#4	103	4.6%
4	C-21 Keysearch Realty	#5	96	4.3%

## Office Rankings of the 294 Offices Keys-Wide

# Offices	Company	Individual Office Rankings # Sales Sides
<b>6</b>	<b>CBSREC</b>	<b>#1, #2, #3, #7 &amp; #11</b>
5	Schwartz	#13 #21, #24, #94, #125
4	C-21 Keysearch	#31 #41, #50, #64
2	Realty World	#4, #83

## Sales Associate Ranking of 925 Agents Keys-Wide

Company	# Agents	Top 25	Top 50	Top 75	Top 100
<b>CBSREC</b>	<b>123</b>	<b>11</b>	<b>19</b>	<b>33</b>	<b>43</b>
Schwartz	54	2	4	6	6
Truman	10	2	4	5	5
American Carib. MK	11	1	2	4	5
Exit	28	1	2	2	4
Prudential K & G	39	1	3	4	4
Freewheeler	28	2	3	4	4

(continued from page 1)

**MARKET AREA DETAILS**

**Number of Sales:** All Keys Market Areas had increased sales with the **Upper Keys** leading, **+33%** to **360** from **271** in 2010. The **Middle Keys** grew **+11%** to **196** versus **177** during the 1<sup>st</sup> Half of 2010. The **Lower Keys** and **Key West** were up **+8%** to **215** versus **199** in the LK and **355** from **328** for KW.

**Dollar Value of Sales:** Key West, **+30%** to **\$176.3MM** over **\$135.6MM** in 2010 benefited from a **+20%** increase in Average Sale Price (ASP) and the **+8%** rise in Sales. The **Upper Keys** with the largest increase in number of sales and despite a slight decrease in ASP generated **\$151.5MM** in Dollar Value of Sales, **+29%** versus the **\$117.7MM** in 2010. The **Lower Keys** Dollar Value rose **+11%** to **\$77.5MM** compared to **\$70.2MM** last year. The only decline was the **Middle Keys**, **-9%** to **\$73.0MM** from **\$80.5MM** in 2010 due to a **-18%** decrease in ASP.

**Average Days to Sell:** The **Lower Keys** was the single region with a reduction, **-5%** at **238** versus **250** during the 1<sup>st</sup> Half of 2010. The **Upper Keys** was up **+8%** to **283** days compared to **261** days last year. **Key West** increased **+2%** to **168** days from **165** in the 1st 6 months of 2010 with the **Middle Keys** at **308** days, **+1%** over **304** in 2010. Key West is consistently lower as the MLS provider measures to the date of the contract while the other Keys areas are measured to the date of closing.

**Average Sale Price:** The **Middle Keys**, as noted above, declined **-18%** to **\$372K** compared to **\$455K** over the 1<sup>st</sup> Half 2010, and **\$462K** in 2009. The **Upper Keys** ASP of **\$420K** is **-3%** less than the **\$434K** last year and the **\$547K** in 2009. **Lower Keys** ASP increased **+2%** to **\$360K** compared to **\$352K** for 2010 after being **\$405K** for the 1<sup>st</sup> Half of 2009. **Key West's** ASP rose **+20%** to **\$496K** from **\$413K** last year, it was **\$503K** in 2009.

**Pending Sales:** The **Pending Sales** for the **Upper Keys** have increased by **+38%** to **430** from **311** last year. **Middle Keys** Pending Sales rose by **+27%** to **238** compared to **188** during the 1<sup>st</sup> Half 2010. The **Lower Keys** Pending Sales was **+16%** beyond the **214** in 2010. **Key West** Pending Sales grew by **+12%** to **366** from **328** in the 1<sup>st</sup> Half of 2010.

**Number of Properties "For Sale":** Only the **Lower Keys** market had an increase in Properties "For Sale," **+9%** with **632** Vs. **580** last year and **599** in 2009. The **Middle Keys** and **Upper Keys** declined **-17%** with **687** and **1,117** listings respectively, compared to **830** and **1,338** in 2010 after being **779** and **1,289** on 30 June of 2009. **Keys West** listings fell **-11%** to **909** compared to **1,021** in 2010 and **1,124** in 2009.

**Months of Inventory (MOI):** Reflecting the increase in number of sales and reduction in properties on the market all Market Areas MOI declined with the biggest drop, **-37%** to **19** MOI from **30** in 2010 occurring in the **Upper Keys** which had been **40** in 2009. Next with a **-25%** reduction was the **Middle Keys**, with **21** MOI compared to **28** in 2010 and **42** in 2009. The **Lower Keys** MOI of **18** was **+1%** from **17** MOI in 2010 and **25** in 2009. **Key West** had **15** MOI, down **-18%** from **19** last year and **29** on 20 June 2009.

**Average List Price:** **Key West** had the biggest reduction with **-13%** to **\$757K** compared to **\$872K** in 2010 and **\$1MM** for 2009. The **Lower Keys** dropped **-9%** to **\$541K** from **\$593K** in 2010, it was **\$596K** in 2009. **Upper Keys** List Prices dropped **-7%** to **\$773** from **\$831K** a year ago and **\$901K** in 2009. The **Middle Keys** had No Change at **\$691K** from **\$692K** in 2010 and **\$857K** in 2009.

**What do the Numbers Forecast?**

With **+15%** more sales at stabilized prices coupled with **-11%** fewer properties for sale and **+23%** more sales pending the market forecast for the 3<sup>rd</sup> Qtr. is the most positive it has been in a number of years. See page 2 for **Florida Keys Real Estate Market—Trends, Highlights & Projections**.

**More Florida Keys History**



The 100th Anniversary of the opening of the Overseas Railroad is in January 2012. The railroad might have stopped in Marathon at the Knight's Key Dock if the Navy had its way.

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