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FOR IMMEDIATE RELEASE

UPPER KEYS HOUSING – BARGAINS PUSH PRICES LOWER

ISLAMORADA, Florida Keys: “The average sales price fell about 28% during the first half of this year compared to 2008 reports Jim Larson, an Islamorada Realtor. Blame it on the bargain hunters; they have been circling our islands quite similar to the buzzards in the winter air currents, and the numbers show that many of them have scored big. Of the 173 reported sales, 41 were either short sales or bank REO’s. (REO stands for Real Estate Owned, the term used once a bank or lender takes a property back by foreclosure or deed in lieu of foreclosure.)

These bargains don’t appear to be letting up anytime soon; currently there are 13 active REO’s on the market plus 91 active short sale possibilities. Another 57 short sales are pending as of this writing. Short sale possibilities are too new to have a reliable percentage figure of the ones that actually close. Some short sale possibilities are just that – possibilities, which will never make it to the closing table merely because the seller will be unable to prove that they are short sale candidates – they may make too much money or have too many other assets to qualify. And many buyers will get tired of waiting – I have one in process now that has been under contract since March. The 2 short sales I have closed so far this year have averaged 90 days from contract to closing. And though the wait can be several months, when the short sale actually closes, the buyer usually ends up with a real bargain; the seller avoids a foreclosure on their credit but may face other consequences with their lender(s), who ends up taking the financial bath.

This report is based on an area from Mile Markers 63 to 106, Long Key through Key Largo, single family, condo/townhouse, half duplex and mobile home, and closed sales from January 1 through June 30, 2009. The actual numbers are shown below (DOM = days on market):

YEAR	NUMBER OF SALES	AVERAGE PRICE	DOM
2009	173	563,301	293
2008	166	718,840	231
2007	224	809,002	236
2006	240	781,866	159
2005	481	746,198	142
2004	534	521,818	135

It is good to keep in mind that today’s market is just another cycle in the wonderful world of real estate where many a fortune has been made in this great country of ours. A year or so down the road it could be looked upon as a missed opportunity if you’re one of the bargain hunters who failed to buy. Or a time of great wisdom if you are one of the

successful who bought your Keys property at an unbelievable low price. Because once the market turns again, and it will (when the buyers outnumber the sellers) guess what is going to happen to prices?

My suggestion to those wishing to buy Keys property is, set your criteria for what you want in your home and what you can afford to pay, look around to see what is available and pull the trigger. Buy the best one that fits your wants and needs. Do not try and time the market; it can't be done. You're looking at prices today that are on par with late 2003 and early 2004, they won't go much lower.

And to those of you wishing to sell; if you can't handle today's prices, take yours off the market now. You're just kidding yourself anyway if you're asking a 2005 to 2007 price, and you're cluttering up the market. Just sit back and enjoy your little piece of paradise or consider renting your home for a while. Then re-list when the market turns.

But if you *need to sell* now, bite the bullet, realize that the market is falling and price yourself ahead of it. If you price it right at the market today, you'll be overpriced in three months. So price it at the 3 months down the road number, it will be a bargain and you will have a very good chance that one of the bargain hunters will snap it up."

Jim Larson is a lifelong Realtor who is certified by the National Association of Realtors as a *Residential Specialist (CRS)*, by the International Consortium of Real Estate Associations as a *Transnational Referral Certified Agent (TRC)* and holds a *Certificate in Real Estate* from the *University of Michigan*. He has been an Islamorada resident since the 1990s and is affiliated with Keller Williams Realty Premier Properties on Kendall Drive in Miami.

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