



Coldwell Banker Schmitt's Real Estate Report

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Florida Keys Real Estate Market Comparison: January–September 2018 vs. 2017

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

All figures are as of September 30, 2018	Upper Keys	Middle Keys	Lower Keys	Key West	All Areas	All Areas	All Areas
	Lower Matecumbe-KL	7 Mile Bridge-Long Key	Bay Point-Big Pine	KW-Shark Key	Keys-wide	2017	2016
Number of Sales	6% more 688	2% less 393	9% more 444	7% more 638	5% more 2,163	2,057	2,152
Average Sale Price	8% more \$600K	8% more \$560K	10% more \$482K	27% more \$901K	15% more \$657K	\$571K	\$586K
\$ Value of Sales	14% more \$413M	6% more \$220M	19% more \$214M	35% more \$575M	21% more \$1.423B	\$1.175B	\$1.261B
Sale Price to Original List Price	3% more 89.96%	1% less 89.73%	4% more 94.04%	5% more 94.05%	3% more 91.95%	89.64%	91.08%
Sale Price to Final List Price	no change 92.72%	2% less 92.65%	no change 94.09%	1% less 96.74%	no change 94.05%	94.38%	94.63%
Average Days to Sell	8% less 132	37% less 125	16% less 92	3% more 152	16% less 125	149	141
Pending Transactions	1% more 102	15% less 67	7% more 75	4% less 96	3% less 340	350	376
Listed Properties	6% more 795	33% more 584	18% more 423	7% more 765	13% more 2,567	2,264	2,593
Average List Price	4% less \$1.054M	5% less \$775K	8% less \$656K	3% more \$904K	4% less \$880K	\$913K	\$798K
Months of Inventory	no change 10	23% more 13	11% more 9	no change 11	1% more 11	10	11

KEYS-WIDE OVERVIEW OF SALES AND LISTINGS FOR ALL PROPERTY TYPES:

The **Sale of 2,163 Properties** during the first nine months of 2018 was **5%** higher than the 2,057 sold during that same period in 2016. The primary reason was the impact of Hurricane Irma on September 9, 2017 as sales during September 2017 totaled 77 while September sales in 2018 were 198, a **157%** increase. In contrast, at the end of August, the 1,970 sales was **-1%** less than the 1,985 sales during the first eight months of 2017. The nine-month record of 2,818 occurred in 2004 with the low of 913 coming in 2008.

The **2,567 Properties For Sale** on September 30, 2018 was **13%** more than the 2,264 on that date in 2017, **-50%** less than the peak of 5,084 in March of 2007. The lowest number of properties available for sale -- 1,339 -- occurred at the end of Q3 2004.

The **\$657K Average Sale Price (ASP)** at the end of September was **15%** more than the \$571K last year. The \$657K for the first nine months of 2018 is a reduction of **-18%** from the peak of \$805K in 2006. The lowest recorded during this century was \$273K in 2000. The increase from 2000 is 141% or an annual average appreciation rate of 7.8%.

The **\$880K Average Listed Price (ALP)** during the first nine months of 2018 was down **-4%** from \$913K at the end of Q3 last year. The ALP peaked at the end of 2007 at \$990K, then decreased **-30%** to \$695K by the end of 2012, before increasing by **27%** at the end of Q3 2018.

The **Dollar Value of Sales (DVS)** of \$1.423 Billion rose **21%** from \$1.175 billion for January-September 2017 as a result of the **15%** increase in ASP and **5%** increase in number of sales. The record DVS year occurred in 2005 at \$1.8B, the result of an ASP of \$788K and 2,337 properties sold. The lowest DVS of \$505MM occurred in 2009 with 1,090 sales and an ASP of \$463K. (continued on page 2)

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The **Sale Price-to-Original List Price (SP/OLP)** increased **3%** to a new high of 91.95% compared to 89.64% a year earlier. The lowest, 62.49%, occurred at the end of December 2009. (The SP/OLP compares the sale price of the property to the list price of the property at the time it first came on the market. It 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 (SP/FLP)** of 94.05% was nearly the same as the 94.38% of last year. The peak for this ratio was 94.85% in 2004 and the low, 87.10%, came during 2009. (The SP/FLP 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 first listed. It reflects the average percentage of the final listed price that buyers are paying for properties that have sold.)

The **margin between the SP/OLP (91.95%) and SP/FLP (94.05%) is 2.1%**. That margin indicates, on average, a seller can anticipate a price reduction during the term of the listing of about -2.1% from their Original List Price to the Final List Price prior to receiving a buyer's offer which would be about -6% less than the Final List Price. The lowest margin between SP/OLP and SP/FLP was 1.4% at the end of February this year; a significant reduction from the low of 3.8% at the end of 2017. The largest variance, -25%, occurred at the end of 2009 when the SP/OLP was the lowest to date, 62.49%. Additionally, for 2009 the SP/FLP of 87.10% meant that the accepted buyer's offer was -12.9% less than the Final List Price; also a record high discount.

Days On the Market to Sell declined -16% to 125 days from the 149 recorded for the first nine months of 2017. (This is a measure of the number of days between the date the property was listed and the date the sale closed vs. when the property went under contract.)

The **11 Months of Inventory (MOI)** is a **1%** increase from 10 at the end of September last year. The lowest MOI was 3 at the end of Q2 2004 and the high of 55 months occurred at the end of March 2008. (MOI provides a measure of the rate of sales versus the supply of properties and is also known as the "absorption rate.") (continued on page 4)

A SYNOPSIS OF SUB-MARKET AREA ACTIVITY (Jan-Sep 2018 Vs 2017)

Area	Percent +/-	1st 9 Mo. 2018	1st 9 Mo. 2017	Area	Percent +/-	1st 9 Mo. 2018	1st 9 Mo. 2017
Number of Sales				Listed Properties			
UK	6%	688	648	UK	6%	795	753
MK	-2%	393	402	MK	33%	584	438
LK	9%	444	408	LK	18%	423	358
KW	7%	638	599	KW	7%	765	715
Average List Price (000s)				Average Sale Price (000s)			
UK	-4%	\$1.054	\$1.097	UK	8%	\$600	\$557
MK	-5%	\$775	\$813	MK	8%	\$560	\$517
LK	-8%	\$656	\$714	LK	10%	\$482	\$440
KW	3%	\$904	\$880	KW	27%	\$901	\$712
Sale Price-to-Final List Price				Sale Price-to-Original List Price			
UK	n/c	92.72%	92.32%	UK	3%	89.96%	87.31%
MK	-2%	92.65%	94.15%	MK	-1%	89.73%	90.92%
LK	n/c	94.09%	93.79%	LK	4%	94.04%	90.59%
KW	-1%	96.74%	97.24%	KW	5%	94.05%	89.72%
Dollar Value of Sales (MMs)				Number of Pending Transactions at Month End			
UK	14%	\$413	\$361	UK	1%	102	101
MK	6%	\$220	\$207	MK	-15%	67	79
LK	19%	\$214	\$179	LK	7%	75	70
KW	35%	\$575	\$426	KW	-4%	96	100
Average Days On the Market to Sell				Months of Inventory			
UK	-8%	132	143	UK	n/c	10	10
MK	-37%	125	197	MK	23%	13	10
LK	-16%	92	110	LK	11%	9	8
KW	3%	152	147	KW	n/c	11	11

UK = Upper Keys, MK = Middle Keys, LK = Lower Keys, KW = Key West

How Has Hurricane Irma Affected the Keys Real Estate Market?

The chart on this page shows how the 2018 Keys real estate market has performed subsequent to Hurricane Irma last September in comparison to the first three quarters of each year since 2000. The chart shows the number of sales and the change in average sale price (ASP) by property type: *Residential Waterfront & Non-Waterfront* (included are Single Family, Condominium, Duplex, one-half Duplex and Townhomes), *Lots & Land Waterfront & Non-Waterfront*, *Commercial*, *Boat Slips* and *Mobile Homes*.

- 2018 numbers for number of sales and ASP are in **blue**.
- The year with the record high for number of sales and ASP has the cell background in **Salmon**.
- The year with the previous high has a **light blue** background.
- The year with the lowest number has a **light green** background.

The following is a summary for each property type.

Residential Waterfront:

Sales: 867 is **18%** higher than the 733 of last year.
 ASP: \$783K is virtually unchanged from the \$781K of 2017.

Residential Non-Waterfront:

Sales: 679 is just **-2%** lower than the 694 of 2017.
 ASP: \$630K is **7%** higher than 2017's \$591K.

Lots & Land Waterfront:

Sales: 116 is **-8%** lower than 126 in 2017.
 ASP: \$333K is **17%** higher than \$284K in 2017.

Lots & Land Non-Waterfront:

Sales: 101 is **-8%** lower than 110 sales in 2017.
 ASP: \$125K is **8%** higher than \$116K last year.

Commercial:

Sales: 98 is **20%** higher than 82 during 2017.
 ASP: \$2.065M is **98%** higher than \$1.045M for 2017.

Boat Slips:

Sales: 21 is **17%** higher than the 18 for 2017.
 ASP: \$109K is **-45%** lower than \$197K during 2017.

Mobile Homes:

Sales: 143 is essentially the same as the 144 of a year ago.
 ASP: \$250K is down **-4%** from the \$260K of 2017.

All property types have increased either the number of sales, or average sales price, or they were essentially the same as a year ago with the exception of commercial properties which had solid increases in both. Accordingly, we can conclude that Hurricane Irma has not had a significantly negative impact on the Keys real estate market.

History of Number of Sales & Average Sale Price January - September 2000-2018								
	Residential		Residential		Lots & Land		Lots & Land	
	Waterfront		Non-Waterfront		Waterfront		Non-Waterfront	
	# Sales	Avg SP	# Sales	Avg SP	# Sales	Avg SP	# Sales	Avg SP
2018	867	\$783,838	679	\$630,082	116	\$333,537	101	\$125,315
2017	733	\$781,023	694	\$591,203	126	\$284,173	110	\$116,497
2016	867	\$745,253	687	\$568,058	107	\$231,424	146	\$98,735
2015	943	\$669,023	816	\$491,573	158	\$302,893	147	\$91,554
2014	804	\$638,807	703	\$447,199	112	\$234,493	133	\$82,711
2013	807	\$583,742	673	\$414,717	120	\$193,117	93	\$84,038
2012	685	\$575,382	566	\$361,877	71	\$242,832	84	\$41,699
2011	682	\$539,700	576	\$368,382	61	\$272,385	53	\$145,538
2010	554	\$543,340	537	\$344,136	45	\$134,520	43	\$50,582
2009	481	\$619,849	421	\$348,879	43	\$352,534	55	\$155,745
2008	393	\$803,671	274	\$508,704	44	\$363,738	35	\$141,132
2007	421	\$973,339	299	\$562,271	41	\$634,113	36	\$126,229
2006	418	\$1,034,110	313	\$655,732	52	\$628,719	102	\$117,804
2005	864	\$1,053,027	706	\$694,967	165	\$455,082	177	\$174,689
2004	925	\$755,441	717	\$551,991	251	\$257,903	229	\$62,794
2003	846	\$562,261	467	\$324,284	199	\$203,369	186	\$56,975
2002	795	\$437,401	411	\$245,339	229	\$153,759	140	\$29,820
2001	864	\$376,695	412	\$219,187	186	\$106,290	82	\$25,671
2000	707	\$334,901	351	\$197,788	154	\$156,676	48	\$32,107
Residential: Single Family, Condo, Duplex, Half-Duplex & Townhome Not included: Long-term Rental Properties								
	Commercial		Boat Slips		Mobile Homes			
	# Sales	Avg SP	# Sales	Avg SP	# Sales	Avg SP		
2018	98	\$2,065,730	21	\$109,333	143	\$250,584		
2017	82	\$1,045,970	18	\$197,779	144	\$260,641		
2016	69	\$1,016,033	44	\$202,185	136	\$235,254		
2015	99	\$1,123,214	67	\$67,526	165	\$210,514		
2014	85	\$1,521,793	48	\$63,935	181	\$203,014		
2013	91	\$682,098	30	\$71,506	176	\$171,976		
2012	69	\$728,807	24	\$89,547	134	\$158,598		
2011	76	\$553,001	19	\$182,078	130	\$160,803		
2010	68	\$582,623	6	\$66,416	92	\$174,853		
2009	36	\$652,555	9	\$128,722	82	\$183,327		
2008	70	\$824,790	22	\$192,327	72	\$285,554		
2007	87	\$1,149,878	18	\$348,972	102	\$321,924		
2006	118	\$1,841,715	9	\$273,555	138	\$354,668		
2005	86	\$2,503,151	51	\$247,235	281	\$306,150		
2004	53	\$1,455,692			302	\$241,868		
2003	47	\$768,460			284	\$179,407		
2002	41	\$686,936			262	\$132,796		
2001	38	\$687,936			240	\$118,663		
2000	30	\$537,063			170	\$104,253		



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What Do the Numbers Forecast?

The Keys real estate market has been remarkably stable since March of this year. Listings have remained in the 2,500 vicinity since April 1 instead of declining (as they typically do) in the normal annual market cycle from April through September, before trending upward and peaking in February or March. The inventory stability is a direct result of Irma which precipitated an immediate decline in the number of properties for sale. The cycle of listings (sellers) and sales (buyers) whose annual peaks and valleys are normally out of phase with each other was disrupted by Irma. In response to the storm, sellers took their damaged properties off the market. Those properties have been coming back onto the market as they've been repaired. Buyers have continued to look and wait for the right property, given the reduced supply, resulting in a very atypical year for sales which have continued to be stable following the typical annual peak sales month in April and May. We will continue to see increased listings and sales through the balance of 2018 vs. the same post-Irma period in 2017 with incremental increases in sales prices.

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