



Coldwell Banker Schmitt's Real Estate Report

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Florida Keys Real Estate Market Comparison: January–March 2017 vs. 2016

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

All figures are as of March 31, 2017	Upper Keys	Middle Keys	Lower Keys	Key West	All Areas	All Areas
	Lower Matecumbe-KL	7 Mile Bridge-Long Key	Bay Point-Big Pine	KW-Shark Key	Keys-wide	<u>2016</u>
Number of Sales	2% more 191	3% more 113	6% more 131	9% less 172	1% less 607	611
Avg Sale Price	8% less \$544K	20% more \$634K	4% more \$501K	13% more \$777K	5% more \$618K	\$588K
\$ Value of Sales	6% less \$104M	23% more \$71.6M	10% more \$65.6M	3% more \$133M	4% more \$375M	\$359M
Sale Price to Original List Price	no change 89.02%	2% more 92.03%	4% less 89.83%	2% less 92.81%	1% less 90.92%	91.89%
Sale Price to Final List Price	no change 92.82%	1% more 94.23%	4% less 91.78%	2% less 95.35%	1% less 93.55%	94.90%
Avg Days to Sell	24% more 147	5% more 144	18% less 111	7% less 135	no change 134	134
Pending Transactions	134	97	105	145	481	N/A
Listed Properties	5% more 869	2% more 643	8% more 527	12% more 942	7% more 2,981	2,785
Avg List Price	11% more \$1,036K	9% more \$729K	no change \$716K	4% more \$879K	7% more \$864K	\$810K
Months of Inventory	8% more 14	no change 17	no change 12	23% more 16	7% more 15	14

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

Sales decreased **1%** to **607** from **611**. That decline marks a return to the monthly trend of negative sales ranging from **42%** lower in January 2016 to **11%** lower in December 2016 relative to the previous year. The trend had been reversed during January (**+20%**) and February (**+1%**) 2017.

The **Average Sale Price** increased **5%** to **\$618K** from **\$588K** for that period last year and is **26%** less than the peak of **\$846K** for Q1 of 2006. Please see the following feature for sales information concerning all property types which will provide an understanding of the increase in ASP for the overall Keys market.

The **Dollar Value of Sales** totaled **\$375M**, up **4%** from **\$359M**, a result of the **5%** increase in ASP and **1%** decrease in number of sales. The Q1 DVS for 2017 and 2016 are the highest since 2006 (**\$341M**). The peak Q1 was 2005 at **\$584M**; the lowest was 2009's **\$138M**.

The **Sale Price-to-Original List Price** ratio (SP/OLP) decreased **1%** to **90.92%** from **91.89%**, the highest on record. The lowest was **69.04%** in 2010. (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, thereby providing 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 **93.55%** is a **1%** drop from **94.90%**, also the highest on record. (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.) This ratio will begin to soften as the number of listings continues to rise and sales stabilize. The previous high was **94.85%** in 2004, the lowest, **87.10%** in 2009.

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Comparison of Keys Market Areas and Property Types for Q1 2017 vs. Q1 2016

The primary characteristics of the Q1 sales for all property types are an overall **1%** decrease in the number of sales and an increase of **5%** in the average sales price. In order to understand those changes in the Keys market, we researched sales and sales prices for the following property types: Single family waterfront (SFW), single family non-waterfront (SFNW), condo/townhome/duplex/half-duplex (CTD), mobile homes (MH), lots and land (LL) commercial properties, and boat slips (BT). We did this for each of the four Keys market areas for 2017 compared to 2016, and included the percentage each property type comprises of that market area. *Note:* The totals for transactions for the Keys market and submarkets differ slightly from the total transactions on page one due to omitting some miscellaneous property types along with long-term rentals.

Upper Keys (UK) Market Area:

- **SFW:** Sales down **23%** (46 vs 60) and comprise **26%** of all UK sales, down from **34%** last year. **ASP:** Up **3%** (\$1,175,956 vs \$1,146,769). FYI: **\$1M+** sales down **11%** with an **8%** rise in ASP
- **SFNW:** Sales off **2%** (46 vs 47) and make up **26%**, of the UK market; **27%** last year. **ASP:** Up **11%** (\$400K vs \$360K)
- **CTD:** Sales down **8%** (35 vs 38) and accounted for **19%** of the UK sales; **21%** last year. **ASP:** Off **11%** (\$467K vs \$430K), as waterfront CTD ASP dropped **10%** (\$422K vs \$467K) non-waterfront was up **10%** (\$289K vs \$263K).
- **Mobile Home:** Sales up **29%** (18 vs 14), and accounted for **10%**; **8%** last year. **ASP:** Rose **41%** (\$291K vs \$206K).
- **Residential properties:** As a group, account for **81%** of the UK; was **89%** a year ago.
- **Lots and Land:** Sales up **6%** (29 vs 18) after a **40%** drop last year, and accounted for **16%** of the UK sales; **10%** last year. **ASP:** Up **107%** (\$306K vs \$147K).
- **Commercial:** Sales rose **200%** (6 vs 2), and accounted for **3%** of the market, **1%** last year. **ASP:** Down **13%** (\$792K vs \$911K)
- **Boat Slips:** No Boat Slip sales occurred in the UK

Middle Keys (MK) Market Area:

- **SFW:** Sales Up **32%** (37 Vs 32) and comprise **33%** of all MK sales, up from **26%** last year. **ASP:** Up **15%** (\$1,163,181 Vs \$1,010,303) due to a **76%** rise in sales of **\$1M+** properties.
- **SFNW:** Sales up **72%** (19 vs 11) and accounting for **17%** of all MK sales; up from **11%** last year. **ASP:** Up **4%** (\$358K vs \$345K)
- **CTD:** Sales down **14%** (36 vs 42) and comprise **32%** of the MK sales, down from **38%** last year. **ASP:** Off **3%** (\$412K vs \$439K) as waterfront CTD ASP dropped **6%** (\$443K vs \$371K); non-waterfront was up **4%** (\$259K vs \$248K).
- **Mobile Home:** Sales down **50%** (2 vs 4), and accounted for **2%** of the MK sales, down from **4%** last year. **ASP:** Rose **15%** (\$195K vs \$170K).
- **Residential properties:** As a group, account for **83%** of the MK, up from **79%** a year ago.
- **Lots and Land:** Sales up **14%** (16 vs 14) after a **22%** drop last year, and accounted for **14%** of the MK sales, **13%** last year. **ASP:** Up **159%** (\$328K vs \$126K).
- **Commercial:** Sales off **67%** (1 vs 3), and constituted just **1%** of the total market; **3%** last year. **ASP:** Up **8%** (\$1,525K vs \$1,416K)
- **Boat Slips:** Sales down **67%** (2 vs 6), and comprise just **2%** of the market; **4%** last year. **ASP:** Down **25%** (\$102K vs \$136K)

Lower Keys (LK) Market Area:

- **SFW:** Sales off **3%** (69 vs 71) and comprise **52%** of all LK sales, **58%** last year. **ASP:** Down **9%** (\$593K vs \$651K)
- **SFNW:** Sales down **18%** (14 vs 19) and made up **11%** of all LK sales; **17%** last year. **ASP:** Up **25%** (\$360K vs \$289K)
- **CTD:** Sales, no change (1) and accounted for **1%** of the LK sales, same as last year. **ASP:** Off **19%** (\$300K vs \$370K)
- **Mobile Home:** Sales up **83%** (22 vs 12), and accounted for **17%** of the LK sales; **8%** last year. **ASP:** Rose **4%** (\$225K vs \$215K).
- **Residential properties:** As a group, account for **84%** of the LK, **83%** a year ago.
- **Lots and Land:** Sales up **47%** (25 vs 17) after a **53%** drop last year, and accounted for **19%** of the MK sales; **14%** last year. **ASP:** Down **29%** (\$136K vs \$191K). Primarily due to the **54%** drop in ASP (\$78,560 vs \$171,980) for **4** dry lots sold and a **4%** drop (\$191,404 vs \$199,741) for the **21** waterfront lots sold vs **12** last year.
- **Commercial:** Sales off **66%** (1 vs 3), and accounted for just **1%** of the total market, **2%** last year. **ASP:** Up **413%** (\$10,900,000K vs \$263,833K) from the sale of a large resort.
- **Boat Slips:** There were no Boat Slip Sales in the LK.

Key West (KW) Market Area:

- **SFW:** Sales down **41%** (13 vs 22) and comprise **8%** of all KW sales; **12%** last year. KW has a small percentage of SFW properties in comparison to the other market areas. **ASP:** Up **100%** (\$1,302,599 vs \$652,729) due to a **172%** rise in sales of **\$2M+** properties.
- **SFNW:** Sales up **3%** (68 vs 66) and constitute **40%** of all KW sales; **38%** last year. **ASP:** Up **10%** (\$886K vs \$803K) also benefiting from the rise in sales of **\$2M+** properties.
- **CTD:** Sales down **12%** (60 vs 68) and comprise **35%** of the KW sales, **38%** last year. **ASP:** Off **2%** (\$561K vs \$571K)
- **Mobile Home:** Sales off **20%** (4 vs 5), and accounted for **2%** of the KW sales, same as last year. **ASP:** rising **32%** (\$261K vs \$197K).
- **Residential properties:** As a group, account for **85%** of KW sales, **91%** a year ago.
- **Lots and Land:** Sales up **100%** (4 vs 2), and accounted for **2%** of the KW sales, **1%** last year. **ASP:** Down **52%** (\$317K vs \$657K).
- **Commercial:** Sales up **90%** (19 vs 10), and accounted for **11%** of the total market, **5%** last year. **ASP:** Down **48%** (\$918K vs \$1,769K)
- **Boat Slips:** Sales down **25%** (3 vs 4), and compose just **2%** of the market, **3%** last year. **ASP:** Down **58%** (\$131K vs \$311K)

The overall Average Sales Price for SFW increased **40%** vs **25%** last year as a result of continued growth in sales for the luxury property market, overall **20%** at the end of March: **76%** in the MK, **58%** LK and **22%** KW with only the UK down **11%**. Growth in the Luxury Island Property market commenced in 2015 and continues strong in 2017 with a **25%** increase in Jan and **20%** for February and March. For complete details concerning the luxury market see our *Luxury Island Property Report* newsletter published at the end of the first and third quarters each year. If you would like a copy, just email or call us or your CBSREC agent, or visit RealEstateFloridaKeys.com. For the remainder of 2017 we believe the market will continue on the trend of the first quarter.

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1st Qtr 2017 vs 2016 by Property Type & Market Area

Market Area	UK	MK	LK	KW	Keys-wide
Single Family - Waterfront					
# Sold	46	37	69	13	165
% Chg vs 2016	-23%	32%	-3%	-41%	-9%
Avg Sale Price	\$1,175,956	\$1,163,181	\$593,086	\$1,302,559	\$939,321
% Chg vs 2016	3%	15%	-9%	100%	40%
% of Mkt.	26%	33%	52%	8%	28%
Single Family - Non Waterfront					
# Sold	46	19	14	68	147
% Chg vs 2016	-2%	72%	-18%	3%	-1%
Avg Sale Price	\$400,492	\$358,852	\$360,714	\$886,353	\$616,074
% Chg vs 2016	11%	4%	25%	10%	10%
% of Mkt.	26%	17%	11%	40%	25%
Condo/Townhome/Duplex/Half-Duplex					
# Sold	35	36	1	60	132
% Chg vs 2016	-8%	-14%	0%	-12%	12%
Avg Sale Price	\$467,377	\$412,631	\$300,000	\$561,883	\$484,090
% Chg vs 2016	-11%	-3%	-19%	-2%	-2%
% of Mkt.	19%	32%	1%	35%	22%
Mobile Homes					
# Sold	18	2	22	4	46
% Chg vs 2016	29%	-50%	83%	-20%	31%
Avg Sale Price	\$291,611	\$195,000	\$225,409	\$261,250	\$253,108
% Chg vs 2016	41%	15%	4%	32%	24%
% of Mkt.	10%	2%	17%	2%	8%
Residential Properties	81%	83%	84%	85%	82%
Lots & Land					
# Sold	29	16	25	4	74
% Chg vs 2016	6%	14%	47%	100%	48%
Avg Sale Price	\$306,134	\$328,408	\$136,772	\$317,500	\$258,568
% Chg vs 2016	107%	159%	-29%	-52%	45%
% of Mkt.	16%	14%	19%	2%	12%
Commercial					
# Sold	6	1	1	19	27
% Chg vs 2016	200%	-67%	-66%	90%	50%
Avg Sale Price	\$792,983	\$1,525,000	\$10,900,000	\$918,014	\$1,282,413
% Chg vs 2016	-13%	8%	413%	-48%	-6%
% of Mkt.	3%	1%	1%	11%	5%
Boat Slips					
# Sold	0	2	0	3	5
% Chg vs 2016	0%	-67%	0%	-25%	-50%
Avg Sale Price	\$0	\$102,500	\$0	\$131,333	\$119,800
% Chg vs 2016	0%	-25%	0%	-58%	-42%
% of Mkt.	0%	2%	0%	2%	1%
All Properties By Market Area					
# Sold	180	113	132	171	596
% Chg vs 2016	2%	3%	6%	-6%	-1%
Avg Sale Price	\$579,031	\$633,197	\$501,502	\$777,424	\$625,212
% Chg vs 2016	-8%	20%	4%	13%	5%



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The margin between the SP/OLP (**90.92%**) and SP/FLP (**93.55%**) is **2.57%** which indicates, on average, a seller can anticipate price reductions during the term of the listing of about **2.5%** from their Original List Price to the Final List Price prior to receiving a buyer’s offer. The previous low, **3%**, was last year. The largest reduction, **25%**, occurred at the end of 2009. Additionally, sellers and buyers today can expect the contract price, on average, to be **6.45%** less than the Final List Price.

The **Average Days to Sell, 134**, did not change. (ADS is a measure of the number of days between the date the property was listed and the date the sale closed.)

The **2,981 Properties “For Sale”** rose **7%** over **2,785** a year ago, and is a **41%** reduction from the peak of **5,084** in March of 2007. This increase is the single most important measure of a softening market and we expect it to continue.

The **Average Listed Price, \$864K**, rose **7%** from **\$810K**. The ALP peak was **\$990K** at the end of 2007, a decrease of **13%** over 10 years.

The **15 Months of Inventory** is a slight increase of **7%** from **14** and down **73%** from **55** in Q1 2008. (MOI provides a measure of the rate of sales versus the supply of properties and is also known as the “absorption rate.”)

What do the Numbers Forecast?

The story continues to be the increase in number of properties listed for sale that occurred every month since January 2016, ranging from **7%** to **18%**. That, along with a decreasing number of sales, should eventually result in a decline in the Average Sale Price as we are seeing in some price brackets of our market. See our Spring/Summer 2017 *Luxury Island Property Report* for insight regarding the continued increase in ASP to date. With buyers having **7%** more properties to choose from, the trend of fewer sales will continue. There is an immutable relationship between listings and sales: When listings increase, sales decrease, and vice versa. The question is: What is the cause of this market slowdown? Many resort markets in the country are experiencing similar declines in sales. Vacation home and second home sales (which make up the bulk of our market) are down nationally and it appears that the general global economic uncertainty is causing potential buyers to be cautious regarding discretionary spending on real estate.

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