



Coldwell Banker Schmitt's Commercial Report

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KEYS-WIDE OVERVIEW

- During 2018 commercial property sales increased **25%** setting a new high of **137** vs **110** in 2017. The previous record of **120** sales occurred in 2008 with the low of **36** in 2008.
- The **\$2,233,069 Average Sale Price (ASP)** was **79%** higher than the **\$1,244,531** last year and **11%** above **\$1,072,163** in 2016. The highest ASP for the last 16 years was **\$2.7M** in 2005 and the lowest **\$584M** occurred in 2000. This was largely due to three large sales in Key West.
- **Dollar Value of Sales** rose **123%** to a new high of **\$305,930,460**, due to the **25%** increase in sales and **79%** increase in ASP. It was **\$136,898,392** in 2017 and **\$81.2** 2016. The previous highest was **\$289M** in 2005 with the lowest, **\$31M**, in 2009.
- **Sale Price-to-Original List Price (SP/OLP)** rose **3%** to **86.75%** from **84.36%** a year earlier and **86.35%** in 2016. (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.)

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Sales of Commercial Properties by Market Area & Keys-wide 2018 vs 2017 January - December

	Upper Keys	Middle Keys	Lower Keys	Key West	Keys-wide	Keys-wide 2016
Sales						
2018	31	21	15	70	137	76
2017	23	9	9	69	110	
% Chg.	35%	133%	67%	1%	25%	
Average Sale Price						
2018	\$1,687,033	\$1,456,147	\$654,740	\$3,046,174	\$2,233,069	\$1,072,163
2017	\$1,595,465	\$918,311	\$1,786,114	\$1,099,461	\$1,244,531	
% Chg.	6%	59%	-63%	177%	79%	
Dollar Volume						
2018	\$52,298,025	\$30,579,100	\$9,821,109	\$213,232,226	\$305,930,460	\$81.2M
2017	\$36,695,712	\$8,264,800	\$16,075,028	\$75,862,852	\$136,898,392	
% Chg.	43%	270%	-39%	181%	123%	
Sale Price-to-Original LP						
2018	89.22%	84.37%	86.91%	86.50%	86.75%	86.35%
2017	84.52%	85.43%	85.66%	81.82%	84.36%	
% Chg.	6%	-1%	0%	6%	3%	
Sale Price-to-Final List Price						
2018	91.00%	93.87%	94.09%	91.18%	92.54%	89.47%
2017	90.89%	89.25%	89.24%	88.13%	89.38%	
% Chg.	0%	5%	5%	-3%	4%	
Days On Market						
2018	172	179	297	202	202	216
2017	230	269	539	206	243	
% Chg.	-25%	-33%	-45%	-2%	-17%	
Listings On Market						
2018	35	25	29	86	175	151
2017	30	28	25	70	153	
% Chg.	-17%	-11%	16%	23%	14%	
Average List Price						
2018	\$2,089,692	\$2,524,531	\$990,966	\$1,623,789	\$1,740,779	\$2,275,133
2017	\$1,955,020	\$2,088,976	\$816,855	\$1,252,011	\$1,471,922	
% Chg.	7%	21%	21%	30%	18%	
Months of Inventory						
2018	14	14	23	15	15	24
2017	16	37	33	12	17	
% Chg.	-13%	-62%	-30%	25%	-12%	
Pending Transactions at the end of December						
2018	3	1	2	14	16	12
2017	3	1	0	9	12	
% Chg.	0%	0%	200%	56%	33%	

Florida Keys Commercial Sales History 2000 through 2018

This page of the Coldwell Banker Schmitt Commercial Newsletter details Florida Keys commercial market activity for each of the four major submarket areas during 2018 compared to each year since 2000 thereby providing a continuing historical perspective of commercial sales.

As a reminder, the Upper Keys consists of properties from Lower Matecumbe to Key Largo. The Middle Keys includes properties from the Seven Mile Bridge to Long Key. Lower Keys properties range from Bay Point to Big Pine. Key West properties run from Old Town to Shark Key.

The properties in this report include commercially zoned land, multi-family residential, hotels, motels, and office space as well as industrial and retail (which includes restaurants) with sales registered in the Keys MLS system. The gold background denotes the highest number and the blue background, the year with the lowest number for each of the three categories, *Total Number of Sales, Average Sales Price* and *Total Sales Volume Dollar Value*.

Following Hurricane Irma, we didn't anticipate a repeat of the slump we experienced post-Hurricane Wilma since the factors that led to that slump weren't present in 2017. The commercial market since Irma has remained much the same as before it arrived on September 10.

Sales:

- The number of commercial sales peaked in 2003 for **Key West (72)**, 2005 for the **Middle (29)** and **Upper Keys (24)** and 2006 for the **Lower Keys (15)**.
- Sales bottomed out for the **Lower Keys (1)** and **Key West (19)** in 2008, and 2009 for the **Upper Keys (7)** and **Middle Keys (4)**.
- **In 2018: Key West** had **70** sales, the second highest on record. The **Upper Keys** set a new high of **31** besting the **24** in 2005. The **Middle Keys** had its highest number since 2005 with **21**. The **Lower Keys** tied the record high of **15** sales in 2006. Keys-wide commercial sales also set a record with **137** vs **120** in 2003. The **Key West** market remains the most active market with a historic average dating from 2000 of **52%** of all commercial sales, followed by the **Upper Keys** with **23%**, then **15%** for the **Middle Keys** and **10%** for the **Lower Keys**.
- **Average Sales Price:** The Key West market had the highest ASP, **\$3.046M**, nearly tying the 2005 record of **\$3.099M**. The Upper Keys averaged **\$1.6M** followed by the Middle Keys at **\$1.4M** and the Lower Keys at **\$654K**. Keys-wide, the ASP increased **79%** to **\$2.2M** due to the **177%** increase in the Key West ASP, the result of four sales amounting to **\$109M**.
- **Total Sales Volume Dollar Value:** During 2018, the Keys-wide (**\$305M**) and Key West (**\$213M**) markets set new records for dollar volume of sales previously established in 2005. That was the year commercial sales peaked in all areas (except for the Lower Keys which was 2006), when the Upper Keys commercial market had the highest number of sales combined with the record ASP, Key West notched its highest total, and the Middle Keys attained its second-highest ASP. The Lower Keys dollar volume of **\$21.7M** peaked the next year as 2006 was that market's year for record sales and, at that time, the highest ASP for the area. Since 2001, the Key West market area dollar volume of sales, as it has with the total number of sales, accounted for over half of the commercial market with **56%**. For 2018, it was **70%** of all dollar volume followed by the Upper Keys with **17%**, Middle Keys with **10%**, and **3%** for the Lower Keys. In 2018 the 137 Commercial Sales account for 5% of all sales by # of Sales but 16% by # \$ Volume of Sales.

Commercial Sales Florida Keys 2000 through 2018

Total Number of Sales

	Upper Keys	% Chg Prev. Year	Middle Keys	% Chg Prev. Year	Lower Keys	% Chg Prev. Year	Key West	% Chg Prev. Year	Keys-Wide	% Chg Prev. Year
2000	11		16		6		24		57	
2001	19	73%	10	-38%	7	17%	28	17%	64	12%
2002	15	-21%	17	70%	5	-29%	49	75%	86	34%
2003	22	47%	17	0%	9	80%	72	47%	120	40%
2004	17	13%	23	35%	8	60%	61	24%	109	27%
2005	24	41%	29	26%	7	-13%	45	-26%	105	-4%
2006	18	-25%	10	-66%	15	114%	57	27%	100	-5%
2007	9	-50%	7	-30%	4	-73%	46	-19%	66	-34%
2008	10	11%	6	-14%	1	-75%	19	-59%	36	-45%
2009	7	-30%	4	-33%	4	300%	22	16%	37	3%
2010	10	43%	9	125%	6	50%	22	0%	47	27%
2011	11	10%	8	-11%	7	17%	26	18%	52	11%
2012	13	18%	7	-13%	11	57%	28	8%	59	13%
2013	12	-8%	12	71%	9	-18%	38	36%	71	20%
2014	14	17%	10	-17%	5	-44%	48	26%	77	8%
2015	23	64%	20	100%	8	60%	35	-27%	86	12%
2016	14	-39%	15	-25%	6	-25%	41	17%	76	-12%
2017	22	57%	9	-40%	8	33%	69	68%	108	42%
2018	31	35%	21	133%	15	67%	70	1%	137	25%

Average Sales Price

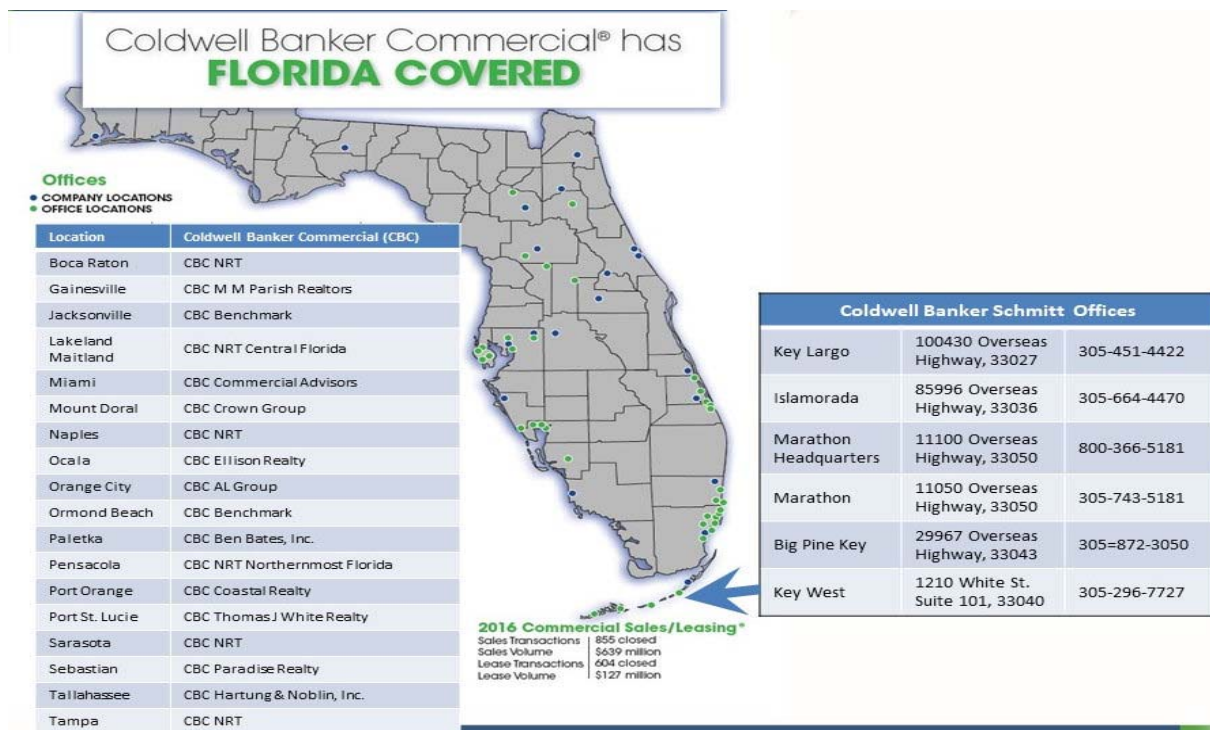
	Upper Keys	% Chg Prev. Year	Middle Keys	% Chg Prev. Year	Lower Keys	% Chg Prev. Year	Key West	% Chg Prev. Year	Keys-Wide	% Chg Prev. Year
2000	\$689,454		\$810,000		\$292,916		\$459,885		\$584,890	
2001	\$955,289	39%	\$801,100	-1%	\$343,415	17%	\$375,408	-18%	\$610,575	4%
2002	\$677,133	-29%	\$954,933	19%	\$894,821	161%	\$651,148	73%	\$729,898	25%
2003	\$1,026,250	52%	\$1,180,764	24%	\$1,841,000	106%	\$1,103,892	70%	\$1,155,831	58%
2004	\$1,975,588	192%	\$1,611,195	69%	\$761,250	-15%	\$1,434,019	120%	\$1,506,492	106%
2005	\$2,544,746	29%	\$2,903,241	80%	\$647,857	-15%	\$3,099,049	116%	\$2,754,881	83%
2006	\$1,801,444	-29%	\$3,831,898	32%	\$1,450,971	124%	\$1,959,522	-37%	\$2,041,923	-26%
2007	\$937,861	-48%	\$1,908,971	-50%	\$824,500	-43%	\$1,338,355	-32%	\$1,313,119	-36%
2008	\$1,449,750	55%	\$1,164,500	-39%	\$439,000	-47%	\$1,182,445	-12%	\$1,233,054	-6%
2009	\$955,285	-34%	\$557,500	-52%	\$623,750	42%	\$900,850	-24%	\$844,073	-32%
2010	\$698,000	-27%	\$2,497,377	348%	\$222,000	-64%	\$987,609	10%	\$1,117,357	32%
2011	\$1,142,772	64%	\$457,962	-82%	\$317,828	43%	\$976,103	-1%	\$843,032	-25%
2012	\$594,000	-48%	\$433,571	-5%	\$358,941	13%	\$1,984,389	103%	\$1,190,991	41%
2013	\$563,208	-5%	\$777,083	79%	\$1,941,111	441%	\$1,507,790	-24%	\$1,399,305	17%
2014	\$2,005,666	256%	\$2,859,025	268%	\$228,425	-88%	\$1,693,000	12%	\$1,571,445	12%
2015	\$950,695	-53%	\$722,010	-75%	\$771,325	238%	\$1,391,838	-18%	\$1,060,362	-33%
2016	\$767,103	-19%	\$1,166,346	62%	\$409,176	-47%	\$1,238,895	-11%	\$1,072,163	1%
2017	\$1,267,986	65%	\$918,311	-21%	\$1,950,003	377%	\$1,099,461	-11%	\$1,181,698	10%
2018	\$1,687,033	6%	\$1,456,147	59%	\$654,740	-63%	\$3,046,174	177%	\$2,233,069	79%

Total Sales Volume \$ Value

	Upper Keys	% Chg Prev. Year	Middle Keys	% Chg Prev. Year	Lower Keys	% Chg Prev. Year	Key West	% Chg Prev. Year	Keys-Wide	% Chg Prev. Year
2000	\$7,584,000		\$12,960,000		\$1,757,500		\$11,037,250		\$33,338,750	
2001	\$18,150,500	139%	\$8,011,000	-38%	\$2,403,900	37%	\$10,511,430	-5%	\$39,076,830	17%
2002	\$10,157,000	-44%	\$16,233,866	103%	\$4,474,105	86%	\$31,906,248	204%	\$62,771,219	88%
2003	\$22,577,500	122%	\$20,073,000	24%	\$16,569,000	270%	\$79,480,247	149%	\$138,699,747	121%
2004	\$33,585,000	49%	\$37,057,500	85%	\$6,090,000	-63%	\$87,475,175	10%	\$164,207,675	18%
2005	\$61,076,327	82%	\$84,194,000	127%	\$4,535,000	-26%	\$139,457,203	59%	\$289,262,530	76%
2006	\$32,426,000	-47%	\$38,318,980	-54%	\$21,764,565	380%	\$111,682,770	-20%	\$204,192,315	-29%
2007	\$8,440,750	-74%	\$13,362,800	-65%	\$3,298,000	-85%	\$61,564,334	-45%	\$86,665,884	-58%
2008	\$14,497,500	72%	\$6,987,000	-48%	\$439,000	-87%	\$22,466,450	-64%	\$44,389,950	-49%
2009	\$6,687,000	-54%	\$2,230,000	-68%	\$2,495,000	468%	\$19,818,715	-12%	\$31,230,715	-30%
2010	\$6,980,000	4%	\$22,476,397	908%	\$1,332,000	-47%	\$21,727,400	10%	\$52,515,797	68%
2011	\$12,570,500	80%	\$3,663,700	-84%	\$2,224,800	67%	\$25,378,688	17%	\$43,837,688	-17%
2012	\$7,722,000	-39%	\$3,035,000	-17%	\$3,948,352	77%	\$55,563,130	119%	\$70,268,482	60%
2013	\$6,758,496	-12%	\$9,324,996	207%	\$19,411,110	392%	\$59,596,020	7%	\$95,090,622	35%
2014	\$24,068,000	256%	\$17,092,220	83%	\$2,418,700	-88%	\$93,993,000	58%	\$137,571,900	45%
2015	\$21,865,985	-9%	\$14,440,192	-16%	\$6,170,600	155%	\$48,714,330	-48%	\$91,191,107	-34%
2016	\$10,739,444	-51%	\$17,495,200	21%	\$2,455,056	-60%	\$50,794,722	4%	\$81,484,422	-11%
2017	\$27,895,712	160%	\$8,264,800	-53%	\$15,600,028	535%	\$75,862,852	49%	\$127,623,392	57%
2018	\$52,298,025	43%	\$30,579,100	270%	\$9,821,109	-39%	\$213,232,226	181%	\$305,930,460	123%

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- The **Sale Price-to-Final List Price (SP/FLP)** increased **4%** to **92.54%** from **89.38%** last year and **89.47%** 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 (86.75%)** and **SP/FLP (92.54%)** is **5.8%**, which indicates, on average, a seller can anticipate price reductions during the term of the listing of nearly **6%** from their Original List Price to the Final List Price prior to receiving a buyer's offer and the sales price on average will be about **7%** less than the final list price.
- **Days On the Market (DOM)** decreased **31%** to **214** from **311** days last year and is down **15%** from the **251** days in 2016. (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 increased **14%** to **175** from **153** in 2017 and is up **16%** from **251** in 2016.
- **Average List Price** increased **18%** to **\$1,740,779** from **\$1,471,922** in 2017, which also was down **24%** from **\$2,275,133** in 2016.
- **Months of Inventory (MOI)** declined **12%** to **15** months from **17** months last year and **24** months in 2016. (MOI provides a measure of the rate of sales versus the supply of properties and is also known as the "absorption rate.")
- **Pending sales**, are properties under contract that have various contingences to complete prior to closing, usually within the next 30 to 60 days, provide an indication of the number of additional properties that will close in that time frame, increased by **33%** to **16** from **12** in 2017 and 2016.



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