



Coldwell Banker Schmitt's Real Estate Report

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Florida Keys Real Estate Market Comparison: January–June 2018 vs. 2017

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

All figures are as of June 30, 2018	Upper Keys	Middle Keys	Lower Keys	Key West	All Areas	All Areas	All Areas
	Lower Matecumbe-KL	7 Mile Bridge-Long Key	Bay Point-Big Pine	KW-Shark Key	Keys-wide	2017	2016
Number of Sales	no change 456	3% less 265	4% more 306	2% more 453	1% more 1,480	1,467	1,430
Average Sale Price	6% more \$595K	11% less \$509K	2% more \$463K	no change \$715K	no change \$589K	\$586K	\$582K
\$ Value of Sales	6% more \$271M	13% less \$134M	5% more \$141M	2% more \$324M	1% more \$872M	\$861M	\$833M
Sale Price to Original List Price	3% more 89.75%	1% less 90.11%	1% more 91.79%	3% less 92.00%	no change 90.91%	91.05%	90.99%
Sale Price to Final List Price	1% more 92.89%	1% less 92.85%	1% more 94.53%	2% less 95.33%	1% less 93.90%	94.42%	94.77%
Average Days to Sell	7% less 134	22% less 127	7% less 99	20% more 166	5% less 132	138	138
Pending Transactions	23% more 121	76% more 81	25% more 71	14% more 99	29% more 372	288	N/A
Listed Properties	3% more 825	8% less 514	3% less 412	1% less 794	1% more 2,545	2,509	2,613
Average List Price	1% more \$1.092M	3% less \$857K	10% less \$690K	7% more \$960K	1% more \$938K	\$931K	\$805K
Months of Inventory	no change 11	9% more 12	11% less 8	no change 11	no change 10	10	8

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

The **Sales** total of **1,480** properties is an increase of **1%** from the **1,467** for the first half of 2017 and **4%** over the **1,430** during that period in 2016. The record for the first six months of the year occurred in 2002 with **3,584** sales. The low of **628** came in 2008.

The **\$589K Average Sale Price (ASP)** represents virtually no change from \$586K over the same period last year but is still less than the peak of **\$846K** for Q1 of 2006. Of note: the ASP has risen **3%** from **\$571K** in December 2017. The lowest was **\$404K** at the end of 2011.

The **Dollar Value of Sales (DVS)** of **\$872M** is up **1%** compared to **\$861M** for the first half of 2017 as a result of the **1%** increase in number of sales with no change in the ASP.

The **Sale Price-to-Original List Price (OLP/SP)** of **90.91%** is down just a tick from the first half of 2016, **91.05%**, which was the highest percentage on record. (The OLP/SP 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 lowest, **62.49%**, occurred in 2009.

The **Sale Price-to-Final List Price (FLP/SP)** is **-1%** lower at **93.90%** compared to **94.42%** during the first half of 2016. (The FLP/SP 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 metric tends to decline as the inventory of listings increases. The high was **94.85%** in 2004 with the lowest, **87.10%**, occurring in 2009. (continued on page 4)

Market Trends Synopsis for the First Half of 2018

The following compares sales during the first half of 2018 (post-Irma) to the same period in 2017 (pre-Irma) to provide some insight into how well the Keys real estate market has recovered from the devastation caused by Hurricane Irma. This page addresses *Activity by Property Type Keys-wide*, including waterfront and non-waterfront sales, wherein page 3 addresses *Sales Activity by Price Bracket* for each of the four sub-market areas.

Activity by Property Type:

- Single Family:** Keys-wide sales of Single Family homes decreased **-1%** with **55%** of the properties being waterfront compared to **49%** in 2017, a **12%** increase over 2017. Only **2%** of the SF Waterfront are in Key West (due to the small number of such properties there). **53%** of all sales Keys-wide were single family homes versus **54%** in 2017.
- Condominium:** Keys-wide sales of condos increased **10%** with **70%** of the condos sold being waterfront compared to **62%** in 2017, a **13%** increase over 2017. **14%** of all sales Keys-wide were condominiums, **13%** in 2017.
- Townhouses:** Keys-wide sales of townhouses increased **17%** with **44%** of those sold being waterfront compared to **36%** in 2017, a **24%** increase over 2017. **9%** of all sales Keys-wide were townhouses, **8%** in 2017.
- Duplex and Half-Duplex:** Keys-wide sales of duplexes dropped **-14%** with **52%** of the duplexes being waterfront properties versus **64%** over 2017, a **-19%** decrease from 2017. **5%** of all sales Keys-wide were duplexes, the same as in 2017.
- Boat Slips:** Keys-wide sales of boat slips declined by **-6%** with **15** boat slips sold versus **16** last year during the same period. **1%** of all sales Keys-wide were boat slips, the same as in 2017.
- Land:** Keys-wide sales of vacant land were down **-14%** to **151** from **175** in 2017. **49%** of all lot sales were waterfront compared to **54%** in 2017, a decline of **-10%** from 2017. **12%** of all sales Keys-wide were land versus **14%** during 2017.
- Commercial:** Keys-wide commercial sales increased **14%** to **64** from **56** in 2017. **6%** of all sales Keys-wide were commercial, **5%** in 2017.

Keys-wide Sales by Property Type 2018 vs 2017							
Single Family	2018	2017	% Chg	Condominium	2018	2017	% Chg
Waterfront	400	362	10%	Waterfront	129	104	24%
ASP	\$791K	\$775K	2%	ASP	\$481K	\$499K	-4%
Non-Waterfront	329	370	-11%	Non-Waterfront	56	64	-13%
ASP	\$668K	\$631K	6%	ASP	\$410K	\$459K	-11%
Total	729	733	-1%	Total	185	168	10%
ASP	\$791K	\$733K	8%	ASP	\$460K	\$484K	-5%
Townhouses	2018	2017	% Chg	Duplex/Half Duplex	2018	2017	% Chg
Waterfront	47	33	42%	Waterfront	26	37	-30%
ASP	\$580K	\$497K	-17%	ASP	\$592K	\$613K	-3%
Non-Waterfront	61	59	3%	Non-Waterfront	24	21	14%
ASP	\$607K	\$567K	7%	ASP	\$529K	\$528K	<1%
Total	108	92	17%	Total	50	58	-14%
ASP	\$595K	\$542K	10%	ASP	\$562K	\$582K	-3%
Boat Slips	2018	2017	% Chg	Land	2018	2017	% Chg
Total	15	16	-6%	Waterfront	77	95	-19%
ASP	\$110K	\$151K	-27%	ASP	\$332K	\$287K	16%
				Non-Waterfront	74	80	-8%
Commercial	2018	2017	% Chg	ASP	\$129K	\$115K	<1%
Total	64	56	14%	Total	151	175	-14%
ASP	\$782K	\$877K	-11%	ASP	\$233K	\$211K	10%

Activity by Price Bracket for All Property Types by Market Area :

Sale Price Less Than \$500K:

- **Upper Keys: 234** sales, down **-13%** = **54%** of all sales UK Market
- **Middle Keys: 148** sales, up **3%** = **56%** of all sales MK Market
- **Lower Keys: 199** sales, down **-3%** = **65%** of all sales LK Market
- **Key West: 189** sales, up **1%** = **43%** of all sales KW Market

Sale Price \$500K-\$999K:

- **Upper Keys: 140** sales, up **17%** = **32%** of all sales UK Market
- **Middle Keys: 84** sales, up **5%** = **32%** of all sales MK Market
- **Lower Keys: 86** sales, up **18%** = **27%** of all sales LK Market
- **Key West: 158** sales, down **-2%** = **36%** of all sales KW Market

Sale Price \$1M-\$1.9M:

- **Upper Keys: 42** sales, up **27%** = **10%** of all sales UK Market
- **Middle Keys: 28** sales, down **-20%** = **11%** of all sales MK Market
- **Lower Keys: 21** sales, up **50%** = **7%** of all sales LK Market
- **Key West: 74** sales, up **9%** = **17%** of all sales KW Market

Sale Price \$2M-\$2.9M:

- **Upper Keys: 13** sales, up **44%** = **3%** of all sales UK Market
- **Middle Keys: 2** sales, down **No Change** = **<1%** of all sales MK Market
- **Lower Keys: 2** sales, up **100%** = **<1%** of all sales LK Market
- **Key West: 12** sales, up **33%** = **3%** of all sales KW Market

Sale Price \$3M+:

- **Upper Keys: 4** sales, down **-20%** = **1%** of all sales UK Market
- **Middle Keys: 0** sales vs. **3** in 2017 = **<1%** of all sales MK Market
- **Lower Keys: 0** sales vs. **1** in 2017 = **<1%** of all sales LK Market
- **Key West: 6** sales, down **-25%** = **1%** of all sales KW Market

Activity By Price Bracket 2018 vs 2017 for All Property Types by Market Area									
Upper Keys					Middle Keys				
Sale Price Bracket	# of Sales 2018	# of Sales 2017	Percent of Change	% Sales Upper Keys	Sale Price Bracket	# of Sales 2018	# of Sales 2017	Percent of Change	% Sales Middle Keys
Less \$500K	234	269	-13%	54%	Less \$500K	148	144	3%	56%
\$500K-\$999K	140	120	17%	32%	\$500K-\$999K	84	80	5%	32%
\$1M-\$1.9M	42	33	27%	10%	\$1M-\$1.9M	28	35	-20%	11%
\$2M - \$2.9M	13	9	44%	3%	\$2M - \$2.9M	2	2	No Change	<1%
\$3M+	4	5	-20%	1%	\$3M+	0	3		<1%
Total	433	436	-1%	100%	Total	262	264	-1%	100%
Lower Keys					Key West				
Sale Price Bracket	# of Sales 2018	# of Sales 2017	Percent of Change	% Sales Lower Keys	Sale Price Bracket	# of Sales 2018	# of Sales 2017	Percent of Change	% Sales Key West
Less \$500K	199	206	-3%	65%	Less \$500K	189	188	1%	43%
\$500K-\$999K	86	73	18%	27%	\$500K-\$999K	158	162	-2%	36%
\$1M-\$1.9M	21	14	50%	7%	\$1M-\$1.9M	74	68	9%	17%
\$2M - \$2.9M	2	1	100%	<1%	\$2M - \$2.9M	12	9	33%	3%
\$3M+	0	1		<1%	\$3M+	6	8	-25%	1%
Total	308	295	4%	100%	Total	439	435	1%	100%

The foregoing information shows numerous instances of increased sales activity indicating that the Keys real estate market has overcome the negative impact created by Hurricane Irma last September. For **Property Type Activity**, sales of Single Family, Condominium and Townhouses rose slightly to **73%** of all sales Keys-wide compared to **71%** during the first half of 2017. Additionally, the waterfront sales for those three property types increased **12%** over 2017 while non-waterfront sales declined **-10%**. The combined sales of duplexes, boat slips and land decreased **-16%**. Additionally, the combined sales of duplexes and land waterfront properties declined **-22%**.

Interestingly, Waterfront Condos and Townhouses saw the largest increases in sales this year followed by Non-Waterfront Duplexes and Waterfront Homes. The biggest losses were Waterfront Duplexes and Half Duplexes, Waterfront Lots and Non-Waterfront Single Family and Non-Waterfront Condos. The largest declines were in Waterfront and Non-Waterfront lots, followed by Waterfront and Non-Waterfront Townhouses. For Average Sale Price, the biggest declines were in Boat Slips and Non-Waterfront Condos.

For **Activity by Price Bracket** the most active across the Keys was the **\$500K-\$999K** bracket which was up **8%**; the **\$1M-\$1.9M** bracket, up **10%**; and the **\$2M-\$2.9M** bracket rose **38%**. The **less-than-\$500K** bracket declined **-5%** because of the high percentage of properties in that price bracket damaged during the hurricane; therefore, fewer properties have been on the market. The **\$3M+** also declined **-41%**, as that price bracket has a much smaller client base than any of the other price ranges with a total of **10** sales this year versus **17** last year.

Synopsis: From **79%** to **93%** of sales by market area are below \$1 Million. All of the market areas, with the exception of the Middle Keys, have seen more \$1+ Million sales this year. All markets are down in the \$3+ Million category.

As noted in the lead story, we anticipate the market during the remainder of 2018 to be very similar to the first half of the year.



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The difference between the OLP/SP (**90.91%**) and FLP/SP (**93.90%**) is **2.99%** which represents, on average, that sellers can anticipate price reductions during the term of the listing of about **-3%** from their original list price to the final list price prior to receiving a buyer’s offer. Additionally, sellers and buyers today can expect the contract price, on average, to be approximately **-6%** less than the final list price. From 2001-2005, that average was **-5%** with the greatest differential at **-12.9%** in 2009.

Average Days to Sell (ADS) at **132** was **-5%** less than last year’s record low of **138**. The high of **165** days occurred during the first half of 2015 with the previous low of **143** at the end of June 2004. The low ADS is the result of buyers moving quickly on well-priced properties as they are perceived to have the best value. (ADS is the number of days between the date the property was listed and the date it went under contract; i.e. Pending.)

Pending Transactions increased **29%** to **372** from **288** at mid-year 2017. (Pending transactions are properties that are under contract with various conditions such as inspections, loan approval, etc., to complete before closing and provide an indication of additional properties that will close during the next 30 to 90 days.)

The **2,545 Properties For Sale** on June 30 is **1%** more than **2,509** on that date last year and **-3%** less than the **2,613** on that date in 2016. Hurricane Irma caused major damage to numerous properties last September and listing inventory dropped to **2,286** by the end of 2017, down **-9%** from **2,509** at 2017’s mid-year point. The **2,545** properties on the market at the end of June is an increase of **11%** over the past six months.

The **Average Listed Price (ALP)** of **\$938K** is **1%** more than the **\$931K** at the end of June last year and **17%** more than the **\$805K** on June 30, 2016.

The **10 Months of Inventory (MOI)** is exactly where it was one year ago. (MOI provides a measure of the rate of sales versus the supply of properties and is also known as the “absorption rate.”) The record high for the first half of the year occurred in 2008 at **43**, with the low of **3** in 2002.

What do the numbers forecast? At mid-year, we have a relatively stable market. The average sale price has not moved much since 2016 and the margins between list and sale prices have been steady over the past 12 months, therefore, we predict no significant changes in the next quarter. Based on the stable inventory of properties for sale over the past two years, we expect the number of sales and the average sale prices to remain stable for the balance of 2018. We’ll be monitoring what happens closely and will report on it in the next *Real Estate Report*.

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