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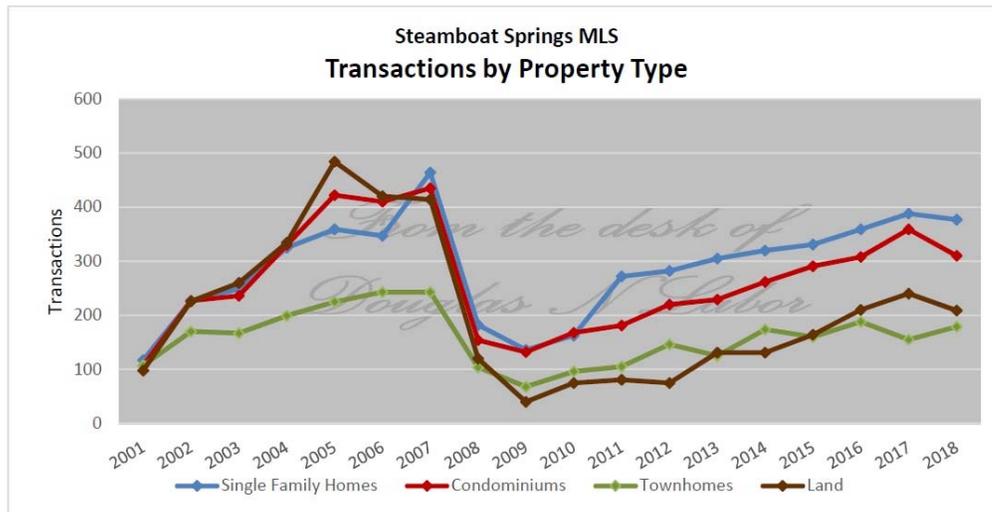
August 2019

Tide is Shifting for Steamboat Springs Land

Of the four major property types in the Steamboat Springs real estate market (Single-Family Homes, Condominiums, Town Homes, Land), the one type that has not fared so well over the last several years is land.

Land products offered in the Steamboat Springs area and Multiple Listing Service range greatly, from in-town lots on less than a tenth of an acre in downtown Steamboat to ranches of over 3,000 acres in the country.

Once a major staple in the marketplace and generating as many sales as condominiums and single-family homes, land (brown line) has taken a back seat to 'finished' products since the market crash of 2008, as seen in the following graph:



In the 2000's, land sales hit an all-time low in 2009 at 51. Like other product types, they slowly and steadily climbed out from their slumber and topped out at 262 sales in 2017; then slipping a little to 224 in 2018.

The reason for land's fall from grace is due mainly due to building price increases, which went from \$250 - \$300 per square foot in 2006/07 to \$400 - \$500

per square foot today. Material, labor, government permitting, and more expensive building requirements have all attributed to the effect. Because of the higher building costs "standing inventory" of completed homes are a cheaper purchase than buying land and building...and taking two years to do so. Clear evidence of land's market shift is seen from the following chart, which shows the percentage of inventory "Pre-Crash" and "Post-Crash". Nine percent of the market has gone away from land and mainly toward single family homes.

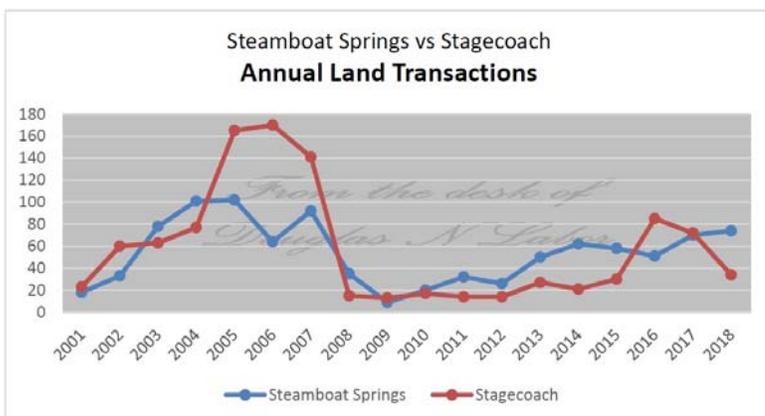
Percent of Market			
Property Type	Pre-Crash	Post-Crash	Change
Single Family Homes	27%	35%	8%
Condominiums	28%	29%	1%
Townhomes	17%	17%	-1%
Land	29%	19%	-9%

Although building costs are the main reason land has lost its luster, one niche within the land market that has skewed the total land sales in 2018 is the Stagecoach market. In 2016 the dormant ski area, 17 miles south of Steamboat Springs, was under contract. The buyers had big plans to revitalize the ski area, creating quite a stir. Sales jumped from 30 in 2015 *cont...*

Tide is Shifting for Steamboat Springs Land *cont...*

to 85 in 2016. Sales fell slightly a year later to 72. Then the deal fell apart with sales tumbling the following year by 38 to 34. If those 38 lost sales were added back to the total MLS land sales they would have posted the exact same number of year-over-year sales in 2018.

Most land sales in the Steamboat MLS are in Steamboat Springs or Stagecoach. As of the time of this article (first week of August) there are 136 land parcels listed for sale in the Stagecoach area. They range in price from \$4,500 for a half-acre parcel with no utility services or improved road to get you there, to a 250-acre parcel with electric and full access for \$1,550,000. Stagecoach lots with electricity and road access typically start at \$20,000. Half of those lots are on the market for under \$20k.



There are 81 residential lots for sale within Steamboat Springs and range in price from a \$184,000, .12-acre lot in the Sunlight neighborhood, to a .41-acre lot on the ski slopes for \$1,350,000. Median, 2018 prices for Stagecoach lots was \$25,000. Median in Steamboat was \$327,500. Although the price differences are great, the graph to the left shows just how erratic land sales can be between the Stagecoach and Steamboat Springs markets, and although they are only 17 miles apart, location does matter!

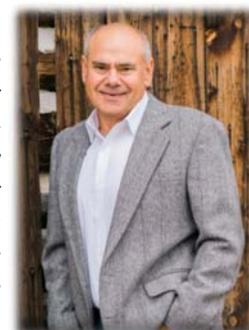
Buyers and sellers need to be keenly aware of the time it takes for a property in a certain price point to sell. To the right is a chart showing the current inventory for lots in Steamboat Springs. Don't expect to see lots on the market for long if they are priced under \$200,000, where a nine-month supply exists. It may also appear there is plenty of inventory otherwise - but don't let the numbers fool you. Just last month a lot in the Rolling Ridge subdivision was listed for \$1,049,00, had two offers only 18 days later and sold for \$985,000. If it is scarce, desirable and priced right, it will sell!

	Land				
	Months of Inventory				
	2007	2009	2013	2016	2019
\$0 - \$200K	8	42	57	16	9
\$200K - \$400K	9	132	92	34	23
\$400K - \$600K	4	159	176	20	39
\$600K - \$800K	12	NS	44	54	23
\$800K - \$1.0M	7	NS	NS	84	34
\$1.0M - \$1.5M	22	108	144	16	60
\$1.5M - \$2.0M	79	102	NS	1	72
\$2.0M +	40	NS	NS	NS	192

NL - No Listings
NS - No Sales

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.



To receive my monthly e-newsletter (including Best Buys), learn more about the market, or discuss how you can put me to work for you, contact me at...

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