

Coldwell Banker Schmitt's Real Estate Report

Vol. 24 No1
Winter 2024

KEYS-WIDE COMPARISON: JANUARY-DECEMBER 2023 VS. 2022

2023, compared to the record year of 2021 and all-time highs of 2022, was an off year and signaled an adjustment to a Keys real estate market full of paradoxes. While the Dollar Volume of sales in 2023 was the third highest in Keys history - higher than any year prior to 2021 - the number of sales was the lowest in the past 10 years. The continued influence of an historically low inventory has led to the highest average sale prices ever recorded which we believe will continue to be sustained as the market continues to adjust to a post-pandemic world.

While the 2023 market is now committed to history, which is chronicled in this Newsletter, the bigger question is what will 2024 bring? Based on current trends we expect inventories of properties for sale will continue to increase over 2023 levels. The year-end 2023 inventory of 1,748 listings is almost one-third lower than pre-pandemic averages and will continue to increase throughout 2024 providing more choice for buyers but not necessarily a negotiating wedge that will serve to create a buyers' market with resultant price declines. The number of sales in 2024 is nationally slated to increase over 2023 with interest rates stabilizing in the low 6's%. While the Keys market has not traditionally been as subject to interest rate swings we expect more sales here as well.

Marketing time in 2024 will increase with more listings, returning to over 100 days from the year end 79 days. We believe that sellers will continue to test the market in terms of asking price and will continue to have to adjust their expectations of price in 2024, with average price reductions during the listing term of over 5% from the original asking price, and negotiating margins over 10% from the original List price, and over 5% from the final list price.

The Luxury Market which is defined as residential properties over \$1.5 Million will continue to lead the market in 2024. We will fully report on that market segment in our Spring Newsletter.

The limitation on the development of new homes in the Keys will continue to significantly influence the Keys real estate market in 2024. The Village of Islands has no more Building Rights to award while the City of Marathon's supply will run out this summer. Monroe County has allocations for new permits into 2026 while the Cities of Key West, Key Colony Beach and Layton have remaining supplies. Discussions about Hurricane evacuation times which restrict building permits will ultimately be determined by the Florida legislature in the 2025 legislative season based on inputs from the County and Cities. These discussions will determine the future of the Keys for decades to come and will have profound impacts on the real estate market in the short and long term.



**Keys-wide
Sales**
decreased
24.5% from
2,976 to
2,219



**Average Sale
Price (ASP) was**
up 1.5% to
\$1,054,706 from
\$1,038,652



**Average List
Price (ALP) was**
up 10.9% from
\$1,572,613 to
\$1,744,715



**Days On
Market (DOM)**
was up 41.1%
going from 56 to
79 days



**Properties
For Sale**
increased
27.7% from
1,369 to 1,748

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**

88.84%
*Down 4.2%
from 2022*

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

94.63%
*Down 1.9%
from 2022*

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

5.8%
*Up from
3.1% in
2022*

2023 VS 2022 BY PROPERTY TYPE



Residential

- 77% of all sales and 92% of the total dollar volume of sales.
- 1,712 residential properties were sold in 2023 vs. 2,353 in 2022, a drop of -27%.
- The average sale price was \$1,256,199, up 8% over 2022.
- The dollar volume of sales was \$2,150,613,027, -21% lower than in 2022.
- Sale prices averaged 94.65% of the final list price which was 1.8% lower than 2022.



Vacant Land

- 8% of all sales and 3.6% of the total dollar volume of sales.
- 179 vacant land listings were sold in 2023 vs. 280 in 2022, a decline of 36%.
- The average sale price was \$464,605, an 11% jump over 2022.
- The dollar volume of sales was \$83,164,463, down 29% from 2022.
- Sale prices averaged 91.9% of the final list price, down from 2022's 96.4%.



Commercial

- See our Winter 2024 Commercial Report Newsletter for a more detailed analysis.
- 4.7% of all sales and 3.7% of the total dollar volume.
- 105 commercial properties were sold or leased in 2022 vs 167 in 2023.
- The average sale price was \$830,726, down -34% from 2022.
- The dollar volume of sales was \$87,226,331, 41.4% of 2022's total.



Boat Slips

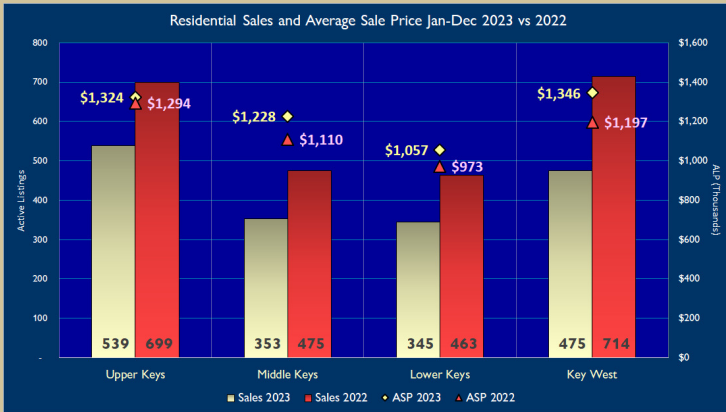
- 2.2% of sales and 0.9% of the total dollar volume.
- 48 boat slips were sold in 2023 vs. 91 in 2022, down 47%.
- The average sale price was \$311,227, up 12% from 2022.
- The dollar volume was \$14,938,900, a decrease of 36%.
- Sale prices averaged 96% of final list price, flat from 2022.



Business Opportunities

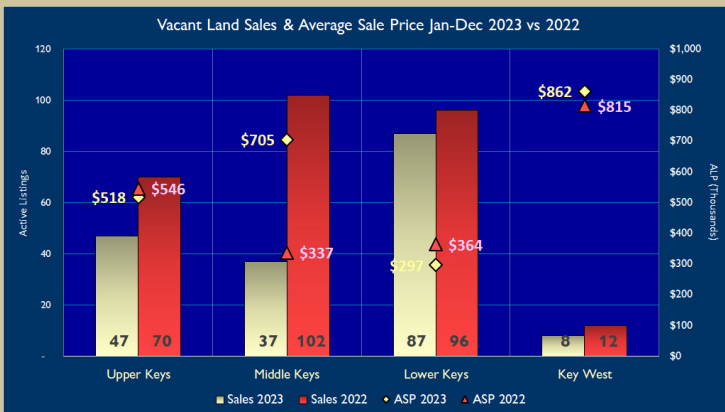
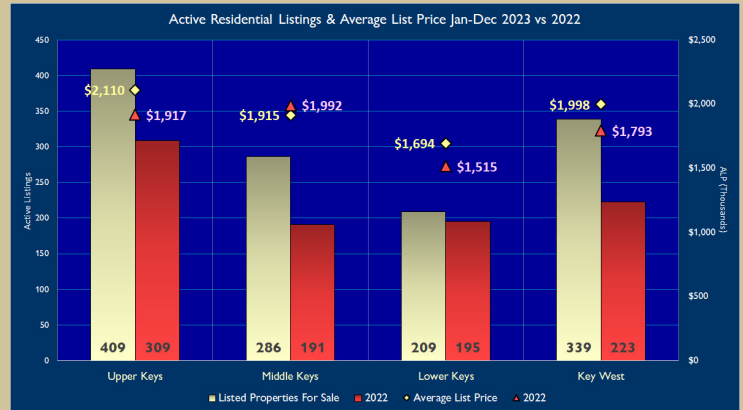
- There were 10 sales in 2023, unchanged from 2022.
- The average sale price was \$367,600, an increase of 113% from 2022.
- The dollar volume was \$3,676,000, a 52% increase over 2022.
- Sale prices averaged 89% of final list price, up 5% from 2022.

THE KEYS SUBMARKETS REPORT



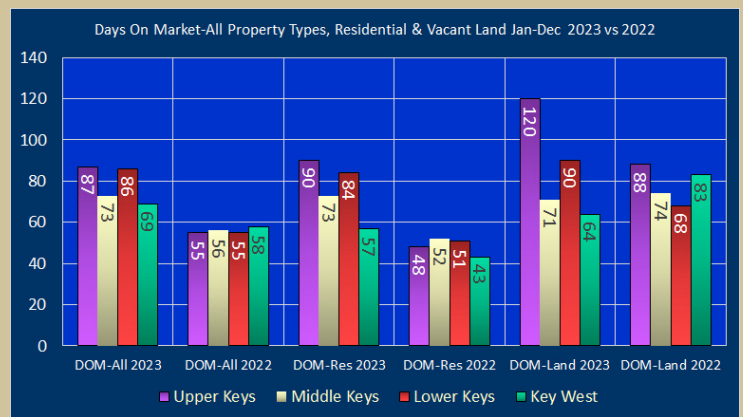
The number of residential transactions was down 27.7% vs. 2022's total Keys-wide. The Upper Keys, down 23%, was least affected, the Middle Keys and Lower Keys were roughly 26% lower while Key West sales declined by one-third. Average Sale Prices increased 8% Keys-wide. In the submarkets, the increase ranged from 2.3% in the Upper Keys to 12.4% in Key West.

Residential listings increased 35% Keys-wide over the level at the end of 2022 while the Average List Price rose 7%. Listings jumped most dramatically in Key West (52%) and the Middle Keys (50%). The Upper Keys was up 32% while the Lower Keys rose only 7%. The increase in list prices ranged from 12% in the Lower Keys to 11% in Key West to 10% in the Upper Keys, but they fell 4% in the Middle Keys.



Vacant Land sales were down 36% Keys-wide. The decline was most acute in the Middle Keys, down 64%. The Upper Keys and Key West were both down by about one-third. The Lower Keys was less affected with 9% fewer transactions. Despite the decline, the Middle Keys led in Average Sale Price with a 109% increase. Key West's was up a more modest 6% while the ASP fell in the Lower Keys by 18% and by 5% in the Upper Keys.

The interval between the time properties were listed and went under contract increased 41% Keys-wide for all property types, by 58% for residential, and by 22% for vacant land. The residential increase was 88% in the Upper Keys, 65% in the Lower Keys, 40% in the Middle Keys and 33% in Key West. The only declines in DOM came in Key West for vacant land (down 23%) and the Middle Keys (down 4%).





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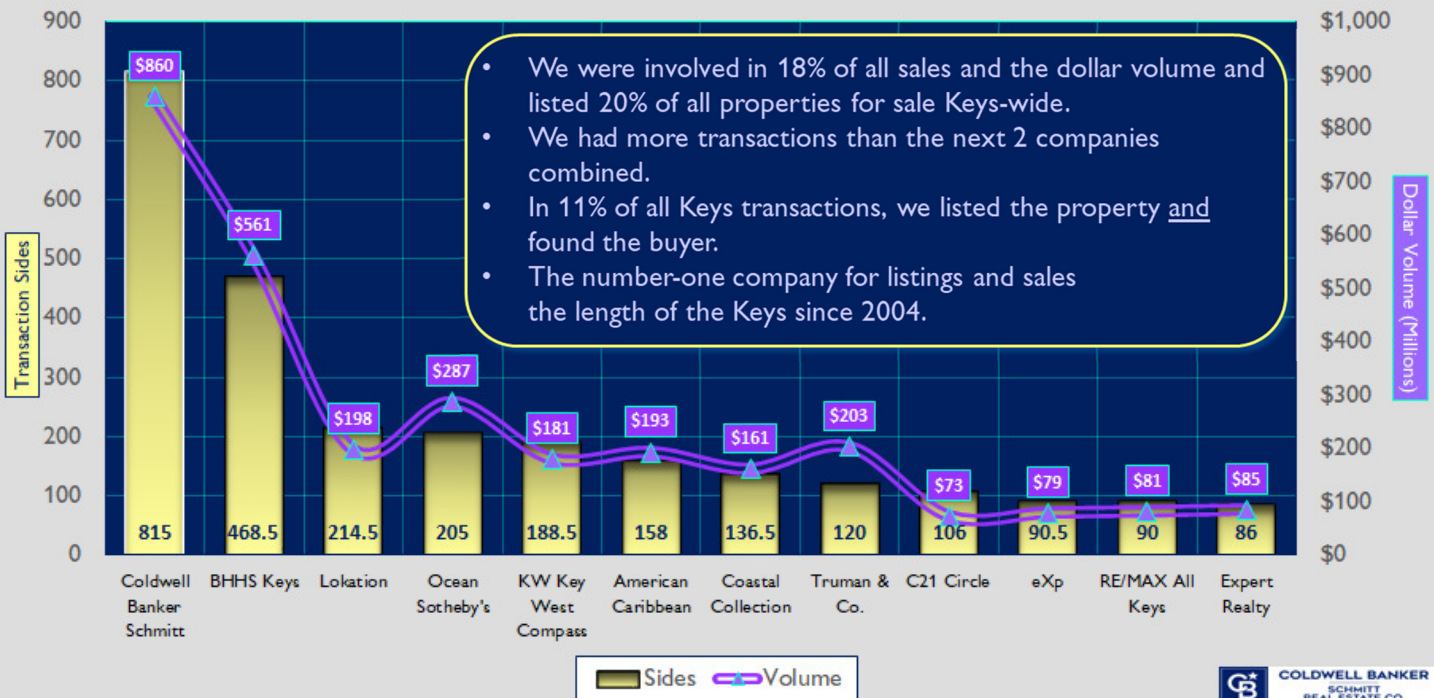
AND/OR CURRENT RESIDENT:

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 WOULD YOU WANT TO SELL *YOUR* PROPERTY?

Key West to Key Largo Transaction Sides January-December 2023
Information from Florida Keys MLS



COLDWELL BANKER SCHMITT IS THE LEADING COMPANY FOR SALES & LISTINGS SOLD KEYS-WIDE