

# Coldwell Banker Schmitt

Tropical



Breezes

Volume 1, Number 2

The Real Estate Newsletter  
of the Florida Keys!

Spring 2002

## Florida Keys Real Estate Market Comparison of 1st Quarter 2002 vs 2001

This 1st quarter comparison of the four markets of the Keys indicates the impact of 9/11 and subsequent events, which negatively impacted the financial and real estate markets nationwide, also reached the Keys real estate market. Though the 4th quarter of 2001 continued highly active, which led to 2001 being the best year for real estate ever in the history of the Keys, that momentum slowed during January and February of 2002. Activity increased significantly in March and has continued into April. The most vigorous market during the 1st quarter was the Lower Keys, which consists of Big Pine, Ramrod, Summerland, Cudjoe, Sugarloaf, and the Torch Keys. Of particular note is a 22% increase in average sales price over the same period one year ago.

	<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>Total Number of Sales</b> 1st Qtr 2002:	15% Less 186	4.6% More 134	13.5% More 151	59% Less 81	2% Less 668
<b>\$ Value of Sales</b> 1st Qtr 2002:	33% Less \$51M	7.5% Less \$37M	38% More \$32M	29% Less \$27M	11% Less \$191M
<b>Avg. Days To Sell</b> 1st Qtr 2002:	2% Less 190	3% Less 198	11% More 188	4% More 186	2% More 194
<b>Avg. Sales Price</b> 1st Qtr 2002:	21% Less \$272,299	8% Less \$289,152	22% Greater \$213,283	8.5% Less \$332,327	9% Less \$285,184
<b>Number of Properties "For Sale"</b> 1st Qtr 2002:	31% Less 552	9% Less 430	9% Less 365	13% Less 662	13% Less 2,028

Throughout the Keys the number of desirable properties "For Sale" continues to decline as overall inventory drops. The result is a market that quickly responds to new listings priced in the "Market Value" range for their amenities and condition. The submission of multiple offers within a few days of being listed is not an uncommon occurrence for those listings. If you are considering selling, now is a very good time to request a Comparative Market Analysis "CMA" to determine the "Market Value" for your property. Our agents are available to provide you that service with just a phone call or e-mail.

Despite the slow start we anticipate 2002 will be a very good year for real estate Keys wide. Additionally, national projections concerning real estate for 2002 are increasingly positive, such as the most recent prediction from the National Association of Realtors, which expects total sales of homes to exceed the record set in 2001.



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# Real Estate Market News

**Windstorm Insurance Blows Into Law...**The Florida House recently passed SB 1418 relating to windstorm insurance, limiting windstorm rate increases to 10% in 2002. The bill does not limit rate hikes in future years. The bill also combines the Florida Windstorm Underwriting Association and the Casualty Joint Underwriting Association into a new group known as the Citizens Property Insurance Corporation. The combination will save an estimated \$70-\$80 million dollars in taxes that are used to offset the premium hikes. The windstorm pool provides coverage to more than 400,000 coastal residents who live in areas where private insurers do not provide coverage for wind damage from hurricanes and tropical storms.

**Housing Boom!** There's a major national housing boom brewing this decade, fueled by aging baby boomers, baby boomer kids, the boost from information technology, the looming lure of rising home price appreciation and the carrot of ever-easier financing, among other converging factors.

According to David Berson, vice president and chief economist with Fannie Mae, there is this strong housing demand and a relatively muted supply. Increasing concerns about the environment and urban sprawl make it more difficult to expand and that will push up prices stronger than in the last decade.

He also added, the Inflation annually will be about 2.5 to 3% a year and that home price gains will average 5 to 6% annually. Historically, home prices have increased only a point or two above inflation. This is very good news for those who own a home.

**Coldwell Banker Remains The Market Leader...**Coldwell Banker Real Estate Corporation is the #1 Real Estate franchise for the second year in a row and the #13 Franchise chain overall! The company is also the featured cover story in the November 2001 issue of National Relocation and Real Estate magazine. The magazine examines "The First 95 Years" of the company's incredible history.

**Coldwell Banker Schmitt Real Estate** remains the market leader for **SALES AND LISTING DOLLAR VOLUME** for the Florida Keys...thanks to you our customers...with a **25%** increase in market share for each while nearly all of the other top companies experienced negative growth during the 1st quarter 2002 compared to 2001.

## Mortgage News

Mortgage rates have had very little movement over the 1st quarter of 2002. The 30 year fixed conforming rates (\$300,700 and below) have remained steady around the 6.875% range (with no points). The 15 year fixed conforming rates have also remained fairly steady around the 6.375% range (also with no points). Jumbo rates (\$300,701 and above) have been especially attractive with 30 year fixed rates in the 7% range and 15 year fixed rates hovering around 6.625%.

### Rate Comparison

<u>Loan Type</u>	<u>2002</u>	<u>2000</u>
30-yr Fixed Rate	6.875%	8.25%
15-yr Fixed Rate	6.375%	7.625%
3/1 ARM	5.125%	6.125%
5/1ARM	5.75%	6.75%

**Prediction from Freddie Mac:** According to Robert Van Order, Freddie Mac's chief international economist, he predicts that the rates may remain low. His statement of "Although the economy is in recovery, that recovery is more fragile than had been previously thought," and Federal Reserve Chairman Greenspan confirmed this in his recent Senate testimony, "A sluggish economy lowers any threat of inflation, thereby lowering mortgage rates."

**\*\*Visit Our Revamped Website With The Keys Motif and Quicker Access To All Properties!\*\***

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For additional information concerning Keys mortgages contact Tom Sherry at [toms@qcnb.com](mailto:toms@qcnb.com) or (305) 403-8710 in Key West or Mary Rice at [maryr@gcnb.com](mailto:maryr@gcnb.com) or (305) 289-5802 in Marathon at Orion Bank.

## Announcing 2 New Offices To Better Serve You!



The May opening of the new **Islamorada Office** at the entrance to Venetian Shores, MM 85.9 joins with the **Key Largo Office**, MM 100, which opened in March of 2000, to provide you with two state of the art offices in the upper Keys. You may not realize that CBSREC expanded into that area in March of 1999, starting with two agents. In just three years, the company has become a market leader with over 30 dedicated and professional agents.

The new **Big Pine Office**, which is next to the Post Office in Big Pine, at MM30, is slated to open in June 2002. The exceptional growth in number of agents joining that office, and their market share, required purchasing a larger facility that could be built out as a state of the art real estate office to better serve you — our clients..

*Please stop in any of our offices  
when you are driving by from  
Key Largo to Key West!*



**\*\*Visit Our Revamped Website With The Keys Motif and Quicker Access To All Properties!\*\***

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## Monroe County Schools

Florida Keys Community College, the smallest of Florida's Great 28 Community Colleges, has been serving Keys residents since 1965 when classes were held at the old Douglass School on Fort Street in Old Town Key West.

With the expansion of facilities and the move to Stock Island in 1968 also came the expansion of educational and cultural programs beyond Associate in Art degrees (A.A.) for transfer to a university, and degrees in Nursing, Marine Propulsion and Marine Biology.

FKCC's first graduating class of 1966 had only two students. Today, more than 100 students graduate with A.A. degrees or the more career-specific Associate in Science degrees in areas such as Business Administration, Diving Business and Computer Programming and Criminal Justice.

The new \$40 million campus was unveiled in 1997 featuring new classroom buildings, a new administrative building, a new library and state-of-the art laboratories and computer equipment and software. The Tennessee Williams Fine Arts Center was completed in 1980.

FKCC has more than 3,000 students enrolling at the main Key West Campus, the Middle Keys Center in Marathon and the Upper Keys Center in Coral Shores. The average age of students is 34, with more than half the students attending school part-time.

FKCC receives approximately 75% of its annual operating budget of almost \$7 million from the State of Florida. The remaining 25% is collected through student tuition fees. The College employs about 300 staff, faculty and administrators for a combined total payroll budget of about \$5.5 million- a sizable contribution to the local economy.

FKCC offers a Fall, Spring and Summer semester with courses for both degree, and non-degree seeking students. The course schedules are online at [www.fkcc.cc](http://www.fkcc.cc), and interested students may visit any campus location to speak to an advisor, or to explore financial aid possibilities. For information, call 305-296-9081.

**Coldwell Banker Schmitt**...is pleased to announce the addition of 90 Caribbean luxury rental properties to our property management division. These elegant properties are on the islands of St. John and St. Thomas in the U. S. Virgin Islands, and Tortola and Virgin Gorda in the British Virgin Islands.

All of our cottages, condominiums, and private homes have captivating ocean vistas ~ the Virgins Islands are renowned for their incomparable "down island" views.

St. Thomas is full of fun activities and attractions, golf, a different beach to visit each day, great duty-free shopping, excellent five star restaurants, and night life. St. John shines for its many picture perfect beaches and unspoiled National Park Areas. Tortola and Virgin Gorda are friendly, low key and still fairly uncrowded.



Contact Adrienne Kasheta, our new property manager in the Islamorada office at (800) 207-4160 for more information on our Caribbean getaways! Adrienne has 12 years experience living and working in the Caribbean. From day sails to dive trips, she can help you arrange a fabulous vacation. If you are planning a trip to the Caribbean in the future, or know of someone who is thinking about it, contact Adrienne so she can help you to determine which island or which property is right for you.

We have a very large and unique collection of historical photos Keys wide that we want to share with you.

This photo is from August 1961 –

Can you guess what the billboards represent and the meaning it bears for the Keys?

## How Well Do You Know Your Florida Keys History?



## How Do You Rate A Sunset?

Call or email us to get your free copy of the "Sunset Score Card"

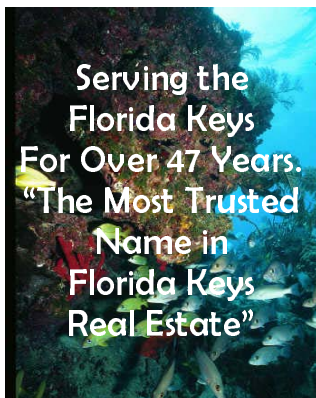
Email: [schmitmk@bellsouth.net](mailto:schmitmk@bellsouth.net)



**SCHMITT  
REAL ESTATE CO.**

11100 Overseas Hwy.  
Marathon, FL 33050  
Toll Free: 800-366-5181  
Office: 305-743-5181  
Fax: 305-743-7012

[www.RealEstateFloridaKeys.com](http://www.RealEstateFloridaKeys.com)



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