

## 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 2011 Vs. 2010

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

#### KEYS-WIDE OVERVIEW

The **2,050 Sales** for 2011 was a **+14%** increase relative to 2010 and is the first time sales have exceeded **2,000** since 2005's **2,752** sales.

The **Dollar Value of Sales** increased by **+12%** to **\$829MM** from **\$739MM** in 2010, which exceeds the dollar value of each of the previous three years, through 2008.

**Average Days to Sell** a property was **212**, up **+3%** from **205** last year. It was **235** at the end of 2007.

**Original List Price to Sale Price** (the price for the property when first listed) for 2011 was **76.48%** compared to **75.85%** at the end of 2010, a **+1%** increase. The 2011 **Final List Price to Sale Price** (the price for the property at the time of obtaining a contract that resulted in the sale) did not change from 2011 at **90.97%** vs. **90.77%** in 2010, which was the first time it exceeded **90%** since 2006.

The **Average Sale Price** for 2011 was **\$404K**, **-3%** less than the **\$419K** for all of 2010. That **ASP** compares to 2002 and 2003 and is a **-50%** reduction from the peak of **\$805K** in 2006.

**Pending Transactions** are properties with an agreed-upon contract that are in the process of completing contract contingencies such as inspections, financing, title search, etc. prior to the closing date, which tends to be from 45 to 60 days from the date of contract agreement. As such it is a market activity trend indicator since it provides a forecast for closed sales over the next two to three months. The number of Pending Transactions for 2011 increased to **2,190**, **+19%** compared to **1,847** in 2010, **1,696** in 2009, and **1,201** in 2008. Compared to 2008, pending sales at the end of 2011 are up **+82%**.

The **Average List Price** declined **-2%** to **\$729K** from **\$740K** at the end of 2010. The peak **List Price** of **\$990K** occurred at the end of 2007, therefore, the average list price declined **-26%** during the past four years.

The **Months of Inventory**, which is the months required to sell the existing inventory on December 31, 2011 **if** no other properties are placed on the market for sale, decreased by **-21%** to **20** months (1 year, 8 months) from **25** MOI for 2010, and the peak year-end total of **40** months for 2007, a **-50%** reduction. This absorption quotient measures the relative health of the market and provides a measure of the relationship between the number of listings and rate of sales.

The **Number of Properties For Sale** decreased **-10%** to **3,359** from **3,752** in December 2010, and **-27%** less than the peak for a year, **4,628** at the end of 2006. This is the single most important market factor because there is an inexorable inverse relationship between the number of listings and number of sales measured over almost any period of time. Since the number of listings peaked in 2006 at over **5,000** they have declined **-34%** while the number of sales increased **+31%** during the same period. Conversely, during the boom in the early 2000s, listings declined **-43%** while sales rose **+47%**, so when the listing inventory decreases sales increase and vice versa.

The 2011 average number of **Days to Sell** a property, **212**, increased **+3%** from **205** in 2010 and is up **+51%** from **140** **DOM** (days on market) at the end of 2004. (continued on page 4)

|  | Upper Keys<br>(Lower Matecumbe to Key Largo) | Middle Keys<br>(7 Mile Bridge to Long Key) | Lower Keys<br>(Bay Point to Big Pine) | Key West<br>(Key West to Shark Key) | All Areas<br>Keys-Wide |
|--|--|--|---------------------------------------|-------------------------------------|------------------------|
| <b>Green (+)<br/>Red (-)</b>                               |  |  |                                       |                                     |                        |
| <b>Total Number of Sales as of 12/31/11:</b>               | 27% More<br>652                              | 4% More<br>347                             | 9% More<br>420                        | 10% More<br>631                     | 14% More<br>2,050      |
| <b>Avg. Sales Price as of 12/31/11:</b>                    | 1% Less<br>\$402K                            | 32% Less<br>\$359K                         | 1% Less<br>\$340K                     | 13% More<br>\$475K                  | 3% Less<br>\$404K      |
| <b>\$ Value of Sales as of 12/31/11: (in millions \$)</b>  | 26% More<br>\$261MM                          | 21% Less<br>\$124MM                        | 8% More<br>\$142MM                    | 24% More<br>\$300MM                 | 12% More<br>\$829MM    |
| <b>Sale Price to Original List Price as of 12/31/11:</b>   | 9% Less<br>66.74%                            | 9% More<br>78.84%                          | 4% More<br>80.91%                     | No Change<br>83.44%                 | 1% More<br>76.48%      |
| <b>Sale Price to Final List Price as of 12/31/11:</b>      | 1% Less<br>88.08%                            | 2% Less<br>90.75%                          | 2% More<br>89.09%                     | 2% More<br>94.96%                   | No Change<br>90.97%    |
| <b>Avg. Days to Sell as of 12/31/11:</b>                   | 4% More<br>237                               | 2% Less<br>246                             | 7% More<br>209                        | 6% More<br>154                      | 3% More<br>212         |
| <b>Pending Transactions as of 12/31/11:</b>                | 32% More<br>709                              | 10% More<br>361                            | 23% More<br>455                       | 9% More<br>665                      | 19% More<br>2,190      |
| <b>Number of Properties For Sale as of 12/31/11:</b>       | 13% Less<br>1,110                            | 11% Less<br>701                            | 6% Less<br>628                        | 10% Less<br>920                     | 10% Less<br>3,359      |
| <b>Avg. List Price Properties For Sale as of 12/31/11:</b> | 1% Less<br>\$747K                            | No Change<br>\$690K                        | 15% Less<br>\$522K                    | 8% Less<br>\$778K                   | 2% Less<br>\$729K      |
| <b>Months of Inventory as of 12/31/11</b>                  | 31% Less<br>20                               | 15% Less<br>24                             | 14% Less<br>18                        | 18% Less<br>17                      | 21% Less<br>20         |

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# Florida Keys Real Estate Market News

The two charts on this page display the changes in the Keys real estate market over the past 13 years. The first chart presents the number of properties **Listed** at the end of each year along with the percentage change from the previous year, as well as the **Average List Price (ALP)** and percent of change in **List Price**. The second chart contains **Sales** and the percent of change year-to-year with the yearly change in **Average Sale Price (ASP)** and year-over-year percent of change.

From the end of **1999** to the end of **2003**, the number of listings declined **-43%**, primarily the result of increasing numbers of sales which rose **+47%** during that period. During that same period, the average List Price increased **+96%**, **\$303K** to **\$594K**, while the **ASP** increased **+76%** going from **\$246K** to **\$433K**. During **2004** **Listings** remained in the **1,800** range, however, the **ALP** increased **+33%** from **\$594K** to **\$792K** while **Sales** were up **+4%** to a peak total of **3,510**. The **ASP** rose **+30%** to **\$563K**.

The number of properties **Listed** at the end of **2005** was nearly double that of **2004** while the **ALP** increased **+23%** to **\$976K**, however, the number of sales dropped **-22%** as the market started a decline in the late spring. This was accelerated by the negative impact of Hurricane Wilma in October coupled with the

advent of the nationwide real estate recession, which resulted in Keys wide sales falling another **-45%** during **2006** even though the **ASP** reached a record **\$805K**. Additionally, during **2006**, the number of listed properties rose **+33%** to end the year at **4,628** after peaking at **5,073** in November. The **ALP** increased less than **+1%** in **2006** and in **2007**, when it topped out at **\$990K** before dropping **-26%** to **\$729K** at the end of **2011**. Additionally, the number of listings on the market has declined **-25%** since **2006** going from **4,628** to **3,359** at the end of **2011**.

Sales, after declining each year from **2005** through **2008**, finally increased in **2009**, **+34%** over **2008**, and, as noted on page one, rose **+14%** in **2011**. The **ASP** declined from **\$805K** in **2006** to **\$404K** in **2011**, **-50%** over five years, which returns the **ASP** to **2002/2003** levels and offers excellent buying opportunities from Key Largo to Key West. The listing inventory needs to further recede below **3,000** listings before sales prices can consistently increase even though we anticipate the number of sales will continue to increase as it has since **2009**, and that listings will continue to decrease as well.

| Listed Properties |                |                           |                    |                           |
|-------------------|----------------|---------------------------|--------------------|---------------------------|
|                   | Listings Taken |                           | Average List Price |                           |
|                   | # Listings     | % Change Vs Previous Year | Average List Price | % Change Vs Previous Year |
| 2011              | 3,359          | -10%                      | 729,285            | -1%                       |
| 2010              | 3,752          | +3%                       | \$740,504          | -15%                      |
| 2009              | 3,636          | -18%                      | \$859,452          | -4%                       |
| 2008              | 4,424          | -.1%                      | \$899,084          | -9.2%                     |
| 2007              | 4,430          | -4%                       | \$990,131          | .7%                       |
| 2006              | 4,628          | 33%                       | \$983,032          | .7%                       |
| 2005              | 3,469          | 91%                       | \$976,150          | 23%                       |
| 2004              | 1,818          | .4%                       | \$792,371          | 33%                       |
| 2003              | 1,810          | -.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%                        |

| Sold Properties |              |                           |                     |                           |
|-----------------|--------------|---------------------------|---------------------|---------------------------|
|                 | Closed Sales |                           | Average Sales Price |                           |
|                 | Sales        | % Change Vs Previous Year | Average Sales Price | % Change Vs Previous Year |
| 2011            | 2,050        | +14%                      | \$404,822           | -3%                       |
| 2010            | 1,804        | +16%                      | \$419,139           | -8%                       |
| 2009            | 1,560        | +34%                      | \$453,203           | -23%                      |
| 2008            | 1,166        | -11%                      | \$588,194           | -21%                      |
| 2007            | 1,311        | -13%                      | \$731,000           | -10%                      |
| 2006            | 1,500        | -45%                      | \$805,883           | 3%                        |
| 2005            | 2,752        | -22%                      | \$782,400           | 39%                       |
| 2004            | 3,510        | 4%                        | \$563,362           | 30%                       |
| 2003            | 3,377        | 7%                        | \$433,022           | 31%                       |
| 2002            | 3,162        | 10%                       | \$328,801           | 14%                       |
| 2001            | 2,874        | 19%                       | \$288,166           | 5%                        |
| 2000            | 2,413        | 5%                        | \$274,995           | 12%                       |
| 1999            | 2,301        |                           | \$246,525           |                           |

## Keys-Wide Ranking of Top Real Estate Companies & Offices January – December 2011

Coldwell Banker Schmitt is the #1 company for sales Keys-wide with over 2.3 times the sales volume of the #2 company. Each of our offices ranks #1 in its Market Area from Key West through the Lower Keys, Middle Keys and Upper Keys and all rank within the top 10 offices of the 294 real estate offices in The Keys. Our agents are the most productive in the Keys with more agents in the Top 10, 25, 50, and 75 than the next six (6) companies combined. CBSREC agents also dominate each market with over 40% of the Top Ten agents in each market area. No matter if you are looking for the Top Company, Top Office or Top Agent, you will find it at CBSREC from Key Largo to Key West.

### Sales Volume

| # Offices | Company                        | Ranking   | Sales Volume  | Market Share |
|-----------|--------------------------------|-----------|---------------|--------------|
| <b>6</b>  | <b>Coldwell Banker Schmitt</b> | <b>#1</b> | <b>\$389M</b> | <b>23.6%</b> |
| 7         | C-21 Schwartz                  | #2        | \$164M        | 10.0%        |
| 1         | Truman & Co.                   | #3        | \$110M        | 6.7%         |
| 1         | Prudential K. & G.             | #4        | \$73M         | 4.5%         |
| 3         | American Caribbean             | #5        | \$59M         | 3.6%         |

### Office Rankings of the 290 Offices Keys-Wide

| # Offices | Company         | Individual Office Rankings # Sales Sides |
|-----------|-----------------|--|
| <b>6</b>  | <b>CBSREC</b>   | <b>#1, #2, #3, #9 &amp; #12</b>          |
| 7         | C-21 Schwartz   | #4, #15, #17, #30. #40, #45, #68         |
| 1         | Prudential K&G  | #5                                       |
| 1         | Amer Carib - MK | #6                                       |

### Sales Associate Ranking of 900 Agents Keys-Wide by Sales Volume

| Company               | # Agents   | Top 10   | Top 25    | Top 50    | Top 75    | Top 100   |
|-----------------------|------------|----------|-----------|-----------|-----------|-----------|
| <b>CBSREC</b>         | <b>123</b> | <b>6</b> | <b>13</b> | <b>21</b> | <b>25</b> | <b>34</b> |
| C-21 Schwartz         | 83         | 0        | 0         | 2         | 9         | 11        |
| Truman                | 11         | 2        | 3         | 4         | 5         | 6         |
| American Caribbean MK | 15         | 0        | 1         | 5         | 5         | 6         |
| Prudential K & G      | 38         | 1        | 1         | 1         | 4         | 5         |
| Exit                  | 30         | 0        | 0         | 0         | 2         | 3         |
| Freewheeler           | 27         | 1        | 1         | 1         | 2         | 3         |

(continued from page 1)

### KEYS-WIDE MARKET AREA DETAILS

**Number of Sales:** All four market areas saw an increase in the number of sales in 2011. The **Upper Keys** led in sales with **652**, +27% followed by **Key West**, +10% and **631** sales. The **Lower Keys** closed **420** sales, +9% with **347** for the **Middle Keys**, +4% over 2010.

**Dollar Value of Sales:** The **Upper Keys** rose by +26% to **\$261MM**. **Key West** grew by +24% with **\$300MM** followed by the **Lower Keys** +8% to **\$142MM**. Only the **Middle Keys** declined, -21% to **\$124MM** as a result of the reduced average sales price which was largely due to fewer larger transactions in 2011 versus 2010.

**Average Days to Sell:** The **Middle Keys** dropped -2% to **246** days. The **Lower Keys** increased +7% to **209**, **Key West** +6% to **154**, while the **Upper Keys** days went up +4% to **237**.

**Average Sale Price:** The largest reduction occurred in the **Middle Keys** market, -32% to **\$359K**. The **Lower Keys** and **Upper Keys** each dropped -1% to **\$340K** and **\$402K** respectively. **Key West** was the only market area that increased, +13% reaching **\$475K**. For comparison, the average sale price by market area at the end of 2006 was: **UK - \$770K, MK - \$811K, LK - \$651K and KW - \$936K**. The **Average Sale Price** opportunity provided by the current market has not been available since 2002 and 2003. See the chart on the page two for the history of sales and listings since 1998.

**Pending Transactions:** Pending Sales increased in all market areas. The **Upper Keys** surged by +32% to **709** versus **537**, followed by the **Lower Keys**, +23% to **455** over **371** during 2010. The **Middle Keys** grew by +10%, **361** vs. **329** the previous year. **Key West** pending sales of **665** were up +9% from **610** in 2009.

**Average List Price:** All four market areas declined in **ALP**. The **Lower Keys**, -15% to **\$522K** from **\$616K** in 2009; then **Key West** at **\$778K**, -8% from **\$847K** a year earlier followed by the **Upper Keys** -1% to **\$747K** in 2010. The **Middle Keys** had virtually no change at **\$690K** compared to **\$687K**. For comparison, the **Average List Price** at the end of 2006 was: **UK - \$1MM, MK - \$992K, LK - \$781K and KW - \$1MM**, which was the peak for average asking prices.

**Months of Inventory:** All market areas decreased, with the largest being -31% to **20** months in the **Upper Keys** from **30** a year ago. There was an -18% drop to **17 MOI** in **Key West**, (**21 MOI** at the end of **2010**) and the **Middle Keys**, -15% down to **24** months compared to **28 MOI** at the end of 2010. The **Lower Keys** decreased -14% to **18 MOI** from **21 MOI** last December.

**Number of Properties for Sale:** The inventory declined across the Keys: -13% in the **Upper Keys** to **1,110** from **1,273** a year ago; -11% in **Middle Keys**, **701** compared to **788**; -10% for **Key West**, **920** vs. **1,022**; and -6% for the **Lower Keys** with **628** vs. **669** in December 2010.

### What is Ahead for the Keys Real Estate Market?

The positive market numbers and trends continued from quarter to quarter during **2011** and indicate a further continuation during **2012**. The Keys market closed the year +14% ahead in number of sales with a +19% increase in pending sales and a -10% decline in available properties for sale, all of which forecasts that the Keys will experience continued sales growth. Additionally, as the number of listings continues to decline while the reduction in average sale price continues (it has gone from -20% a year during **2008/2009** to -8% in **2010** to -3% in **2011**), sales prices should stabilize in 2012. Currently, there are more pending sales in each market area than there were closed sales in all of 2011 so we are starting off well. Not all of those Pendencies will close and those awaiting Short Sale approval may take a number of months to close, but the predictive indicators (which are Number of Listings and Number of Pendencies) are both very positive.

### More Florida Keys History



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Fax: 305-743-7012

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