



COLDWELL BANKER SCHMITT'S LUXURY ISLAND PROPERTIES REPORT

The Most Trusted Name in
Florida Keys Real Estate Since 1955.

LUXURY ISLAND PROPERTIES is Coldwell Banker Schmitt's exclusive program for marketing Florida Keys residential properties listed and sold at prices over **\$1M**. During the past 12 months, luxury property listings represented **11%** of the overall market (**10%** for the previous 12-month period) by number of sales and **32%** by dollar volume (**31%** for the previous 12 mos. period), therefore, luxury residential sales account for almost **one-third** of all real estate sales in the Keys by dollar volume. The percent of change noted in the following paragraphs results from comparing the current 12-month period to the same period a year earlier (April 2016 - March 2017 vs April 2015 - March 2016).

LUXURY ISLAND PROPERTIES FLORIDA KEYS REAL ESTATE MARKET APRIL 2017—MARCH 2018 VS. APRIL 2016—MARCH 2017

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

All dates are as of March 31, 2018 unless otherwise noted	Upper Keys	Middle Keys	Lower Keys	Key West	All Areas	All Areas	All Areas
	Lower Matecumbe- Key Largo	7 Mile Bridge- Long Key	Bay Point- Big Pine	KW-Shark Key	Keys-wide	2017	2016
Number of Sales	3% more 93	22% less 52	3% more 31	17% more 129	3% more 305	297	248
Avg. Sale Price	3% less \$1,608,320	3% less \$1,459,859	11% less \$1,267,419	12% less \$1,585,260	10% less \$1,538,606	\$1.712M	\$1.625M
\$ Value of Sales	10% less \$149M	24% less \$75M	8% less \$39M	3% more \$204M	8% less \$469M	\$508M	\$403M
Sale Price to Original List Price	5% less 85.54%	2% more 88.44%	3% less 85.44%	1% less 89.89%	2% less 86.82%	88.33%	87.20%
Sale Price to Final List Price	2% less 89.42%	1% less 90.64%	4% less 87.88%	1% less 93.32%	2% less 90.32%	92.06%	91.57%
Avg. Days to Sell	10% less 189	23% less 131	23% more 201	10% less 169	6% less 173	183	246
Pending Transactions	7% more 16	10% more 11	75% more 7	46% more 38	31% more 72	55	N/A
Listed Properties	1% less 179	13% less 70	38% less 47	10% less 165	11% less 461	520	455
Avg. List Price	3% more \$2,587,886	3% more \$1,881,169	13% more \$2,402,742	13% more \$2,317,229	8% more \$2,364,827	\$2.1M	\$2.446M
Months of Inventory	4% less 23	14% more 16	40% less 18	25% less 15	10% less 18	21	22

KEYS-WIDE MARKET OVERVIEW

Sales rose **3%** to **305** compared to **297**. The increase continues the trend of the past three years of more luxury property sales each successive year. Of interest: Keys-wide, the sales of all property types priced below **\$1M** declined **-9%** during the same period. (Please see the Spring 2018 edition of the *Coldwell Banker Schmitt Real Estate Report* for complete news and trends concerning the Keys market in the first quarter of 2018 for all property types.) Also, do read the second feature which provides insight into Keys luxury market sales activity prior to Hurricane Irma (September 10, 2017) and the status of the recovery from Irma, in order to have a complete understanding of the Keys luxury market in Q2 2018.

There were **461** luxury properties listed compared to **520** a year earlier an **-11%** reduction with an **Average List Price** of **\$2,364,827**, up **8%** from **\$2,183,624** the previous 12-month period.

The **Average Sales Price** declined **-10%** from **\$1,712,104** to **\$1,538,606**.

The **Dollar Value of Sales (DVS)** totaled **\$469,274,957**, an **-8%** reduction from **\$508,048,244** a year earlier. This is the result of the **3%** increase in number of sales with a **-10%** drop in ASP. **(Continued on bottom of page 3)**

HURRICANE IRMA'S IMPACT ON THE FLORIDA KEYS LUXURY RESIDENTIAL MARKET

The chart on page 3 provides some insight into the overall impact of Hurricane Irma on the Keys luxury market which experienced the smallest increase in sales over a twelve-month period since the third quarter of 2016. The chart compares sales for each submarket area for each of the four quarters of the past twelve months to the same quarter in the previous year. The first runs from April 2017 through June 2017 contrasted with that same period in 2016; the second is from July through September (Irma struck on September 10); the third goes from October through December; and the fourth includes January 2018 through March 2018.

The submarkets are defined as follows: The Upper Keys extends from Lower Matecumbe through Key Largo. The Middle Keys runs from the Seven Mile Bridge through Long Key. The Lower Keys lie between Bay Point and Big Pine Key. Key West includes everything between the Southernmost Point and Shark Key.

Here are the most noteworthy findings for each of the four periods.

Pre-Irma:

- April through June 2017: Keys-wide sales increased **17%** over the same period in 2016 -- **111** compared to **95** -- primarily due to a **41%** increase in sales (**55** versus **39**) in the Key West market. Sales were up **3%** in the Upper Keys, there was no change in the Lower Keys, and the Middle Keys was just one sale away from having no change, **17** versus **18** in 2016.
- July through September 2017: Keys-wide sales were off **-2%** -- **64** versus **65** -- as a result of the **32%** increase in Upper Keys and **17%** rise in Middle Keys sales despite the arrival of Hurricane Irma on September 10. Of note is that the Keys-wide market for luxury sales was up **16%** at the end of August with **58** compared to **50** sales, however, September's sales declined **-60%** with just **6** sales versus **15** in 2016, ending what had been an increasing sales market for the first half of the twelve-month period.

Post-Irma:

- October through December 2017: Keys-wide sales were off **-37%** -- **44** from **70** in 2016 -- as there were fewer sales in every submarket. The Middle Keys was down **-56%** followed by the Upper Keys at **-54%**, then **-13%** for the Lower Keys and **-10%** for Key West. Of note for this quarter is that October sales were **-24%** fewer than they were in 2016 while November through December sales were down **-36%** as the market had not overcome the impact of Hurricane Irma.
- January through March 2018: Overall, the Keys market increased **28%** with **86** sales versus **67** in 2017 providing a positive indication the Keys market was no longer being negatively impacted by the aftermath of Hurricane Irma.

The foregoing information provides an indication that the luxury property market would have increased more than **3%** had Hurricane Irma not arrived in September. This offers some confidence that the luxury market is more active than it appears to be just looking at the initial table in this edition of our newsletter. We'll address that in our *Luxury Island Property Report* newsletter to be published at the end of Q3 2018.

LUXURY ISLAND PROPERTIES

(RESIDENTIAL PROPERTIES PRICED & SOLD AT \$1M+)

	Upper Keys		Middle Keys		Lower Keys		Key West		Keys-wide	
	Sales	Avg SP	Sales	Avg SP	Sales	Avg SP	Sales	Avg SP	Sales	Avg SP
Apr-Jun 2017	30	\$1,751,025	17	\$1,484,117	9	\$1,132,166	55	\$1,561,447	111	1,482,189
Apr-Jun 2016	29	\$1,878,956	18	\$1,584,611	9	\$1,725,666	39	\$1,795,897	95	1,729,744
% Change	3%	-7%	-6%	-6%	0%	-34%	41%	-13%	17%	-14%
Jul-Sep 2017	25	\$1,324,782	14	\$1,753,154	4	\$1,135,750	21	\$1,485,738	64	1,424,856
Jul-Sep 2016	19	\$1,939,052	12	\$1,377,708	9	\$1,162,716	25	\$1,860,682	65	1,585,040
% Change	32%	-32%	17%	27%	-56%	-2%	-16%	-20%	-2%	-10%
Oct-Dec 2017	11	\$1,556,181	8	\$1,212,250	7	\$1,528,214	18	\$1,672,500	44	1,492,286
Oct-Dec 2016	24	\$1,645,625	18	\$1,392,492	8	\$1,486,125	20	\$1,756,525	70	1,570,192
% Change	-54%	-5%	-56%	-13%	-13%	3%	-10%	-5%	-37%	-5%
Jan-Mar 2018	28	\$1,715,196	13	\$1,264,657	11	\$1,260,000	34	\$1,608,470	86	1,462,081
Jan-Mar 2017	18	\$1,971,250	19	\$1,591,395	4	\$1,218,750	26	\$1,875,096	67	1,664,123
% Change	56%	-13%	-32%	-21%	175%	3%	31%	-14%	28%	-12%
Total 2017-	94	\$1,586,796	52	\$1,428,545	31	\$1,264,033	128	\$1,582,039	305	\$1,465,353
Total 2016-	90	\$1,858,721	67	\$1,486,552	30	\$1,398,314	110	\$1,822,050	297	\$1,637,275
% Change	4%	-15%	-22%	-4%	3%	-10%	16%	-13%	3%	-10%

(Continued from page 1)

The **Sale Price-to-Original List Price (SP/OLP)** was down **-2%** to **86.82%** from **88.33%**. (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 **90.32%** was also a **-2%** decrease from **92.06%** and discontinues the trend since 2010 for this market metric. (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 (**86.82%**) and SP/FLP (**90.32%**) is **3.5%** which indicates, on average, a seller can anticipate price reductions during the term of the listing of about **3.5%** from their original list price to the final list price prior to receiving a buyer's offer. The lowest margin of **2.4%** occurred at the end of Q3 2010. Correspondingly, sellers and buyers today can expect the contract price, on average, to be **-9.7%** less than the final list price and **-13.1%** less than the original list price. These discounts from the respective list price have increased in the past year.

Average Days to Sell (ADS) was **173** (5.7 months), down **-6%** from **183** a year earlier. (ADS is a measure of the number of days between the date the property was listed and the date of the closed sale.) For non-luxury residential properties, the **ADS** is **131** (4.3 months) which is a **-9%** reduction from the previous year. Therefore, on average, it takes **32%** longer to sell a luxury property than a non-luxury property. (Continued on page 4)

(Continued from page 3)

With the current rate of sales over the past 12 months, the **Months of Inventory (MOI)** is **18** vs **21**, a **-10%** reduction from the previous 12-month period. The figure for all property types is **12** MOI (MOI provides a measure of the rate of sales versus the supply of properties and is also known as the “absorption rate.”)

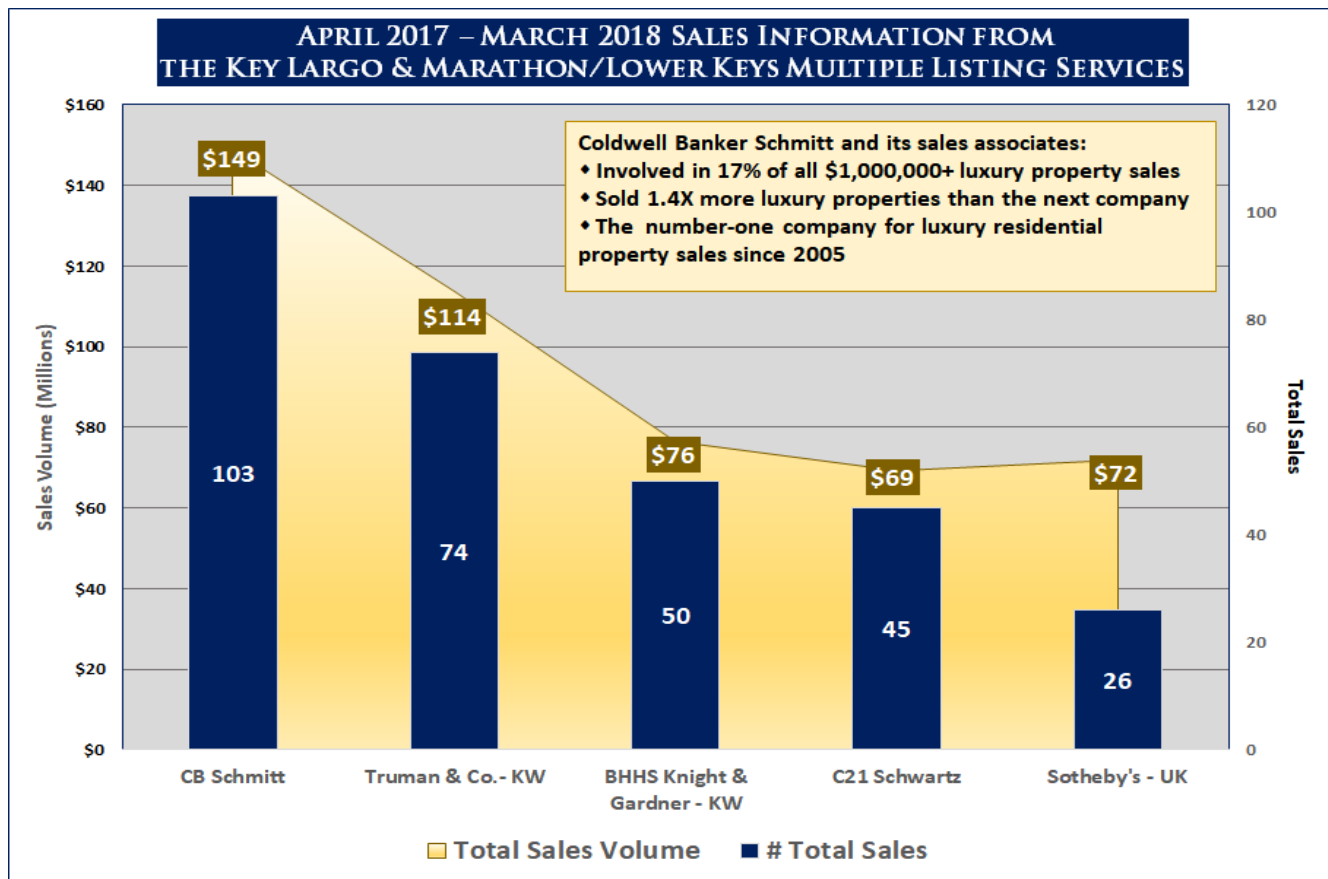
Pendings: The number of pendings are up in all market areas from **7%** to **75%** averaging **31%** Keys-wide.

Listings: Are down in every market area from **1%** to **38%** averaging **11%**.

What is ahead for the Keys luxury market? Sales within the luxury market increased **3%** during the past 12 months. Luxury sales were up **16%** at the end of Q3 2017, **20%** in Q1 2017, **3%** in Q3 2016 and **15%** in Q1 2016. After reading the second feature in our newsletter, you’ll understand that sales within the luxury market over the past 12 months had the potential to have increased more than **3%** had Hurricane Irma not arrived. The luxury market has weathered the storm and has recovered well with strong sales activity in the first quarter of 2018 increasing **28%** over the prior year. Pending sales at the end of the Q1 2018 are up **31%** as well which clearly indicates that the sales increases in 2018 will continue with listings down **-11%** and listing prices up **8%**, Buyers will have fewer choices going forward with increasing sales prices.

We welcome your thoughts and comments concerning the type of information in which you’re most interested. We want to provide you with information relevant to any decision you may be facing about the sale or purchase of a Luxury Island Property. Please email us at LuxuryIslandProperties@cbschmitt.com or send postal mail to Coldwell Banker Schmitt, Luxury Island Properties Division, 11100 Overseas Highway, Marathon, FL 33050.

THE LEADING COMPANY FOR SALES & LISTINGS OF LUXURY ISLAND PROPERTIES KEYS-WIDE



The Most Trusted Name in Florida Keys Real Estate Since 1955.

REALESTATEFLORIDAKEYS.COM

