



The Best Way to Buy Real Estate in Steamboat



Steamboat

Real Estate Analyst & Newsletter

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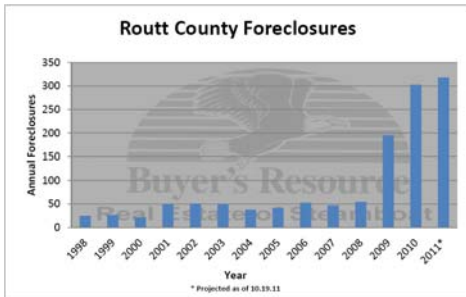
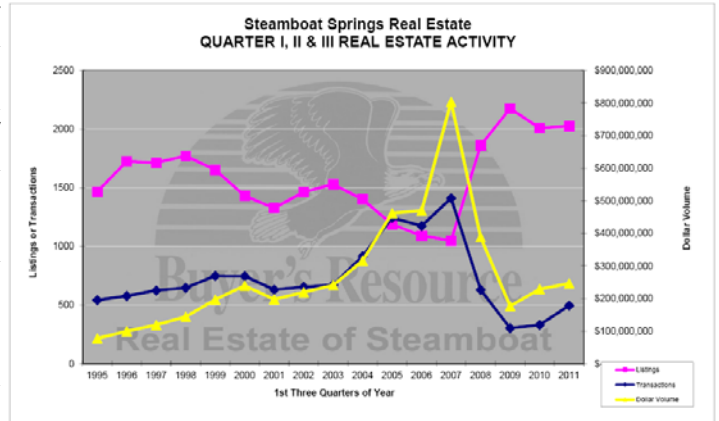


Dedicated to serving buyers in the Steamboat marketplace.

Market Continues to Improve

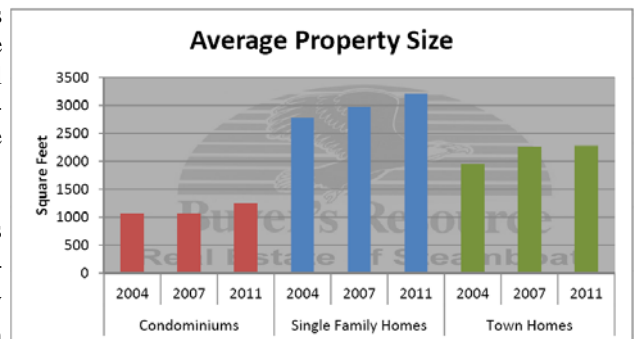
With lower prices and a steady supply of inventory, buyers are coming back into the Steamboat Springs real estate market. In the third quarter (Q3) of 2011, the Steamboat Springs Multiple Listing Service posted a healthy 29% gain in purchases over Q3 of 2010, from 148 to 174. Sellers may have been happy they sold their properties, but they had to give up more ground than they most likely wanted to, where the median Q3 purchase price was \$277,500, which was nearly three quarters of the Q3 2010 median price of \$365,000. 41 of the 174 purchases were bank owned / foreclosed properties (24%), whereas in 2010, 20% were bank owned.

It has been over three full years (2007) since the market peaked and then began to correct. I thought it would be interesting to take a glimpse into the residential real estate market within the Steamboat Springs city limits to see what actually has changed since the market high, and also rewind another three years to 2004, when the market was ready to bust loose.



Foreclosures have had the biggest negative impact to the market values. It is estimated that 2011 foreclosures will total around 318. 2007 saw a mere 47 and 2004 posted 38. The good news is that the rate at which foreclosures are occurring has tempered, for in 2010 there were 303. Buyers are definitely taking advantage of these properties, with a total of 128 (26% of 496 total) being purchased in the first three quarters of 2011.

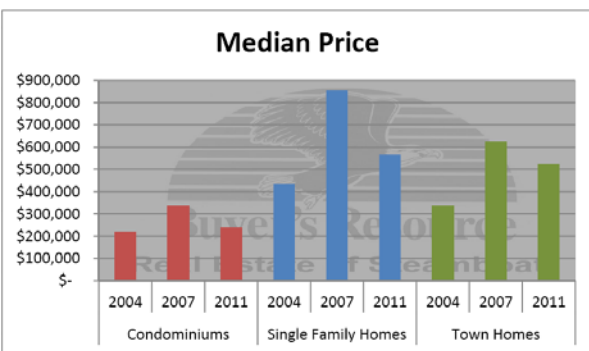
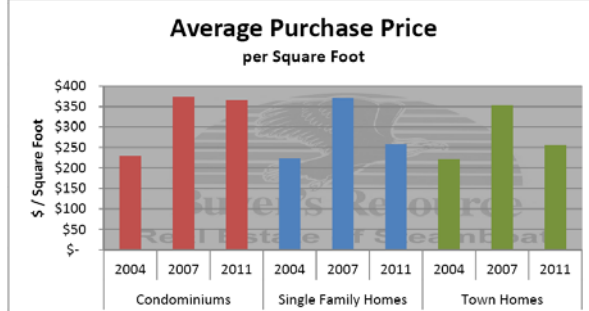
One of the predictions made by numerous housing industry experts was that buyers were going to be dieting with smaller, more affordable properties. However, the appetite for a Steamboat Springs buyer is actually growing...and in every residential property type. The average size of a condominium purchase grew from 1,062 square feet (sf) in 2007 to 1,244 in 2011. Single family homes increased from 2,976 to 3,207, and town homes grew slightly, from 2,263 sf to 2,280.



Additional information on the Steamboat real estate market can be found by visiting our web site, at www.BuySteamboat.com.

If you would like us to conduct a personal property search, please give us a call, toll free, at 877.970.8885.

With the new lending regulations, condominium financing has been very difficult for buyers to obtain. This is not from their financial ability to qualify for a mortgage, but that properties do not meet lender qualifications due to on-site check-in desks, short term rental programs and delinquent HOA assessments, to name a few. Many experts thought the condominium market would be severely impacted in both market share and property values. Contrary to that logic, 2011 condo sales still made up 48% of the overall residential market; exactly the exact same piece of the pie it took in 2004. Condos fetched \$229/sf in 2004, and \$372/sf in 2007, and only dropped slightly to \$366/sf in 2011. It is important to note that there were several closings in the new, slopeside Edgemont and One Steamboat Place projects, and downtown Howelsen Place and Olympian projects in 2011, which averaged \$770/sf. Comparable properties were not available in 2007. Without these properties the average \$/sf price was \$259. Even with that noted, the median price of condos dropped 29% from their 2007 mark, but single family homes dropped even more (34%), while townhomes realized the least decline at 14%.



Cash, home equity loans, owner carry and a higher down payment than what was typical in the past are all options condo buyers have pursued to make up for the current financing void.

The most notable shift in market share in 2011 was in town homes. Enjoying an average 28.5% market share in 2004 and 2007, it dropped to 19% in 2011. This could have been from the better value that buyers found with the substantial drop in single family home prices, where buyers could purchase a single family home at the same \$/sf as a town home (\$258).

Looking back in time, the Steamboat Springs MLS posted a total of 62 purchases in the first quarter of 2009. That was the lowest total for any quarter, dating back to 1995 (which is as far back as my records go). Purchases for the first three quarters of 2009 totaled 304. The same timeframe for 2010 saw 331 purchases; a 9% increase, and the 496 purchases first three quarters of 2011, represent a 50% increase. Provided all outside economic factors remain the same, with this continued increase in activity, possible leveling off of foreclosures and inventory (Q3 2010 had 2009 listings and Q3 2011 had 2026), it is only reasonable to think that in a short time prices may begin leveling off or perhaps an uptick.

Major Upcoming Steamboat Events

November

- 23 - Opening Day, Steamboat Ski Area
- 25 - Happy Thanksgiving, Community Tree Lighting

December

- 23 - Holiday Piano Concert
- 28 - Desperados Torchlight Parade
- 31 - Sprint Torchlight Parade & Fireworks, Happy New Year...

January

- 5 - 10 - 13th Annual Music Fest
- 17 - 38th Annual Cowboy Downhill

February

- 8 - 12 - 99th Annual Winter Carnival, Fireworks, Parade, events
- 17 - 21 - Bud Light Mardi Gras, 18 - Free Concert

March

- 14, 17, 24, 31 - Bud Light Rocks the Boat Free Concert
- 17 - Spring Torchlight Parade & Fireworks

April

- 14 - 32nd Annual Cardboard Classic
- 15 - Pond Skim, Free Concert, Closing Day

Buyer Tip of the Month

Winter is a great time to buy land. Although it may be a little more difficult to access or see the property, a seller may be more inclined to take a lower offer than to continue to pay carrying costs until the summer selling season.



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