TROPICAL BREEZES

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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 2011 vs. 2010

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

	Upper Keys	Middle Keys	Lower Keys	Key West	All Areas
Green (+) Red (-)	(Lower Matecumbe to Key Largo)	(7 Mile Bridge to Long Key)	(Bay Point to Big Pine)	(Key West to Shark Key)	Keys-Wide
Total Number of Sales as of 3/31/11:	55% More 160	16% More 96	31% More 106	5% Less 153	20% More 515
$ Value of Sales as of 3/31/11: (in millions $)	58% More $63.4MM	2% Less $36.9MM	34% More $35.8MM	+4% More $70.2MM	20% More $206.5MM
Avg. Days to Sell as of 3/31/11:	11% More 272	18% More 318	2% Less 217	3% More 151	8% More 240
Sale Price to Original List Price as of 3/31/11:	2% Less 75.82%	43% More 72.27%	3% More 81.96%	1% More 71.69%	7% More 74.65%
Sale Price to Final List Price as of 3/31/11:	No Change 90.05%	1% More 90.76%	1% Less 89.90%	1% Less 92.49%	No Change 90.80%
Avg. Sales Price as of 3/31/11:	2% More $396K	15% Less $384K	2% More $338K	10% More $459K	1% More $400K
Pending Transactions as of 3/31/11:	35% More 239	50% More 153	30% More 144	3% More 180	27% More 716
Number of Properties For Sale as of 3/31/11:	6% Less 1,251	10% Less 742	17% More 668	9% Less 989	4% Less 3,650
Months of Inventory as of 3/31/11:	39% Less 23	21% Less 24	11% Less 19	5% Less 19	20% Less 21
Avg. List Price Properties For Sale as of 3/31/11:	7% Less $796K	10% Less $663K	13% Less $565K	13% Less $812K	11% Less $730K

KEYS-WIDE OVERVIEW

Sales for Q1 of 2011 increased to 515, up **+20%** from **404** in Q1 2010 and exceeds the Q1 totals of: **276** in 2009, **266** in 2008, **367** in 2007, and **415** in 2006. This is the highest number of first quarter sales since **833** in 2005.

The **Dollar Value of Sales** also rose **+20%** to **$206.5MM** compared to the Q1 2010 total of $**168MM**, up **+18%** over 2009. The dollar value of sales declined yearly from 2006 through 2009, falling **-60%**. For 2010, the dollar value of sales rose **+5%** over 2009.

Average Days to Sell rose to **240** days, **+8%** over Q1 2010 which was **221**. It took **238** days during Q1 of 2009.

The **Sale Price-to-Original List Price** (OLP/SP) increased **+7%** to **74.65%** from **69.44%** in Q1 2010. 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 and provides a measure of the mismatch between many sellers' initial expectations and the market price acceptable to buyers.

The **Sale Price-to-Final List Price** (FLP/SP) of **90.8%** did not change from 2010. 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 at the time the property was first listed, and reflects the average discount of about 9% that buyers expect in this market. This discount is down from 13% during the 2007-2009 timeframe and signals a clear tightening in prices.

The **$400K Average Sale Price** (ASP) at the end of the first quarter was **+1%** over the **$398K** for that period last year. This is the first time the ASP has increased since Q1 2006 when it was **$846K**. The $400K today amounts to a reduction of **-53%** during the past 5 years which puts it in the price ranges of 2002 and 2003.

Pending Transactions provide a forecast for closed sales over the next two months as they are properties that have an agreed-upon contract, and are in the process of completing the contract's 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 **+27%** compared to Q1 2010, going from **564** to **716** in 2011. That's the highest since **816** during Q1 2004 after being as low as **362** for the first three months of 2007 and 2008. The 2011 increase in pending transactions is **+39%** greater than the number of closed sales for the quarter, further reflecting the extent of buyer activity during Q1 2011.

The **3,650 Properties For Sale** on March 31, 2011 was a drop of **-4%** from **3,814** in 2010 and is a **-28%** reduction from the peak of **5,084** in March of 2007.

The **21 Months of Inventory** (MOI) from **27** at the end of March 2010 represents a **-20%** decline, continuing down from **48** months on March 31, 2009. The 2011 reduction in MOI results from the simultaneous increase in sales and decline in inventory of properties.

The **Average Listed Price** (ALP) declined **-11%** to **$730K** compared to **$822K** in March of 2010. The ALP peak was **$990K** at the end of 2007, and has fallen **-16%** since then.

SUB-MARKET AREA DETAILS

Number of Sales: With the exception of **Key West**, off **-5%** with **153** sales versus **161** last year, all Keys Markets had increased sales. The **Upper Keys** led, **+55%** to **160** from **103** in 2010. The **Lower Keys** was up **+31%** to **106** compared to **81**, and the **Middle Keys** grew **+16%** to **96** versus **83** during Q1 2010.

Dollar Value of Sales: The **Upper Keys** with the largest increase in number of sales and a slight increase in Average Sales Price (ASP) generated **$63.4MM** in Dollar Value of Sales, **+58%** versus **$40.2MM** in 2010. The **Lower Keys** dollar value rose **+34%** to **$35.8MM** compared to **$26.7MM** last year. Key West, **+4%** to **$70.2MM** over **$67.4MM** in 2010 benefited from a **+10%** increase in average sale price which overcame the **-5%** decline in sales. The only decline came in the **Middle Keys** with a **-2%** drop to **$36.9MM** from **$37.6MM** in 2010 due to a **-15%** decrease in ASP. This follows the **+92%** increase in 2010 over the **$19.6MM** in 2009.

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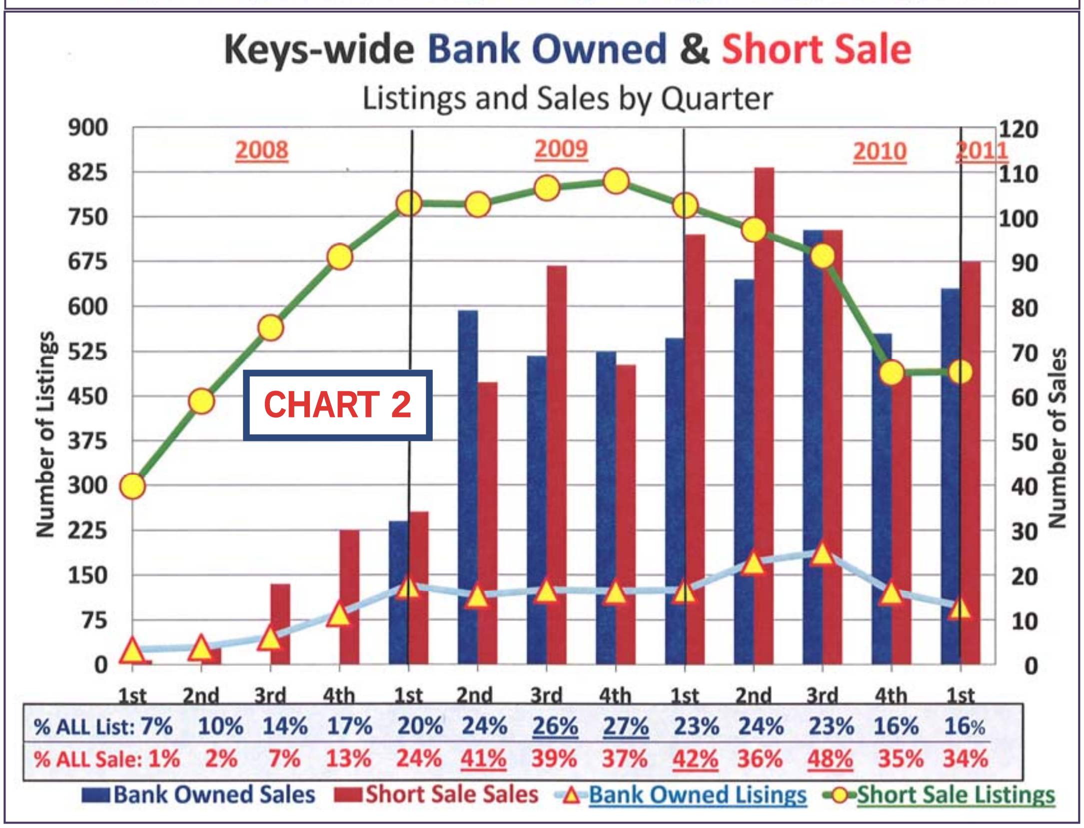
Real Estate Market News

The Turning Point

Chart 1 depicts the relationship between active listings, sales, and pending sales for 2003 through the first quarter of 2011. The listing curve and sales curve are generally mirror images of one another, as one goes up the other goes down and vice versa, while the pendings' curve is a fairly accurate forecast of the upcoming sales trends. During the years 2003 through 2005, the number of pendings consistently undershot the number of sales and accurately predicted the continued decrease in the number of sales in the subsequent quarter on a quarter-by-quarter progression prior to Hurricane Wilma (which was the generally accepted timeline when the Keys real estate market collapsed). During this same period, the number of active listings was increasing quarterly through 2004 and 2005, even before Wilma.
In the years 2006 through 2008, subsequent to Wilma, the number of listings fluctuated around 4,500 before declining in early 2009. During this same period the pending and sales curves were almost super-imposed over one another until Q4 of 2008 when pendings began to outpace sales for the first time since 2003. This appears to be the turning point in the market signaling the start of continuous sales increases and listing inventory declines, a trend that continues today. Pendings are now at their all-time high since the second quarter of 2004. Taken together with the declining listing curve, it portends a very active second quarter and beyond.

Distressed Sales

Chart 2 portrays the current trends since 2008 of distressed sales in the form of Short Sales and Bank Owned properties. Short sale listings appear to have peaked in 2009 while Bank owned listings may now be ebbing after reaching their high point in Q3 of 2010. The combined components of the distressed sales market (Short Sales and Bank Owned) indicate that their relative contribution to the total number of sales has decreased from a peak of about one-half of all sales (48%) in the third quarter of 2010 to a level of about one-third of sales (34%) in the second quarter of 2011. Distressed listings peaked in Q4 of 2009 and comprise only 16% of the entire inventory at the end of Q2 2011. Since sometime in Q4 of 2008, distressed properties have contributed a disproportionate share of the sales based on the relative number of distressed property listings, and clearly demonstrate that this is the area where buyers are concentrating their interest. For instance, in Q3 of 2010, less than one-fourth (23%) of all listings were distressed while about half (48%) of all sales were from this group. As the depletion in number of distressed property listings continues and the number of overall sales continues to increase, there will come a time when the contribution of distressed properties to the overall market, and hence their influence on pricing, will be diminished.



History of the Coldwell Banker Schmitt Charitable Foundation (CBSCF):

Moving Forward By Giving Back

COLDWELL BANKER SCHMITT CHARITABLE FOUNDATION

Since its inception in April 2002, the Foundation has raised **over $798,000** through the generous hearts and spirits of the Coldwell Banker Schmitt Real Estate agents, associates, business partners and affiliates. The funds are primarily used to help residents of the Keys whose critical needs are not being met through other means. These funds have been distributed in the Florida Keys to qualified applicants to bridge a financial gap caused by some unfortunate, yet temporary, situation.

100% of the contributions made to the Foundation are distributed in the Florida Keys, with no administrative costs borne by the Foundation.

Suicide prevention through education and intervention.
Call 743-4445

SUICIDE
HELP KILL THE IDEA

From September 2009 to November 2010, 35 people throughout the Keys have called the Hotline and were counseled or admitted to a facility. We are so grateful.

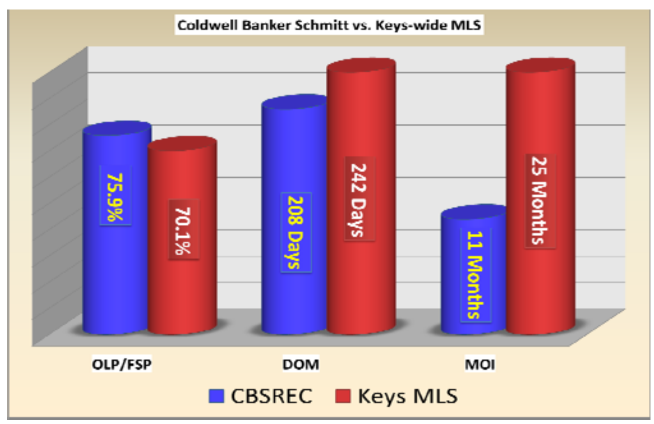
Now to the nuts and bolts... we need your help to fund this effort. During these tough times, the need is very great and funds are short. **To paraphrase another saying,** *"a life is a terrible thing to waste."* **Please help us to help them.**

If you would like to make a 100% tax deductible donation, please contact us at 305-872-5261 or send us a check payable to Coldwell Banker Schmitt Charitable Foundation, 11050 Overseas Hwy., Marathon, FL 33050. Thank you for your support.

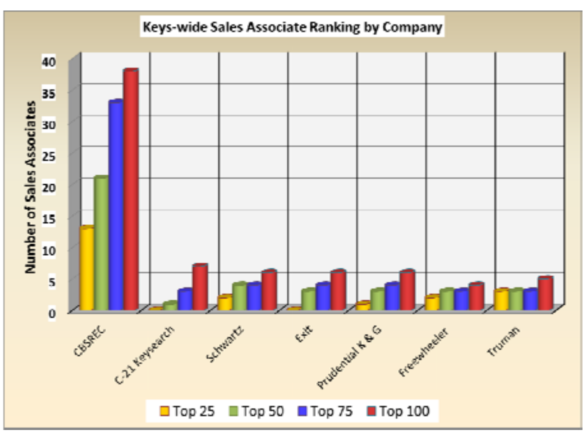
"Moving Forward By Giving Back"
Suicide Prevention Advocates
www.GoodDeedsintheKeys.org

Coldwell Banker Schmitt Outperforms Florida Keys Real Estate Market for 2010

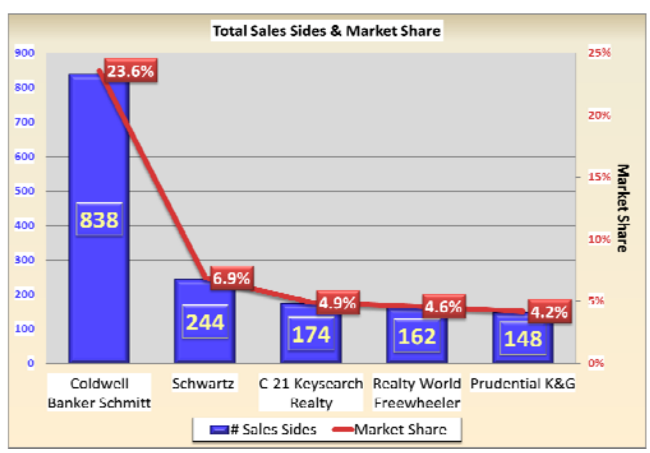
Sellers working with Coldwell Banker Schmitt Realtors® in 2010 and 2011 have benefited in measurable fashion and, based on our Top Ranking Agents and our Listing and Sales Market Share, they will continue to do so throughout 2011.



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.



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More Florida Keys History

1962 FKEC Billboard in Tavernier.
FKEC still serves the Upper Keys all the way to Marathon.

Average Sale Price: The **Middle Keys,** as noted, declined **-15%** to **$384K** compared to **$453K** over Q1 2010, and **$468K** in 2009. The **Upper Keys** and **Lower Keys** ASP increased **+2%** to **$396K** and **$338K,** respectively, compared to **$390K** and **$329K** for 2010 after being **$518K** and **$461K** for Q1 2009. **Key West's** ASP rose **+10%** to **$459K** from **$419K** in 2010. It was **$478K** in 2009.

Pending Sales: **Middle Keys** pending sales increased by **+50%** to **153** compared to **102** during Q1 2010, which greatly exceeded the **52** in 2009. **Upper Keys** grew **+35%** to **239** from **177** last year and **107** in 2009. **144** pending sales was **+30%** beyond **111** in 2010, with **94** in 2009 in the **Lower Keys**. **Key West** pending sales grew by **+3%** to **180** from **174.** There were **112** for Q1 of 2009.

Average Days to Sell: The **Lower Keys** was the single region with a reduction, **-2%** at **217** versus **222** during Q1 2009. **Middle Keys** rose to **318** days, **+18%** over **269** in 2010. The **Upper Keys** was up **+11%** to **272** days compared to **245** days during Q1 2010. **Key West** increased **+3%** to **151** days from **147** last year. We continue to believe that all sale periods are artificially low because they don't accurately account for the property having been previously listed with one or more brokers prior to being sold. Additionally, short sales have impacted the days-to-sell as some have taken over one year to close even after contracts were signed.

Number of Properties For Sale: Only the **Lower Keys** market had an increase in properties for sale, **+17%** with **668** vs. **571** last year, and **721** in 2009. The **Middle Keys**, with **742** listings compared to **823** in 2010, was down **-10%**. There were **929** on March 31, 2009. **Keys West** declined by **-9%** to **989** compared to **1,091** in 2010 and **1,406** in 2009. **Upper Keys** listings dropped **-6%** to **1,251** from **1,329** in 2010, with **1,483** for sale in 2009.

Months of Inventory (MOI): Reflecting the increase in the number of sales and a reduction in properties on the market, all Market Areas' MOI declined with the biggest drop, **-39%** to **23** MOI from **39** in 2010, occurring in the **Upper Keys.** It had been **63** months in 2009. Next, with a **-21%** reduction was the **Middle Keys**, also with **24** MOI compared to **30** in 2010 and **66** in 2009. The **Lower Keys** MOI of **19** was **-11%** down from **21** MOI in 2010 and **30** in 2009. **Key West** also had **19** MOI, down **-5%** from **20** last year and **38** on March 31, 2009.

Average List Price: The **Lower Keys** & **Key West** had the biggest reduction with **-13%**. The **Lower Keys** reduced to **$565K** from **$653K** in 2010. It was **$623K** in 2009. **Key West** reduced to **$812K** compared to **$938K** in 2010 and **$983K** for 2009. The **Middle Keys** was next with **-10%** to **$663K** from **$732K** in 2010 and **$841K** in 2009. **Upper Keys** list prices dropped **-7%** to **$796K** from **$855K** in 2010 and **$914K** in 2009.

What do these Numbers Forecast?
With **20%** more sales at stabilized prices coupled with **4%** fewer properties for sale and **27%** more sales pending, the market forecast for the second quarter of 2011 is the most positive it has been in a number of years. The increase in pending sales will continue to fuel an increased number of sales in Q2 and decreasing inventories will continue to stabilize pricing.

We never stop moving:

COLDWELL BANKER

SCHMITT REAL ESTATE CO.

Moving Forward By Giving Back

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