

The Real Estate Newsletter Of The Florida Keys! Coldwell Banker Schmitt Real Estate Co. *The Most Trusted Name in Florida Keys Real Estate Since 1955*

Florida Keys Real Estate Market Comparison January to December 2010 Vs 2009

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

KEYS-WIDE OVERVIEW

The **1,782 Sales** for 2010 was a +14% increase relative to 2009. During 2010, the increase compared to the same periods during 2009 was +37% for the first quarter, by mid-year +35%, and +18% at the end of September. As stated in the Fall *Tropical Breezes*, the BP Gulf oil spill had an immediate and direct negative impact on The Keys real estate market even though oil-polluted waters did not reach or threaten any region of The Keys.

The **Dollar Value of Sales** increased by +5% to **\$745MM** for 2010 after being +18% for Q1, +13% for Q2 and +5% at the end of Q3. **Average Days to Sell** a property was **242**, up +1% from last year's **239**. It was **233** at the end of 2008.

Original List Price to Sale Price (the price of a property when first listed) for 2010 was **70.12%** compared to **62.77%** at the end of 2009, a +24% increase. The **Final List Price to Sale Price** (the price for the property at the time of obtaining a contract that resulted in the sale) was **90.89%** vs. **87.15%** in 2009, which is the level it had been at for the prior two years as well. Notice that the margin between **Original List Price** and **Final Sales Price** is almost **40%** in **Key West**.

Average Sale Price for 2010 was **\$418K**, **-8%** less than the **\$452K** for all of 2009. The average sale price for Q1 was **\$417K** and reached **\$422K** by mid-year. The ASP fell **-23%** during 2009 after dropping **-21%** in 2008.

Pending Transactions are properties with an agreed-upon contract in the process of completing contract contingencies such as inspections, financing, title search, etc., prior to the closing date, which tends to be from 45 to 60 days from the date of contract agreement. As such, it's a market activity trend indicator by way of providing a forecast for closed sales over the next two to three months. The number of pending transactions at the close of 2010 increased to **1,899**, +14% compared to **1,673** in 2009 and **1,201** in 2008. Compared to 2008, the 2010 number is up +58%. Many times pending sales are "recycled" a number of times prior to closing as this number includes "short sales" that can go under contract numerous times with numerous Buyers and take months to close, therefore, not all pendings end up as closed sales.

The **Average List Price** declined **-15%** to **\$729K** from **\$859K** at the end of 2009, the most in any given year. The reduction by quarter during 2010 compared to the same period in 2009 was **-6%**, during Q1 to **\$822K** on March 31; **\$775K**, **-12%** on June 30; and **-13%** at **\$751K** on September 30. The peak **List Price** of **\$1,065K** occurred at the end of 2005. The average list price has dropped **-32%** over the past five years.

The **Months of Inventory** (the total months required to sell the existing inventory on December 31, 2010 if no other properties are placed on the market for sale) decreased by **-10%** to **25** months from **28** for 2009 and **38** months at the end of 2008, representing a **-34%** reduction in two years.

The **Number of Properties For Sale** increased +3% to **3,752** over **3,636** in December 2009, though it is **-19%** less than the **4,628** at the end of 2006.

The average number of **Days to Sell** a property, **242**, increased just +1% from the **239** of 2009. It is up +27% from **190** at the end of 2006.

KEYS-WIDE MARKET AREA DETAILS

Number of Sales: The **Middle Keys** led the increase in sales, +42% with **332** sales followed by the **Upper Keys**, +13% with **490** sales. **Key West** led in total sales **570**, +9% followed by the **Lower Keys** with **386** sales, +5% over 2009.

Dollar Value of Sales: The **Middle Keys** rose by +52% to **\$158MM**! **Key West** was the same as in 2009 with **\$241MM**. The **Upper Keys**, declined **-7%** to **\$206MM**, followed by the **Lower Keys** **-5%** and **\$138MM**. At mid-year, the **Upper Keys** was +10%, the **Middle Keys** +57%, **Lower Keys** **-1%**, and **Key West** +7%.

Average Days to Sell: The **Lower Keys** dropped **-2%** to **246** days. **Key West** declined **-16%** to **148** while the **Middle Keys** days rose by +15% to **296**, and the **Upper Keys** was up +1% to **277**.

(continued on page 4)

	Upper Keys (Lower Matecumbe to Key Largo)	Middle Keys (7 Mile Bridge to Long Key)	Lower Keys (Bay Point to Big Pine)	Key West (Key West to Shark Key)	All Areas Keys-Wide
Total Number of Sales as of 12/31/10:	13% More 494	42% More 332	5% More 386	9% More 570	14% More 1,782
\$ Value of Sales as of 12/31/10: (in millions \$)	7% Less \$206.9MM	58% More \$158.7MM	5% Less \$138.1MM	No Change \$241.5MM	5% More \$745.2MM
Avg. Days to Sell as of 12/31/10:	1% More 277	15% More 296	2% Less 246	16% Less 148	1% More 242
Sale Price to Original List Price as of 12/31/10:	3% More 73.71%	34% More 68.40%	28% More 77.94%	11% Less 60.42%	12% More 70.12%
Sale Price to Final List Price as of 12/31/10:	4% More 90.01%	7% More 92.20%	No Change 88.07%	5% More 93.28%	4% More 90.89%
Avg. Sales Price as of 12/31/10:	17% Less \$418K	12% More \$478K	9% Less \$357K	8% Less \$423K	8% Less \$418K
Pending Transactions as of 12/31/10:	18% More 553	35% More 361	1% Less 399	10% More 586	14% More 1,899
Number of Properties For Sale as of 12/31/10:	No Change 1,273	6% More 788	29% More 669	7% Less 1,022	3% More 3,752
Months of Inventory as of 12/31/10:	11% Less 31	25% Less 29	23% More 21	12% Less 22	10% Less 25
Avg. List Price Properties For Sale as of 12/31/10:	12% Less \$769K	11% Less \$712K	19% Less \$526K	15% Less \$824K	15% Less \$729K

Real Estate Market News

Florida Keys Real Estate Market

The two charts on this page show the changes in The Keys real estate market over the past 12 years. The first chart presents the number of **Properties Listed** at the end of each year and the percentage change from the previous year, as well as the **Average List Price (ALP)** and percent of change in **List Price**. The second chart contains **Sales**, and the percent of change year-to-year with the annual change in **Average Sale Price (ASP)** plus year-to-year percent of change since 1999.

From the end of **1999** to the end of **2003** the number of listings declined **-43%**; primarily the result of an increasing numbers of sales that rose **+47%** during that period. The **Average List Price** increased **+96%**, **\$303K** to **\$594K** during that same period while the **ASP** increased **+76%**, going from **\$246K** to **\$433K**. During **2004**, listings remained in the **1,800** area, however, the **ALP** increased **+33%** from **\$594K** to **\$792K**, while **Sales** were up **+4%** to a peak of **7,020** and the **ASP** rose **+30%** to **\$563K**.

The number of **Properties Listed** at the end of **2005** was nearly double that of **2004** while the **ALP** increased **+23%** to **\$976K**. The number of sales dropped **-22%**, however, as the market started a decline in the late spring that was accelerated by the impact of Hurricane Wilma in October and the advent of the nationwide real estate recession. This resulted in Keys-wide sales

falling another **-45%** during **2006** even though the **ASP** reached a record **\$805K**. Additionally, during **2006**, the number of listed properties rose **+33%** to end the year at **4,628** after peaking at **5,073** in March. The **ALP** increased less than **+1%** in **2006** and in **2007** when it topped out at **\$990K** before dropping **-26%** to **\$729K** by the end of **2010**. The number of listings on the market has also declined since **2006** by **-19%** to **3,752** at the end of **2010**.

Sales, after declining each year from **2005** through **2008**, finally increased in **2009**, up **+34%** over **2008**, and as noted on page one, rose **+14%** in **2010**. The **ASP** declined from **\$805K** in **2006** to **\$418K** in **2010**, **-48%** over four years, which returns the **ASP** to **2002/2003** levels and presents excellent buying opportunities from Key Largo to Key West. As stated in "What is ahead for the Keys Real Estate Market?" in the cover page narrative, the listing inventory needs to further recede to 2,500 to 3,000 listings before sales prices will increase even though we anticipate the number of sales will continue to increase as it has in 2009 and 2010.

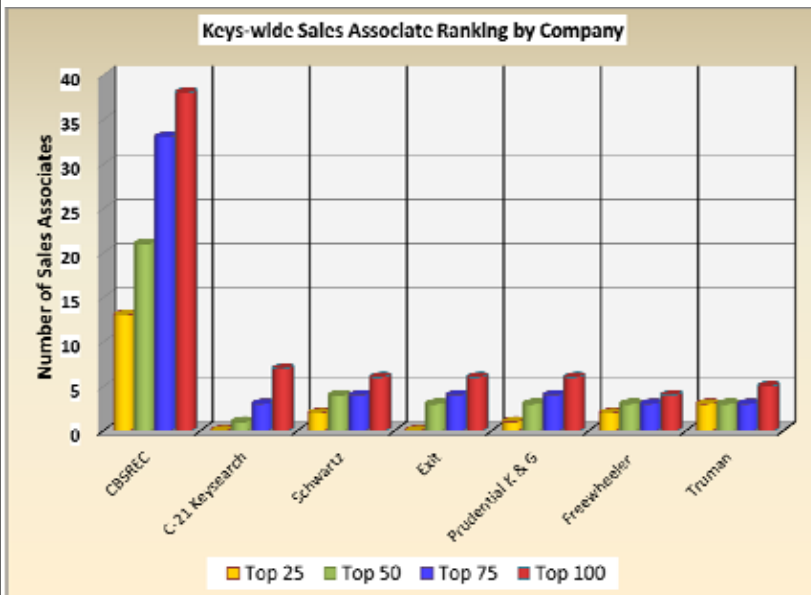
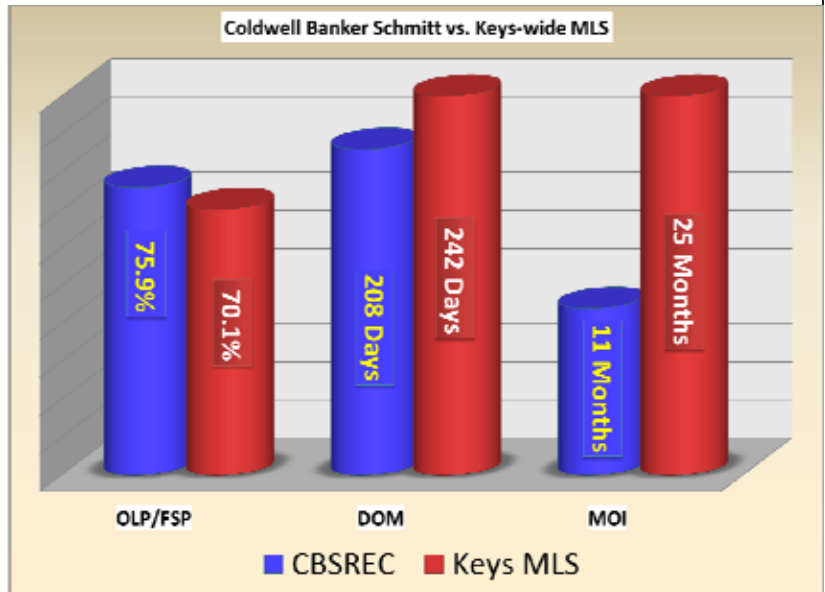
Listed Properties				
	Listings Taken		Average List Price	
	# Listings	% Change Vs Previous Year	Average List Price	% Change Vs Previous Year
2010	3,752	+3%	\$729,381	-15%
2009	3,636	-18%	\$859,452	-4%
2008	4,424	-1%	\$899,084	-9.2%
2007	4,430	-4%	\$990,131	.7%
2006	4,628	33%	\$983,032	.7%
2005	3,469	91%	\$976,150	23%
2004	1,818	.4%	\$792,371	33%
2003	1,810	-7%	\$594,647	26%
2002	1,822	-11%	\$471,377	25%
2001	2,058	-24%	\$375,802	12%
2000	2,712	-14%	\$336,324	11%
1999	3,174		\$303,718	

Sold Properties				
	Closed Sales		Average Sales Price	
	Sales	% Change Vs Previous Year	Average Sales Price	% Change Vs Previous Year
2010	1,782	+14%	\$418,209	-8%
2009	1,560	+34%	\$453,203	-23%
2008	1,166	-11%	\$588,194	-21%
2007	1,311	-13%	\$731,000	-10%
2006	1,500	-45%	\$805,883	3%
2005	2,752	-22%	\$782,400	39%
2004	3,510	4%	\$563,362	30%
2003	3,377	7%	\$433,022	31%
2002	3,162	10%	\$328,801	14%
2001	2,874	19%	\$288,166	5%
2000	2,413	5%	\$274,995	12%
1999	2,301		\$246,525	

Coldwell Banker Schmitt Outperforms Florida Keys Real Estate Market for 2010

Sellers working with Coldwell Banker Schmitt Realtors® in 2010 benefited in measurable fashion and, based on our Top Ranking Agents and our Listing and Sales Market Share, they will continue to do so in 2011.

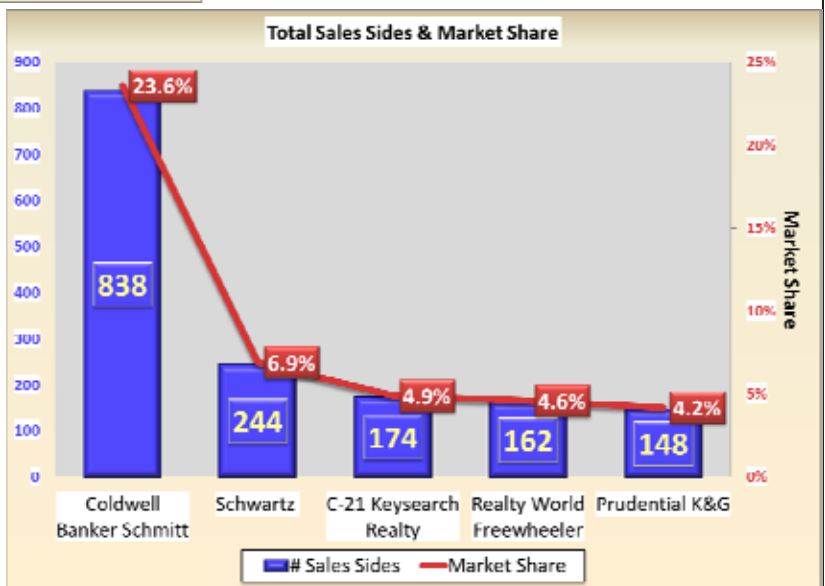
We achieved 5.8% more of the list price for our Sellers than the overall market when comparing Original List Price to Final Sales Price (OLP/SP), and our individual listings sold, on average, more than 30 days faster than all other brokers



in The Keys when comparing Days on Market (DOM). In fact, Coldwell Banker Schmitt's inventory of properties for sale sells more than twice as fast as the average of all other Keys brokers when comparing Months of Inventory (MOI).

While CBSREC has only about 10% of all Realtors in The Keys, when comparing top agents, we have more than one-third of the Top 25, 50, 75 or 100 agents; more than the next 6 companies combined in any category. Our agents

are involved in almost one out of every four transactions Keys-wide when comparing Market Share. With so many top agents and more listings than any other company, our Realtors sell one-half of our own listings, leading to faster transactions in which our Sellers have to discount their properties less: 5.8% less on average. We simply have the best agents providing the broadest marketing which results in very tangible benefits.



(continued from page 1)

Average Sale Price: The largest reduction occurred in the **Upper Keys** market, **-17%** to **\$418K**. The **Lower Keys** was next with **-9%** to **\$357K** followed by **Key West** off **-8%** at **\$423K**. Only the **Middle Keys** experienced an increase in ASP of **+12%** to **\$478K**, the highest of the four market areas. For comparison, the ASP at the end of 2006 by market area was: **UK - \$770K, MK - \$811K, LK - \$651K and KW - \$936K**. The current market provides a buying opportunity not available since 2002 and 2003. See the chart on page 2 for the history of sales and listings since 1999.

Pending Transactions: Only the **Lower Keys** had a decrease, **-1%** to **399** from **402** at the end of **2009**. The **Middle Keys** surged by **+35%** to **361** versus 267, followed by the **Upper Keys**, **+18%** to **553** over **470** for 2009. **Key West** had the most Pending Transactions, **586** up **+10%** from **534** this past year.

Average List Price: All four market areas declined in ALP. The **Lower Keys**, declined **-19%** to **\$526K** from **\$649K** in 2009. **Key West** was at **\$824K**, **-15%** from **\$975K** a year ago. The **Upper Keys** was off **-12%** to **\$769K** from **\$877K**, and the **Middle Keys** declined **-11%** to **\$712K** from **\$801K**. For comparison the **ALP** at the end of 2006 was: **UK - \$1MM, MK - \$992K, LK - \$781K and KW - \$1MM**, which represented the peak in average asking prices.

Months of Inventory: Three of the four market areas decreased, with the largest being **-25%** to **28** months in the **Middle Keys** from **38** a year ago; **-12%** to **22** MOI in **Key West**, **25** MOI at the end of 2009; and the **Upper Keys -11%** in to **31** months compared to **35** MOI at end of 2009. Only the **Lower Keys** had an increase, **+23%** to **21** MOI from **17** MOI last December.

Number of Properties for Sale: Only **Key West's** inventory declined, **-7%** to **1,022** from **1,103** a year ago. The **Lower Keys** inventory increased the most, up **+29%** to **669** compared to **520** in December 2009, followed by an increase of **+6%** for the **Middle Keys** to **788** vs. **740** 12 months prior. **Upper Keys** properties for sale was unchanged at **1,273**.

What is ahead for the Keys Real Estate Market?

There is a significant amount of good news in the numbers and trends of **2010** indicating that **2011** will be an even better year. The market closed the year **+14%** ahead in number of sales with a similar increase in pending sales. Accordingly, all areas of The Keys, with the possible exception of the **Lower Keys** which ended up slightly behind in pending sales, should experience continued sales growth as a result. It is likely that these increases would be larger had it not been for the threat of the BP oil spill which caused a significant slowdown in the third and early fourth quarters. **2010** saw the largest decline in **Average List Price** in history with a **-15%** average reduction and also saw the smallest decline of **-8%** in **Average Sales Price** in the past 4 years. These trends, coupled with compression in the difference between **Average Sales Price** and **Original List Price** from **37.5 %** to **30%**, and the **Final Sales Price** to **Final List Price** from **13%** to **9%**, clearly spells a tightening in price commensurate with the increase in number of sales. The listing inventory is the only measure of concern as it has been relatively flat throughout **2010** after decreasing **-18%** in **2009**. Consequently, we anticipate continued growth in number of sales with less pressure on price in **2011** and no overall price increases until inventories recede down to a range of **2,500** to **3,000** listings from their current level of **3,750**.

More Florida Keys History



INDIES INN—What is now Hawk's Cay in early 1960 with an undeveloped Duck Key in the background.

We never stop moving:



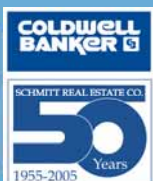
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