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Expectations fall

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Statistics show poor sales are continuing

The second-quarter real estate numbers are out and the trends toward fewer sales and longer times on the market have continued.

However, there is a ray of sunshine peaking through the dark clouds in the downbeat statistics: Average listing prices have settled and fewer properties are coming on the market.

In other words, property owners have gotten the message about the state of the market and are beginning to have more realistic expectations about prices.

When the market was hot, sellers were placing ever-higher prices on their properties - and then getting them. That encouraged an upward spiral of prices that eventually rose beyond what buyers are willing to pay.

Now, while sale prices are still increasing, the Keys aren't experiencing the 30 percent jumps of previous years. On average, final sale prices only increased a smidgen, by 2 percent. They actually dropped by 6 percent in Key West and a full 22 percent in the Lower Keys.

On the brighter side, sale prices grew by 11 percent in the middle Keys and 16 percent in the Upper Keys.

"The inventory is starting to shrink," said Brian Schmitt, whose company Coldwell Banker Schmitt Real Estate, provided the numbers. "We have 69 percent more properties for sale than the previous year, but last year we had 100 percent more."

That's the average, of course, and the Middle Keys are still showing a large increase in homes on the market, 127 percent more than the same period last year. Of that group, however, the number that actually came on the market in the first six months of this year increased by only 7 percent versus a year ago.

Another real estate bellwether, the number of days a house is for sale, continues to rise, though not meteorically.

Throughout the Keys, homes sat on the market for 15 percent more time, or an average of 168 days. All areas of the Keys showed similar numbers though it shrank a bit in the Lower Keys. Sometimes that occurs because a few homes that have been around for awhile suddenly sell; that skews the numbers.

Schmitt saw some positive signs in the latest statistics.

"Normally June is not as good a month as April, and this year it's better," he said. "The normal cycle has been disrupted of when sellers put their houses on the market and when buyers buy. I think the market is trying to find some equilibrium."

He also pointed to the stabilizing of interest rates, with mortgage rates even dropping slightly last month. The Fed, which sets overall interest rates, has indicated it will only push rates up one more time - for now - and that may encourage reluctant buyers.

"Once we get some resolution in the insurance issues and we get beyond hurricane season, we'll be in pretty good shape," Schmitt added. "I think people are spooked and just waiting to see how it goes."

All Realtors - and residents - are hoping for a "normal" hurricane season. So far, so good. Only time will tell.