

# Coldwell Banker Schmitt

Tropical



Breezes

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The Real Estate Newsletter  
of the Florida Keys!

Winter 2003-2004

## Comparison January—September 2003 vs. 2002, Keys-Wide Market Statistics

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

For the first time in 2003, the number of sales increased in every market area Keys-wide when compared to the same period last year. That resulted in an overall **9%** increase in the number of sales year-to-date compared to the same period in 2002. The Lower Keys led all areas with a **15%** increase, followed by the Upper Keys at **11%**, Key West **9%** and the Middle Keys **2%**. The apparent slowing of the Keys real estate market indicated by sales during the 1<sup>st</sup> and 2<sup>nd</sup> quarters 2003, as compared to the same period in 2002, disappeared due to strong buyer activity during the 3<sup>rd</sup> quarter.

The dollar value of all real estate sold continues to increase with a **43%** rise versus the first nine months of 2002. For the first time the value of all real estate sold from Jan-Sep exceeded **\$1 billion**. Key West and the Upper Keys led with **50%** and **44%** increases, followed by the Middle Keys at **35%** and the Lower Keys at **32%**.

As has been the case for the past few years, the average time for a property to sell again declined, with an **11%** decrease versus 2002. The Upper Keys dropped **18%** to 152 days. (It was 204 days in July 2001.) Next is the Lower Keys with a **16%** drop to 146, down from 175 days at the end of October 2002. Key West decreased **8%** to 177 days versus 193 days over the nine-month period last year. The Middle Keys had a **2%** decline to 172 days.

	<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
<b>Total Number of Sales Jan-Sept 2003:</b>	<b>11% More</b> 850	<b>2% More</b> 482	<b>15% More</b> 560	<b>9% More</b> 820	<b>9% More</b> 2,712
<b>\$ Value of Sales Jan-Sept 2003: (in millions \$)</b>	<b>44% More</b> \$333M	<b>35% More</b> \$205M	<b>32% More</b> \$167M	<b>50% More</b> \$440M	<b>43% More</b> \$1.1B
<b>Avg. Days To Sell Jan-Sept 2003:</b>	<b>18% Less</b> 152	<b>2% Less</b> 172	<b>16% Less</b> 146	<b>8% Less</b> 177	<b>11% Less</b> 161
<b>Avg. Sales Price Jan-Sept 2003:</b>	<b>30% More</b> \$392K	<b>34% More</b> \$433K	<b>17% More</b> \$297K	<b>38% More</b> \$536K	<b>31% More</b> \$424K
<b>Number of Properties "For Sale" Jan-Sept 2003:</b>	<b>111% More</b> 652	<b>Same</b> 294	<b>84% More</b> 296	<b>15% Less</b> 462	<b>30% More</b> 1,704

The average sales price rose **31%** Keys-wide to \$424K with Key West continuing to have the highest sales price at \$536K, a **38%** increase. The Middle Keys is up **34%** to \$433K and the Upper Keys **30%** to \$392K. A **17%** rise in the Lower Keys puts the average sales price in that area at \$297K, the most affordable area in the Keys.

The number of properties on the market "For Sale" expanded by **30%** Keys-wide compared to the same nine-month period in 2002. Only the Key West market experienced a decrease, at **15%**. The Upper Keys led the growth for the remainder of the Keys at **111%**, followed by the Lower Keys with **84%** and the Middle Keys had the same number of properties for sale as in 2002. *(continued on page 4)*

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# Real Estate News

## Comparison of Residential Property Market by Property Type Keys-Wide from January through September 1990, 2001, and 2003

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

This comparison between waterfront and non-waterfront single-family properties, and waterfront and non-waterfront condominium properties shows the growth in the residential real estate market Keys-wide during the past four years.

### Waterfront Single-Family Properties:

- The number of sales for 2003 are the same as 1999, despite an 11% increase in 2001. From 1999 to 2001 average sale price rose 28% then increased 55% from 2001 to 2003, the result was an overall increase of 99% over 5 years. The average sales price is now double what it was in 1999.
- The 4 or more bedroom properties experienced a +10% increase in number of sales in 2001 versus 1999. The number sold YTD in 2003 is just one more than 2001. The sale price for 4 or more bedroom properties increased from an average of \$547K to \$1M, or +96% since 1999, with 57% of the increase occurring since 2001.
- For 3-bedroom properties, the number of sales increased +23% from 1999 to 2001 and have declined -15% YTD 2003. The sale price rose +21% from 1999 to 2001 then +53% from 2001 to 2003. Overall change has been from \$349K to \$651K, +86%. Three bedroom properties are the most popular comprising 48% of the waterfront single-family market each year. The number of 2 or less bedroom properties sold declined by -10%. Their sale price rose from \$221K to \$457K, +106%.

### Non-waterfront Single-Family Properties:

- The number of sales grew by +21% and sale price by +31% from 1999 to 2003.
- The largest increase in the number of sales has been for 3 bedroom homes, up 51%, growing a consistent +10% per year. The sale price went from \$277K to \$440K, +54% in 5 years with +47% of the increase occurring between 2001 and YTD.
- The number of sales of four bedroom properties increased by 28%, however the number of units sold declined -13% 2001 to YTD as the sale price rose from \$477K in 1999 to \$697K YTD, +46%. And, 44% of the 46% rise occurred since 2001.
- The number of two bedroom home sales declined 2%. The average sale price consistently grew from \$188K to \$320K, +119%.
- The 2 and 3-bedroom properties make up to 89% of non-waterfront single-family sales.

### Waterfront Condominium Properties:

- The 2<sup>nd</sup> largest market growth of 44% occurred with these properties. The growth has been consistent year to year. For average sale price growth, 64% occurred from 2001 to YTD with overall growth over 5 years going from \$211K to \$430K, 103%.
- Two-bedroom units led in the number of sales at +43% as the sale price rose from \$203K to \$412K, +102%. The 2-bedroom units account for 72% of this condominium market each year.
- Next are 3 or more bedroom units with a +66% increase in number sold and a sale price jump from \$336K to \$645K, +92%. Note that 75% of the increase occurred since 2001.
- One or less bedroom units sold increased by +27% and the average sale price consistently rose from \$102K to \$194K, +90%.

### Non-waterfront Condominium Properties:

- The largest growth in the residential market has been in the number of sales of these properties, +72% even with a 56% increase in sale price from \$197K to \$308K. They remain the most affordable properties in the Keys.
- The most popular has been the 2-bedroom unit, which increased in number of sales by +71% even though the sale price went from \$194K to \$310K, +60%. The 2-bedroom property also accounts for 72% of non-waterfront condominium sales.
- Since 1999, the sales of the 3 or more bedroom unit has grown from 10% to 14% of the non-waterfront condominium market. Interestingly the number of sales increased 101% from 1999 to 2001 as the average sale price dropped from \$315K to \$220K. Unit sales in 2003 are +9% of 2001 despite the average sales price going from \$220K to \$382K, +73%.
- One or less bedroom properties had a sale price rise from \$134K in 1999 to \$145K in 2001 and \$223K YTD, an overall +21%. Total number of sales for these units are up by +43%.

The average sale price to list price ratio has not changed appreciably during the past 5 years. As expected the ratio is somewhat lower for higher priced waterfront than comparable non-waterfront properties.

Average days on the market to sell continues to decline for all except waterfront condominium units, which rose back to the 1999 level of 185 days after dropping to 171 days in 2001. Overall the reduction in time to sell is about 50% of the mid 1990's and is indicative of what has been a continually growing interest to own and enjoy a property in the unique chain of islands that comprises the Florida Keys.

	PROPERTY TYPE			
	Waterfront Single Family	Non-Waterfront Single Family	Waterfront Condominium	Non-Waterfront Condominium
<b>Number of Properties Sold</b>				
1999	587	444	217	138
2001	655	492	259	180
2003	587	538	314	238
<b>% Change '99-'03</b>	None	21% More	44% More	72% More
<b>Average Sales Price</b>				
1999	\$332K	\$254K	\$211K	\$197K
2001	\$428K	\$306K	\$277K	\$214K
2003	\$662K	\$421K	\$430K	\$308K
<b>% Change '99-'03</b>	99% More	31% More	103% More	56% More
<b>Sale Price to List Price Ratio</b>				
1999	92.7%	94.7%	95.1%	95.9%
2001	93.7%	94.2%	96.4%	96.3%
2003	93.8%	95.6%	96.3%	97.7%
<b>% Change '99-'03</b>	1% More	1% More	1% More	2% More
<b>Average Days To Sell</b>				
1999	205	169	185	149
2001	186	169	171	146
2003	157	134	197	129
<b>% Change '99-'03</b>	23% Less	20% Less	6% More	13% Less

# Monroe County Information

## Economic Trends

\*Source: Key West Chamber of Commerce

### MONROE COUNTY

- The unemployment rate decreased in August to 1.9% from 2.1%.
- The labor force grew slightly to 47,429 from 47,379.
- Florida unemployment rate held at the July rate of 5.5%.
- National unemployment was 6.1% in August.

### KEY WEST

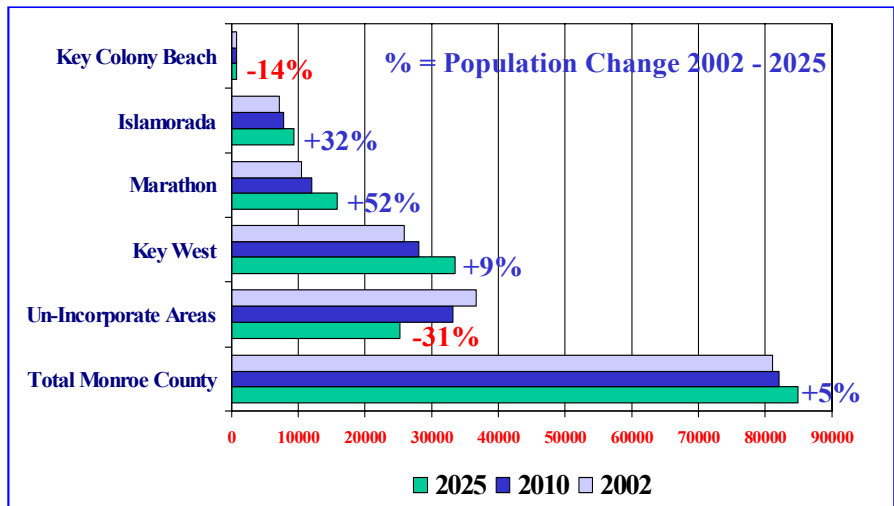
- Airport passenger arrivals for 2003 remain the highest for the same time period of any year on record.
- Cruise ship visits YTD are higher than any other year on record.
- Bed tax collections are running 3.2% ahead of 2002 YTD and August collections were the 2<sup>nd</sup> highest August on record.

## Population Projections By Year For Monroe County Incorporated & Unincorporated Areas

\*Source: AHNA Population Projections for 1990-2025

The graph shows projected changes in Monroe County population over the next 22 years:

- For the entire county the biggest increase in age group will be 50+, expected to grow 36% while the 25-50 age group will drop -10%.
- The un-incorporated areas are projected to have a 29% decrease in 50+ and 40% decrease in 25-50 year age groups, and declining 31% in overall population.



- Key West expectations are for 83% growth in 50+ with only a 3% rise in the 25-50 age group and a modest overall 9% gain.
- Marathon projection is for the 50+ group to grow by 135% and the 25-50 by 38% with the largest overall increase in population of all areas, 52%.
- Islamorada's 50+ should grow by 28% and the 25-50 age group by 14%. Islamorada is expected to have the 2<sup>nd</sup> largest growth overall with 32%.
- Key Colony Beach projections are for declines across the board, -28% in the 50+, -6% for 25-50 and -14% for total population.

## Yearly Mortgage Comparison on October 1

Loan Type	2003		2002		2000		1994		1984	
30-yr Fixed Rate Mortgages	5.95%	0.6%	6.11%	0.6%	7.80%	1.0%	8.93%	1.8%	14.13%	2.6%
15-yr Fixed Rate Mortgages	5.27%	0.06%	5.50%	0.06%	7.47%	1.0%	8.39%	1.8%	N/A	N/A
1-yr Adjustable-Rate Mortgages	3.74%	0.06%	4.27%	0.06%	7.23%	1.0%	5.79%	1.5%	11.96%	2.6%

\*Source: Freddie-Mac

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(continued from page 1)

The Keys real estate market is very active with a constant influx of buyers from throughout the world. We continually experience strong interest by highly qualified, serious buyers for all types of Keys properties due to an effective and wide reaching marketing plan. The success of that plan is reflected in continued Market Share growth for the most properties listed for sale, the most listed properties sold and the most buyer sales even though CBSREC has only 5 of the 176 real estate offices Keys-wide.

Should you or anyone you know need more information about market conditions or the value of your property, please contact the office most convenient to you or email us at [buyparadise@bellsouth.net](mailto:buyparadise@bellsouth.net). Additionally, to view current listings Keys-wide or for any area throughout the State of Florida visit our website, [www.RealEstateFloridaKeys.com](http://www.RealEstateFloridaKeys.com). For anyone interested in renting a property, contact us at [rentparadise@bellsouth.net](mailto:rentparadise@bellsouth.net) and visit our Vacation Rental website at [www.rentalsfloridakeys.com](http://www.rentalsfloridakeys.com).

## More Florida Keys History For You



Phil Sadowski (far left), Developer of Marathon Shores, Key Colony Beach and Coco Plum with Guy Lombardo (standing on Phil's left) and his Royal Canadian Band, who played at the Colony House Restaurant — now Cabana Breezes.

If you have a piece of history you would like to share with us, email us at [buyparadise@bellsouth.net](mailto:buyparadise@bellsouth.net).

If you would like a **FREE** Comparative Market Analysis contact one of our five offices from Key Largo to Key West. We are the *"Most Trusted Name In Florida Keys Real Estate"*.

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