



Coldwell Banker Schmitt's Real Estate Report

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Spring 2019

Keys-wide Comparison of Q1 2019 vs Q1 2018

Here are some key take-aways concerning the first quarter of 2019: We started this year with higher interest rates which were scheduled to increase to over 5%, coupled with predictions for a national recession. As a consequence, we experienced fewer sales and more sellers put their properties on the market. Starting in March, interest rates declined and subsequent jobs report numbers dispelled the "recession" talk and the market began to recover. After a very slow start in January and February, March sales rebounded reducing the deficit for the quarter. Going forward, there continue to be signs of caution with more sellers having to reduce prices and expectations to attract buyers. Older pre-FIRM homes with higher flood insurance premiums (which will continue to increase) are seeing fewer buyers while elevated homes with lower premiums are preferred. We can understand this market by careful study of the inventory which we are closely watching. More sellers always means fewer buyers.

| | | | | |
|--|--|---|--|--|
| <p>Keys-wide sales decreased 6% from 643 to 607</p> | <p>Average Sale Price (ASP) was up 6% to \$631,307 from \$591,743</p> | <p>Average List Price (ALP) was down -1% from \$917,017 from \$922,249</p> | <p>Days On Market (DOM) declined -10% from 131 to 118</p> | <p>Properties For Sale grew 18% from 2,557 to 3,006</p> |
|--|--|---|--|--|

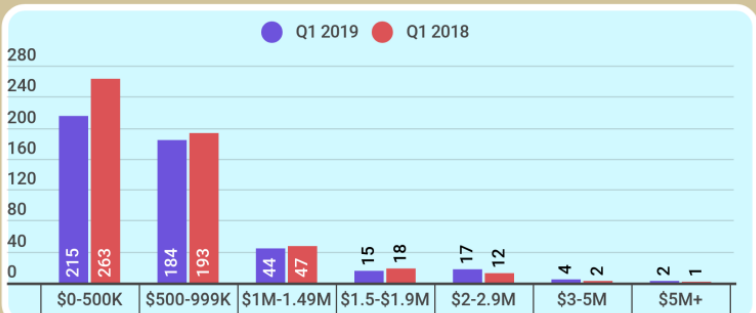
Based on All Property Types

Keys-wide Comparison of Sale Price-to-List Price

| | | |
|--|--|---|
| <p>Sales Price % vs Original Listed Price for properties sold after price reductions</p> <p>89.5% Down 1.5% from Q1 2018</p> | <p>Sales Price % vs Listed Price at the time the property obtained a contract & sold</p> <p>94.4% Up 1% from Q1 2018</p> | <p>Average List Price reduction during listing term for sold properties</p> <p>4.9% Up from 2.5% in Q1 2018</p> |
|--|--|---|

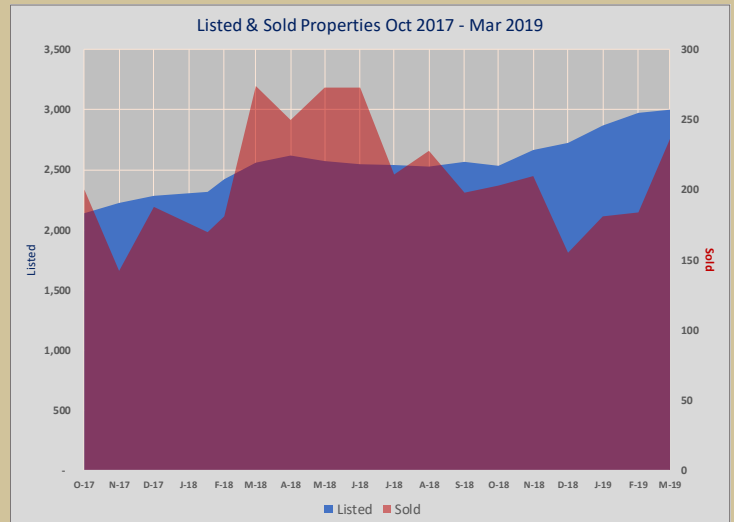
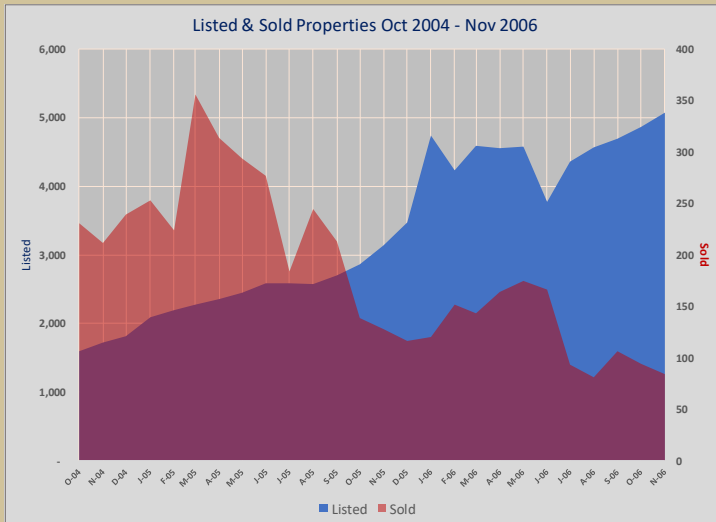
Residential Property Sales by Price Range in Q1 2019

Sales fell among properties priced under \$1 million, were essentially flat between \$1 and \$2 million, but increased by 8 for properties priced at \$2 million and above.

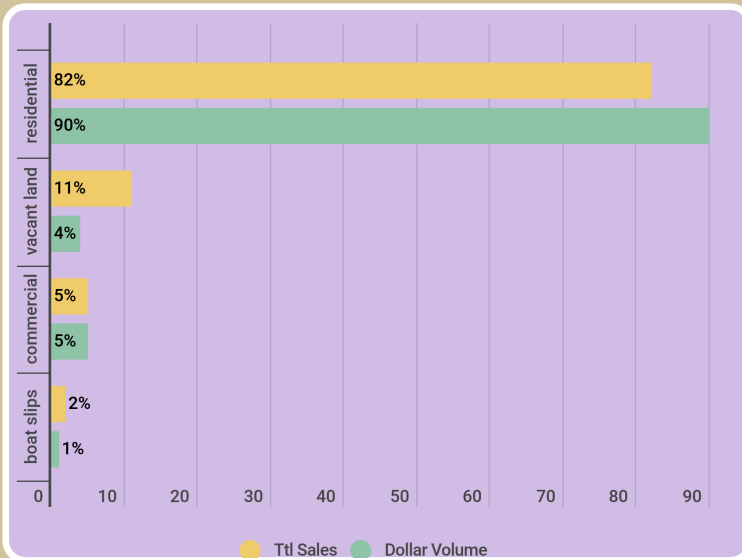


Are we seeing history repeat itself?

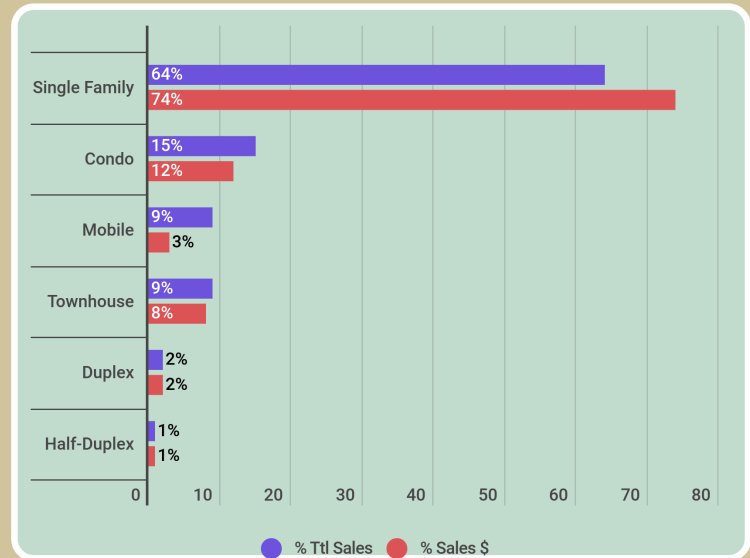
These charts show the overall relationship of buyers-to-sellers, and the seasonal out-of-phase relationship between buyers and sellers. Looking back to 2004-2006 which was the period of the last market rise and decline, there was an almost imperceptible increase in the number of listings starting in Q4 2004 that mushroomed as a result of Wilma in late October. Prices were rising in 2003 and 2004 at unsustainable rates which priced buyers out of the market. All of this occurred prior to the subprime crisis and the great recession starting in 2007-2008. We have seen increased listing inventories thus far in 2019 with continued smaller price increases which began in 2015. We are carefully monitoring the listing inventory this year so that we can determine if we are headed into a prolonged slowdown in sales which is always presaged by a sustained increase in the number of listings.



Percentage of Sales By Property Type



Percentage of Sales By Housing Type

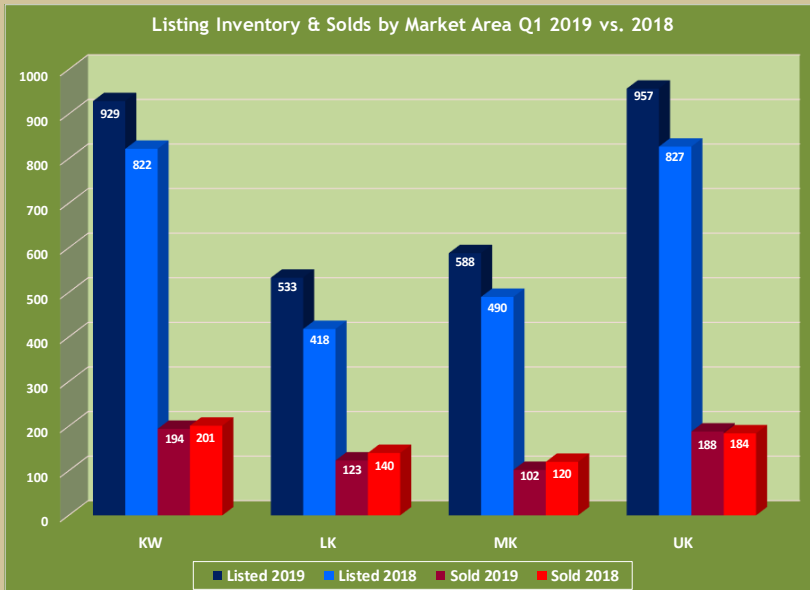
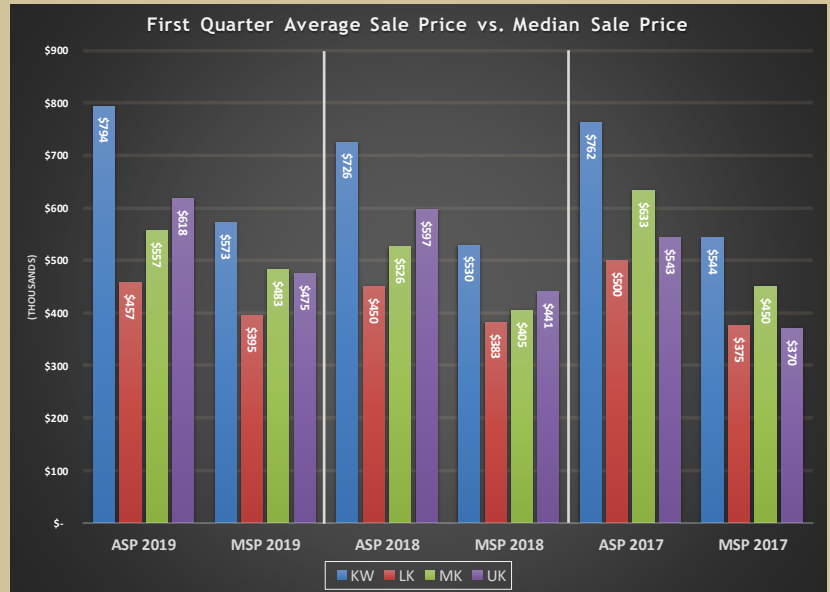


Over 80% of all sales Keys-wide are residential which represents 90% of the total dollar volume of sales. Single family homes account for almost two-thirds of the number of residential sales and almost three-quarters of the dollar volume.

Visit RealEstateFloridaKeys.com

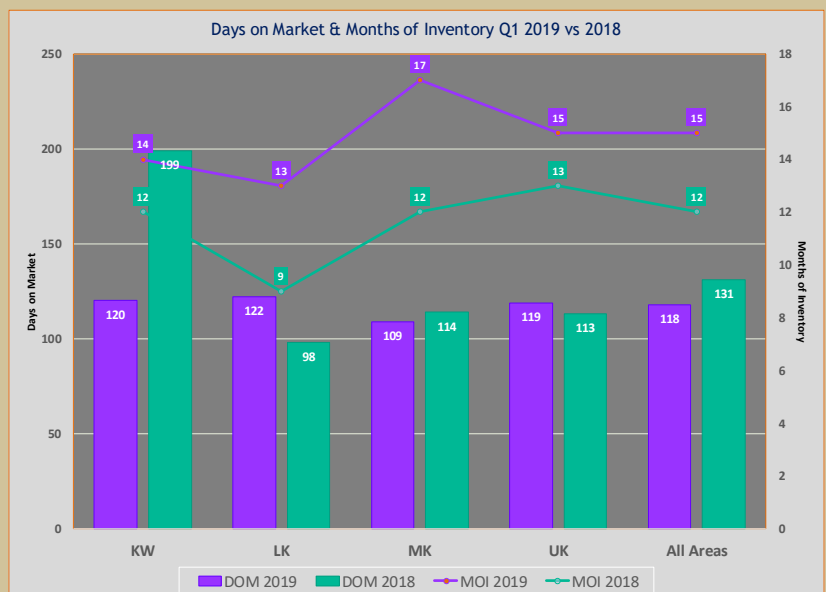
Submarket Analysis

We see further evidence of increasing prices over a 3-year term here as Key West's ASP rose to \$794K from \$726K in Q1 2018, and its median price increased to \$573K from \$530K. The Lower Keys ASP and MSP were up slightly with more dramatic hikes in the Middle and Upper Keys.



The contrast in trends between listing inventory and the number of sales is clear. Each of the major submarket areas shows significant increases in the number of listings for sale while the number of sales is down somewhat in each area except for the Upper Keys where there were four more sales in 2019's Q1 than at this time in 2018.

The Days On Market figures were relatively consistent in each area from Q1 2018 to Q1 2019 with the exception of Key West where it dropped from 199 to 120 days. Months of Inventory, however, was up in each market; another indicator of the dynamic between rising inventory and slowing sales. The MOI, or absorption rate increased 25% year-over-year due to more listings and fewer sales.





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If you would like a **FREE** Comparative Market Analysis, contact one of our five offices at the toll free numbers below. We are *“The Most Trusted Name In Florida Keys Real Estate.”*
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Where in the world are visitors to the Coldwell Banker Schmitt website coming from?



Top 10 Domestic Points of Origin for visits to RealEstateFloridaKeys.com

Q1 2019

Q1 2018

| | |
|-----------------|------------------|
| 1. Florida | 1. Florida |
| 2. Illinois | 2. Virginia |
| 3. New York | 3. Michigan |
| 4. Virginia | 4. New York |
| 5. California | 5. Texas |
| 6. Georgia | 6. Oregon |
| 7. Texas | 7. Massachusetts |
| 8. New Jersey | 8. New Jersey |
| 9. Pennsylvania | 9. Pennsylvania |
| 10. Michigan | 10. California |

Website visits correlate well with where buyers come from. Florida always ranks #1 for buyers followed by the eastern seaboard and mid-Atlantic states bordering on water along with states washed by the Great Lakes.

Top 15 International Points of Origin for visits to RealEstateFloridaKeys.com

Q1 2019

Q1 2018

| | |
|--------------------|----------------|
| 1. Canada | Canada |
| 2. China | Peru |
| 3. France | Brazil |
| 4. India | Philippines |
| 5. Germany | Germany |
| 6. United Kingdom | India |
| 7. Netherlands | United Kingdom |
| 8. Philippines | Pakistan |
| 9. Pakistan | Nigeria |
| 10. Brazil | Poland |
| 11. Italy | Italy |
| 12. Australia | Netherlands |
| 13. Sweden | France |
| 14. Mexico | Bangladesh |
| 15. Russia | Sweden |