



**KEYS-WIDE OVERVIEW**

The Keys-wide sale of **21** commercial properties in the first half of 2017 is a **16%** decrease from the **25** sold during the first half of 2016. That's due to fewer sales in each of the four market areas. The record half-year high of **59** occurred during 2006 with the low, **13**, in 2009.

The **\$1.9M Average Sale Price (ASP)** thus far in 2017 represents a **27%** increase from the **\$1.5M** for the same period last year. The only market that didn't have an increase was Key West, which declined **58%** going from **\$3.4M** to **\$1.4M**. Keys-wide, the highest **ASP** for the first half of a year, **\$2.38M** occurred in 2005, and the lowest, **\$638K**, in 2010.

The **Dollar Volume of Sales** dropped **17%** to **\$38M** compared to **\$46M** for 2016. Over the past **16.5** years, the highest DVS during the first half of the year was **\$124M** in 2005. The lowest of **\$12M** occurred in 2009.

The **Sale Price-to-Original List Price (SP/OLP)** showed a decrease of **6%** to **82.38%** from **87.31%** a year earlier. (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 versus the list price at the time the contract was written, and provides a measure of the mismatch between many sellers' initial list price and the market price acceptable to buyers.) The highest, **98.03%**, occurred in 2000 with the lowest, **58.78%**, in **2007**. (continued on page 4)

Sales of Commercial Properties by Market Area and Keys-wide 1st Half 2017 vs. 2016					
	Upper Keys	Middle Keys	Lower Keys	Key West	Keys-Wide
<b>Sales</b>					
2017	4	3	4	10	21
2016	5	4	5	11	25
% Chg.	-20%	-25%	-20%	-9%	-16%
<b>Average Sale Price</b>					
2017	\$1,382,750	\$1,526,667	\$3,573,750	\$1,440,100	\$1,980,817
2016	\$1,103,500	\$1,263,750	\$471,900	\$3,401,200	\$1,560,088
% Chg.	25%	21%	657%	-58%	27%
<b>Dollar Volume of Sales</b>					
2017	\$5,531,000	\$4,580,000	\$14,295,000	\$14,401,000	\$38,807,000
2016	\$5,517,500	\$5,055,000	\$2,359,500	\$34,012,000	\$46,944,000
% Chg.	0%	-9%	506%	-58%	-17%
<b>Sale Price to Original List Price</b>					
2017	79.65%	94.63%	71.71%	83.51%	82.38%
2016	94.25%	85.68%	78.68%	90.63%	87.31%
% Chg.	-15%	10%	-9%	-8%	-6%
<b>Sale Price to Final List Price</b>					
2017	89.50%	100.89%	83.95%	86.76%	90.28%
2016	96.73%	89.52%	78.86%	91.48%	89.15%
% Chg.	-7%	13%	6%	-5%	1%
<b>Average Days to Sell (DOM)</b>					
2017	456	395	413	250	379
2016	211	116	173	200	175
% Chg.	116%	241%	139%	25%	116%
<b>Listed Properties</b>					
2017	20	40	34	29	123
2016	27	17	32	116	192
% Chg.	-26%	135%	6%	-75%	-36%
<b>Average List Price</b>					
2017	\$2,286,695	\$2,319,042	\$1,243,702	\$3,102,655	\$2,238,024
2016	\$2,800,625	\$2,244,890	\$1,239,190	\$2,368,373	\$2,163,270
% Chg.	-18%	3%	0%	31%	3%
<b>Months of Inventory</b>					
2017	30	80	51	17	35
2016	32	26	38	63	46
% Chg.	-7%	214%	33%	-73%	-24%

***This page of the Coldwell Banker Schmitt Commercial Report includes the Florida Keys Commercial Market activity for each of the four major submarket areas annually from 2000 through 2016 and Year-to-Date 2017 in order to provide a continuing update to the historical perspective of commercial sales.***

The Upper Keys consists of properties from Lower Matecumbe to Key Largo. The Middle Keys includes properties from the Seven Mile Bridge to Long Key. Lower Keys properties range from Bay Point to Big Pine Key. Key West properties run from Old Town to Shark Key.

The properties in this report include commercially-zoned land, multi-family residential, hotels, motels, and office space as well as industrial and retail (which includes restaurants) with sales registered among one of the three MLS systems in the Keys within a calendar year. The yellow and salmon backgrounds denote the year with the highest and the lowest numbers, respectively, for each of the three categories: Total Number of Sales, Average Sales Price and Total Sales Volume Dollar Value.

As a reminder, the impact of Hurricane Wilma in October 2005 and the downturn in the national economy put the commercial market in a slump, just as those events did for the overall Keys real estate market, with the commercial market commencing a recovery in 2010 with increased sales.

**Total Number of Sales:** The number of commercial sales peaked in 2003 for **Key West (72)**, 2005 for the **Middle (29)** and **Upper Keys (24)** and 2006 for the **Lower Keys (15)**. Sales bottomed out for the **Lower Keys (1)** and **Key West (19)** in 2008 and 2009 for the **Upper (7)** and **Middle Keys (4)**. Since 2008, the **Lower Keys** high has been **11** sales in 2012 with lower amounts since, and with just **4** during the first half of the year, that trend should continue. **Key West** reached a high of **48** sales during 2014, and having accumulated **10** during the first half of 2017, sales may not reach the 2016 level of **23**. The **Upper Keys** high since the 2009 low was **23** in 2015, and with **4** sales during the first half of 2017, it may not reach double digits for the year. The highest level of **Middle Keys** sales since 2009 is **20** recorded during 2015. There were **3** over the first six months of 2017. Total commercial sales Keys-wide peaked in 2003 with **120**, and bottomed out at **36** in 2008. The highest total since then was **86** for 2015. Not surprisingly, the **Key West** market has been the most active with a historical average since 2000 of **52%** of all commercial sales, followed by the **Upper Keys** with **20%**, then **18%** for the **Middle Keys** and **10%** for the **Lower Keys**.

**Average Sales Price:** Sales for 2000 through 2012 show that the average sales price peaked in the Lower Keys in 2003 (**\$1.8M**), followed by the Upper Keys (**\$2.5M**) and Key West in 2005 (**\$3.0M**) and the Middle Keys (**\$3.8M**) in 2006.

Keys-wide, the average sale price has increased **56%** in the first six months of 2017 due to increases of **620%** in the Lower Keys (the result of the **\$10.9M** January sale of Palmers Resort), **42%** for the Upper Keys and **1%** in the Middle Keys. Key West realized the only decrease, **33%** to **\$1.4M**.

**Dollar Volume of Sales:** At the end of 2005, the dollar volume of commercial sales had peaked in all areas except for the Lower Keys where it occurred in 2006. Also during 2005, the commercial market had **105** sales and record **Average Sales Prices** in the Upper Keys and Key West combined with the second-highest **ASP** for the Middle Keys. The Lower Keys dollar volume of **\$21.7M** peaked the next year as 2006 was that market's year for record sales and, at that time, the second-highest **ASP** for the area. Historically, since 2001, the Key West market area **Dollar Volume of Sales**—as it has with the total number of sales -- accounted for over half of the commercial market with **56%**, followed by the Middle Keys with **20%**, Upper Keys **16%**, and **8%** for the Lower Keys.

# Commercial Sales Florida Keys 2000 through 2017

## Total Number of Sales

	Upper Keys	% Chg Prev. Year	Middle Keys	% Chg Prev. Year	Lower Keys	% Chg Prev. Year	Key West	% Chg Prev. Year	Keys-Wide	% Chg Prev. Year
2000	11		16		6		24		57	
2001	19	73%	10	-38%	7	17%	28	17%	64	12%
2002	15	-21%	17	70%	5	-29%	49	75%	86	34%
2003	22	47%	17	0%	9	80%	<b>72</b>	<b>47%</b>	<b>120</b>	<b>40%</b>
2004	17	13%	23	35%	8	60%	61	24%	109	27%
2005	<b>24</b>	<b>41%</b>	<b>29</b>	<b>26%</b>	7	-13%	45	-26%	105	-4%
2006	18	-25%	10	-66%	<b>15</b>	<b>114%</b>	57	27%	100	-5%
2007	9	-50%	7	-30%	4	-73%	46	-19%	66	-34%
2008	10	11%	6	-14%	<b>1</b>	<b>-75%</b>	<b>19</b>	<b>-59%</b>	<b>36</b>	<b>-45%</b>
2009	<b>7</b>	<b>-30%</b>	<b>4</b>	<b>-33%</b>	4	300%	22	16%	37	3%
2010	10	43%	9	125%	6	50%	22	0%	47	27%
2011	11	10%	8	-11%	7	17%	26	18%	52	11%
2012	13	18%	7	-13%	11	57%	28	8%	59	13%
2013	12	-8%	12	71%	9	-18%	38	36%	71	20%
2014	14	17%	10	-17%	5	-44%	48	26%	77	8%
2015	23	64%	20	100%	8	60%	35	-27%	86	12%
2016	14	-39%	18	-10%	6	-25%	23	-34%	61	-29%
<b>1st Half 2017</b>	<b>4</b>		<b>3</b>		<b>4</b>		<b>10</b>		<b>21</b>	

## Average Sales Price

2000	\$689,454		\$810,000		\$292,916		\$459,885		\$563,064	
2001	\$955,289	39%	\$801,100	-1%	\$343,415	17%	<b>\$375,408</b>	-18%	\$618,803	10%
2002	\$677,133	-29%	\$954,933	19%	\$894,821	161%	\$651,148	73%	\$794,509	41%
2003	\$1,026,250	52%	\$1,180,764	24%	<b>\$1,841,000</b>	<b>106%</b>	\$1,103,892	70%	\$1,287,977	62%
2004	\$1,975,588	192%	\$1,611,195	69%	\$761,250	-15%	\$1,434,019	120%	\$1,445,513	82%
2005	<b>\$2,544,746</b>	<b>29%</b>	\$2,903,241	80%	\$647,857	-15%	<b>\$3,099,049</b>	<b>116%</b>	<b>\$2,298,723</b>	<b>59%</b>
2006	\$1,801,444	-29%	<b>\$3,831,898</b>	<b>32%</b>	\$1,450,971	124%	\$1,959,522	-37%	\$2,260,959	-2%
2007	\$937,861	-48%	\$1,908,971	-50%	\$824,500	-43%	\$1,338,355	-32%	\$1,252,422	-45%
2008	\$1,449,750	55%	\$1,164,500	-39%	\$439,000	-47%	\$1,182,445	-12%	\$1,058,924	-15%
2009	\$955,285	-34%	\$557,500	-52%	\$623,750	42%	\$900,850	-24%	\$759,346	-28%
2010	\$698,000	-27%	\$2,497,377	348%	<b>\$222,000</b>	<b>-64%</b>	\$987,609	10%	\$1,101,247	45%
2011	\$1,142,772	64%	\$457,962	-82%	\$317,828	43%	\$976,103	-1%	\$723,666	-34%
2012	\$594,000	-48%	<b>\$433,571</b>	<b>-5%</b>	\$358,941	13%	\$1,984,389	103%	\$842,725	16%
2013	<b>\$563,208</b>	<b>-5%</b>	\$777,083	79%	\$1,941,111	441%	\$1,507,790	-24%	\$1,197,298	42%
2014	\$2,005,666	256%	\$2,859,025	268%	\$228,425	-88%	\$1,693,000	12%	\$1,696,529	42%
2015	\$950,695	-53%	\$722,010	-75%	\$771,325	238%	\$1,391,838	-18%	\$958,967	-43%
2016	\$971,250	2%	\$1,507,222	109%	\$496,250	-36%	\$2,077,086	49%	\$1,262,952	32%
<b>1st Half 2017</b>	<b>\$1,382,750</b>	<b>42%</b>	<b>\$1,526,667</b>	<b>1%</b>	<b>\$3,573,750</b>	<b>620%</b>	<b>\$1,401,100</b>	<b>-33%</b>	<b>\$1,971,067</b>	<b>56%</b>

## Total Sales Volume Dollar Value

2000	\$7,584,000		\$12,960,000		\$1,757,500		\$11,037,250		\$33,338,750	
2001	\$18,150,500	139%	\$8,011,000	-38%	\$2,403,900	37%	\$10,511,430	-5%	\$39,076,830	17%
2002	\$10,157,000	-44%	\$16,233,866	103%	\$4,474,105	86%	\$31,906,248	204%	\$62,771,219	88%
2003	\$22,577,500	122%	\$20,073,000	24%	\$16,569,000	270%	\$79,480,247	149%	\$138,699,747	121%
2004	\$33,585,000	49%	\$37,057,500	85%	\$6,090,000	-63%	\$87,475,175	10%	\$164,207,675	18%
2005	<b>\$61,076,327</b>	<b>82%</b>	<b>\$84,194,000</b>	<b>127%</b>	\$4,535,000	-26%	<b>\$139,457,203</b>	<b>59%</b>	<b>\$289,262,530</b>	<b>76%</b>
2006	\$32,426,000	-47%	\$38,318,980	-54%	<b>\$21,764,565</b>	<b>380%</b>	\$111,682,770	-20%	\$204,192,315	-29%
2007	\$8,440,750	-74%	\$13,362,800	-65%	\$3,298,000	-85%	\$61,564,334	-45%	\$86,665,884	-58%
2008	\$14,497,500	72%	\$6,987,000	-48%	<b>\$439,000</b>	<b>-87%</b>	\$22,466,450	-64%	\$44,389,950	-49%
2009	<b>\$6,687,000</b>	<b>-54%</b>	<b>\$2,230,000</b>	<b>-68%</b>	\$2,495,000	468%	<b>\$19,818,715</b>	<b>-12%</b>	<b>\$31,230,715</b>	<b>-30%</b>
2010	\$6,980,000	4%	\$22,476,397	908%	\$1,332,000	-47%	\$21,727,400	10%	\$52,515,797	68%
2011	\$12,570,500	80%	\$3,663,700	-84%	\$2,224,800	67%	\$25,378,688	17%	\$43,837,688	-17%
2012	\$7,722,000	-39%	\$3,035,000	-17%	\$3,948,352	77%	\$55,563,130	119%	\$70,268,482	60%
2013	\$6,758,496	-12%	\$9,324,996	207%	\$19,411,110	392%	\$59,596,020	7%	\$95,090,622	35%
2014	\$24,068,000	256%	\$17,092,220	83%	\$2,418,700	-88%	\$93,993,000	58%	\$137,571,920	45%
2015	\$21,865,985	-9%	\$14,440,192	-16%	\$6,170,600	155%	\$48,714,330	-48%	\$91,191,107	-34%
2016	\$13,597,500	-38%	\$27,130,000	88%	\$2,977,500	-52%	\$47,773,000	-2%	\$91,478,000	0%
<b>1st Half 2017</b>	<b>\$5,531,000</b>		<b>\$4,580,000</b>		<b>\$14,295,000</b>		<b>\$14,401,000</b>		<b>\$38,807,000</b>	

(continued from page 1)

The **Sale Price-to-Final List Price (SP/FLP)** of **90.28%** is a **1%** increase from **89.15%** in 2016. (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, and reflects the average percentage of the final listed price that buyers are paying for properties that have sold.) The highest, **98.09%**, occurred in 2014 with the lowest, **81.43%**, in 2009.

The resulting margin between the **SP/OLP (82.38%)** and **SP/FLP (90.28%)** is **7.9%** which indicates, on average, a seller can anticipate price reductions during the term of the listing of nearly **8%** from the original list price to the final list price prior to receiving a buyer's offer. The lowest, **1.32%**, occurred during the first half of 2006, and the largest reduction was **48.55%** in 2007.

**Average Days to Sell (DOM)** increased **116%** to **379** days from the **175** of 2016. (This is a measure of the number of days between the date the property was listed and the date the sale closed.)

**Listed Properties** decreased by **36%** going from **192** at the end of June last year to **123** on that date this year.

The **35 Months of Inventory (MOI)** is a drop of **24%** from **46** months at the end of June 2016 largely a result of the reduced number of listings. MOI measures the rate of sales versus the supply of properties and is also known as the "absorption rate."

## MARKET AREA DETAILS

### The Upper Keys

- Largest decrease in **In Sale Price to Original List Price**, **15%** to **79.65%** compared to **94.25%**.
- Largest decrease in **Sale Price to Final List Price**, **7%** to **89.50%** compared to **96.73%**.
- Largest decrease in **Average List Price**, **18%** to **\$2.2M** from **\$2.8M**.

### The Middle Keys

- Largest decrease in **Number of Sales** Keys Wide, **25%** to **3** from **4**.
- Largest increase in **In Sale Price to Original List Price**, **10%** to **94.63%** compared to **85.68%**.
- Largest increase in **Sale Price to Final List Price**, **13%** to **100.89%** compared to **89.52%**.
- Largest increase in **Average Days to Sell (DOM)**, **241%** to **395** days from **116**.
- Largest increase in **Listed Properties**, **135%** to **40** versus **17**.
- Largest increase in **Months of Inventory**, **214%** to **80** from **26** due to the growth in **Listed Properties**.

### The Lower Keys

- Highest increase in **Average Sale Price**, **657%** to **\$3.5M** from **\$471K**.
- Highest increase in **Dollar Value of Sales**, **506%** to **\$14.2M** from **\$2.3M** due to the significant increase in **Average Sale Price**.
- Second highest increase in **Average Days to Sell (DOM)**, **139%** to **413** from **173**.
- Second highest increase in **Months of Inventory**, **33%** to **51** from **38**.

### Key West

- Largest decrease in **Average Sales Price**, **58%** to **\$1.4M** from **\$3.4M**.
- Largest decrease in **Dollar Value of Sales**, **58%** to **\$14.4M** from **\$34.0M** due to the same percentage drop in **Average Sales Price**.
- Largest decrease in **Number of Listed Properties**, **75%** to **29** from **116**.  
Highest increase in **Average List Price**, **31%** to **\$3.1M** versus **\$2.3M**.



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