

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 December 2009 Vs 2008

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

KEYS-WIDE OVERVIEW

The **Number of Sales** for 2009 was **1,560**, which is a **+34%** increase relative to 2008. This is the 1st time that sales during the year increased over the previous year since 2004 when they rose **+4%** from 2003. In 2008, the reduction from the prior year was **-11%**. The reduction was **-12%** for 2007, **-45%** for 2006 & **-21%** for 2005. The increase in 2009 was **+4%** for the 1st quarter (compared to the same period during 2008) and rose to **+5%** by mid-year, and **+19%** at the end of September. A **+78%** rise during the last three months of 2009 is a record from one quarter to another. The **Dollar Value of Sales** increased by **+4%** to **\$707MM** for 2009. 2005 vs. 2004 was the previous time an increase had occurred: **+21%** and a total of **\$2.3B**.

Average Sale Price for 2009 was **\$453K**, **-23%** less than the **\$588K** for all of 2008. The average Sale Price for Q1 was **\$494K**, **\$466K** by mid-year, and **\$463K** by the end of September. The rate of decline for each quarter during the year compared to the previous year was consistent at **-21%** to **-23%**. During 2008 the rate of decline accelerated from **-9%** to **-16%** to **-19%** from the 1st to 2nd to 3rd quarters, and ended the year at **-29%**.

Original List Price to Sale Price (the price for the property when first listed) for 2009 was **62.49%** compared to **68.96%** at the end of 2008, a **-9%** drop. The Final List Price to Sale Price (the price for the property at the time of obtaining a contract that resulted in the sale) in 2009 was **87.10%** vs. **88.11%** in 2008, a **-1%** reduction. The margin between the sale price and final listed price has been very stable over the past 3 years at about **13%** reflecting buyers' discount expectations once properties are priced to the market. Notice that the margin between Original List Price and Final Sales Price is almost **50%** in the **Middle Keys** and almost **40%** in the **Lower Keys**, which are the two areas with the largest increase in number of sales and the areas with the lowest average sales price.

The **Average List Price** declined by **-4%** to **\$859K** from **\$899K** at the end of 2008. That reduction was **-10%**, **\$875K** at the end of Q1, **\$878K** for **-5%** at the end of Q2, and **-6%** at **\$860K** at the end of Q3. The peak price of **\$1MM** occurred at the end of 2005. The average list price has dropped **-19%** over the past four years.

The **4,585 New Properties Listed during 2009** was **+3%** more than the **4,573** of 2008, though it is **-24%** lower than the highest amount of **6,008** during 2006.

The **Months of Inventory** (the months required to sell the existing inventory on December 31 if no other properties were placed on the market for sale) decreased by **-26%** to **28** months. It was **38** months at the end of 2008, **34** at the end of June 2009 and **30** at the end of September.

The **Number of Properties For Sale** was down to **3,636** from the **4,424** at the end of 2008. This is a **-21%** reduction from **4,628** at the end of 2006, and the lowest number of listings on the market since the end of 2005.

The **Average Number Of Days To Sell** a property at **228 days** decreased just **-2%** from the **233** of 2008. It was up **+20%** from **190** in 2006 and **+42%** vs. the **160** days of 2005.

MARKET AREA TRENDS OF INTEREST

Number of Sales: The **Lower Keys** led the increase in sales up **+65%** with **361** followed by the **Middle Keys**, **+44%** with **230** sales. Key West led in number of sales **533**, **+25%** followed by the **Upper Keys** with **436** sales, **+21%** over 2008. Typically the market is segmented with one-third of the sales activity in **Key West**, one-third in the **Middle and Lower Keys** and one-third in the **Upper Keys**. (continued on page 4)

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 As of 12/31/09:	21% More 436	44% More 230	65% More 361	25% More 533	34% More 1,560
\$ Value of Sales As of 12/31/09: (in millions \$)	2% More \$221MM	6% Less \$99MM	42% More \$141MM	4% Less \$245MM	4% More \$707MM
Avg. Days To Sell As of 12/31/09:	1% More 273	1% Less 255	10% Less 208	1% Less 174	2% Less 228
Avg. Sales Price As of 12/31/09:	16% Less \$507K	35% Less \$429K	14% Less \$391K	25% Less \$460K	23% Less \$453K
Original List Price to Sale Price As of 12/31/09:	7% Less 71.25%	31% Less 50.93%	21% Less 60.45%	36% More 67.31%	1% Less 87.10%
Sale Price to Final List Price As of 12/31/09:	2% More 86.20%	1% Less 86.13%	.1% Less 87.69%	2% Less 88.37%	9% Less 62.49%
New Properties Listed As of 12/31/09:	13% Less 1,388	3% More 893	17% More 502	4% More 1,423	.3% More 4,585
Avg. List Price Properties "For Sale" As of 12/31/09:	9% Less \$877K	11% Less \$801K	2% Less \$649K	1% More \$975K	4% Less \$859K
Months of Inventory As of 12/31/09:	12% Less 35	21% Less 39	44% Less 17	29% Less 25	26% Less 28
Number of Properties "For Sale" As of 12/31/09:	12% Less 1,273	8% Less 740	27% Less 520	25% Less 1,103	18% Less 3,636

We never stop moving:



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MARKET HIGHLIGHTS for 2009

With Coldwell Banker Schmitt Real Estate Co. (CBSREC) Relative Performance

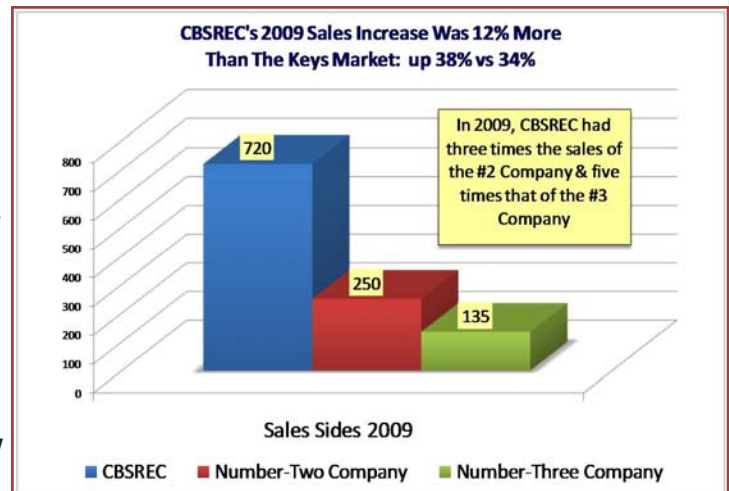
SALES:

- The Keys-wide Total # of Sales is UP with +34% more sales in 2009 vs. 2008 while CBSREC sales are up +38% during this same period, or 12% better than the market and our market share has increased to 2.5 times that of the #2 Company. CBSREC Agents are involved in nearly one of every four transactions Keys-wide.
- The Keys-wide Dollar Value of All Sales is up +4% reflecting the continued reduction in Average Sales Price from \$588,194 on December 31 of 2008 to \$453,194 one year later. CBSREC has 3.3 times the dollar volume of the #2 Company and 5.3 times that of the #3 Company.
- The "Final Sales Price to Original List Price" for the Keys-wide market is 62.49% which means that sellers on average give up -37.5% of the original asking price to buyers while CBSREC's "FSP to OLP" is 74.45% The CBSREC margin, therefore, is only -25.55% meaning CBSREC gets +11.95% more in sale price for its Sellers than other brokers.



LISTINGS:

- The Number of Listings is below 4,000 for the eighth month in a row for the first time since December 2005 as the aftermath of Wilma in late October of 2005 increased the number of listings dramatically to nearly 4,800 in January 2006. While the number of listings has declined -21% from December 2006, CBSREC listing market share has increased by 34% over the past four years and is +250% higher than the #2 Company.
- Months of Inventory (MOI), which is a measure of how many months it would take to sell the existing inventory, is at 28 months, down from a peak of 55 months, while the MOI for CBSREC is 14 even though we have gained +34% market share in listings. Properties listed with CBSREC will sell on average more than ONE YEAR faster than all other brokers.



AGENTS & OFFICES:

- With the best agents and most comprehensive Marketing Program CBSREC agents are able to sell listed properties in half the time of all other brokers while obtaining almost +12% more for their Sellers.
- One-third of the Top 100 Agents in the Florida Keys are CBSREC Agents, more than the next 8 companies combined.
- More of the TOP 25, 50, 75 & 100 Agents are Coldwell Banker Agents, more than the next 8 companies combined.
- Each of our Offices ranks #1 in Sales in every market area in the Keys out of all 260 offices. We are the number-one company for sales in the Upper Keys, Middle Keys, Lower Keys and Key West as well as overall Keys-wide by a large margin.



Quarterly Residential Properties Market Activity Keys-Wide

The chart on this page contains data for Sales and Months of Inventory by quarter from 2003 through 2009 for "Residential Properties" (Single Family, Condominiums, Townhomes, Duplexes and Half-Duplexes) to show the unprecedented sales activity during the 3rd and 4th quarters 2009. The four quarters are on the vertical axis, the years across the horizontal axes.

The beginning of a sustained trend of increasing sales each succeeding quarter started in the 3rd Qtr 2008 with 231 sales exceeding the 2007 total of 221 by +4%, the 4th Qtr. was up +8%. The 1st Qtr 2009 increased by +45%, followed by +14% for the 2nd Qtr. as the 1st half of 2009 exceeded the 455 sales of the 1st half of 2008 by +25%.

The 3rd quarter 2009 continued the upward trend with a +57% increase, followed by a +60% rise in the 4th Qtr. The 2nd half of 2009 totaled 678 sales compared to 428 in 2008 an increase of +58%, and for the first time on record 2nd half of the year sales exceed the 1st half year with a total of 567 sales, +20%.

Throughout 2009 the Months of Inventory has declined compared to each quarter in 2008 going from 48 in the 1st Qtr. to 24 at the end of the year, a -41% reduction from 2008 during the 4th Qtr. The lower MOI in each quarter is the result of increased sales, +34% for the year and a -13% decrease in properties on the market from 4,192 on January 1 to 3,636 on December 31 2009.

As noted in the wrap up of the 2009 Vs 2008 Market and further supported by the information on this page, the market statistics point to the market continuing to improve during 2010 with increased sales and stabilizing prices.

		2003	2004	2005	2006	2007	2008	2009
1st Qtr	# Sales	525	597	585	266	254	161	233
		-56%	-61%	-60%	-12%	-8%	45%	
	MOI	9	5	9	37	60	54	48
		433%	800%	433%	30%	-20%	-11%	
2nd Qtr	# Sales	743	881	674	374	339	294	334
		-35%	-62%	-50%	-11%	-1%	14%	
	MOI	6	4	10	30	35	41	32
		433%	700%	220%	7%	-9%	-22%	
3rd Qtr	# Sales	631	614	442	208	221	231	363
		-42%	-41%	-18%	75%	64%	57%	
	MOI	6	4	12	33	35	35	27
		350%	575%	125%	-18%	-23%	-23%	
4th Qtr	# Sales	565	484	295	215	183	197	315
		-44%	-35%	7%	47%	72%	60%	
	MOI	6	6	16	37	38	41	24
		300%	300%	50%	-35%	-37%	-41%	

Marketing News

The prior page clearly illustrates the benefit to sellers of listing with CBSREC's agents. The question is what has led to the significant benefits in sales price and rate of sales? With 2.5 times the number of sales the and 3.3 times the dollar volume of sales of the #2 company CBSREC can do things that other companies cannot. CBSREC can market your property to more qualified buyers [globally](#) than any other company which has led to, and will continue to provide unparalleled benefits to its sellers. Our agents supported by impactful, persistent, and broad-based marketing results in sellers getting significantly more for their property in less time.

2009 was a highly successful year for CBSREC's marketing efforts. To touch on just a few aspects of our program:

RealEstateFloridaKeys.com

- Our website had 121,238 visits from 96,623 unique visitors (the number of unduplicated -- counted only once -- visitors to a website within a specified time period.) 78% were new visitors. In 2008, we had 102,592 visits from 80,762 unique visitors.
- Our visitors in 2009 came from 166 countries & territories. After the USA, the Top 10 points of origin were Canada, The U.K., Germany, India, Netherlands, France, Switzerland, Australia and Denmark.
- After Florida, the Top 10 locations domestically included New York, New Jersey, Pennsylvania, Illinois, California, Texas, Virginia, Georgia, Ohio & Massachusetts.
- Some of our increased traffic was undoubtedly due to our ongoing [search engine optimization](#) efforts. By way of example, RealEstateFloridaKeys.com is #1 in organic results with every major search engine for the term "Florida Keys Real Estate." (Over 26,000 visitors found us through that term alone.)
- 1,013 individuals contacted us through the website via online chats with our Site Greeters, the various "contact us" forms, or through the site's posted email address.

Coldwell Banker Online Rapid Response

- Most leads come directly to our sales associates. Nevertheless, we routed 918 company-generated leads to our agents in 2009 through CBSREC's automated lead distribution system. Nearly two-thirds were generated from [RealEstateFloridaKeys.com](#).

Virtual Tours

- With so many Keys buyers emanating from outside of [Monroe County](#), we believe strongly in the value of virtual tours, or "electronic showings," as a means of showing and selling a property to remote buyers. That's why we require them for [every residential listing](#). CBSREC's sales associates just passed the 1,000,000 views mark of our virtual property tours since CBSREC began its corporate subscription to [VisualTour](#) in October 2006. We've posted 3,962 tours in that time. Currently, we have 2,088 active tours which have been viewed 775,350 times for an average of 371 views per tour. In 2009, our tours were viewed 355,119 times. People viewing the tours emailed links to the tours to others 1,130 times and our sales associates were contacted on 350 instances through the email application in the tour viewers.

Realtor.com's Enhanced Showcase Listings

- [Realtor.com](#) is the single most important real estate portal website with twice the market share of the number-two site. CBSREC has a corporate subscription to its Showcase Listings Enhancements giving sales associates a variety of tools with which to optimize their listings on the site. Showcase Listings rank more highly in [search results](#) than other listings and they are framed in gold to attract attention. They also carry additional photos and descriptive text, videos, and contact forms, and traffic to our listings is tracked and reported. As a consequence, in just the last six months of 2009, there were 8,610,955 page views of CBSREC listings on the site. We started 2010 off with a bang as well, attracting over 1.5 million page views in the first three weeks of January. CBSREC also advertises on realtor.com's Monroe County search results pages. Our [leaderboard/skyscraper](#) ad combination was served over 133,000 times in the 2nd half of the year which accounts, in part, for realtor.com being the number-five referral source for visits to RealEstateFloridaKeys.com in 2009.

SharperAgent

- In 2009, CBSREC also began a corporate subscription to [SharperAgent](#), a web-based communications platform through which CBSREC agents can create professionally designed marketing materials ranging from flyers to [animated home slideshows](#) to newsletters; distribute them either via email or postal service to contact lists they manage on the site; and view reports of the results. Many reading this newsletter, in fact, will have received it through their Realtor's SharperAgent email system.

(continued from page 1)

The **Upper Keys**, the last segment of the market to start experiencing recovery, has the highest average sales price, the highest FSP to OLP, and the smallest increase in sales.

Dollar Value of Sales: The **Lower Keys** rose by **+42%** to **\$141MM!** The only other market area with an increase was the **Upper Keys**, **+2%** to **\$221MM**, followed by Key West with **\$245MM**, **-4%**, and the Middle Keys **-6%** and **\$99MM**. At mid-year 2009, the four market areas were down between **-13%** and **-22%** which provides a perspective concerning the sales activity increase during the 2nd half of 2009. See page three for a comparison of sales by quarter during the past five years.

Average Sale Price: The largest reduction occurred in the **Middle Keys** market, **-35%** to **\$429K**. Key West was next with **-25%** to **\$460K** followed by the **Upper Keys** **-16%** drop to **\$507K**. The **Lower Keys**, at **\$391K**, was down **-14%**. For comparison, the average Sale Price by market area at the end of 2006 was: **UK - \$770K**, **MK - \$811K**, **LK - \$651K** and **KW - \$936K**. The current market provides a buying opportunity not available since late 2002.

Months of Inventory: All four market areas decreased, the largest being **-44%** to **17** months in the **Lower Keys** (**31** at the end of 2008), **-29%** to **25 MOI** in **Key West** (**35** one year ago), **-21%** to **39** months for the **Middle Keys** (**49** one year ago) and **-12%** with **35** months for the **Upper Keys** (**40** one year ago).

Number of Properties for Sale: The **Lower Keys** inventory decreased **-27%** to **520** followed by the **Key West** inventory at **-25%** to **1,103** properties. **Upper Keys** properties for sale declined **-12%** to **1,273** and the **Middle Keys** was down **-8%** to **740** properties.

What is ahead for the Keys Real Estate Market?

The Florida Keys real estate market showed steadily increasing signs of improvement as 2009 progressed with the last months of the year showing the largest gains. See page three for additional data. Buyer activity continued to gain momentum, particularly, during the 2nd half of the year as buyers were quickly responding to properties that were well-priced for the market, reference the large reduction in Months of Inventory. This increased momentum is continuing into 2010 spurred on by attractive interest rates, a continuing decline in prices and inventory, and recognition that prices are stabilizing, and where inventories are depleted, even increasing which is creating urgency on the part of buyers to take advantage of the market while they still can. The 3rd and 4th quarters of the year traditionally compete for the slowest time of the year for sales but in 2009, they were the best quarters. This has never happened before clearly signaling a significant market shift. All indicators point to a much improved real estate market in 2010 with increasing numbers of sales versus 2009 and stabilizing prices as the year wears on.

More Florida Keys History



The Florida East Coast Railway car being barged into Knights Key [where it can be seen today.](#)

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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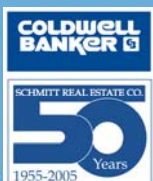


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