

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 September 2007 vs 2006

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

KEYS-WIDE OVERVIEW

To present a balanced overview of 2007 and current market trends, we must first revisit what's taken place since 2005. The first quarter of 2005 was the all-time high sales period in our history and the trends we'll discuss date from that time.

During the 1st nine months of 2006, the Keys-wide number of sales for all properties declined **-48%** and the average sale price was up **+1%** versus the same period in 2005. By the end of 2006, the number of sales had declined **-45%** versus 2005, while the average sales price went up **+2%**.

Over the 1st nine months of 2007, the reduction in sales was down to **-12%** with a **-7%** drop in average sale price compared to the same period in 2006.

The trend of declining number of sales is leveling off while average sales prices are continuing their decline in the face of large inventories of properties for sale. The number of sales in 2007 is off **-54%** from 2005 and **-62%** from the peak number for calendar year 2004.

The year-to-date 2007 dollar value of sales declined **-19%** compared to the same period in 2006, reflecting reduced average sales prices in 2007. From January to September 2006 it was down **-44%** compared to the 1st nine months of 2005.

Average days-to-sell rose **+32%** compared to 2006, which in turn was up **+17%** over 2005. The lowest days on market measured was in 2004 at **140** days compared to a current **228** days.

The original list price (the price of a property when initially listed for sale versus the list price at the time the property goes under contract), which provides a more realistic indication of the market, during the January to September time period was **82.5%**, off **-4%** compared to the same period in 2006. The average "Sold Price" YTD for 2007 is **\$744K**, a **-7%** drop from the **\$802K** during the same period of 2006, which was the all-time Keys high.

The number of new properties listed for sale from January to September this year dropped **-23%** compared to the same period in 2006 when the number had increased **+16%** over the 1st nine months of 2005. This indicates that the flood of new listings we experienced after Hurricane Wilma is subsiding. Total properties on the market for sale on September 30, 2007 increased just **+2%** with a drop of **-2%** in average list price over that date in 2006, at which time listed properties had increased **+40%** over September 30, 2005 with no change in average list price. The "Months of Inventory" of properties on the market at the end of September 2007 rose by **+16%** to **37** versus **32** months on the same date in 2006, mostly as a result of fewer sales in 2007.

Green (+) Red (-)	Upper Keys (Lower Matecumbe to Key Largo)	Middle Keys (7 Mile Bridge to Long Key)	Lower Keys (Bay Point to Big Pine)	Key West (Key West to Shark Key)	All Areas Keys-Wide
Total Number of Sales	19% Less	25% Less	6% Less	.5% Less	12% Less
As of 9/30/07:	343	164	195	366	1,068
\$ Value of Sales	17% Less	32% Less	17% Less	15% Less	19% Less
As of 9/30/07: (in millions \$)	\$258MM	\$116MM	\$114MM	\$305MM	\$794MM
Avg. Days To Sell	26% More	34% More	37% More	29% More	32% More
As of 9/30/07:	241	251	247	174	228
Avg. Sales Price	2% More	10% Less	12% Less	14% Less	7% Less
As of 9/30/07:	\$752K	\$712K	\$587K	\$833K	\$744K
Original List Price to Sale Price	3% Less	4% Less	11% Less	2% More	4% Less
As of 9/30/07:	77.3%	84.5%	75%	93.2%	82.5%
New Properties Listed	7% Less	9% Less	27% Less	40% Less	23% Less
As of 9/30/07:	1,347	648	571	1,005	3,571
Avg. List Price Properties "For Sale"	1% More	4% Less	N/C	7% Less	2% Less
As of 9/30/07:	\$1.1MM	\$967K	\$706K	\$991K	\$969K
Months of Inventory	30% More	26% More	3% More	6% More	16% More
As of 9/30/07:	39	43	32	34	37
Number of Properties "For Sale"	3% More	3% Less	5% Less	9% More	2% More
As of 9/30/07:	1,469	794	692	1,394	4,349

KEYS-WIDE MARKET AREA DETAILS

Number of Sales: Key West had, by far, the smallest decline in sales with **-5%** to **366**, followed by the Lower Keys **-6%** and **195** properties sold. The Upper Keys declined **-19%** to **343** with the Middle Keys again having the largest decline, **-25%** with **164** sales since January 1, 2007. Total Sales Keys-wide were **1,068**, a **-12%** reduction compared to 2006.

Value of Sales: Key West with a **-15%** drop to **\$305M**, and the Lower Keys at **\$114M** and Upper Keys at **\$258M** each experienced a **-17%** decline in the overall Dollar Value of Sales. The Middle Keys with **\$116M** in over all value of properties sold had the largest decrease, **-32%**. Keys-wide the value of all sales was **\$794M**, a **-19%** overall decline from 2006.

Average Days to Sell: The number of days a property was on the market for sale prior to obtaining a ratified contract rose the most in the Lower Keys, **+37%** to **247** days, followed by the Middle Keys with **+34%** to **251** days, with Key West up **+29%** to **174** days, and the Upper Keys increasing to **241** days a **+26%** rise. Across The Keys, the average was **228** days for a **+32%** change.
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Real Estate Market News

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

Comparison of Florida Keys Single Family Waterfront and Non-Waterfront Market January to September 2007 vs. 2006

Keys-wide Single Family Waterfront homes accounted for **307** or **29%** of the sales and **41%** of the sales dollar value with a total of **\$322M** year-to-date. Non-Waterfront homes sales dollar value was **\$118M**, which is **15%** of the total sales value year-to-date, and the **216** sales equates to **20%** of all property sales Keys-wide. Combined numbers for Single Family properties reveal they account for **49%** of the sales and **56%** of the dollar value of the Florida Keys real estate market.

On average, Waterfront homes sell **+48%** higher at **\$1.1MM**. Non-Waterfront average **\$546K** or **-27%** lower than the Keys-wide Average Sales Price of **\$744K**. Days on the market for Waterfront properties has averaged **221**, **-3%** lower than the **228** for all properties and **-5%** lower at **216** for non-waterfront.

The number of Waterfront homes listed for sale, **1,014** equates to **23%** of the properties on the market on September 30 with the **652** for Non-Waterfront comprising **15%**. Combined Single Family homes account for **38%** of the total market. The average list price of Waterfront homes is **\$1.5MM** or **+61%** higher than the **\$969K** average for all Keys properties. Non-Waterfront homes average **\$756K**, which is **-22%** lower.

	Waterfront Properties				Non-Waterfront Properties			
	Upper Keys	Middle Keys	Lower Keys	Key West	Upper Keys	Middle Keys	Lower Keys	Keys West
Sales								
2007	121	50	110	26	100	41	23	108
2006	106	40	117	23	95	11	31	75
% Chg.	14%	25%	-6%	13%	-5%	-73%	35%	-31%
Avg. SP								
2007	\$1.3MM	\$1.1MM	\$745K	\$1.1MM	\$407K	\$343K	\$360K	\$860K
2006	\$1.4MM	\$1.2MM	\$846K	\$882K	\$494K	\$472K	\$423K	\$970K
% Chg.	-7%	-8%	-12%	29%	-17%	-27%	-15%	-11%
OLP/SP								
2007	74.6%	86.1%	89.3%	79.8%	83.2%	79.9%	77.8%	79.5%
2006	73.7%	82.4%	84.1%	55.6%	88.3%	87.2%	83.6%	90.0%
% Chg.	1%	4%	6%	43%	-6%	-8%	-7%	-11%
DOM								
2007	243	254	218	172	212	185	293	177
2006	190	156	169	168	154	178	180	182
% Chg.	28%	63%	29%	2%	37%	4%	63%	-3%
Listings								
2007	415	179	348	72	254	77	70	251
2006	410	168	316	N/A	268	68	95	N/A
% Chg.	1%	7%	10%	N/A	-5%	13%	-26%	N/A
Avg. LP								
2007	\$1.97MM	\$1.79MM	\$1.01MM	\$1.22MM	\$528K	\$529K	\$440K	\$1.14MM
2006	\$1.95MM	\$1.58MM	\$1.02MM	N/A	\$607K	\$590K	\$464K	N/A
% Chg.	0.6%	13%	-1%	N/A	-13%	-10%	-5%	N/A

The months of inventory for Waterfront homes is **30**, which is **-19%** lower than the **37** months for all property types, while Non-Waterfront at **27** is **-27%** lower.

For the 1st nine months of 2007, sales of Single Family Waterfront homes increased **+25%** across the Middle Keys, **+14%** in the Upper Keys and **+13%** throughout Key West compared to the same period in 2006. The Lower Keys is the only area with fewer sales, **-6%**, however, that region experienced a **+35%** increase in Non-Waterfront sales while all other market areas were down: the Upper Keys **-73%**, Key West **-30%**, and the Upper Keys **-5%**. Overall, the number of sales of waterfront and non-waterfront homes sales has increased **+16%** year-to-date.

Keys-wide, the overall decline in average sales price for all types of properties was **-7%** to **\$744K**. Waterfront residences varied from an increase of **+29%** to **\$1.1MM** in Key West to decreases of **-12%** at **\$745K** in the Lower Keys, **\$1.1MM**, an **-8%** drop in the Middle Keys, and **\$1.3M**, **-7%** through the Upper Keys. For Non-Waterfront homes, the percentage decrease was typically larger: **-27%** to **\$343K** in the Middle Keys, with **-17%** to **\$407K** at the Upper Keys, **-15%** at **\$360K** for the Lower Keys, and Key West **-11%** to **\$860K**.

The ratio of Original List Price to Sales Price increased for all Waterfront homes with Key West leading the market with a **+43%** increase over 2006 to **79.8%**. The remaining areas had much smaller increases. The Lower Key grew **+6%** to **89.3%**, Middle Keys **+4%** to **86.1%** and the Upper Keys just **+1%** to **74.6%**. Keys-wide the average was **82.5%**, a **-4%** drop from last year. Non-Waterfront on the other hand had a decline in all areas. Key West experienced the highest drop **-11%** to **79.5%**, followed by Marathon **-8%** to **79.9%**, then the Lower Keys **-7%** at **77.8%**, and **-6%** with **83.2%** for the Upper Keys.

The number of properties on the market for sale also increased for all regions with Waterfront homes; growing by **+10%** in the Lower Keys to **348**, **+7%** with **179** properties in the Middle Keys and **+1%** to **415** properties spread through the Upper Keys. Due to Key West's 2006 change in MLS systems, listed property data is not available for 2006. For Non-Waterfront homes, prices decreased across all areas from the Lower to Upper Keys. Non-Waterfront homes for sale, however, increased only in the Middle Keys up **+13%** to **77** while down **-26%** to **70** in the Lower Keys (remember the LK had a **+34%** increase in sales), and off **-5%** for the Upper Keys with **254** properties listed.

The average list price for Waterfront properties was up **+13%** in the Middle Keys to **\$1.79MM**, **+6%** in the Upper Keys at **\$1.97MM** and **-1%** to **\$1.01MM** for the Lower Keys. The Upper Keys declined the most, **-13%** at **\$528K**, followed by the Middle Keys **-10%** to **\$529K**, and Lower Keys at **\$440K** was down **-5%**.

The Single Family Waterfront market has shown signs of recovery during 2007 with total sales increasing and the Original List Price to Sales Price ratio increasing while prices, except for the big jump in Key West, remain lower than for the 1st nine months of last year. Since it is a major segment of the Florida Keys real estate market, **29%** of the sales and **41%** of the dollar value of sales, the positive activity to date may be a precursor to further encouraging movement in other segments of the market in the months ahead.

Yearly Mortgage Comparison As Of September 30, 2007*

Loan Type	2007		2005		2003		2001	
30-yr Fixed Rate Mortgages Rate/Points	6.38%	0.5%	5.77%	0.6%	6.15%	0.6%	6.82%	0.9%
1-yr Adjustable Rate Mortgages Rate/Points	5.66%	0.7%	4.51%	0.7%	3.86%	0.6%	5.57%	0.9%

*Source: Freddie-Mac

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2007 Home Price Comparison Index

Coldwell Banker's 2007 Home Price Comparison Index (HPCI)

The Coldwell Banker HPCI presents a snapshot study that provides insight into the most expensive and most affordable markets among 317 markets across the United States (including one in Puerto Rico), 26 in Canada and 51 outside of U.S./Canada. This is the second year that markets outside of U.S./Canada are included in the HPCI. The data allows you to calculate what your home may be worth in another city thereby providing preliminary guidance for the affordability of housing from one market to another. It is a useful tool for determining what your home may be worth in another area of North America or worldwide. The HPCI is based on a typical 2,200 sq/ft. 4 bedroom, 2.5 bath home with a two-car garage.

Market rankings and automated indexing formula for the United States and Canada is available on <http://hpci.coldwellbanker.com>. Complete the fill-in boxes and click "Compare" to quickly approximate how much your home might cost in any of the 340 markets across North America or Canada. To view and/or print the entire survey for the US or Canada click on "Full Data" at the top of the screen. You can also obtain Neighborhood Information and view properties for that location. If you are interested in the cost of homes in markets outside of North America click on "HPCI Press Release" to the right of "Full Data" at the top of the screen then select "International Data Chart" to view the price of a home in US dollars and the currency of the nation of interest.

Coldwell Banker Schmitt's 2007 Florida Keys HPCI

CBSREC developed a HPCI for the Florida Keys to cover all market segments of The Keys in addition to Key West (which is listed in Coldwell Banker's HPCI). Our purpose is to provide comparison data for Keys residents and those interested in moving to The Keys. That data base consists of a typical 2,200 sq/ft waterfront property for all areas except Key West, where non-waterfront homes predominate.

You can use this chart to determine the approximate replacement value of your Keys Property in another area of North America and also to determine what the replacement value of a property in another area of North America would be for any Keys location.

Example: If you live in Key Colony Beach and your home is valued at \$1,420,000, what would be the approximate cost to replace it with a similar home in Pensacola, FL? Multiply the value of your current home by the Pensacola index number provided in the Coldwell Banker HPCI's "Full Data" chart, which is 57. Divide that number by the index number for Key Colony Beach (312). Your home $\$1,420,000 \times 57 = 80,940,000$ divided by 312 = \$259,423 for an approximate replacement value in Pensacola. To determine the approximate replacement value of a 2,200 sq/ft Sarasota, FL home in the Lower Keys multiply the Sarasota \$367,500 by 286 = 105,105,000 and divide by 87, the index # for Sarasota = \$1,208,103. To have a copy of the Florida Keys HPCI emailed to you, contact us at: info@cbschmitt.com.

Florida Keys Home Price Comparison Index

<u>AREA</u>	<u>TYPE</u>	<u>AVERAGE SALE PRICE</u>	<u>INDEX #</u>
Key Largo (MM 91—106)	WF	\$1,342,400	317
Islamorada (MM 65—90)	WF	\$1,269,045	300
Duck Key	WF	\$1,415,000	335
Key Colony Beach	WF	\$1,320,000	312
Marathon & Coco Plum	WF	\$1,180,357	279
Lower Keys	WF	\$1,209,309	286
Key West Old Town (MM 0—1.2)	NWF	\$1,257,375	297
Key West New Town (MM 1.2—4)	NWF	\$969,611	229
Key Haven	WF	\$904,372	226

WF = Waterfront

NWF = Non-Waterfront

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Average Sales Price: Key West, the Lower Keys and Middle Keys had sales price drops during this time period versus 2006 with Key West down **-14%** to **\$833K**, the Lower Keys **-12%** at **\$587K** and the Middle Keys **-10%** to **\$712K**. Only the Upper Keys experienced an increase, **+2%** to **\$752K**; which is a **+8%** rise from **\$697K** at the end of the 1st Quarter 2007. Overall, the average for the Keys was down **-7%** to **\$744K**. That is a **+11%** increase in average sales price since the end of the 1st Quarter this year when it was **\$670K**.

Original List Price to Sale Price: The Lower Keys experienced the biggest decrease **-11%** to **75%** followed by the Middle Keys with **-4%** at **84.49%**, and **-3%** to **77.3%** for the Upper Keys. The only area with an increase was Key West **+2%** to **93.22%**. Overall the Keys-wide market was **-4%** to **82.51%** of original listed price to accepted offer price.

New Properties Listed: Continuing the trend established during the 1st Quarter 2007 the number of new properties listed for sale declined **-23%** from Jan-Sep with Key West experiencing the largest decline **-40%**, followed by the Lower Keys at **-27%**. The Middle Keys had a **-9%** drop and the Upper Keys **-7%** fewer new properties listed.

Average List Price: For Key West **\$991K** is a **-7%** drop compared to **\$1M** a year ago. The Middle Keys had a **-4%** decrease to **\$967K** versus **\$1M**. The Lower Keys average list price remained the same as last year, **\$706K** and was up just **+1%** to **\$1M** in the Upper Keys.

Months of Inventory: The inventory of properties for sale increased the most in the Upper Keys, **+30%** to **39** months followed by **+26%** and **43** months in the Middle Keys. Key West and the Lower Keys, with improving sales statistics, combined with the largest decline in number of new properties placed on the market since January, have the lowest increase, **+6%** to **34** months for Key West and **32** months, a **+3%** rise in the Lower Keys.

Number of Properties For Sale: Both the Lower and Middle Keys had fewer properties listed for sale on September 30, 2007., dropping **-5%** to **692** in the Lower Keys and **-3%** to **794** in the Middle Keys than on the same date a year ago. The available properties in Key West increased **+9%** to **1,394**, and the Upper Keys **1,469**, equating to a **+3%** rise.

What is Ahead for the Keys Real Estate Market? Buyer interest continues to increase for appropriately priced properties. As long as the supply of properties available continues to far exceed the number of sales, buyers will have a large selection from which to choose and prices will continue to suffer. With the internet, buyers have become very knowledgeable about the market and pricing, and are looking for properties to purchase that reflect good value.

Interest rates remain at historic low levels, economic forecasts continue to be positive, we have had another hurricane-free season to date, and The Keys market has shown improvement in the Single Family Waterfront property sector which is the primary market for The Keys. (See page 2 for data concerning the Single Family Waterfront and Non-Waterfront markets.) Additionally the commercial market has been more active year-to-date. Overall, there are indications the market could be near the bottom and may start to gradually head toward a more sustainable level of growth.

Though the real estate market has been much slower the past two and one-half years and a number of companies are closing offices and reducing staff, Coldwell Banker Schmitt has been able to grow market share and continues to lead each market area for Sold Sides. CBSREC now has up to **35%** of the market in the Middle and Lower Keys where we sell more than **1** of every **3** properties. Our focus remains on providing the systems, training and support for our agents to ensure they help you achieve your real estate goals.

2007 sales statistics conclusively show that CBSREC agents' are able to sell your property more quickly and at higher prices than other agents. Our sales-to-listings ratio is by far the highest of any of the Top 10 companies – all of which benefits our customers.

More Florida Keys History For You



The Worldwide Sportsman building in Islamorada in the early 1980s with the Green Turtle Cannery to the left and Sea Lark Marine to the right.

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



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