

# Coldwell Banker Schmitt's Real Estate Report

Vol. 20 No.4

Fall 2020

## KEYS-WIDE COMPARISON: FIRST NINE MONTHS OF 2020 VS. 2019

The residential market in the Keys is extremely active with more sales recorded in the first nine months compared to the same period in 2019 even after the Keys were cut off from the world by the checkpoint for 2 1/2 months. With current record high pending sales which will close in the fourth quarter we expect 2020 to be the best year for real estate sales since 2004, just before the real estate market crashed in 2005. Values and sales in the Keys declined precipitously coincident with Hurricane Wilma in October 2005, long before the subprime crisis which begs the question: Are we in another real estate bubble in the Keys that will require another readjustment? Looking back at 2005, the first signs of a downturn were increasing inventory which began in April 2005. Average sale prices in 2004 and 2005 were increasing at a rate of 2-3% per month and lenders were lending irrespective of buyers ability to repay. None of those conditions currently exist. Inventories of properties for sale are currently below historic averages to maintain a price-stable market which leads to fewer choices for buyers, greater urgency and higher prices. Reduced inventories in 2020 have however so far led to sustainable price increases which have not yet begun to approach 2005 levels. Historically low interest rates which the Fed has predicted will remain in place into 2023 along with rigorous underwriting standards implemented as a result of the subprime crisis will serve to help keep the market from overheating. We believe inventories will remain low as Keys owners feel safe from both health and social impacts of the pandemic and have no better alternative place to reside or isolate for any future waves of the virus which the world is currently experiencing. Therefore, with the exception of unpredictable consequences from the 2020 election we predict a very strong fourth quarter and start to the new year for real estate in the Keys.



### Keys-wide Sales

increased 7.0%  
from 2,177 to  
2,329



Average Sale  
Price (ASP) was  
up 6.4% to  
\$660,216 from  
\$620,338



Average List  
Price (ALP) was  
up 8.9% from  
\$981,021 to  
\$1,067,918



Days On  
Market (DOM)  
up 2.5% from 120  
to 123



Properties  
For Sale  
declined  
10.3% from  
2,318 to 2,080

Based on All Property Types

## KEYS-WIDE COMPARISON: SALE PRICE TO LIST PRICE

Sales Price % vs  
Original Listed  
Price for properties  
sold after price  
reductions

**90.33%**  
*Up 0.4%  
from 1st 9  
months of  
2019*

Sales Price % vs  
Listed Price at  
the time the  
property  
obtained a  
contract & sold

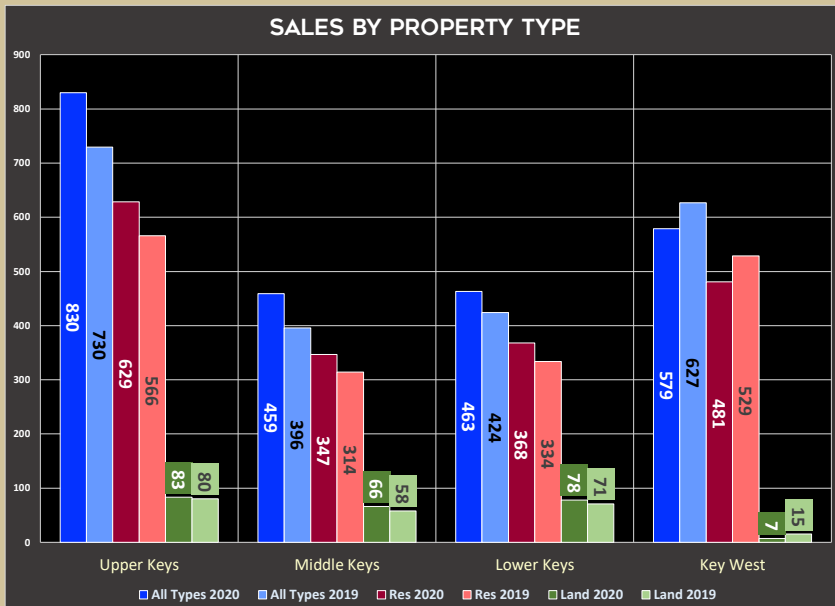
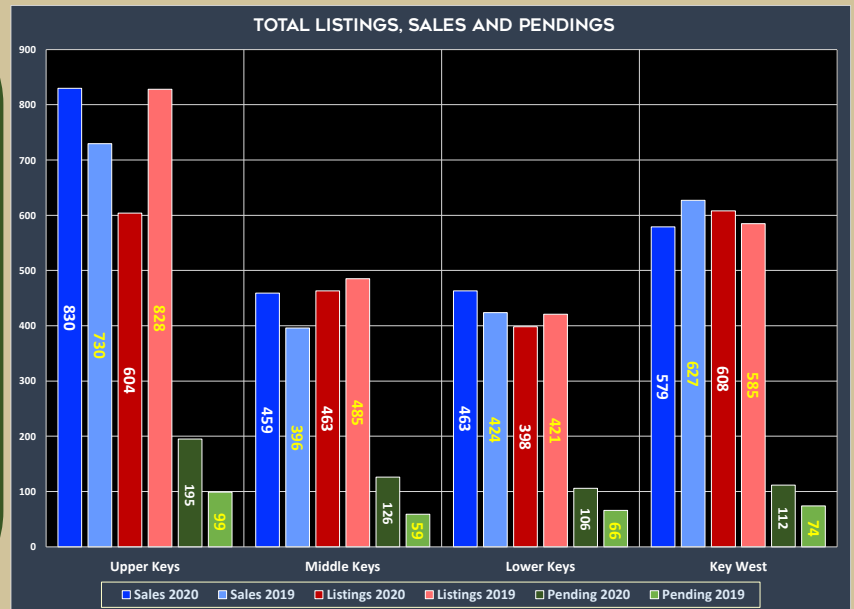
**94.41%**  
*No change  
from 1st 9  
months of  
2019*

Avg List  
Price  
reduction  
during  
listing term  
for sold  
properties

**4.1%**  
*Down -0.3%  
from 1st 9  
months of  
2019*

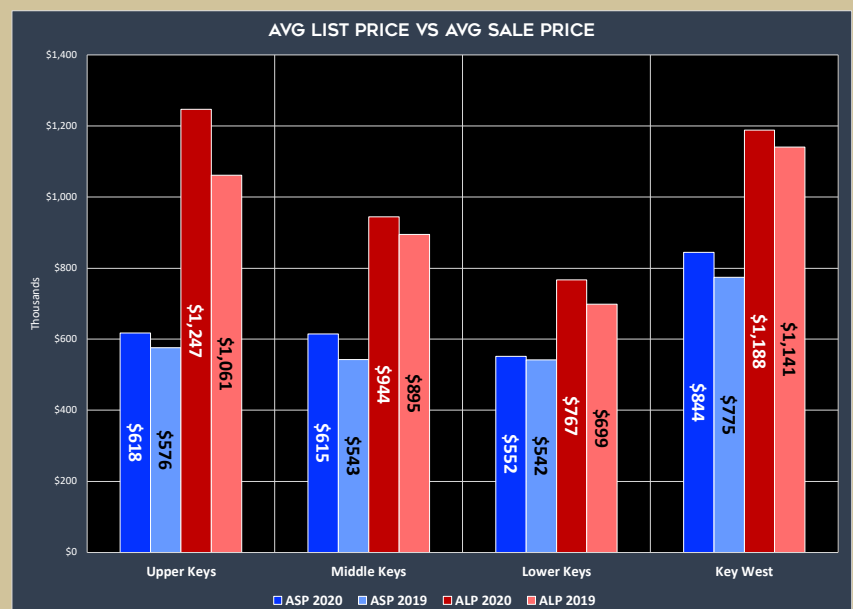
# SUBMARKET ANALYSIS

The supply of listings declined in the Upper, Middle and Lower Keys and was up slightly in Key West. Sales increased everywhere but in Key West. The number of pending sales (including contingent and contingent-show) were at record-high levels at the end of September. As a result, the Months of Inventory (or absorption time) posted double-digit drops everywhere except Key West (up 12.5%). It was down -35.8% in the Upper Keys, -17.6% in the Middle Keys, & -13.4% in the Lower Keys to an overall average of 8 months.



Sales increased in each submarket except for Key West where residential sales were off -9.1% from 2019's pace. The Upper, Middle and Lower Keys all posted double-digit residential increases. Vacant land sales were up 13.8% in the Middle Keys, 9.9% in the Lower Keys, 3.8% in the Upper Keys, but down in Key West.

The average list price (ALP) and average sale price (ASP) rose in each of the Keys submarkets. The Upper Keys led in list price increase at 17.5% followed by the Lower Keys at 9.7%. The biggest hike in average sale price came in the Middle Keys at 13.4% followed by Key West (9.0%) and the Upper Keys (7.3%). The *Days On Market* chart on page 3 reflects a lengthened sale cycle for land.



# COLDWELL BANKER'S NEW LOOK

For the past 113 years, longer than any real estate company on the continent, Coldwell Banker's world-class agents have served as guides, as "North Stars," showing individuals and families to the homes of their dreams, consistently setting a high bar for an entire industry.

We established the first code of ethics. We pioneered the seller's disclosure agreement. We brought real estate search to YouTube. The first website to showcase listings. The first international real estate app for iPhone/Android. The list goes on and on.

And that's how we got to this new logo, a mark we are calling the "The CB North Star."

The most striking addition to the logo is the star in the top right corner. The CB North Star symbolizes the brand's position in real estate as a consistent, reliable presence. Even in a shifting real estate landscape, agents remain a constant, guiding consumers as they navigate the home buying and selling process.

We will be transitioning to the new branding during 2020's fourth quarter. See the Fall 2020 edition of the *Coldwell Banker Schmitt's Luxury Island Properties Report* for a look at the parallel changes to Coldwell Banker's Global Luxury brand.

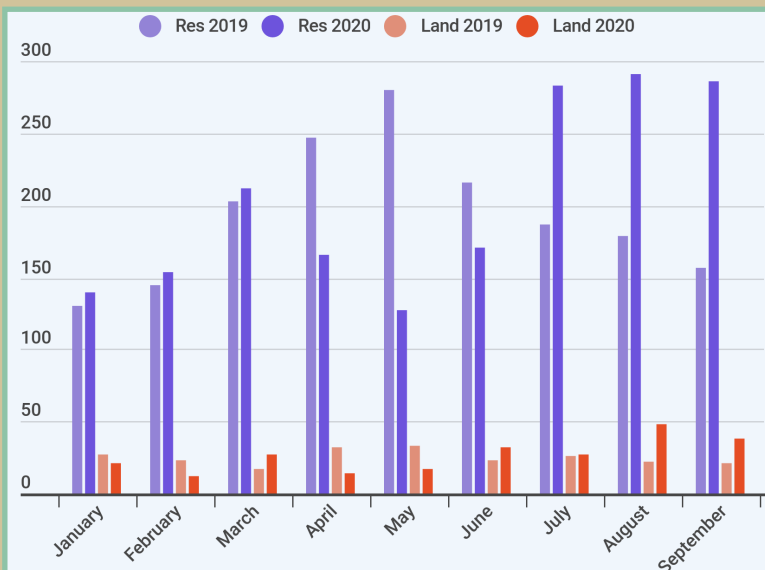


**COLDWELL BANKER**

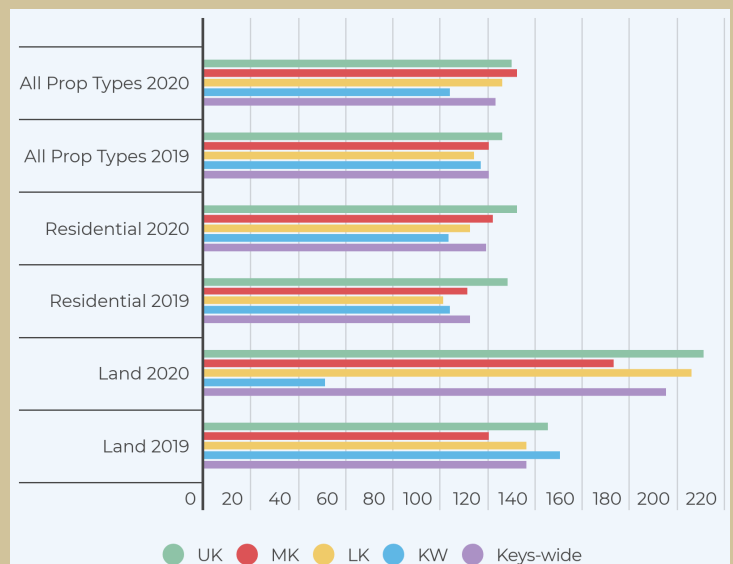
**SCHMITT  
REAL ESTATE CO.**



## RESIDENTIAL & LAND SALES BY MONTH



## DAYS ON MARKET





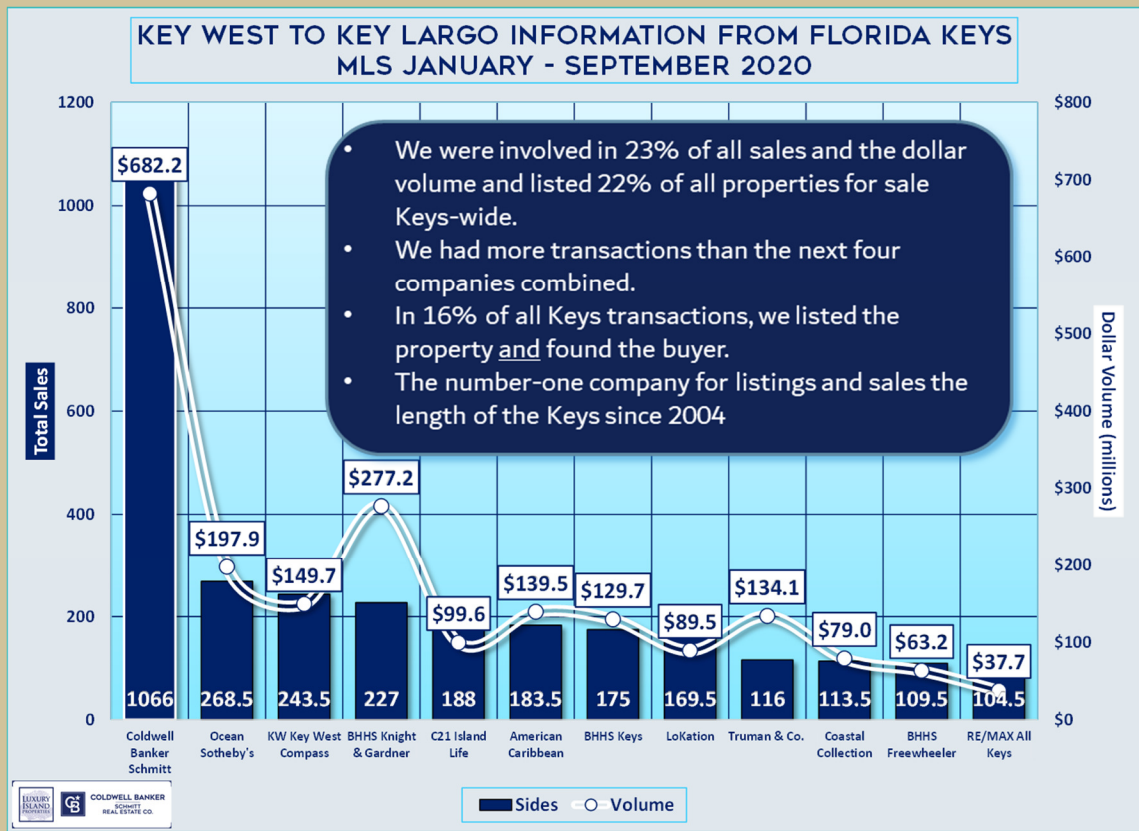
PRESORTED STD.  
U.S. POSTAGE  
**PAID**  
Marathon, FL  
PERMIT NO. 15

11050 Overseas Hwy. — Main Office  
Marathon, FL 33050  
Toll Free: 800-366-5181  
Office: 305-743-5181

AND/OR CURRENT RESIDENT:

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 100430 Overseas Hwy. | Islamorada (800) 207-4160 85996 Overseas Hwy. | Marathon (800) 366-5181 11050 Overseas Hwy. | Big Pine (800) 488-3050 29967 Overseas Hwy. | Key West (800) 598-7727 1201 White Street, #101

# WHICH COMPANY’S AGENTS DO YOU WANT TO SELL YOUR PROPERTY?



RealEstateFloridaKeys.com