



## KEYS-WIDE OVERVIEW

For calendar year 2016, the **sale** of **61** commercial properties through the three MLS services in the Keys represented a decrease of **29%** from the **86** for 2015. A high of **120** sales occurred in 2003 and the low of **36** came in 2008.

The **\$1,499,639 Average Sale Price (ASP)** was **41%** higher than the **\$1,060,362** for last year. The highest ASP for the last 15 years was **\$2.754M** which occurred in 2005. The lowest was **\$584M** in 2000.

The **Dollar Value of Sales** remained virtually unchanged at **\$91.4** compared to **\$91.1M** for 2015. This somewhat unexpected outcome was the result of a **41%** increase in **ASP** but, at the same time, there was a corresponding **29%** drop in the number of sales. During the past **15** years, the highest DVS was **\$289M** in 2005. The lowest, **\$31M**, occurred in 2009.

The **Sale Price-to-Original List Price (SP/OLP)** also remained unchanged at **84.46%** from **84.20%** 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 **Sale Price-to-Final List Price (SP/FLP)** showed a decrease of just **1%** dropping from **88.84%** in 2015 to **87.62%** 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 margin between the **SP/OLP (84.46%)** and **SP/FLP (87.62%)** is **3.1%**, which indicates, on average, a seller can anticipate price reductions during the term of the listing of **3.1%** from their Original List Price to the Final List Price prior to receiving a buyer's offer and the sales price will be **12.3%** less than the final list price. (continued on page 4)

Sales of Commercial Properties by Market Area & Keys-wide 2016 vs 2015					
January - December					
	Upper Keys	Middle Keys	Lower Keys	Key West	Keys-wide
Sales					
2016	14	18	6	23	61
2015	23	20	8	35	86
% Chg.	-39%	-10%	-25%	-34%	-29%
Average Sale Price					
2016	\$971,250	\$1,507,222	\$496,250	\$2,077,086	\$1,499,639
2015	\$950,695	\$722,010	\$771,325	\$1,391,838	\$1,060,362
% Chg.	2%	109%	-36%	49%	41%
Dollar Volume					
2016	\$13,597,500	\$27,130,000	\$2,977,500	\$47,773,000	\$91,478,000
2015	\$21,865,985	\$14,440,192	\$6,170,600	\$48,714,330	\$91,191,107
% Chg.	-38%	88%	-52%	-2%	0%
Sale Price-to-Original LP					
2016	85.68%	80.94%	80.51%	90.69%	84.46%
2015	84.03%	79.86%	81.07%	91.84%	84.20%
% Chg.	2%	1%	0%	-1%	0%
Sale Price-to-Final List Price					
2016	94.70%	81.66%	81.62%	92.50%	87.62%
2015	89.75%	85.76%	85.86%	94.00%	88.84%
% Chg.	6%	-5%	-5%	-2%	-1%
Days On Market					
2016	373	222	210	237	261
2015	400	340	195	232	292
% Chg.	-7%	-35%	8%	2%	-11%
Listings On Market					
2016	32	34	21	64	151
2015	36	32	38	71	177
% Chg.	-11%	6%	-45%	-10%	-15%
Average List Price					
2016	\$2,800,625	\$2,244,890	\$1,239,190	\$2,368,373	\$2,275,133
2015	\$1,966,115	\$1,638,269	\$944,091	\$1,939,435	\$1,676,724
% Chg.	42%	37%	31%	22%	36%
Months of Inventory					
2016	27	23	42	33	30
2015	19	19	57	24	25
% Chg.	46%	18%	-26%	37%	20%
Pending Transactions at the end of December					
2016	3	1	0	9	12

## Closed Commercial Property Transactions Key Largo to Key West in 2016

The chart on page 3 lists and describes Commercial Sales registered with the three Keys MLS systems during 2016. Commercial sales in the Florida Keys totaled **61** compared to **86** in 2015, a **29%** decrease with **4** properties selling for more than **\$5M**. Sales in 2015 were up **13%** over 2014 with the number of **\$5M+** sales unchanged. however, **10 \$5M+** properties sold in 2014. Additionally, only **2** of all 2016 commercial sales were distressed (Bank Owned or Short Sales) compared to **4** in 2015 and **8** in 2014, a **50%** decrease in consecutive years.

The hospitality sector of hotels, motels and guesthouses increased **80%** with **9** sales in 2016 compared to **5** sales in 2015 and **14** sales in 2014. As in 2015, **Key West** had the most hospitality sales in 2016 with **8** compared to **3** in 2015, a **166%** increase. The largest sale was the 26-unit Spanish Gardens Motel on Simonton St. for **\$9.4M**. Other notable sales included the Old Town Manor and Guest House with 20 rooms for **\$9M**; Azul Key West, a boutique hotel with 11 rooms for **\$4M**; and the 9-room Mermaid and Alligator B&B on Truman Ave., **\$3.5M**. Key West's dollar volume in this sector rose a significant **87.9%** from **\$14.7M** in 2015 up to **\$27.6M**. **Upper Keys** and **Lower Keys** had no hospitality sector sales this year and each had just one such sale in 2015. The **Middle Keys** had one hospitality sale which included three hotels -- The Casa Del Sol Resort, The Yellowtail Inn Beach Resort and the Bonefish Resort – and sold for **\$6.05M**. This sale was the third-largest sale Keys-wide for the hospitality sector.

Six Restaurants were sold Keys-wide, with **4** in **Key West**: The Rusty Anchor for **\$1.8M**, and an additional **3** eateries that were sold as Business Opportunities with no real estate: Pizza & Gelato on Duval for **\$320K**, Turquoise for **\$40K** on Fitzpatrick, and La Grignote on Duval for **\$144K**. As with the hospitality sector, the **Upper** and **Lower Keys** had no restaurant sales in 2016 and just one each in 2015. The **Middle Keys** had **2** Restaurant sales, the same as in 2015. The Brutus Seafood Market & Eatery Business Opportunity sold for **\$230K** with the building selling for **\$630K**.

Keys-wide Vacant land transactions remained unchanged with **11** sales in both 2016 and 2015, The **Middle Keys** had **four** sales in 2016 and **five** last year with the largest a **\$6M** sale of a 4.64 AC oceanfront Development Tract. The other sales, **\$4M** for a 3.1 AC Dry Stack boat storage yard with a boat ramp and 5 slips; a parcel zoned industrial for **\$805K**; a .92 AC lot zoned Fishing Special District sold for **\$600K**. The **Upper Keys** had **one** land sale compared to **five** land sales in 2015, an oceanfront 2.6 AC lot with development potential at **\$2.8M**. There were **two** vacant land sales in the **Lower Keys**: two lots sold together zoned Suburban Commercial totaling 2.5 AC for **\$1M**, and a .17 AC lot also zoned Suburban Commercial for **\$61K**. **Key West** had two vacant lot sales in 2016 and just one in 2015: a .34 AC lot on 2<sup>nd</sup> Street zoned for Mixed Use sold at **\$600K** and a 1.5 AC parcel on the Overseas Highway sold for **\$175K**.

## Closed Commercial Property - Key Largo to Key West 2016

Property Address	AK-Number	Sale Date	Price (US\$)	Bldg. or Lot (SF)	\$/SF	Type of Use
<b>Upper Keys</b>						
68100 Overseas Hwy	1474894	7/11/2016	\$1,175,000	6,320	\$186	4 apartment units
81611 Old Hwy	1494127	8/30/2016	\$775,000	2,160	\$359	Commercial Bldg.
81981 Overseas Hwy	1492400	9/23/2016	\$2,665,000	13,810	\$193	Commercial Retail Center
110 Porto Salvo Rd	1500763	2/18/2016	\$412,500	1,596	\$258	Office Space
86701 Overseas Hwy	1505315	3/17/2016	\$1,410,000	9,625	\$146	6 Commercial Retail Units & Restaurant
89170 Overseas Hwy	1520179	10/31/2016	\$500,000	2,800	\$179	Commercial Bldg.
90130 Old Hwy	1530557	8/1/2016	\$1,550,000	6,800	\$228	Commercial Bldg. + 3 Commercial Lots
93997 Overseas Hwy	1589586	4/14/2016	\$370,000	1,144	\$323	Commercial Bldg.
94400 Overseas Hwy	1608050	7/1/2016	\$380,000	1,536	\$247	Commercial Bldg. & One Residence
98990 Overseas Hwy	1097080	5/6/2016	\$2,800,000	1,800	\$1,556	2.6 AC, 1 SF Res, Zoned SU Res Dist. /Dev Potential
227 Atlantic Blvd	1553484	5/6/2016	\$525,000	1,836	\$286	Office Space
103301 Overseas Hwy	1579963	9/16/2016	\$425,000	2,393	\$178	Commercial Bldg. Plus Commercial Lot
104980 Overseas Hwy	1630535	9/30/2016	\$550,000	1,024	\$537	Commercial Bldg. plus 4 Lots
99 Overseas Hwy	ROGO License	6/15/2016	\$60,000	NA	NA	ROGO License
<b>Average Upper Keys</b>			<b>\$591,196</b>	<b>2,298</b>	<b>\$203</b>	
<b>Middle Keys</b>						
4681 Overseas Hwy	bank owned	11/22/2016	\$1,500,000	840	NA	Water Sports Business
1655 Overseas Hwy	1400777	2/11/2016	\$1,000,000	10,544	\$95	18 Res units & some Commercial for Renovation
210 20th #1	8649649	10/14/2016	\$500,000	2,320	\$216	Fish House, Boat Slip and 4 BR Res unit
4801 Overseas Hwy	1398411	3/14/2016	\$2,650,000	6,916	\$383	Mixed Use Commercial Bldg.
295 51st Street Gulf	1399299	7/15/2016	\$725,000	2,614	\$277	6 Unit Apt Complex
3988 Overseas Hwy	1415413	7/28/2016	\$400,000	2,815	\$142	Commercial Bldg.
4695 Overseas Hwy	1120359	11/1/2016	\$4,000,000	136,778	\$29	Dry Storage, Boat Yard, Slips
4540 Overseas Hwy	Bus Opp	5/10/2016	\$50,000	NA	NA	Tiki Hut, pavers, 10x20 Cooler Fruit Stand
5800 Overseas Hwy #6	8703490	12/9/2016	\$250,000	1,421	\$176	Office Space
6803 Overseas Hwy	1416622	12/12/2016	\$980,000	6,280	\$156	Office Space
6950 Overseas Hwy	1407445	8/16/2016	\$630,000	1,200	\$525	Restaurant Bldg. 31 seats in 48 out
6950 Overseas Hwy	Bus Opp	8/16/2016	\$235,000	NA	NA	Restaurant Business Only
8700 Overseas Hwy	1118141	11/15/2016	\$6,000,000	202,540	\$30	4.64 AC Oceanfront Dev tract
10651 7th Avenue Gulf	1409651	4/15/2016	\$805,000	28,200	\$29	Industrial Zoned .64 AC Lot
76 Coco Plum	1445401	12/2/2016	\$700,000	7,450	\$94	Zoned Mixed Use Maritime Lot
1326 107th St Gulf	Bus Opp	6/1/2016	\$55,000	1,000	NA	Auto Repair Business
58182 Overseas Hwy #33	1454036	12/30/2016	\$6,050,000	24,272	\$249	3 hotels, 1 Res, 34 rooms Oceanfront 3 Lots
62910 Overseas Hwy	8906251	2/16/2016	\$600,000	1,216	\$493	.92 AC, Zoned Comm Fishing Spec, Oceanfront 1 ROGO
<b>Average Middle Keys</b>			<b>\$1,356,500</b>	<b>24,245</b>	<b>\$161</b>	
<b>Lower Keys</b>						
3200 US Highway 1	1205397	2/5/2016	\$618,000	2,697	\$229	Commercial Waterfront Bldg.
55 Johnson Rd #3	8815760	3/28/2016	\$220,000	2,400	\$92	Office Bldg.
25235 & 25234 Margaret St	1264032	5/25/2016	\$568,000	1,540	\$369	2 Res Rental Units Zoned SR
US Hwy 1	1270539	3/18/2016	\$61,500	7,340	\$8	Vacant Land Zoned Suburban Commercial
30046 Overseas Hwy	1140210	1/29/2016	\$510,000	1,768	\$288	Retail and Res efficiency apt
30663 Overseas Hwy	1139068	6/16/2016	\$1,000,000	108,907	\$9	Two Comm Lots zoned Sub Urban Commercial
<b>Average Lower Keys</b>			<b>\$372,188</b>	<b>15,582</b>	<b>\$124</b>	
<b>Key West</b>						
916 Elizabeth St	1018902	6/7/2016	\$2,800,000	3,103	\$902	B & B 11 BR, 11 BA
1218 Duval St	1029734	7/22/2016	\$1,750,000	3,085	\$567	2 Bldgs., 5 units, 4 Res and 1 Commercial
5501 5th St	1161152	10/28/2016	\$1,800,000	4,166	\$432	Restaurant, Rusty Anchor
888 None St	Bus Opp	8/3/2016	\$55,000	NA	NA	Mobile Vendors license
508 Fleming St	1009814	7/27/2016	\$1,000,000	630	\$1,587	Liquor Store with Liquor License
824 Fleming St	1008541	10/4/2016	\$2,475,000	3,306	\$749	5BR, 5 BA with 5 Transient Licenses
511 Eaton St	1004502	1/15/2016	\$9,000,000	9,422	\$955	Old Town Mansion & Guest House 20 rooms
907 Truman Ave	1022411	2/24/2016	\$4,000,000	3,599	\$1,111	Boutique Hotel 11BR, 12 BA, 10 Trans Licenses
1325 Simonton St #26	1036811	5/4/2016	\$9,400,000	6,510	\$1,444	26 Unit Motel
806 Fleming St	1008656	5/5/2016	\$2,675,000	3,000	\$892	9 BR/8 BA Guest House, 8 Trans Licenses
729 Truman Ave	1021172	5/17/2016	\$3,500,000	4,981	\$703	9 Unit B & B
220 Pohalski St	1021822	5/19/2016	\$450,000	1,256	\$358	Commercial Bldg. Office and Retail
524 Front St	1000329	7/28/2016	\$2,350,000	9,730	\$242	Retail and Office space plus 2 Apts
815 Catherine St	1030619	11/1/2016	\$2,775,000	3,402	\$816	Inn with 3 Cottages, 6 total units
1211 Duval St	Bus Opp	8/3/2016	\$144,000	NA	NA	Café
112 Fitzpatrick St	Bus Opp	9/15/2016	\$40,000	NA	NA	Restaurant, 62 seats, Beer and Wine license
626 Duval St	Bus Opp	11/18/2016	\$320,000	NA	NA	Food Service, Pizza, Gelato, Burgers, Subs
1111 12th St #110	8676174	8/31/2016	\$377,000	1,315	\$287	Executive Office Bldg.
9999 Roosevelt Blvd	6 ROGO Lic	4/27/2016	\$737,000	NA	NA	6 ROGO with trans license for 3 BR/3 BA units
5587 2nd Ave	1159590	8/26/2016	\$500,000	15,000	\$33	Vacant Land Zoned Mixed Use
5514 1st Ave	1159531	5/16/2016	\$600,000	1,500	\$400	Metal Bldg. roll up doors zoned Mixed Use
531 D Ave	1198013	6/7/2016	\$850,000	4,347	\$196	Income property 3 Duplexes each with a 2/1 and 1/1
Overseas Hwy	1200328	8/1/2016	\$175,000	67,024	\$3	1.5 AC- Zoned Suburban Commercial
<b>Average Key West</b>			<b>\$1,364,943</b>	<b>4,543</b>	<b>\$365</b>	
<b>Average Keys-Wide</b>			<b>\$1,102,145</b>	<b>14,061</b>	<b>\$266</b>	

(continued from page 1)

**Days On the Market (DOM)** decreased **11%** to **261** from the **292** days last year. (This is a measure of the number of days between the date the property was listed and the date the sale closed.)

**Listings on Market:** The number of listings decreased **15%** to **151** in 2016 from **177** the previous year.

**Average List Price** increased to **\$2,275,133** in 2016, up **36%** from **\$1,676,724** in 2015.

**Months of Inventory (MOI)** rose **20%** to **30** months from the **25** months recorded during 2015. (MOI provides a measure of 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 **Number of Sales**, **39%** to **14** compared to **23**.
- Least change in **Average Sale Price**, up **2%**.
- Second largest drop in **Dollar Value of Sales**, **38%** to **\$13.6M** from **\$21.8M**.
- The only gain in **Sale Price to Final List Price**, **6%** to **94.70%** from **89.75%**.
- Largest rise in **Average List Price**, **42%** to **\$2.8M** from **\$1.9M**.
- Largest increase in **Months of Inventory**, **46%** to **27** from **19**.

### The Middle Keys

- The least decrease in **Number of Sales** Keys Wide, **10%**.
- Largest growth in **Average Sale Price**, **109%** to **\$1.5M** from **\$722K**.
- Biggest decrease in **Days On Market**, **35%** to 222 days from 340.
- The **Average List Price** rose **37%** to **\$2.2M** from **\$1.6M**.

### The Lower Keys

- The only decrease in **Average Sale Price**, **36%** to **\$496K** from **\$771K**.
- Biggest decrease in **Dollar Value of Sales**, **52%** to **\$2.9M** from **\$6.1M**.
- One of two markets with increased **Days On Market**, **8%** to **210** from **195**.
- The most significant decrease in **Listings On Market**, **45%** to **21** from **38**.

### Key West

- The **Number of Sales** dropped **34%** to **23** sales from **35**.
- **Average Sales Price** rose **49%** to **\$2M** from **\$1.3M**.
- **Dollar Value of Sales** edged down **2%** to **\$47.7M** from **\$48.7M**.
- **Sales Price to Original List Price** ratio declined **1%** to **90.69%** from **91.84%**.
- A slight decrease in **Sales Price to Final List Price** ratio of **2%** to **92.5%** from **94%**.
- The **Average List Price** rose **\$2.3M**, up **22%** from **\$1.9M**.
- **Months of Inventory** expanded **37%** increasing to **33** versus **24**.



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