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TROPICAL BREEZES

THE REAL ESTATE NEWSLETTER OF THE FLORIDA KEYS!

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Florida Keys Real Estate Market Comparison 1st Half 2005 vs. 2004

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

Overall the Florida Keys real estate market continues to be strong but the steady trends of the past few years have reversed. For the first time we are seeing more listings rather than less and fewer number of sales rather than more. The number of sales have declined, **16%** vs. 1st half

2004 while the inventory of properties available for sale has doubled. The average “List Price” for properties “On the Market” on 30 June grew just **2%** versus the same date in 2004. This is compared to double digit increases that we have seen in recent years which averaged **28%** per year from 2002 through 2004. The market is experiencing price reductions and sales bonuses to selling brokers, which indicates that sellers have acknowledged the shift in the market.

Buyer interest remains strong. And, with increased inventory, buyers have a greater selection of properties to chose from than they have experienced in recent years. The average number of days on the market for sales, 146, declined **3%** versus the 1st half of last year. With more properties for sale, coupled with fewer sales, we must expect that the days on market will start to increase soon.

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 1st Half 2005:	22% Less 561	6% More 354	20% Less 313	21% Less 466	16% Less 1,720
\$ Value of Sales 1st Half 2005: (in millions \$)	16% More \$382MM	39% More \$260MM	19% More \$185MM	.8% Less \$444MM	14% More \$1,285MM
Avg. Days To Sell 1st Half 2005:	7% Less 146	10% More 152	23% More 154	.7% Less 137	3% Less 146
Avg. Sales Price 1st Half 2005:	50% More \$681K	32% More \$735K	48% More \$592K	25% More \$953K	37% More \$749K
Avg. List Price Properties “For Sale” June 30, 2005:	11% More \$1,159MM	12% More \$1,028MM	.6% More \$759K	7% Less \$1,160MM	2% More \$1,058MM
Number of Properties “For Sale” June 30, 2005:	51% More 670	68% More 429	167% More 508	152% More 977	102% More 2,584

Sellers want to be particularly careful that they have reviewed the Comparative Market Analysis provided by our sales associates to ensure a competitive “List Price” at the time of going on the market. If not, their property will languish on the market facing additional competition as more and more properties are listed.

The following is an area by area breakdown of activity during the 1st six months of 2005 compared to the same six months in 2004:

The number of sales by market area show only the Middle Keys with an increase, **6%**. Upper Keys number of sales dropped **22%**, Key West **21%**, and the Lower Keys **20%**.

The dollar value of all property sales grew **14%** to almost \$1.3 billion dollars, which is a new record for the 1st half of the year, the total value of all sales for the entire year in 2003 was \$1.4B. All market areas were up except for Key West, which dropped slightly by **.8%**. The Middle Keys had the largest increase, **39%** followed by the Lower Keys at **19%**, and the Upper Keys up **16%**.

The average days required to sell a property was mixed. The Upper Keys declined **7%** to 146 days and Key West **.7%** to 137 days. The Lower Keys time on the market grew **23%** to 154 days, and the Middle Keys by **10%** to 152 days.

Key West for the first time in recent years had the lowest increase in sales price, **25%** at \$953,000. The Upper Keys experienced the largest increase with **50%** to \$681,000 followed by the Lower Keys at **48%** to \$592,000, and the Middle Keys with **32%** registered \$735,000. (continued on page 4)

www.RealEstateFloridaKeys.com



Real Estate Market News

Comparison Properties Selling \$500K+ by "Property Type" 1st Half 2005 vs. 2004

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

This chart provides a breakdown of the Keys real estate market by "Property Type" for properties selling at \$500,000 and up from January through June 2005 vs. 2004.

Keys-wide the number of single family property sales over \$500K increased **14%** with the value of the properties sold growing **38%**. Last year the market was up **62%** for number of sales and **68%** for sales value versus the first six months of 2003, which indicates the move toward a more balanced market as noted on page 1. The biggest increase again came in the Middle Keys with a **40%** growth in number of sales and a **60%** increase in value. The Lower Keys was second, up **36%** in number of sales and **65%** in value. The Upper Keys realized a **23%** growth in number of sales with a **51%** greater sales volume. Key West was the only market area with a decrease, **-14%** fewer homes sold, however the sales value increased **57%**.

Condominiums, which effectively do not exist in the Lower Keys, experienced a **54%** increase in number of sales and a **73%** jump in sales value Keys-wide, for the second year exceeding growth of the single family market by a wide margin. The Upper Keys and Key West had the largest increase with a **63%** and **58%** jump in number of sales and **113%** and **61%** rise in sales value respectively. The Middle Keys grew by **35%** in number of sales and **85%** in value.

Last year the growth in vacant land was **+20%** in number of sales and **+16%** in value of sales over 2003. This year the growth has been **109%** in number of sales and sales value. Middle Keys sales more than doubled, up **125%** and the sales value was up **157%**. The Upper Keys was next, doubling the number of sales with a sales value increase of **120%**. Key West tied the Lower Keys for the fewest sales at 8 and the lowest growth in sales value, **8%**. The Lower Keys had 8 sales for \$5M, compared to none during the first six months last year.

Commercial sales declined **10%** and sales value dropped **8%** Keys-wide. The Lower Keys doubled the number of sales while the value increased **150%**. The Middle Keys again sold 11 commercial properties as during the first 6 months last year and the value decreased **19%**. Key West realized the most commercial sales at 15 though that was a **16%** decrease and had the highest sales volume of \$55M, a **5%** drop versus last year. Upper Keys commercial property sales dropped by **33%** with sales value down **68%**.

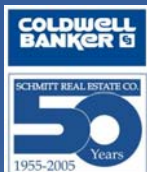
CBSREC places a major emphasis upon training and designating qualified agents to list and sell the "Elite Properties" of those in the upper-tier price ranges. These are our Coldwell Banker "Previews" designated agents who complete special education courses, receive on-going training, and are experienced at listing and selling 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 **85%** more properties valued at over \$1M 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!

	Single Family		Condominium		Land		Commercial	
	#	\$Vol	#	\$Vol	#	\$Vol	#	\$Vol
Keys-wide								
2005	680	\$741M	238	\$187M	46	\$44M	36	\$92M
2004	<u>598</u>	<u>\$535M</u>	<u>154</u>	<u>\$108M</u>	<u>22</u>	<u>\$21M</u>	<u>40</u>	<u>\$100M</u>
% Change	+14%	+38%	+54%	+73%	+109%	+109%	-10%	-8%
Upper Keys								
2005	195	\$229M	62	\$49M	12	\$11M	6	\$6M
2004	<u>158</u>	<u>\$151M</u>	<u>38</u>	<u>\$26M</u>	<u>6</u>	<u>\$5M</u>	<u>9</u>	<u>\$19M</u>
% Change	+23%	+51%	+63%	+113%	+100%	+120%	-33%	-68%
Middle Keys								
2005	121	\$128M	43	\$37M	18	\$18M	11	\$21M
2004	<u>86</u>	<u>\$80M</u>	<u>32</u>	<u>\$20M</u>	<u>8</u>	<u>\$7M</u>	<u>11</u>	<u>\$26M</u>
% Change	+40%	+60%	+35%	+85%	+125%	+157%	N/C	-19%
Lower Keys								
2005	157	\$137M	0	\$0M	8	\$5M	4	\$3.5M
2004	<u>115</u>	<u>\$84M</u>	<u>0</u>	<u>\$0M</u>	<u>0</u>	<u>\$0M</u>	<u>2</u>	<u>\$1.4M</u>
% Change	+36%	+65%	0	\$0M	-	-	+100%	+150%
Key West								
2005	205	\$244M	133	\$100M	8	\$8.6M	15	\$55M
2004	<u>238</u>	<u>\$218M</u>	<u>84</u>	<u>\$62M</u>	<u>8</u>	<u>\$7.9M</u>	<u>18</u>	<u>\$58M</u>
% Change	-14%	+57%	+58%	+61%	N/C	+8%	-16%	-5%

Yearly Mortgage Comparison As Of June 30, 2005*

Loan Type	2005		2004		2002		2000		1994		1984	
30-yr Fixed Rate Mortgages	5.53%	0.6%	6.29%	0.6%	6.65%	0.6%	8.29%	0.9%	8.40%	1.8%	14.42%	2.5%
15-yr Fixed Rate Mortgages	5.12%	0.6%	5.66%	0.6%	6.11%	0.6%	7.99%	0.9%	7.91%	1.8%	N/A	N/A
1-yr Adjustable Rate Mortgages	4.24%	0.7%	4.10%	0.7%	4.65%	0.5%	7.24%	0.9%	5.45%	1.5%	11.67%	2.5%

*Source: Freddie-Mac



Here's what sets CBSREC apart from other real estate companies

Our "Premier Real Estate Success Systems™" (PRESS)

- Our agents are supported by a network of the most advanced Business Support Systems to get your property SOLD at the highest price possible under the most favorable terms and within the time you want.

Guaranteed Service Standards

- We develop service standards based on what we hear from our customers, and we put our service standards in writing with the *Coldwell Banker Schmitt Real Estate Seller Services Guarantee and Buyer Services Guarantee*.

Listening to our customers

- We continually survey our customers to find out what is important to them. For us, the listening and learning never stops.

Proven Results

- COLDWELL BANKER® has the highest overall satisfaction for repeat home buyers among national full service real estate firms.*

The Strength of Coldwell Banker® Worldwide

- The COLDWELL BANKER® brand has 3,700 offices and 120,000 sales associates around the world. Currently the COLDWELL BANKER® system is represented in Europe, Asia, Central America, and the Caribbean. COLDWELL BANKER® is the country's oldest real estate organization, and is ranked as the #1 real estate franchise in the world.

Your perfect partner in Florida

- The COLDWELL BANKER® presence in Florida includes 260 offices, 10,285 sales associates, and \$28.7 billion in sales volume, with over half of the million dollar home sales in the entire state.

...And in the Florida Keys

- With 10% of the agents, we sell 20+% of the properties.
- We have more agents whose sales rank in the Top 50 and Top 100 of 1,200 agents Keys-wide than the next four companies combined.
- Our agents participate in more than 1 of every 5 sales Keys-wide
- Our agents market share for sales exceeds that of the #2 Company by 71% and 85% for properties over \$1MM.

*J.D. Power and Associates 2004 Home Buyer/Seller Satisfaction StudySM. Study based on responses from 4,977 home buyers and sellers. Study conducted for Cendant Corporation by J. D. Power and Associates.

(continued from page 1)

The average "List Price" for properties on the market as of 30 June in the Middle Keys grew by **12%** to \$1,028,000 and by **11%** in the Upper Keys to \$1,159,000. For Key West the increase was **7%** to \$1,160,000 and **.6%** in the Lower Keys at \$759,000. The average "List Price" of \$1.058 million increased **2%** Keys-wide which indicates that the market has already responded. The average listed price of properties for sale as of December 31, 2004 was \$1.074 million, which is more than it is currently.

The increase in number of properties "For Sale" on 30 June was the greatest in the Lower Keys at **167%**, followed by Key West with **152%**, the Middle Keys with **68%** and **51%** for the Upper Keys.

Should you or anyone you know have a question concerning Florida Keys real estate, or an interest in learning more about the market, contact us via email buyparadise@bellsouth.net or call one of our five offices from Key Largo to Key West.

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

More Florida Keys History For You



Phil Sadowski, the developer of Key Colony Beach, Coco Plum and North Marathon Shores in the 1950's & 60's.

If you would like to receive "Tropical Breezes" electronically instead of by mail, Please let us know by emailing us at: TropicalBreezes@cbschmitt.com



When you buy 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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If you would like to make a donation call (305) 289-6503.



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