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Steamboat Springs
REALTOR
 OF THE YEAR
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Supply or Demand - What Turned in 2018?

With a healthy national, state and local economy and eight years of steady growth in transactions that averaged a 15% increase year-over-year, why did the 2018 Steamboat Springs real estate market see a drop in transactions of 7%? A quick answer would be "Demand has dropped".

In 2017 the Steamboat Springs Multiple Listing Service posted 1,373 transactions; fourth best recorded and highest since the 2008 crash. However, this drop of transactions may not be due to a reduction in demand, but a reduction in supply to meet demand. The 2008 market crash brought on a rash of listings in 2008, 2009 and 2010. It wasn't until buyers started coming back in the market did the number of listings decline. From 2010 to 2016 listings declined 7% annually. However, in 2017 that percentage tripled to -21%, setting a stage coming into 2018 of the fourth lowest number of listings the MLS has seen.

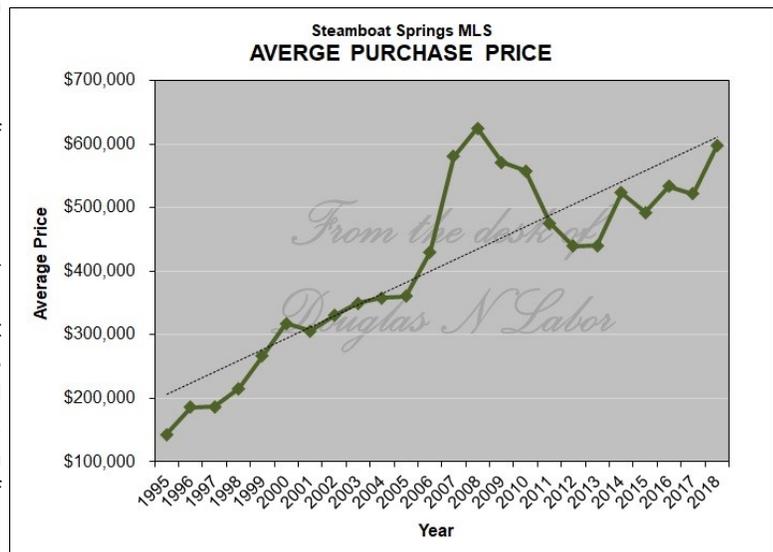
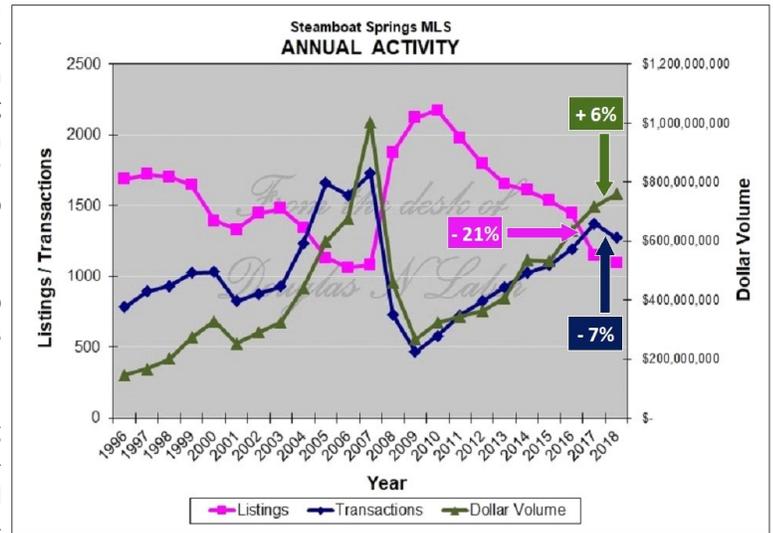
Despite transaction decline, dollar volume increased 6% to \$761 million; the second best in Steamboat MLS history. This is only the second time since 1996 this phenomenon occurred.

Less inventory led to less buying opportunities, and less buying opportunities led to fewer transactions in 2018. If lower demand was the reason, a reduction of property values would have been the result. However, the average price of all properties sold in the Steamboat Springs MLS increased 13% from 2017 to nearly \$600,000; the second highest on record.

Although there were not as many 2018 transactions as 2017, there were some very interesting ones. Following are some of the most notable sales and occurrences this past year:

Single Family Homes

SF homes typically represent about one-third of all MLS transactions. 377 single family homes were sold in 2018 at a median price of \$585,000 and \$259/square foot. Dollar-per-square-foot is an industry benchmark that equates to a price a property is valued, depending on its square footage size. Steamboat had 188 transactions with a \$762,500 median price and \$404/sf. Although median price in Steamboat went up only 9%, median \$/sf price went up a substantial 36% from its 2017 price of \$298.



The highest priced single-family home (non-Farm & Ranch) was a 9,792 sf, 6 bedroom (br), 10 bath (ba) home on 9 acres (ac) adjacent to the Catamount Golf Course that sold for \$4 million. It was originally listed for sale in 2007 at \$7,895,000. The least expensive home that sold was a quaint, 2BR/1BA, 700 sf home in Oak Creek on a .11-acre lot and sold for its \$135,000 list price.

What Turned in 2018 *cont...*

Slate Creek Ranch, located just north of town on Highway 129, captured the award for highest ranch sale. The ranch consists of 1,145 acres, stunning scenery, valuable water rights, intact mineral rights, excellent wildlife habitat, public land adjacency, stream-fed ponds, paved road access and usable improvements. Listed at \$16.9 million, it sold via auction at \$10 million.

Condominiums

The second most popular property purchase is a condominium. 2018 saw 310 condos snatched up, with all but nine in Steamboat. This was a substantial 14% from the prior year, most likely due to lack of inventory. Median Price in Steamboat was \$365,000 (+4%) and \$/sf was \$371 (+9%).

One Steamboat Place was home to the highest priced condo sale, at \$2.4 million, or \$955/sf, at 2,513sf. The slopeside, 4br / 4ba residence comes with yearly HOA dues of \$46,101, but some of the finest services and amenities one could want. Walton Village had the least expensive condo sale at \$152,000 for a 1br/1ba, 565sf ground floor unit.

Town Homes

Town homes fill the niche between condos and single-family homes, with 179 selling in 2018 and 159 of those in Steamboat. Steamboat \$/sf values remained steady at \$310, and median prices increased 4% to \$600,000. Stagecoach, about 17 miles south of Steamboat, enjoys a good amount of townhome interest with 14 in 2018 and at a median price and \$/sf value of \$259,000 (+12%) and \$179 (+14%), respectively.

Winning top town home honors was a ski in / ski out 6br / 7ba, 5,956 sf Ski Trail Lane home at \$2,375,000. It also featured a top floor master with fireplace, home theater, fitness room and wine cellar. Glen Eden Resort, in Clark is home to a 2br/2ba, 837 sf townhome alongside the Elk River that holds the lowest priced sale at \$105,000. Although Glen Eden zoning prohibits full time residency for its owners, it allows plenty of time for a second home owner to enjoy the fishing, pool, tennis, restaurant and bar onsite, and spectacular wilderness and recreation surrounding the property.

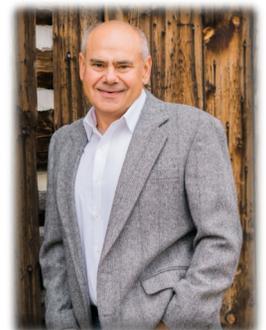
Land

Overall land transactions in 2018 declined 13% to 209. This is most likely due to the substantial drop in Stagecoach sales, which went from 72 to 34 (-53%). Looking closer at Stagecoach shows the inexpensive (and nearly impossible to build on) parcels priced under \$10,000 went from 30 sales in 2017 to a mere 9 in 2018. One would think the lack of housing inventory would help land sales. However, building costs, could be prohibiting sales. Generally, it is still less expensive to buy an existing home than it is to build. Steamboat Springs lot sales increased from 70 to 74 (+6%), yet median price substantially increased 33% to \$327,000.

Upon first blush it appears the market is levelling off. Further investigation, however, suggests demand remains strong, but supply is short. Median days on market supports this thought, dropping over the past five years from 96, 91, 77, 70 to 49. Absorption rates similarly support this theory, moving from 64%, 70%, 82%, 119% to 116%. Some relief is in sight with new developments, but finished product is still far down the line, adding more pricing pressure for upward movement.

ABOUT DOUG...

Doug Labor has over 35 years of real estate experience, including executive level positions with some of the largest ski and golf resorts in North America. He is the General Manager of Sotheby's downtown Steamboat Springs office. What he enjoys most in his real estate practice is providing imaginative, yet logical and valuable guidance in helping clients reach their goals. His industry knowledge and service have been recognized by both clients and peers as one of the premier brokers in Steamboat, with the 2005 and 2014 Steamboat Springs REALTOR of the Year and 2012 and 2014 "Best of the Boat" Real Estate Agent awards. Doug's clients appreciate his unsurpassed market knowledge and keen negotiating skills working for them, as well as the professional work ethic and personal care he delivers to each and every client, no matter if they are in the luxury or introductory market.



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