

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 March 2010 Vs 2009

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

KEYS-WIDE OVERVIEW

The **404** sales for Q1 2010 was a **+37%** increase from the **296** of Q1 2009 and exceeds the Q1 totals of **266** of 2008, **335** of 2007 and **403** of 2006. This is the first time sales have increased during the 1st quarter since 2004 when they were up **+11%** over 2003. Sales during 2009 compared to 2008 were up **+34%** after declining **-11%** in 2008 vs. 2007.

The **Dollar Value of Sales** rose **+18%** to **\$168.5MM** compared to Q1 2009. That is the first time the Dollar Value of Sales has increased in Q1 since 2005 when it was **\$593MM**. The 2009 Dollar Value of Sales rose **+4%** and started the increases that have continued each month to date in 2010.

Avg. Days to Sell: Selling a property took an average of **221** days, up **+1%** from **218** days for Q1 2009. The **240** days of Q1 2007 was the highest first quarter after being **141** days for the initial three months of 2006.

The **Sale Price-to-Original List Price (SP/OLP)** declined **-6%** to **69.04%** from **73.46%** on March 31, 2009. However this ratio improved from the first of the year when it was **62.4%**. 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)** rose **+4%** to **90.85%** from **87.49%** on March 31, 2009. 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, which shows the average percentage of the final listing price that buyers are paying for properties that have sold.

The **\$417K Average Sale Price** at the end of Q1 was down **-14%** compared to **\$482K** for that period in 2009 when it had declined **-24%** from **\$635K** in Q1 2008. Prices dropped **-5%** in 2008 and **-20%** in 2007 after having increased **+18%** to **\$846K** in 2006. The four-year decrease from **\$846K** at the end of March 2006 which was the peak for average sales price, to **\$417K** this March is **-51%**, or less than half.

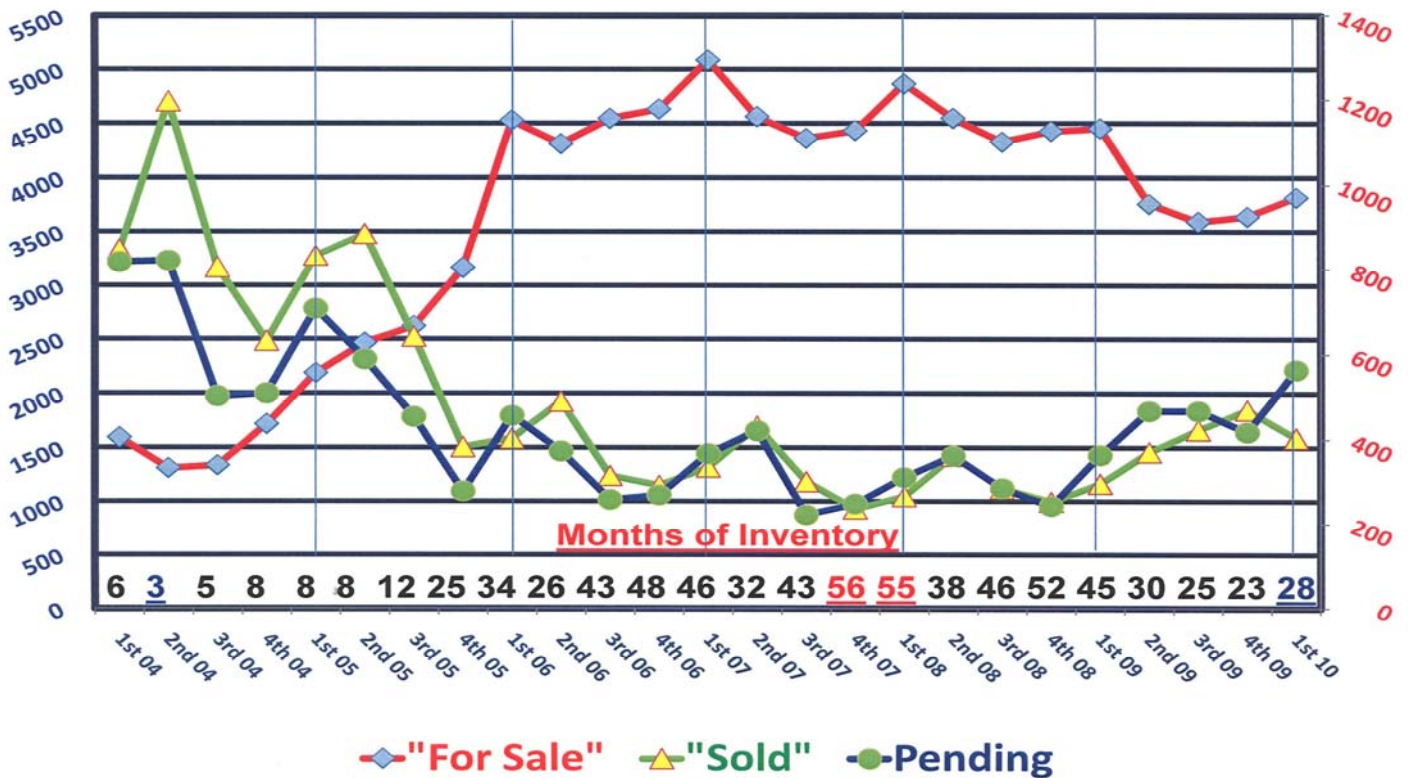
Pending Transactions have been added to the chart as another indicator of market activity. They provide a forecast for closed sales over the next two to three months. This is because there are properties that have an agreed-upon contract and are in the process of completing the contract contingencies such as inspections, financing, title search, etc., prior to the agreed closing date, which tends to be from 15 to 60 days. Keys-wide Pending Transactions increased **+55%** compared to Q1 2009, going from **365** to **564** in 2010. The 2010 number is the highest since **708** in 2005, after having
(continued on page 4)

	<u>Upper Keys</u> (Lower Matecumbe to Key Largo)	<u>Middle Keys</u> (7 Mile Bridge to Long Key)	<u>Lower Keys</u> (Bay Point to Big Pine)	<u>Key West</u> (Key West to Shark Key)	<u>All Areas</u> <i>Keys-Wide</i>
Green (+) Red (-)					
Total Number of Sales as of 03/31/10:	28% More 91	91% More 80	6% More 77	42% More 156	37% More 404
\$ Value of Sales as of 03/31/10: (in millions \$)	4% More \$38.4MM	86% More \$36.6MM	21% Less \$26.6MM	27% More \$66.7MM	18% More \$168.5MM
Avg. Days to Sell as of 03/31/10:	6% More 265	2% Less 268	N/C 197	1% More 153	1% More 221
Sale Price to Original List Price as of 03/31/10:	16% More 76.49%	30% Less 49.85%	3% Less 79.22%	7% Less 70.59%	6% Less 69.04%
Sale Price to Final List Price as of 03/31/10:	4% More 89.51%	3% More 90.00%	2% More 90.38%	8% More 93.49%	4% More 90.85%
Avg. Sales Price as of 03/31/10:	19% Less \$422K	2% Less \$458K	25% Less \$347K	11% Less \$428K	14% Less \$417K
Pending Transactions as of 03/31/10	65% More 177	96% More 102	18% More 111	55% More 174	55% More 564
New Properties "Listed" as of 03/31/10:	7% More 404	3% Less 281	18% More 258	24% More 365	11% More 1,308
Number of Properties "For Sale" as of 03/31/10:	10% Less 1,329	11% Less 823	21% Less 571	22% Less 1,091	16% Less 3,814
Months of Inventory as of 03/31/10:	30% Less 44	54% Less 31	25% Less 25	45% Less 21	38% Less 28
Avg. List Price Properties "For Sale" as of 03/31/10:	7% Less \$855K	13% Less \$733K	5% More \$653K	5% Less \$939K	6% Less \$822K

The chart below presents a comparison of the number of Properties Available For Sale (red line), Pending Sales (green line), Sold or Closed Sales (Blue Line) and Months of Inventory (numbers at the base of the chart) by quarter since the first quarter of 2004. It documents both the decline of the market and the start and extent of the perceived trend of an improving Florida Keys real estate market, which the chart shows has occurred over the past seven quarters starting in Q3 2008 when Pending Sales increased to 285, up +28% from the previous year. It was nearly the same in Q4 at 243 (-2%) and, since then, Pending Sales have exceeded the previous year in each succeeding quarter. They increased +17% to 364 in Q1 2009; +29% at 468 for Q2; +64% with 468 in Q3; +72% and 418 in Q4; with Q1 of 2010 up +55% to 568 versus 2009, which is the highest number of Pending Sales compared to every quarter since 589 in Q2 of 2005. Of particular interest: commencing with Q3 of 2009, the Pending Sales have exceeded the same quarter every year going back 4 years. (They went back 3 years for Q2 of 2009.)

A last point concerning Pending Sales: the chart illustrates that during the active markets of 2004 and 2005 Pending Sales each quarter were lower than the sales for the quarter, which signaled the upcoming market decline since the lower and declining Pending Sales could not support or sustain future sales at previous levels. That changed during Q4 of 2007 when Pending Sales slightly exceeded the number of actual sales per quarter by +6% (248 Pending vs. 233 Sales) and has continued through Q1 of 2010, +40% (564 vs. 402). That probably reflects, to some extent, the increased number of Short Sales and the long period of time for bank acceptance which has taken from 3 to as long as 18 months, and, in some cases, even longer to close the sale. Note that ever since Q4 of '08 Pending Sales have been clearly outpacing Sold Properties, the opposite of what occurred in 2004 and 2005 clearly indicating a steadily improving market ahead.

Properties For Sale, Pending & Sold by Quarter 2004 -1st Qtr 2010



Sold properties rose slightly, +2 sales to 270 in Q3 of 2008, then were off by -3 sales at 230 in Q4. Since Q1 of 2009, sales have exceeded the previous year every quarter: Q1 2009 with 296, up +11%; Q2 had 350 Sales, +6%; Q3 at 410 rose +52%; Q4 grew +62% to 373; and Q1 of 2010 exceeded 2009 up +37% with 404 sales. Additionally, sales in Q3 of 2009 and Q1 of 2010 exceeded sales for those quarters for the past 3 years with Q4 of 2009 sales exceeding those of the past two years.

As the Pending Sales and Closed Sales have risen, the number of properties for sale have declined (as noted on page 1 of this newsletter) to 3,814 which is down -25% from the highest level of 5,084 in Q1 of 2007, to 4,864 -23% in Q1 of 2008 and -14% with 4,449 during that same quarter in 2009.

With fewer properties available, the 28 Months of Inventory (MOI) as of 2010's Q1 is -49% lower than the peak of 56 in Q4 '07 and the 55 of Q1 '08, as well as being off -38% from 45 MOI in Q1 '09. With the consistent increase in Pending Sales indicating the probability of increased numbers of sales over previous years during 2010's Q2, the MOI should be less, as historically, the listing inventory declines during the 2nd and 3rd quarters of the year.

The trends noted above and on page 1 of this Newsletter provide evidence for a measure of confidence that the Florida Keys real estate market will continue to show improvement in sales and a decline in available inventory of properties for sale through 2010 should interest rates remain at reasonably low levels.

Marketing News

Success in today's real estate market derives, in large part, from the abilities and activities of the sales agents backed by innovative and leading edge support and marketing programs. CBSREC agents stand alone in their performance participating in almost **1 in 4** transactions Keys-wide with more ranking in the Top 25, 50, 75 & 100 of the 960 agents than the next **6** companies combined. Our agents are twice as productive as the average resulting in **2.5** times more sales than the **#2** company, and an MOI which is less than half that of the market's, providing tangible and measurably better results for our clients. Our **"Every Day Until it's Sold"** marketing program is at the core of this success. It's designed to find buyers wherever they are globally, and is continually updated and optimized to capitalize on their changing needs and preferences for how they look for and digest property information. It integrates national research, the global resources of Coldwell Banker, and our own analytics along with our unparalleled **55** years of experience in selling Florida Keys real estate. **We can provide unrivaled services and a perspective to our customers that other companies simply cannot, the value of which is evident in our performance.** Below is an update on several facets of our **"Every Day Until its Sold"** Marketing Program that drives our agent's success and market dominance.

Our real estate web site, **RealEstateFloridaKeys.com**, had **38,333 visits from 30,997 unique visitors during the 1st three months of 2009, for an average of 426 visits per day.** That is an increase of about 2% from the same period in 2009. 77% were first-time visitors. The visits originated from 121 countries or territories. Our Top 10 international markets, in order, included Canada, the U.K., India, Germany, France, the Netherlands, Australia, Italy and Sweden. The Top 10 points of origin in the U.S. were Florida, New York, Pennsylvania, New Jersey, Illinois, North Carolina, Texas, Ohio, California and Virginia.



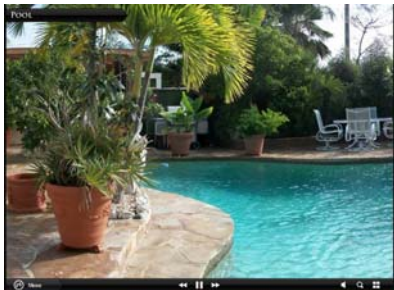
RealEstateFloridaKeys.com is ranked **#1** in Google for "Florida Keys Real Estate," "Florida Keys Commercial Real Estate," "Keys Real Estate," "real estate in Florida Keys," "FL Keys real estate," and is within the Top 10 for terms such as "Florida Keys Realtors," "Florida Keys property," "Key West Real Estate Listings," "Lower Keys real estate," "Key Largo real estate," "Middle Keys real estate," and "commercial real estate Florida" among others. Consequently, 75% of our 1st quarter traffic came through search engines.

Our Site Greeters provide live chat services between 6 a.m. and 1 a.m. 7 days a week. During the 1st quarter, 235 visitors completed chat sessions or filled out "contact us" forms.

Realtor.com is the single, most important real estate web portal with double the market share of the number-two site. Every Coldwell Banker Schmitt sales associate subscribes to Realtor.com's Showcase Enhancements which enables their listings to rank more highly in search results; have up to 25 photos along with virtual tours, videos, and descriptive text, thereby conveying more in-depth info about each listing; and gives site visitors multiple paths through which to contact the agent. It pays off in increased exposure. In the first three months of the year, CBSREC listings had 6,356,512 page views for an average of 488,962 per week. Coldwell Banker Schmitt also advertises on Monroe County search results pages to draw visitors to RealEstateFloridaKeys.com and 170 realtor.com visitors clicked through where our Site Greeters were waiting to engage them in real-time chats.



The first quarter of 2010 was a busy time for the virtual tours of Coldwell Banker Schmitt's sales associates and rental managers. Every CBSREC residential listing carries a virtual tour, almost all of which are created through the VisualTour system. Between January 1 and the end of March, our agents added 196 new VisualTours bringing our active total inventory to 2,179 tours. Those tours were viewed 153,599 times during that time for an average of 11,815 per week. All told, our active tours have been viewed over 891,000 times.



Prospects emailed links to our tours to friends and family 349 times, and 141 of them contacted the agent directly through the tour viewer's email application.

CBSREC agents gained new capabilities in the latest release of VisualTour's software among which is one allowing them to convert VisualTours to videos that can be uploaded directly to video-centric web sites such as Coldwell Banker's "On Location" YouTube channel. Visit youtube.com/coldwellbanker for a look.

During the 1st three months of 2010, **RentalsFloridaKeys.com**, the web site of our sister company, **Florida Keys Vacation Rentals Inc.**, had **43,074 visits from 33,970 unique visitors for an average of 478 visits per day.** This is a 16% improvement over Q1 of 2009. 76% were people who had not previously visited our site. The visits emanated from 106 different countries & territories. The top international points of origin included Canada, the U.K., Germany, India, Netherlands, France, Italy, Norway, Sweden & Austria. Domestically, the top states were Florida, New York, Georgia, Illinois, Pennsylvania, Ohio, Michigan, New Jersey, North Carolina & Virginia.

Our search engine optimization efforts have been yielding dividends and fully 53% of our site traffic came from them. RentalsFloridaKeys.com is within the Top 10 search results on Google for "Keys vacation rentals," "Rentals Florida Keys," "Florida Keys Vacation Rentals," "Florida Keys rental management," "Florida Keys vacation home," "Florida Keys condos," "Florida Keys vacation," "Florida Keys beach rentals," "Key Largo rentals," "Islamorada rentals," "Lower Keys vacation rentals," "Marathon rentals," and "Key West condos."



We offer live chat between 6 a.m. and 1 a.m. to help visitors find the information they need or connect with our rental managers, and 747 visitors completed chats or filled out "contact us" forms during the first three months of 2010. Another 599 used the site's "Click To Call" feature to connect directly with rental managers via telephone.

(continued from page 1)

been **457, 367 and 311** during the 1st Quarters of 2006, 2007 and 2008. The 2010 increase is **+48%** higher than the increase in closed sales and further reflects the extent of buyer interest during the 1st Qtr 2010, and the sustainability of increased closed sales going forward.

New Properties Available For Sale, which are not renewed listings or otherwise recycled existing inventory, rose **+11%** to **1,308**, compared to **1,117** in 2009. The 2009 figure was a **-26%** drop from **1,500** at the end of Q1 2008. Q1 of 2006 was the peak with **2,365** new properties offered for sale.

The **3,814 Properties For Sale** on March 31, 2010 represented a drop of **-16%** from the 2009 number of **4,539** which had declined **-7%** from the **4,856** at the end of March 2008, reversing the previous Q1 increases which peaked at **5,054** properties at the end of March 2007.

The **28 Months Of Inventory (MOI)** versus **46** in March of 2009 is a **-38%** drop, significantly more than the **-15%** for Q1 2009 that had reversed the **+20%** increase in MOI 2008 vs. 2007, and **+35%** for 2007 vs. 2006. This 2010 reduction in MOI is the result of increased sales and the declining inventory of properties, particularly prime properties, available to purchase.

The **Average Listed Price (LP)** declined **-6%** to **\$822K** compared to **\$874K** in March of 2009 when the LP was down **-10%** compared to the **\$970K** of 2008's Q1. **\$1,047K** was the highest Q1 LP at the end of March 2006. The March 2010 LP is **-22%** less than that price.

What is Ahead for the Keys Real Estate Market? March 2010 sales exceed the number for every March since 2006. February sales exceeded sales in that month dating from 2007. January sales topped January since 2007. December 2009 sales also exceed December sales dating from 2006. As noted above, the Pending Sales for all market areas exceeded the number through the past 4 up to 5 years. The number of properties for sale at the end of March was **-25%** less than the record of **5,084** in March of 2007, with the overall trend showing a continual reduction in inventory compared to the same month in past years. The Average Sale Price is down to the 2003 range. Interest in owning property in "Paradise" has been high and our agents are working with a continual stream of serious buyers. Traffic at Open Houses has been very strong during the first quarter of 2010. The increase in buyer activity is attributable to (1) the excessive inventory decline as a consequence of sales increasing **+34%** for 2009 and **+37%** during the first quarter this year, and (2) interest rates remaining very low, while (3) the mortgage loan process becoming more reasonable for buyers with a good credit history. Buyers are often disappointed to find that the market in many regions of The Keys no longer have a number of "Prime Properties" available at bargain prices, and in a few areas some sales prices have been higher than those of the recent years as the inventory of properties for sale is decreasing. The foregoing certainly raises the expectation that the 2010 Keys market will be more productive than those of the past four years. The market numbers at the end of July 2010 will prove whether that optimism was warranted, but we see no signs locally that would appear to alter that forecast.

More Florida Keys History



The swing bridge at Moser Channel had a bridge tender house on top. The span was disabled in an explosion caused by a passing truck.

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."**

Key Largo (877) 289-0035
Islamorada (800) 207-4160
Marathon (800) 366-5181
Big Pine (800) 488-3050
Key West (800) 598-7727

We never stop moving:

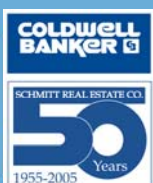


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