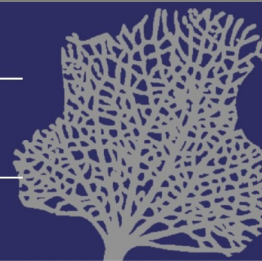




The Most Trusted Name in
Florida Keys Real Estate Since 1955

COLDWELL BANKER SCHMITT'S LUXURY ISLAND PROPERTIES REPORT

Fall 2022



KEYS-WIDE COMPARISON OF JANUARY THROUGH SEPTEMBER 2022 VS 2021

Year over year, the number of overall sales in the Keys is down 26.8% year to date. The story for luxury residential sales (over \$1.3 Million) is very different, however. Year to date 2022, the number of luxury sales is only off 2.2%. Luxury sales represent 21% of all sales in 2022, up from 16% a year ago. Those sales represent 48% of the total dollar volume of sales in 2022 vs. 42% in the same period a year ago. The overall dollar volume of sales in the Keys has declined 9% in 2022 while the dollar volume associated with luxury sales increased 4% which is a 13% swing signifying the outsize contribution to the overall market from the luxury sector. So, what's ahead for this sector in the balance of 2022 and into 2023? A glimpse of what to expect can be gleaned from the relative listing inventory and pending sales at the end of the third quarter. The number of listings in the overall market is down by one-half of one percent year over year while luxury listings are up 23.9% from a year ago. Overall pending sales at the end of September are down 41.5% year over year while pending luxury sales are down 50.5% from 109 to 54. Part of that shift can be attributed to the overall increase in average sales price from \$848,414 a year ago to \$1,061,241 at the end of the third quarter of 2022. Some of the increase in luxury listing inventory is a consequence of the dramatically increasing prices pushing more properties into the luxury sector rather than signaling any weakness in the luxury market which has otherwise served to buoy the overall market in 2022. We do, however, expect that the post-COVID market for luxury real estate in the Keys will cool in the fourth quarter of 2022 and 2023 along with the overall market. The cooling is evidenced by the reduced number of pending sales which is a consequence of the many factors which are affecting the overall market and the economy including rising interest rates, inflation concerns and the prospect of a recession.



Keys-wide sales
fell -2.2% from 548 to
536.



**Average Sale Price
(ASP)** was up 5.9% at
\$2,392,640 compared with
\$2,259,986 one year
earlier.



Average List Price (ALP)
was up 5.2% from
\$2,950,953 to \$3,103,998



Days On Market (DOM)
declined -49.1% from 108
to 55.



Properties For Sale
rose by 23.9% from 243 to
301.

Based on Single Family, Townhouse, Condo, Duplex & Half-Duplex homes listed at \$1,300,000+

KEYS-WIDE COMPARISON OF LIST PRICE TO SALE PRICE

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

90.1%
*Down -3.9% from
Prior 12 Months*

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

95.9%
*Up 0.9% from
Prior 12 Months*

Average List
Price reduction
during listing
term for sold
properties

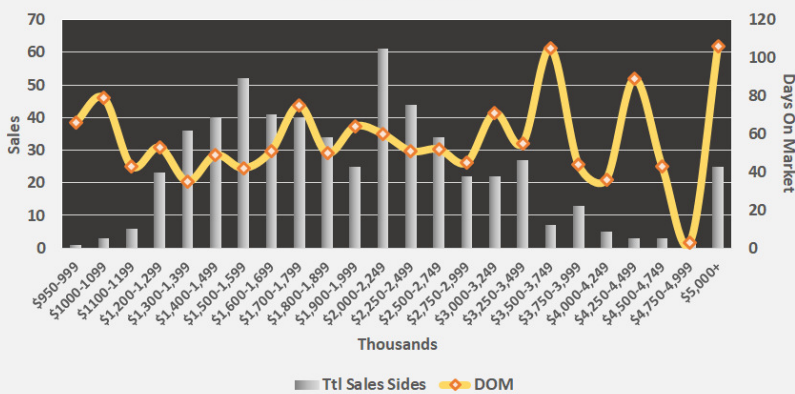
5.8%
*Up from 1.3%
Prior 12
Months*

MARKET ANALYSIS: JANUARY–APRIL 2022 VS 2021

PRICE RANGE & TIME ON MARKET

At the end of September 2022, the number of luxury properties sold between January and September exceeded the number of active listings by 72%. Looking at them from a price range perspective, 52% of the sales were from homes sold for between \$1.5 million and \$2.5 million, while only 40% of the current active homes were in that bracket. The percentage of homes sold and the active listings were nearly even in the \$2–3 million bracket (29% of the total sold and 28% of the active listings), the \$3–4 million bracket (15% of listings and 12% of sales). The \$4–5 million bracket accounted for 5% of listings and 2% of sales. Homes sold at \$5 million or more represented 4% of the sales but 11% of the current active listings.

YTD Sales by Price Range & Days On Market: Residences Listed at \$1.3+ Million



Homes sold between January and September with a list price of \$1.3 Million or more are shown by sale price range.

The average price for the 569 properties is \$2,376,160.

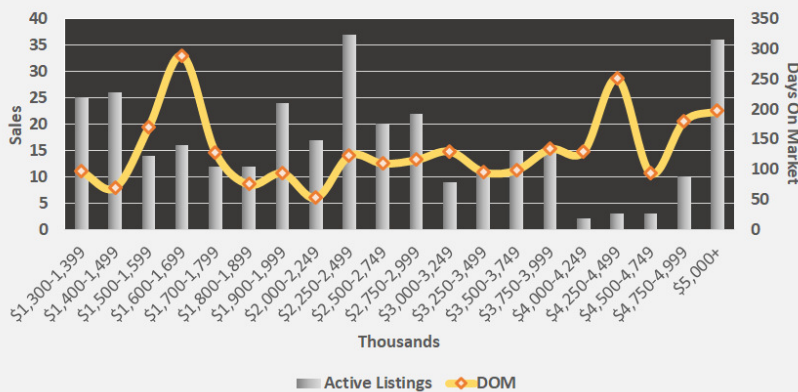
The highest price is \$16,500,000.

The median price is \$1,935,000.

The lowest price is \$975,000.

The average Market Time is 56 days.

Active Listings by Price Range & Days On Market: Residences Listed at \$1.3+ Million



Homes listed for sale at \$1,300,000+ are shown here by price range.

The average price for the 248 properties is \$2,993,844.

The highest price is \$23,000,000.

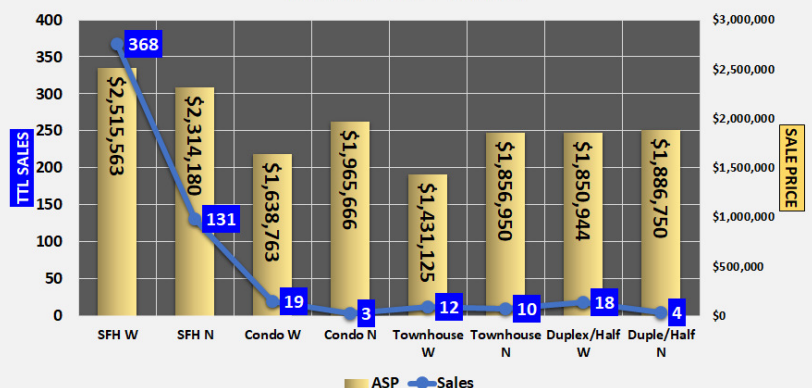
The median price is \$2,250,000.

The lowest price is \$1,300,000.

The average Market Time is 98 days.

Single Family Homes accounted for 88% of all luxury residential sales with 74% located waterfront and 26% non-waterfront. (Most non-waterfront sales occur in the Key West submarket). 74% of all luxury sales were for waterfront properties.

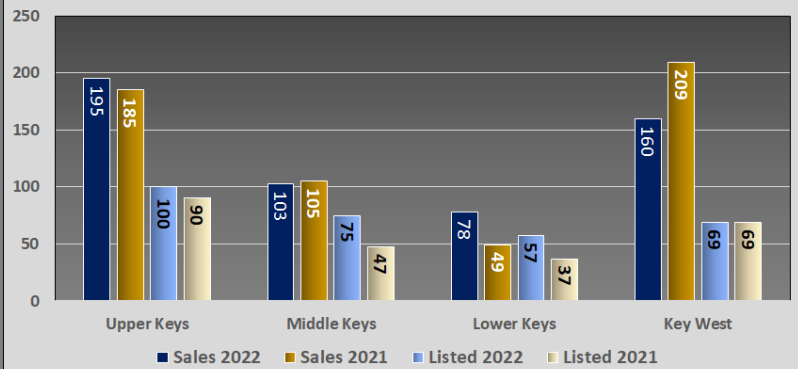
Total Sales & ASP by Property Type and Waterfront Listed at \$1.3+ Million



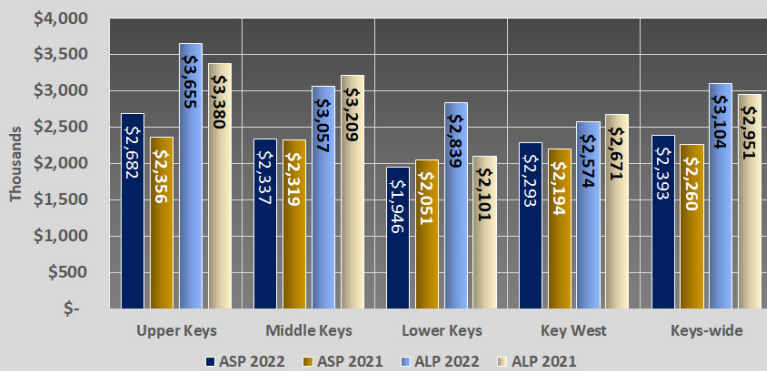
SUBMARKET ANALYSIS

While residential sales were down -28% for the first 9 months of 2022, that wasn't quite the case in the luxury segment where they fell by only 2.2% Keys-wide. The greatest decline came in Key West, down -23%. Elsewhere, the Middle Keys was off -2% while sales in the Middle Keys increased 5% and Lower Keys sales jumped 59%. Residential listings increased less than 2% but luxury listings rose 24% Keys-wide. Key West was flat but the Upper Keys rose 11%; the Lower Keys, 54% and the Middle Keys, 59% over 2021 YTD.

Sales & Listings for Residential Properties Listed at \$1.3+ Million January-September



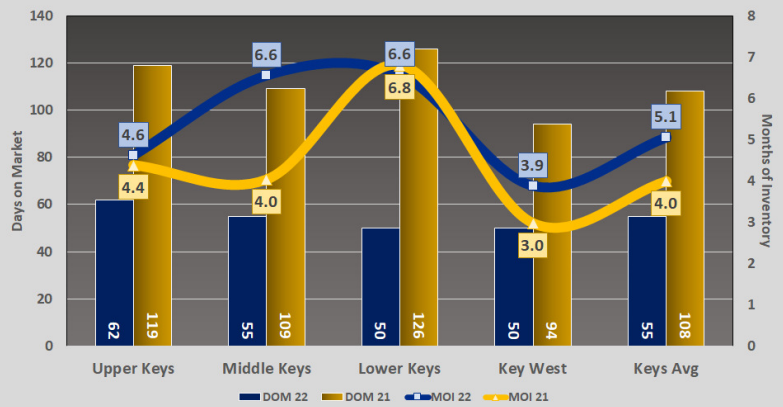
Average Sale Price & Average List Price for Properties Listed at \$1.3+ Million January - September



The average sale price was up 6% Keys-wide. The Lower Keys was the only submarket to register a decline at -5%. The Middle Keys rose 1%, Key West, 5% and the Upper Keys, 14%. The average list price gained 5% Keys-wide though Key West declined -4% and the Middle Keys, -5%. The Upper Keys increased 8% and the Lower Keys was up 35%. The strong sales combined with increased sale prices pushed the overall dollar volume up 3.6% over YTD 2021.

The days on market to close fell sharply in each submarket by percentages ranging from -47% in Keys West to -60% in the Lower Keys. Keys-wide, it was -49%. The months of inventory (also known as the "absorption rate") increased 26% Keys-wide, though less evenly on a submarket basis. Key West was down -4% and the Middle Keys was off -5%. Key West, though, increased 31% and the Middle Keys, 63%.

Days On Market & Months Of Inventory January-September



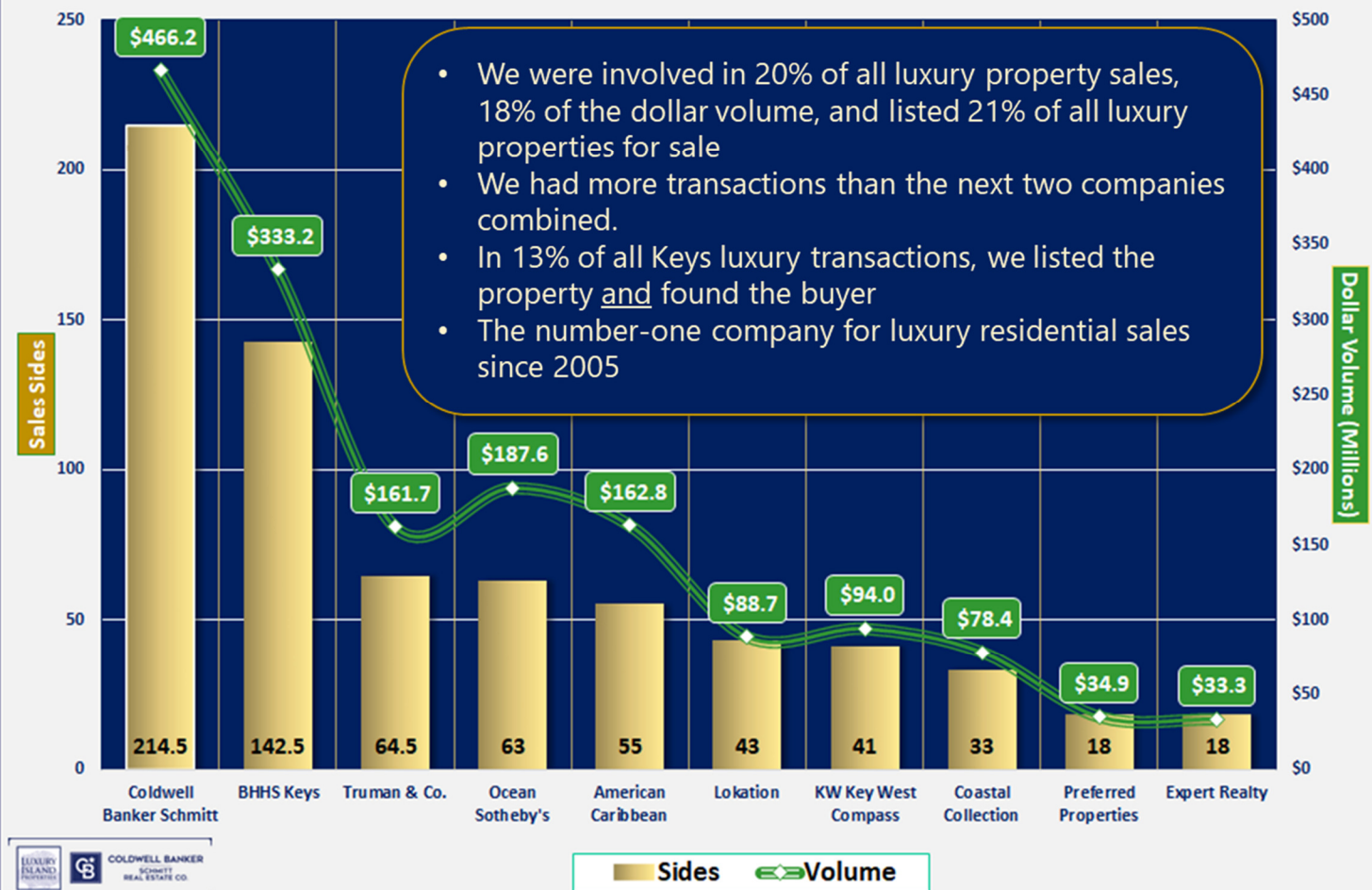
COLDWELL BANKER GLOBAL LUXURY PUBLISHES *THE TREND 2022*

The Trend Report curates insights from our exclusive Coldwell Banker Global Luxury/Censuswide survey, the Institute for Luxury Home Marketing, Wealth-X, and outside experts to spotlight the major trends guiding the luxury real estate market now and in the future. Here are some excerpts from the Executive Summary. The full report can be viewed at blog.coldwellbankerluxury.com/

- **A MARKET IN TRANSITION:** the luxury property sector is showing signs of a reset following an unprecedented home buying boom in 2020 and 2021. Emerging from the pandemic, high net worth buyers have shifted their focus. Rising interest rates inflation and increasing economic uncertainty also softened demand from 2021.

- **NOT QUITE A BUYER'S MARKET:** The majority of luxury home markets analyzed for The Trend Report were still seller's markets as of August 2022 -- but conditions are gradually shifting in buyers' favor. Property hunters have more negotiating power, but they still have to contend with low inventory and high prices.
- **DEMAND FOR SMALLER HOMES RISES:** Affluent buyers appear to be turning toward smaller properties, including secondary and investment homes. An analysis of 20 U.S. markets between April and August 2022 reveals that luxury single family homes with smaller footprints (2,500 to 3,500 square feet) sold 18.6% faster than larger single-family homes (4,500 to 5,000 square feet).
- **SECOND THOUGHTS COULD SPARK MOVES:** About 25% of survey respondents who purchased a home in the last two years said they were not satisfied with their home purchase. Driven by investment priorities and quality of life, they could be on the move again.
- **REAL ESTATE AS A LONG-TERM INVESTMENT:** The high-end real estate market is still in a strong position for 2022 and 2023. Luxury single family home prices have seen 60% appreciation since 2017 while luxury attached home prices increased nearly 41%. According to a survey of over 2000 US-based affluent individuals conducted by Censuswide and the Coldwell Banker Global Luxury Program, four in five (80%) affluent respondents believe that real estate is a safe investment.

Key Largo to Key West Information from the Florida Keys MLS for Residential Properties Listed at \$1.3M+: January - September 2022



Coldwell Banker Schmitt, the market share leader for listings and sales of \$1,300,000+ properties from Key Largo to Key West, publishes the *Luxury Island Properties* newsletter semi-annually.