

# Coldwell Banker Schmitt

Tropical



Breezes

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The Real Estate Newsletter  
of the Florida Keys!

Fall 2004

## Florida Keys Real Estate Market\* Comparison 1st Half 2004 Vs. 2003

\*Source: Tri-Services Multiple Listing Service (MLS) Board Key Largo To Key West.  
(Sales Activity From Sales Reported Through The MLS Services And Do Not Include All Sales.)

Overall, the real estate market Keys-wide continued to experience strong buyer interest as the number of properties sold during the 1<sup>st</sup> half of 2004 compared to 2003 increased **14%**. The Upper Keys with a **27%** and Key West at **15%** increase in sales led the Keys. The Lower Keys had a **5%** and Middle Keys a **3%** growth in number of sales.

The dollar value of all property sales reached **\$1.1 billion dollars**, a **51%** increase over the 1<sup>st</sup> half of 2003. That compares to a **40%** increase during the 1<sup>st</sup> half of 2003 Vs 2002. This is the first time the total value of sales has achieved a billion dollars in a six month period. The total value of all sales for the entire year in 2003 was \$1.4B.

Every market area was up, with Key West again leading the way with a **62%** increase, followed by the Upper Keys with **58%**, the Lower Keys at **42%** and the Middle Keys **+9%**. You will notice on page 2 the increase in value by property type for properties that sold for \$500,000 or more when compared to the 1<sup>st</sup> half of 2003.

The average days to sell a property dropped **10%** Keys-wide. Key West declined **24%** to **138** days, followed by the Middle and Lower Keys each with a **13%** drop to **142** and **125** days respectively. Only the Upper Keys experienced an increase, which was **+9%** to **159** days.

Obviously the average sales price again grew throughout the Keys. The overall rise was **32%** to **\$548K** versus **\$415K** for the 1<sup>st</sup> half of 2003, **\$317K** for 1<sup>st</sup> half 2002 and **\$296K** on July 1, 2001. Key West had the highest increase of **41%** followed by the Lower Keys with **35%**. The Upper and Middle Keys realized **25%** and **24%** increases respectively.

As expected, in such an active market, the inventory of available properties again declined in every area except for the Middle Keys where it was up **9%**. Nevertheless, the number of properties available "For Sale" in the Middle Keys, **254** is just **21** above the record low of the past decade, **232** on July 1, 2003. Keys-wide the "For Sale" inventory dropped **12%** to **1,276**. The Lower Keys lead the way with a **26%** decrease to **190** followed by the Upper Keys at **-22%** with **445** properties. Key West availability of properties was **387** versus **385** on July 1, 2003.

(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> Keys Wide
<b>Green (+)</b> <b>Red (-)</b>					
<b>Total Number of Sales</b> <b>1st Half 2004:</b>	<b>27% More</b> 704	<b>3% More</b> 328	<b>5% More</b> 391	<b>15% More</b> 582	<b>14% More</b> 2,005
<b>\$ Value of Sales</b> <b>1st Half 2004:</b> (in millions \$)	<b>58% More</b> \$321M	<b>28% More</b> \$184M	<b>42% More</b> \$156M	<b>62% More</b> \$441M	<b>51% More</b> \$1,102M
<b>Avg. Days To Sell</b> <b>1st Half 2004:</b>	<b>9% More</b> 159	<b>13% Less</b> 142	<b>13% Less</b> 125	<b>24% Less</b> 138	<b>10% Less</b> 143
<b>Avg. Sales Price</b> <b>1st Half 2004:</b>	<b>25% More</b> \$456K	<b>24% More</b> \$560K	<b>35% More</b> \$399K	<b>41% More</b> \$758K	<b>32% More</b> \$548K
<b>Properties "For Sale"</b> <b>1st Half 2004:</b>	<b>22% Less</b> 445	<b>9% More</b> 254	<b>26% Less</b> 190	<b>No Change</b> 514	<b>12% Less</b> 1,276

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# Real Estate Market News

## Comparison Of Properties Selling \$500,000+ By "Property Type" Keys Wide 1st Half 2004 vs. 2003

\*Source: Tri-Services Multiple Listing Service (MLS) Board Key Largo To Key West.  
(Sales Activity From Sales Reported Through The MLS Services And Do Not Include All Sales.)

This chart segments by "Property Type" properties selling at \$500,000 and up from January through June 2004 vs 2003. The **32%** overall increase Keys-wide in average sales price shown on page 1 pushed a number of sales into the \$500K and beyond range.

**SINGLE FAMILY:** As an example, Keys-wide single family property sales increased **62%** with the value of the properties sold growing by **68%**. The biggest increase again came in the Lower Keys with a **98%** growth in properties sold and a **94%** growth in value. Key West was next with **86%** more properties sold and a **105%** increase in value of the sales. The Upper Keys realized a **70%** growth with **79%** greater sales value. The Middle Keys was the only market experiencing a decline in number of properties sold **-22%** and overall value **-23%**.

	Single Family		Condominium		Duplex		Land		Commercial	
	#	\$Vol	#	\$Vol	#	\$Vol	#	\$Vol	#	\$Vol
<b>Keys-wide</b>										
2004	537	\$481M	151	\$107.2M	20	\$14.2M	18	\$16.2M	46	\$117M
2003	332	\$286M	53	\$37M	8	\$6M	15	\$14M	34	\$55M
<b>% Change</b>	<b>+62%</b>	<b>+68%</b>	<b>+185%</b>	<b>+190%</b>	<b>+150%</b>	<b>+136%</b>	<b>+20%</b>	<b>+16%</b>	<b>+35%</b>	<b>+112%</b>
<b>Upper Keys</b>										
2004	148	\$144.5M	37	\$26M	3	\$2.3M	6	\$5.2M	9	\$19.2M
2003	87	\$80.6M	18	\$21.1M	1	\$9M	2	\$1.3M	6	\$6.9M
<b>% Change</b>	<b>+70%</b>	<b>+79%</b>	<b>+105%</b>	<b>+23%</b>	<b>+200%</b>	<b>+155%</b>	<b>+200%</b>	<b>+300%</b>	<b>+50%</b>	<b>+64%</b>
<b>Middle Keys</b>										
2004	52	\$46.2M	29	\$18.7M	6	\$3.7M	4	\$3M	12	\$29.6M
2003	67	\$60.1M	9	\$5.6M	0	\$0M	9	\$8.7M	6	\$10.7M
<b>% Change</b>	<b>-22%</b>	<b>-23%</b>	<b>+222%</b>	<b>+234%</b>	<b>+600%</b>	<b>+370%</b>	<b>-55%</b>	<b>-65%</b>	<b>+100%</b>	<b>+176%</b>
<b>Lower Keys</b>										
2004	115	\$83.5M	0	\$0M	0	\$0M	0	\$0M	2	\$1.4
2003	58	\$42.9M	0	\$0M	0	\$1.8M	0	\$0M	2	\$1M
<b>% Change</b>	<b>+98%</b>	<b>+94%</b>	<b>0</b>	<b>\$0M</b>	<b>0%</b>	<b>0%</b>	<b>0</b>	<b>\$0M</b>	<b>N/C</b>	<b>+40%</b>
<b>Key West</b>										
2004	222	\$207.1M	85	\$62.4M	11	\$8.1M	8	\$7.9M	23	\$66.7M
2003	119	\$101.5M	26	\$19.5M	6	\$3.6M	4	\$4.3M	20	\$36.5M
<b>% Change</b>	<b>+86%</b>	<b>+105%</b>	<b>+226%</b>	<b>+220%</b>	<b>+83%</b>	<b>+125%</b>	<b>+100%</b>	<b>+84%</b>	<b>+15%</b>	<b>+83%</b>

**CONDOMINIUMS:** The majority of condominiums, which are available in Key West and the Upper Keys, realized a **185%** increase in sales and a **190%** jump in sales value Keys-wide, again exceeding the growth of the single family market by a wide margin. Key West and the Middle Keys had the largest increase with a **226%** and **222%** jump in sales and **220%** and **234%** rise in sales value respectively. The Upper Keys grew by **105%** in number of sales and **23%** in value.

**DUPLEX:** The Duplex market Keys-wide has primarily been in Key West, which had an **83%** increase in number of sales and a **125%** increase in value. The Middle Keys, however, now has a number of duplex units in the \$500,000 and over range and the Upper Keys market increased **200%** in sales and **155%** in value of those sales.

**LAND:** Last year the biggest growth in the \$500K and up market segment was vacant land, which had **275%** more properties sold with a **366%** increase in value. This year the growth was **+20%** in number of sales and **+16%** in value of sales. This reflects to some extent the limited amount of vacant land now available in the Keys as well as the long process for obtaining approval to build. That is why lots with a building permit bring a premium price. Key West had the most sales with **8** for a **100%** increase and **84%** growth in value. The Upper Keys sold **6** parcels above \$500K for a **200%** increase and a **155%** in sales value. The Middle Keys was next with **4** sales, down **-55%** and also down by **-65%** for value of land sales.

**COMMERCIAL:** Commercial sales grew by **35%** with a **112%** increase in value Keys-wide. The Middle Keys realized a **100%** growth in number and **175%** rise in dollar value of sales. Upper Keys commercial property sales grew by **50%** in number with a **64%** rise in value. As expected, Key West again had the most sales with **23**, a **15%** increase from the 1<sup>st</sup> half of 2003 and an **83%** increase in dollar value.

CBSREC places a major emphasis upon training and designating qualified agents to list and sell properties in the upper-tier price ranges. These are our **Coldwell Banker "Previews"** designated agents who complete a special training course, and have listed and sold properties in the top **10%** of the market price range. We recognize the importance of proper marketing and handling of such properties. The result is that our agents sell **72%** more properties valued at over \$500K Keys-wide than our nearest competitor. If you know of someone who is interested in selling or purchasing an upper-tier property have them contact one of our offices and ask for a **"Previews"** designated agent. They will thank you!

### Yearly Mortgage Comparison As Of July 1, 2004\*

Loan Type	2004		2003		2002		2000		1994		1984	
<b>30-yr Fixed Rate Mortgages</b>	6.21%	0.6%	5.63%	0.5%	6.49%	0.6%	8.15%	0.9%	8.61%	1.8%	14.16%	2.6%
<b>15-yr Fixed Rate Mortgages</b>	5.62%	0.6%	4.97%	0.5%	5.93%	0.5%	7.87%	0.9%	8.11%	1.7%	N/A	N/A
<b>1-yr Adjustable Rate Mortgages</b>	4.19%	0.7%	3.57%	0.6%	4.51%	0.5%	7.28%	0.9%	5.52%	1.5%	12.20%	2.6%

\*Source: Freddie-Mac

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# Monroe County Information

## OVERVIEW OF MONROE COUNTY REQUIREMENTS FOR PROPERTIES LOCATED IN A COASTAL FLOODPLAIN

**Floodplain Management Information:** All of Monroe County is identified as a coastal floodplain and may be subject to flooding. Monroe County enforces a Floodplain Management Ordinance that requires structures built after December 31, 1974 to have the lowest floor elevated to or above the base flood elevation. The owner or purchaser of a structure built after 1974 with *habitable space* below the base flood elevation may be faced with unforeseen expenses.

Legally permitted enclosures below the base flood elevation built after 1974 are for **limited storage** and parking only! **Limited storage** means storage of lawn mowers, rakes, wheelbarrows and similar equipment that are normally stored outside. Limited storage does not apply to household furnishings, workbenches, freezers, refrigerators or other items subject to damage if exposed to salt water. ***If you are purchasing a home with a finished enclosure below the base flood elevation it MAY not be permitted construction and MAY be subject to enforcement proceedings.***

**Monroe County Flood Inspection Procedure:** Monroe County implemented an inspection procedure in March of 2002 that is expected to span a six year period. All structures that have opaque wall enclosures below base flood elevation and are insured under the National Flood Insurance Program are subject to this inspection procedure. The inspections began with the most current enclosures and will work back to the effective date of Monroe County's participation in the National Flood Insurance Program which was January 1, 1975.

**Inspection of Residential Structures Transferring Ownership:** Monroe County has also implemented a program for inspection prior to the transfer of ownership of any property occupied by an elevated residential structure with a below base flood enclosed area defined as "new construction" (i.e., construction commenced on or after January 1, 1975). The required inspection shall occur no earlier than one hundred eighty (180) days prior to the transfer of the property. The intent of the inspection, which is strictly limited to the below base flood enclosure, is to identify for county records any non-conformities and to disclose these non-conformities to the new property owner. The inspection required may be conducted either by an inspector from the growth management division or by an inspector approved by the growth management division. All inspections shall be in accordance with approved procedures and recorded on county forms. Non-county inspectors from an approved list maintained by the growth management division may be retained by property owners to complete the inspections. The original of the inspection report, signed by the county inspector or county approved inspector, shall be included in all agreements for deed, purchase agreements, leases, or other contracts for sale or exchange of a property with an elevated residential structure. A copy of the inspection report shall be filed with the growth management division within ten (10) days of the transfer of property. Though the inspection is not mandatory for the transfer of ownership, should the inspection not occur or the inspection report not be filed with the growth management division, Monroe County will not issue a permit for any improvements to the structure and the property it occupies until such an inspection report is submitted, unless the permit is required to remedy a life safety hazard. In addition, violations may be addressed through code enforcement proceedings.

CBSREC recommends Sellers and Buyers obtain the latest information regarding the insurance inspection program, the transfer of property inspection program, flood elevations, restrictions on development and the permitting requirements for construction below base flood elevation for Monroe County or any of the Cities within Monroe County by contacting the Monroe County Office of Floodplain Management at 305-289-2518, at the Monroe County Growth Management Division, The City of Marathon at 305-743-0033, the City of Key Colony Beach at 305-289-0247, the Village of Islands at 305-664-2345, the City of Layton at 305-664-4667, and the City of Key West at 305-295-1000.

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## Coldwell Banker Schmitt News

Coldwell Banker® Schmitt is ranked the **#2 Coldwell Banker® Company in Florida** and **#21 Worldwide** of 1,600 Coldwell Banker® companies. CBSREC is **"The Most Trusted Name In Florida Keys Real Estate"**

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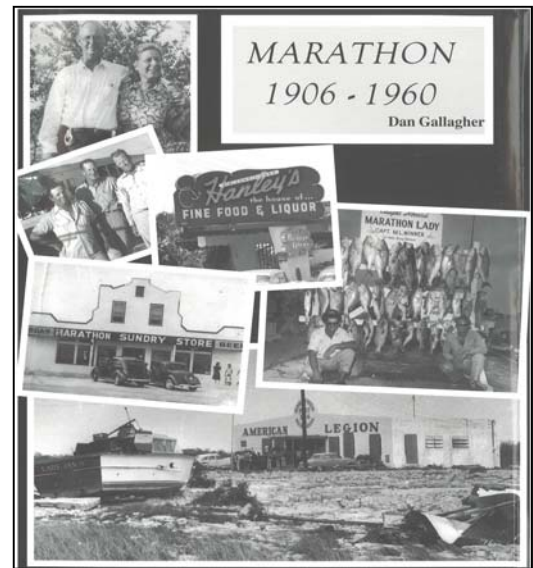


(continued from page 1)

Overall, the real estate market in the Keys continues to be that of strong buyer demand for a limited inventory of properties "For Sale." We have numerous highly qualified and serious buyers interested in owning property in the Keys. Should you or anyone you know desire more information about market conditions or the value of your property, please contact the office most convenient to you or email us at [buyparadise@bellsouth.net](mailto:buyparadise@bellsouth.net). CBSREC sold **55%** more listings during the 1<sup>st</sup> half of 2004 than our nearest competitor. The reason is that our focus remains that of seeking out and assisting individuals to achieve their real estate goals, and to provide every client a positive, professional and enjoyable experience in the process. The result of that focus is that our Market Share in all areas and categories continues to lead that of the other 142 real estate Companies in the Keys. At this time, 1 of every 5 sales Keys-wide involves a Coldwell Banker Schmitt sales associate.

To view current listings Keys-wide or for any area throughout the State of Florida visit our website [www.RealEstateFloridaKeys.com](http://www.RealEstateFloridaKeys.com). Should you know of anyone interested in renting a property they can contact us at [rentparadise@bellsouth.net](mailto:rentparadise@bellsouth.net) and visit our Vacation Rental website at [www.RentalsFloridaKeys.com](http://www.RentalsFloridaKeys.com).

## More Florida Keys History For You



Look for Dan Gallagher's new book, sold at Florida Keys book stores and the Museum At Crane Point in Marathon (305) 743-9100.

If you have a piece of history you would like to share with us, email us at [buyparadise@bellsouth.net](mailto:buyparadise@bellsouth.net).

If you would like a **FREE** Comparative Market Analysis contact one of our five offices from Key Largo to Key West. We are the **"Most Trusted Name In Florida Keys Real Estate"**.

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When you list or sell with Coldwell Banker Schmitt Real Estate Co. you are also helping the less fortunate in the Florida Keys with a contribution.

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