



Take The Fast Track  
To Success In 2006 . . .

# TROPICAL BREEZES

## THE REAL ESTATE NEWSLETTER OF THE FLORIDA KEYS!

Spring 2006

*"The Most Trusted Name In Florida Keys Real Estate"*

Volume 5, Number 1

### Florida Keys Real Estate Market 2005 vs. 2004

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

#### 2005 VS. 2004

The Florida Keys real estate market over the past year experienced changes similar to what has occurred in most areas of the country. The changes are the result of an unprecedented period of increasing sales and property values in the Keys. In January of 2005 the Keys market had a shortage of listings and plenty of buyers. One year later the market has a surplus of listings and a shortage of buyers, which is normal during a period of market adjustment.

Viewing the market only from a 12 month perspective does not adequately portray the changes that are occurring. For that reason we have included statistics for the 4<sup>th</sup> quarter 2005 and January thru February 2006 on [page 2](#) to provide you with a better perspective of the market and the most up-to-date information.

#### 4th Quarter 2005 & First Two Months of 2006

Overall sales declined in comparison to the same period the previous year. The market declined **-43%** in the 4<sup>th</sup> quarter, and **-49%** January thru February 2006. The average sales price rose **+24%** in the 4<sup>th</sup> quarter, and **+35%** January thru February 2006; however, the Sales Volume declined due to the lower number of sales. Only the Middle Keys experienced an increase in Sales Value to start 2006, as that region's Sales Price grew by **+70%**, plus the reduction in sales was the lowest in the Keys.

Average "Days to Sell" reached a high of **191** days Keys-wide during the 4<sup>th</sup> quarter. Key West had the highest number of days to sell, **215**. For the first two months of 2006 that period Keys-wide is **150** days, with the longest being in the Lower Keys at **163** days and Key West the shortest with **71** days.

Overall, average Sales Price continues to rise, **+36%** during the 4<sup>th</sup> quarter and **+35%** in January thru February 2006. The Lower Keys also had the biggest increase, **+70%** while the Middle Keys reached \$1M.

The number of "New Listings", properties placed on the market for sale during the 4<sup>th</sup> quarter, rose **+24%** versus the previous year and **+42%** in January thru February 2006 compared to 2005. Both Key West and the Upper Keys market areas experienced over **+50%** increases in the number of listings coming on the market, while the Middle and Lower Keys areas increased by over **+20%**.

With the significant increase in new listings on the market and the lower level of sales the "Number of Properties For Sale" on March 1, 2006 was up **+92%** Keys-wide to **4,348**. The Upper and Middle Keys were up nearly **+120%**, the Lower Keys **+91%** and Key West **+76%**.

The large number of properties for sale resulted in a reduction in the growth of "Average List Price," **+19%** for the 4<sup>th</sup> quarter 2005 and **+0.6%** over the first two months of 2006. It was **-1%** for 2005 versus 2004. (*continued on page 4*)

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
<b>Total Number of Sales As of 12/31/05:</b>	<b>17% Less</b> 999	<b>6% Less</b> 557	<b>28% Less</b> 494	<b>31% Less</b> 702	<b>21% Less</b> 2,752
<b>\$ Value of Sales As of 12/31/05: (in millions \$)</b>	<b>18% More</b> \$705MM	<b>30% More</b> \$448MM	<b>64% More</b> \$494MM	<b>5% Less</b> \$702MM	<b>21% More</b> \$2.3B
<b>Avg. Days To Sell As of 12/31/05:</b>	<b>7% More</b> 166	<b>15% More</b> 160	<b>25% More</b> 152	<b>18% More</b> 159	<b>14% More</b> 160
<b>Avg. Sales Price As of 12/31/05:</b>	<b>43% More</b> \$706K	<b>38% More</b> \$804K	<b>37% More</b> \$594K	<b>37% More</b> \$1MM	<b>39% More</b> \$782K
<b>Avg. List Price Properties "For Sale" As of 12/31/05:</b>	<b>21% More</b> \$1.1MM	<b>3% More</b> \$1MM	<b>3% More</b> \$744K	<b>18% Less</b> \$1.1MM	<b>1% Less</b> \$1MM
<b>Number of Properties "For Sale" As of 12/31/05:</b>	<b>98% More</b> 1,080	<b>99% More</b> 623	<b>87% More</b> 650	<b>82% More</b> 1,116	<b>91% More</b> 3,469



# Real Estate Market News

## Florida Keys Real Estate Market Comparison 4th Quarter 2005 vs. 2004

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

	<u>Upper Keys</u> (Lower Matecumbe to Key Largo)	<u>Middle Keys</u> (7 Mile Bridge to Long Key)	<u>Lower Keys</u> (Bay Point to Big Pine)	<u>Key West</u> (Key West to Shark Key)	<u>All Areas</u> Keys Wide
Green (+) Red (-)					
Total Number of Sales 4th Qtr 2005 vs. 2004	31% Less 162	41% Less 72	53% Less 65	53% Less 88	43% Less 387
\$ Value of Sales 4th Qtr 2005 vs. 2004: (in millions \$)	14% Less \$112MM	28% Less \$57MM	41% Less \$41MM	38% Less \$78MM	29% Less \$290MM
Avg. Days To Sell 4th Qtr 2005 vs. 2004	32% More 208	37% More 179	5% More 132	58% More 215	36% More 191
Avg. Sales Price 4th Qtr 2005 vs. 2004	25% More \$693K	22% More \$789K	21% More \$633K	32% More \$890K	24% More \$736K
% List Price vs Sales Price 2005 vs. 2004	1% Less 95.3%	1% More 93.5%	0% More 94.8%	2% More 93%	0.42% More 94.3%
<b>NEW LISTINGS</b> 2005 vs. 2004	42% More 632	31% More 339	13% More 317	10% More 568	24% More 1,856
Avg. List Price 2005 vs. 2004	65% More \$1.2MM	18% More \$917K	11% More \$714K	7% Less \$1.1MM	19% More \$1MM

## Florida Keys Real Estate Market Comparison January-February 2006 vs 2005

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

	<u>Upper Keys</u> (Lower Matecumbe to Key Largo)	<u>Middle Keys</u> (7 Mile Bridge to Long Key)	<u>Lower Keys</u> (Bay Point to Big Pine)	<u>Key West</u> (Key West to Shark Key)	<u>All Areas</u> Keys Wide
Green (+) Red (-)					
Total Number of Sales As of 2/28/06	47% Less 80	36% Less 60	67% Less 29	44% Less 74	49% Less 243
\$ Value of Sales As of 2/28/06 (in millions \$)	39% Less \$68.2MM	9% More \$63.2MM	44% Less \$25.1MM	36% Less \$79MM	31% Less \$235MM
Avg. Days To Sell As of 2/28/06	6% Less 146	3% Less 145	22% More 163	46% Less 71	5% More 150
Avg. Sales Price As of 2/28/06	16% More \$853K	70% More \$1MM	70% More \$865K	15% More \$1MM	35% More \$967K
<b>NEW PROPERTIES</b> "Listed in Jan-Feb 2006"	54% More 538	27% More 251	24% More 337	56% More 724	42% More 1,850
Number of Properties "For Sale" as of 2/28/06	119% More 1,363	117% More 760	91% More 836	76% More 1,389	92% More 4,348
Avg. List Price 2005 vs. 2004	14% More \$1.2MM	5% More \$1MM	0.4% More \$775K	13% Less \$1MM	0.6% More \$1MM

# COLDWELL BANKER SCHMITT REAL ESTATE CO.

## Our Mission:

To build on our heritage as the area's oldest and largest, full-service Real Estate Company providing unparalleled service, with resulting profits to our company, associates, customers and clients, while steadfastly maintaining the highest ethical standards necessary to remain...  
*"The Most Trusted Name in Florida Keys Real Estate"*

**Coldwell Banker Schmitt Real Estate (CBSREC) brings a market-leading combination of resources to each partnership that is both unique and invaluable, providing sales leadership, marketing structure, depth of knowledge, better than 50 years of experience, and the ability to make things happen.**

**CBSREC is the number-one real estate company across The Florida Keys in:**

- **Longevity**
  - ✓ We are a 50-year old company with a strong heritage, and long-term view and commitment to the real estate business. No other real estate company has been around for nearly as long.
- **Market Share**
  - ✓ Our market share exceeds that of the next three companies combined for the first two months of 2006.
- **Sales**
  - ✓ \$674 million sales volume in 2005 is 43 percent greater than the second-ranking company.
- **Listings**
  - ✓ 34 percent more listings than the second-ranking company\*
- **Listings sold**
  - ✓ We've sold 68 percent more properties than the number-two firm, 162 percent more than number-three, and 281 percent more than number-four.
- **Luxury property listings and sales**
  - ✓ CBSREC sales associates sell more properties priced at \$1 million+ than any other agents; 50 percent more than the second-ranking company
- **Office Productivity**
  - ✓ All five CBSREC offices rank in the Top Seven offices for sales among 239 offices Keys-wide\*
- **Agent Productivity**
  - ✓ We have fewer than 10 percent of all agents, yet they do 20+ percent of all business Keys-wide.
  - ✓ We have the most agents in the Top 250 of 1,200+ agents Keys-wide, with double the number in the Top 100 and 48% more in the Top 250 than the number-two company
- **Giving Back To Our Community**
  - ✓ Our Charitable Foundation has raised nearly \$300,000 over the last three years to support people and programs exclusively in the Florida Keys

**Coldwell Banker is the number-one name in real estate globally, and participates in one out of every nine sales in the United States. CBSREC is a highly productive organization even by worldwide Coldwell Banker standards:**

- We are the number-two Coldwell Banker company in Florida, second only to a company with 24 sales offices.
- We are ranked at number 23 out of 1,279 Coldwell Banker companies worldwide for sales production.

## Yearly Mortgage Comparison As Of December 31, 2005\*

Loan Type	2005		2004		2002		2000		1994		1984	
<b>30-yr Fixed Rate Mortgages</b>	6.27%	0.5%	5.75%	0.6%	6.05%	0.6%	7.38%	1.0%	9.20%	1.8%	13.18%	2.5%
<b>15-yr Fixed Rate Mortgages</b>	5.82%	0.6%	5.18%	0.6%	5.45%	0.6%	7.06%	0.9%	8.80%	1.8%	N/A	N/A
<b>1-yr Adjustable Rate Mortgages</b>	5.17%	0.7%	4.18%	0.6%	4.12%	0.6%	7.09%	0.9%	6.66%	1.5%	7.96%	2.3%

\*Source: Freddie-Mac

(continued from page 1)

Being able to look at only the first two months of 2006 with the small number of sales gives us only a snapshot of 2006, which can be misleading because a few large or small sales can skew the results. We will report the moving picture of 2006 as it progresses.

Considering the foregoing information, what is expected of the Florida Keys real estate market in 2006? The fundamentals that support the real estate market, i.e., interest rates, inflation, and the U. S. economy remain positive. Property prices in the Keys continue to represent good value. The Keys is the only U.S. location with weather that allows year around use of the total environment – fishing, diving, snorkeling, boating, golf, & enjoying the out of doors.

Additionally, Keys properties provide excellent appreciation compared to other types of investments. The Keys geography, ecosystem, and existing development restrictions, mandate very restricted growth. Owners therefore benefit from the market dynamics resulting from limited supply.

One view is that buyers have been holding off over the past months looking to see how the market will shakeout, and that the overall market activity will increase during the year. Certainly there are excellent buying opportunities today! Our agents are assisting individuals with buying and selling property everyday. For your information, during the 1<sup>st</sup> two months of 2006 Coldwell Banker Schmitt's market share for listings sold as well as total sales exceeded that of the next three companies combined. We remain committed to providing you, our client with the knowledge, support and experience that will allow you to achieve your real estate goals in the most positive and professional manner possible.

Should you or someone you know be interested in purchasing or selling property anywhere in the Keys, or for the latest market information, contact one of our modern fully staffed offices from Key Largo to Key West to experience the personal interest and professional attention to your needs that continues to make Coldwell Banker Schmitt Real Estate Co. "The Most Trusted Name in Florida Keys Real Estate." You can contact us via email at [buyparadise@bellsouth.net](mailto:buyparadise@bellsouth.net) or visit us online at [www.RealEstateFloridaKeys.com](http://www.RealEstateFloridaKeys.com).

## More Florida Keys History For You



**The Flagler Railroad**

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".

**Key Largo (877) 289-0035 Islamorada (800) 207-4160**  
**Marathon (800) 366-5181 Big Pine (800) 488-3050**  
**Key West (800) 598-7727**

If you would like to receive "Tropical Breezes" electronically instead of by mail, please let us know by emailing us at: [TropicalBreezes@cbschmitt.com](mailto:TropicalBreezes@cbschmitt.com)



When you buy or sell with Coldwell Banker Schmitt Real Estate Co. you are also helping the less fortunate in the Florida Keys with a contribution.

Look For The Little Conch House With A Big Red Heart!

If you would like to make a donation call (305) 289-6503.

**COLDWELL  
BANKER**

**SCHMITT  
REAL ESTATE Co.**

11050 Overseas Hwy. — Main Office  
Marathon, FL 33050  
Toll Free: 800-366-5181  
Office: 305-743-5181  
Fax: 305-743-7012

[www.RealEstateFloridaKeys.com](http://www.RealEstateFloridaKeys.com)

PRESORTED STD.  
U.S. POSTAGE  
**PAID**  
PERMIT NO. 15  
Marathon, FL

