

COLDWELL BANKER SCHMITT'S LUXURY ISLAND PROPERTIES REPORT



Spring 2025



Keys-wide Comparison of January through March 2025 vs 2024

Much has changed since our last report in the fall of 2024 on the Keys Luxury Market. In the fall of 2024, the number of sales was still up, the average sales price of \$2.6 Million was flat, days on market at 89 was down, the listing inventory was up and the average list price of \$3.074 Million was flat over the prior period. Fast forward 6 months to the Spring of 2025 and we see that sales are down while the average sales price at \$2.9 Million is up, days on market at 104 is up along with new listings and the average list price of \$3.8 Million over the prior period. The Luxury market, which has sustained the overall real estate market in the Keys, is now also bending to the forces that have been negatively affecting the overall market starting in 2023. The causes of these market changes are summarized on page 2 of this report which graphically tracks listings and sales from the most recent period vs the prior period in 2024.

We analyze the four submarkets that make up the Keys Market (Upper Keys, Middle Keys Lower Keys and Key West) on page 3 where we see some significant divergence between these four areas in terms of Sales, Listings, and Days on Market.

Page 4 provides the highlights from the annual Coldwell Banker *Luxury Trend Report* which allows you to understand and compare the overall US Luxury market to that here in the Keys.

Based on our 70 years of experience in the Florida Keys real estate market, we can bring all of that knowledge to bear on our forecast for the Luxury market going forward in the Keys. We expect that the most critical factor, which is the number of sellers, will continue to show increases over the prior year for the balance of 2025. The rise in the average sale price during the first quarter of 2025 was a function of a couple of larger \$12 Million sales which we handled that masked a trend for more sales at the lower end of the luxury scale. We expect this trend to continue through 2025 as well. At the beginning of 2025, we described the market going forward as a declining market defined as having more sellers and fewer buyers ultimately resulting in lower prices. This description has been playing out in the overall market and is now apparent in the Luxury market as well.



Keys-wide sales
fell 16.79% from 102
to 84.



Average Sale Price
(ASP) was up 2.7% at
\$2,947,962 compared with
\$2,871,722 one year earlier.



Days On Market (DOM)
increased 20.9% from 86
to 104



New Listings
rose by 9.6% from 265 to
293.



Average New Listing
List Price was up 7.4%
going from \$3,533,867 to
\$3,796,771

Based on Single Family, Townhouse, Condo, Duplex & Half-Duplex homes listed at \$1,800,000+

KEYS-WIDE COMPARISON OF LIST PRICE TO SALE PRICE

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

88.7%
*Down 0.8% from
Prior 12 Months*

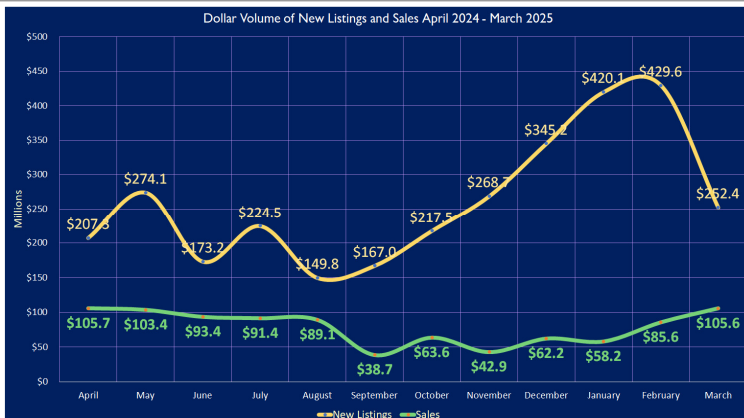
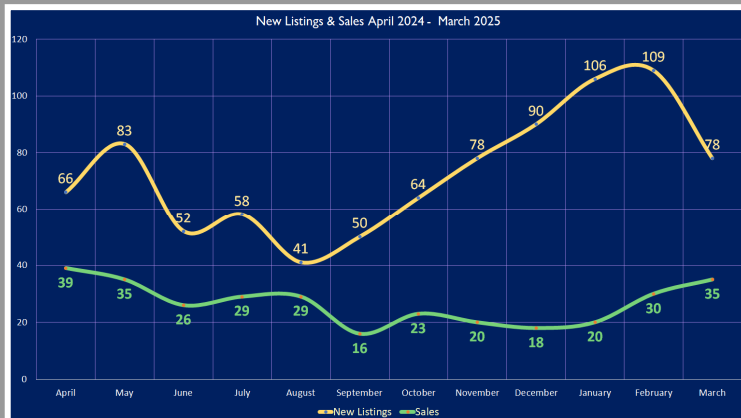
Sales Price % vs Listed
Price at the time the
property obtained a
contract & sold

93.8%
*Up 0.3% from
Prior 12 Months*

Average List
Price reduction
during listing
term for sold
properties

4.1%
*Up from 3.1%
Prior 12
Months*

MARKET ANALYSIS: NEW LISTINGS VS. SALES APRIL 2024–MARCH 2025



Over the past twelve months, sales of luxury residential properties listed at \$1.8 Million and higher have remained fairly level while also reflecting the Keys' traditional pattern of seasonality. We had 39 sales in April 2024 with a dollar volume of \$105.7 Million. One year later, there were 35 sales and an associated dollar volume of \$105.6 Million. New listings, on the other hand, grew steadily from August 2024 through the first two months of 2025. There were a variety of factors influencing the trend. Among them:

- Homeowners who may have delayed selling in previous years, sensing the onset of a declining market, now chose to list their properties while sale prices were still at historic highs. This mindset probably contributed significantly to the rise in active listings.
- A return to pre-pandemic levels: While overall inventory has increased, it's worth noting that it did not reach the pre-pandemic level constituting a stable market (approximately 2,500 listings) until March 2025, suggesting a market rebalancing rather than an oversupply.
- Rising insurance premiums: Florida has experienced significant increases in property insurance premiums. This added financial burden significantly impacts affordability and dampens buyer enthusiasm.
- Economic uncertainty: Broader economic factors like inflation and concerns about a potential economic downturn may be influencing buyers to postpone large purchases like luxury homes.
- Shift to a Buyer's Market: the significant rise in inventory has shifted the market dynamics, giving buyers more options and increased negotiating power.

In summary, the increase in luxury housing inventory in the Florida Keys in late 2024 and into 2025 is primarily driven by a surge in homes being listed for sale, coupled with a more cautious and financially strained buyer pool due to elevated interest rates, rising insurance costs, and broader economic uncertainties. This combination has created a more balanced, or even buyer-friendly, market compared to the competitive conditions of previous years.

Homes & Estates Spring 2025

The new issue of Coldwell Banker Global Luxury's *Homes & Estates* celebrates all of the diverse and creative expressions of luxury living. From the vibrant evolution of London's Soho district to the exquisite world of Kaiseki dining in Japan and Four Seasons' expanding Private Residences portfolio, the stories illustrate—in one way or another—that creativity is a luxury in and of itself.

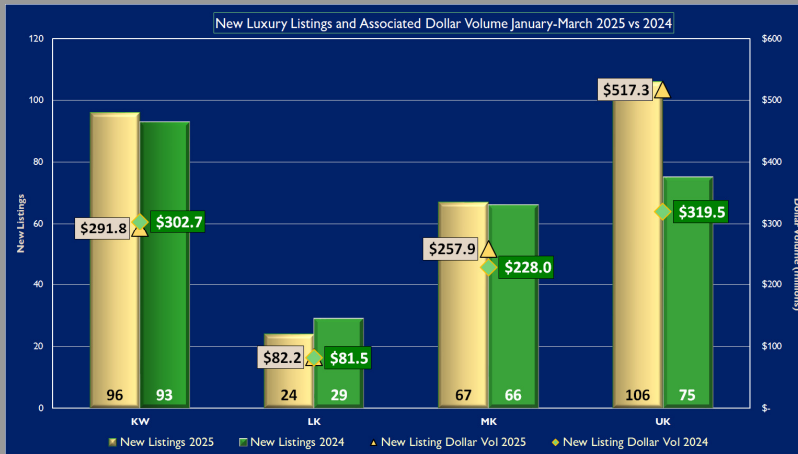
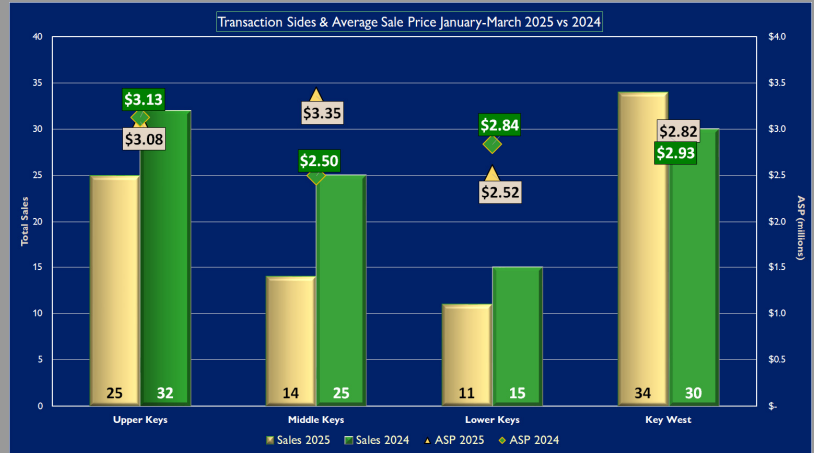
We invite you to embrace this spirit of discovery as you explore the pages of this issue. (Be sure to view our listings on pages 53.)

Visit cbflkeys.com/homesandestates to view online.



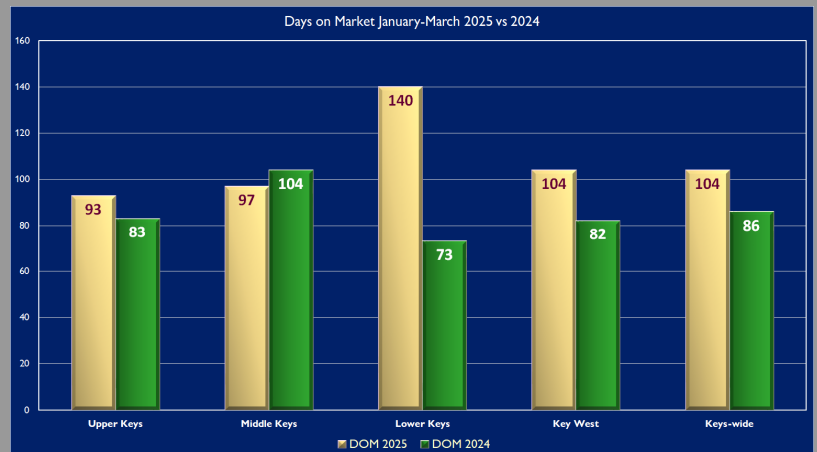
SUBMARKET ANALYSIS

Total Sales and Average Sale Price: Luxury sales declined 17.6% Keys-wide. Key West was up 13% but sales in the Middle Keys fell by 44% while the Lower Keys declined by 27% and the Upper Keys, by 22%. The Middle Keys average sale price rose 34% but the ASP in the Lower Keys fell by 11% while Key West was down 4% and the Upper Keys, by 1.5%. This resulted in a 2.7% ASP increase across the Keys.



New luxury listings and New Listings Dollar Volume were up 11% throughout the Keys based on a 41% jump in the Upper Keys, 3% in Key West, and 1.5% in the Middle Keys. There was a drop of 17% in the Lower Keys. The associated dollar volume represents an 18% increase. The Upper Keys led with a gain of 62%. The Middle Keys was up 13%, the Lower Keys was essentially flat with a 1% increase, and Key West posted a 4% dip.

The days on market increased 21% Keys-wide. The Middle Keys was the lone submarket with fewer days, down 7%. Elsewhere, the Lower Keys DOM almost doubled with a 92% gain. Key West was up 27% and the Upper Keys, by 12%.



COLDWELL BANKER GLOBAL LUXURY TREND REPORT 2025

The Coldwell Banker Global Luxury® program unveils the third installment of *The Trend Report*, a comprehensive analysis of what's new and noteworthy for high-net-worth real estate.

This wildly popular and award-winning annual report series draws upon insights and data from leading sources like the Institute for Luxury Home Marketing, Wealth-X, and other industry experts. Together, these sources provide a unique perspective on the evolving landscape of luxury real estate, highlighting the key trends shaping the market today and predicting future directions of luxury property buying and selling.

You can read the full report at cbflkeys.com/trend2025. Here is its executive summary (continued on page 4)

What's inside The Trend Report 2025:

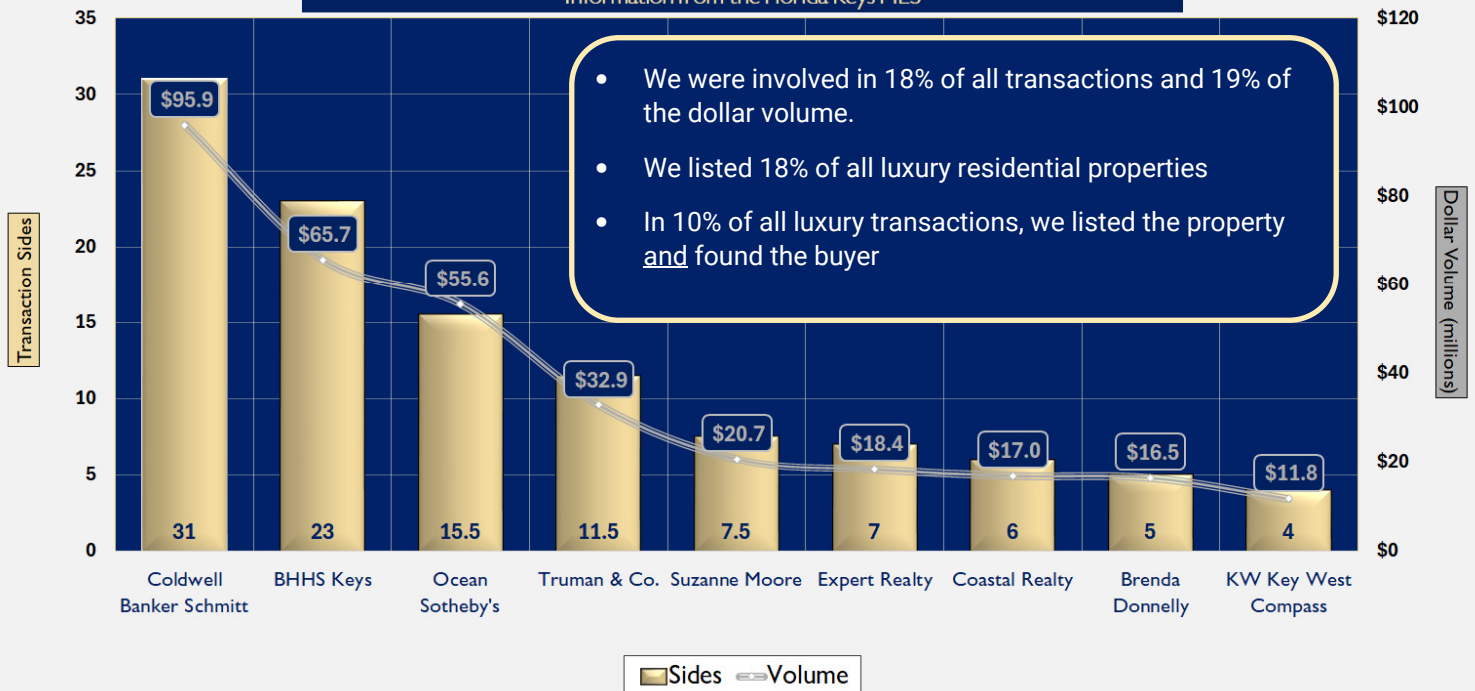
- **Luxury Shows Resilience:** Luxury housing continues to outperform the broader market, with single-family home prices growing twice as fast.
- **Positive Outlook for 2025:** Over 85% of Luxury Property Specialists express optimism for buyers, and 74% for sellers, indicating a positive market outlook for 2025.
- **More Property Selection Powers Pent-Up Demand:** Increasing inventory is creating more opportunities for buyers, potentially unleashing pent-up demand.
- **The Rise of the "She-Elites":** Affluent women are a dominant force in luxury real estate, driving demand and influencing purchasing decisions.
- **Doors Open for Gen X, "The Luxury Latchkey Generation":** Gen X buyers are a key growth segment, fueling demand for multi-generational living spaces.
- **Indoor-Outdoor Living Remains Paramount:** Over 60% of Luxury Property Specialists rank indoor/outdoor living as a top feature among their clients, reflecting a growing demand for seamless indoor-outdoor spaces.
- **Value-Driven Luxury:** Affluent buyers are increasingly focused on value, seeking properties that offer unique experiences and long-term returns.
- **New Luxury Location Drivers:** Wealthy individuals are seeking new locations that offer lower taxes, economic opportunity, safety, lifestyle benefits, and favorable climates.
- **Developers Adapt to Evolving Demands:** Luxury developers are creating bespoke projects that cater to the evolving needs and preferences of today's discerning buyers.

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

Luxury Residential Transactions Listed at \$1.8+ Million

Key Largo to Key West - January-March 2025

Information from the Florida Keys MLS



Coldwell Banker Schmitt, the market leader for listings and sales of luxury properties from Key Largo to Key West since 2005, publishes the *Luxury Island Properties* newsletter semi-annually.