

# Coldwell Banker Schmitt's Real Estate Report

Vol. 23 No 3  
Summer 2023

## KEYS-WIDE COMPARISON: JANUARY-JUNE 2023 VS. 2022

The Florida Keys has never before experienced a real estate market like we have seen in 2023 which comes on the heels of the two best years for real estate in its history which, fueled by behavioral response to the pandemic, forever changed the Keys. Many of the historical relationships that we have come to expect between the number of listings (sellers), number of sales and sales prices don't seem to neatly apply in 2023. Typically, with declining numbers of sales we would expect to experience declining asking prices and sales prices but as a consequence of historically low inventories of properties for sale, asking prices are increasing as well as selling prices (up 1.3%) even in the face of higher interest rates. Sellers continue to ratchet up asking prices (up 8.2%) in the face of declining numbers of sales (down 34.7%). Buyers are partially bridging the increasing prices by negotiating larger margins between the asking and selling prices (up 2.8%) and by virtue of longer marketing times (up 49%). Sellers are making larger price reductions (up 3.8% to 4.5%) prior to receiving an acceptable offer. The current market continues to be affected by two metrics - the highest sales prices ever seen and some of the lowest inventories of properties for sale ever registered. In spite of increased record prices many sellers remain unmotivated to sell for a number of reasons. The relationship between scarcity of residential listings and residential sales is addressed in the charts and narrative on page 3. The Luxury Residential market in the Keys (residential sales prices in excess of \$1.3 Million) which we last reported on at the end of the First Quarter remains the most resilient segment of the overall market as it is the most insulated from the current higher interest rate environment. We do not anticipate the current market to change until the number of properties for sale increases to create a more stable market. Based on our analysis of the statistics relative to the Keys Real Estate Market over the past 20 plus years a balanced market where the number of listings and sales has maintained a steady state relationship (most recently 2015 to 2019) we would predict that as the number of listings approaches 2,500 Keys-wide (now at 1,451) we will reach a balanced market where the number of sales will increase and prices will stabilize.



**Keys-wide  
Sales  
decreased  
34.7% from  
1,884 to 1,231**



**Average Sale  
Price (ASP) was  
up 1.3% to  
\$1,074,115 from  
\$1,060,371**



**Average List  
Price (ALP) was  
up 8.2% from  
\$1,542,808 to  
\$1,669,815**



**Days On  
Market (DOM)  
was up 49% going  
from 53 to 79  
days**



**Properties  
For Sale  
increased  
17.7% from  
1,233 to 1,451**

Based on All Property Types

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

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

**90.33%**  
*Down 2.8%  
from 2022*

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

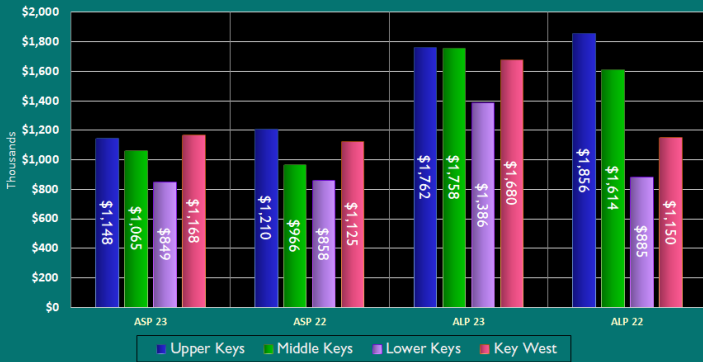
**94.81%**  
*Down 2.1%  
from 2022*

**Avg List  
Price  
reduction  
during  
listing term  
for sold  
properties**

**4.5%**  
*Up from  
3.8% in  
2022*

# THE KEYS SUBMARKETS REPORT

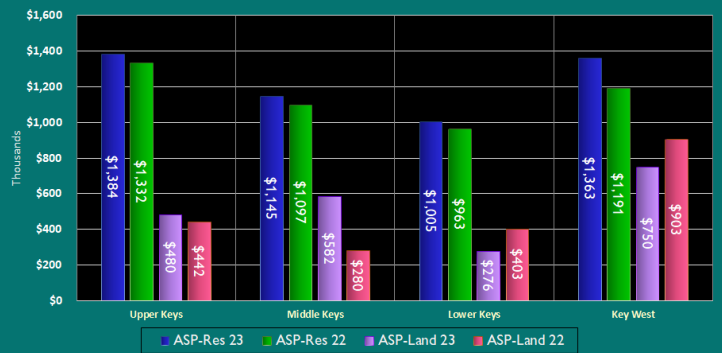
Average Sale Price & Average List Price  
January-June 2023 vs 2022



The Average Sale Price for residential properties increased in each area. Key West led with a 14.4% gain, the Middle Keys and Lower Keys were both up 4.4%, the Upper Keys rose 3.9% and, overall, the market posted a 7.0% increase. Vacant Land was up 108% in the Middle Keys though that was based on only 20 sales. Otherwise, vacant land prices rose 8.6% in the Upper Keys but fell -31.4% in the Lower Keys and -17% in Key West (where there was a grand total of 3 transactions.)

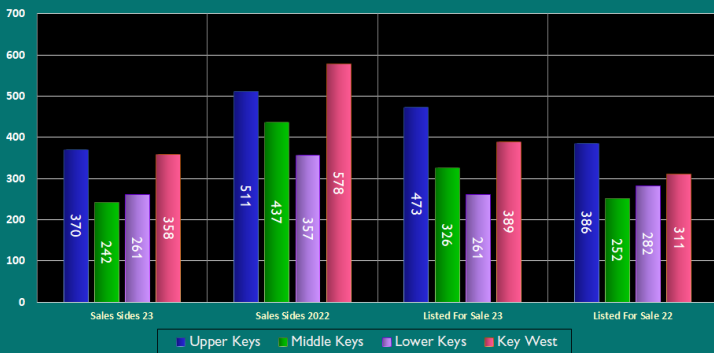
The Average Sale Price for all property types increased in the Middle Keys and Key West but declined in the Upper Keys and Lower Keys. Keys-wide, it was up 1.3%. The Middle Keys led with a 10.2% gain, Key West was up 3.9%, the Lower Keys fell -1.0% and Key West was down -3.9%. The Average List Price increased everywhere but the Upper Keys. The Lower Keys jumped 56.5%, Key West was up 46.1%, and the Middle Keys, 9.0%. The Upper Keys lost -5.1%. Overall, the ALP gained 8.2% Keys-wide.

Average Sale Price for Residential & Land  
January-June 2023 vs 2022



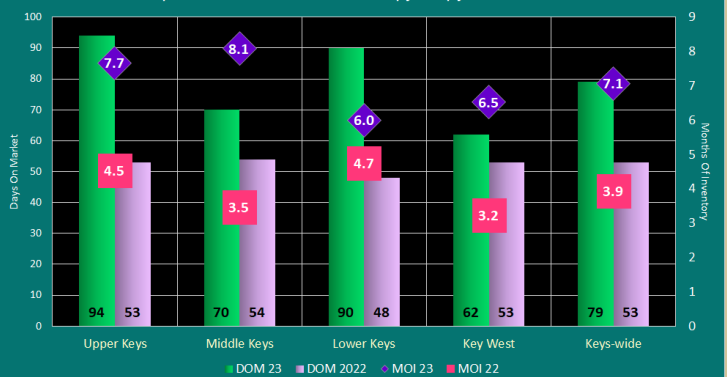
Sales sides were down Keys-wide by -35% with the Lower Keys and Upper Keys each lower by -27%, Key West by -38% and the Middle Keys by -45%. Listings were up everywhere (17.7% Keys-wide) except the Lower Keys (down -7.4%) with the Middle Keys rising 29%, Key West up 25% and the Upper Keys up 23%. That being said, the 1,451 active listings at the end of June is 61% of the total we had at the end of June 2020.

Sales Sides & Properties Listed For Sale  
January-June 2023 vs 2022



The number of days it takes, on average, to sell a property rose considerably from the same time frame in 2022. Key West had the smallest increase at 17% while at the other extreme, the Lower Keys was up 87.5%. Keys-wide, it was up 49.1%. The months of inventory (also known as the absorption rate) rose everywhere. It was up 26.6% in the Lower Keys, 69.2% in the Upper Keys, 101.9% in Key West and 133.6% in the Middle Keys. The Keys-wide figure was 7.1 months.

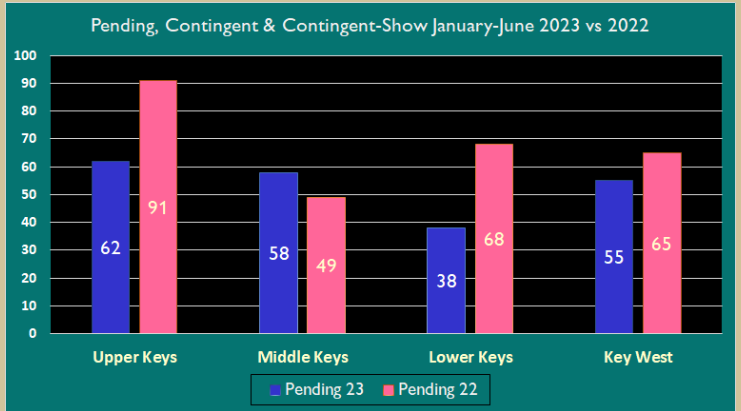
Days On Market & Months Of Inventory January-June 2023 vs 2022



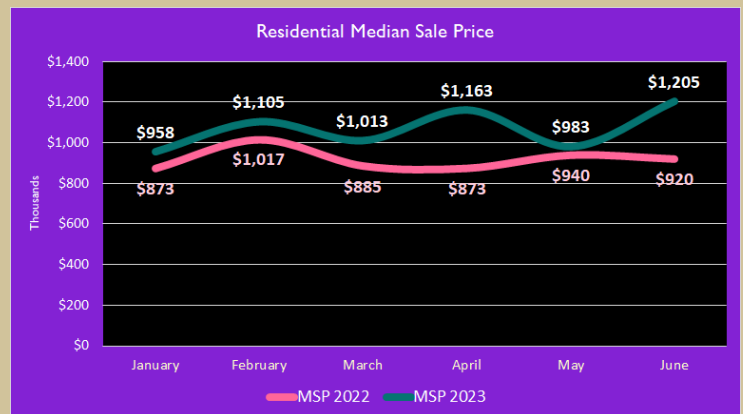
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# THE KEYS SUBMARKETS REPORT

The Middle Keys was the only submarket that posted an increase in the number of pending/contingent/contingent show transactions with a 18.4% rise. They were off -15.4% in Key West, -31.9% in the Upper Keys and -44.1% in the Lower Keys combining for a Keys-wide decline of -22% based on 213 vs. 273 in 2022. There were 457 in 2021 and 552 in 2020.



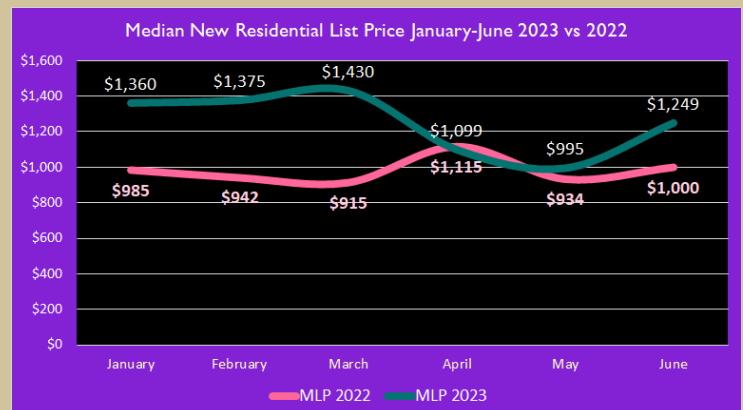
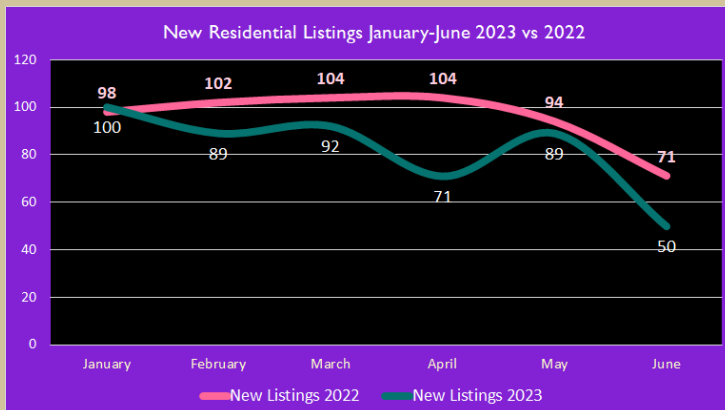
## SCARCITY & RESIDENTIAL SALE PRICE



Historically, Keys residential sales tend to crest toward the end of the first quarter and reach a low point toward the end of the third quarter. What's different in 2023 is how the lack of housing inventory has not only helped keep prices high but actually increased them. Given the current mortgage market, many homeowners have chosen to stay where they are rather than surrender their favorable rates in moving. A similar lack of housing inventory in much of the USA has further suppressed the mover rate. The approaching end of ROGO and the impetus to build more workforce housing means there will be little relief from new residential construction in Monroe County.

We see that residential sales followed a similar pattern over the first five months from 2022 to 2023, but then went in opposite directions as we ended June with less than half the number of sales we had in 2022. The reverse happened with the median sale price. After the figures for 2023 and 2022 converged in May, the MSP was up sharply in June.

We see a similar pattern with new listings and the median list price for them. There was near convergence in May for both years and then new listings declined in June while the median list price rose 19%. Given the number of pending/contingent/contingent-show transactions at the end of June 2023, it's likely this trend will persist in the near term.





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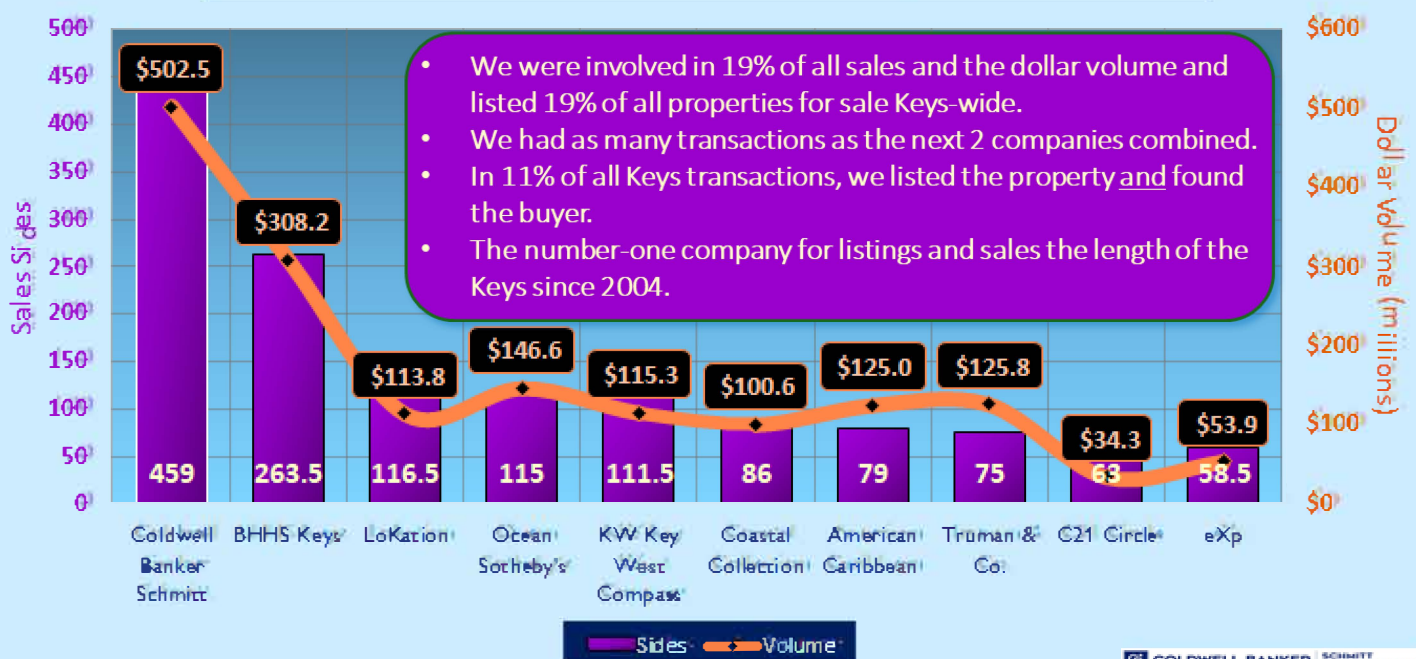
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WHICH COMPANY'S AGENTS WOULD YOU WANT TO SELL YOUR PROPERTY?

### Key Largo to Key West Sales Sides January-June 2023 Information from Florida Keys MLS



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