



Steamboat

Real Estate Analyst & Newsletter

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Dedicated to serving buyers in the Steamboat marketplace.

Where the Buys Are

With several different real estate geographic markets in the Routt County area, I thought it would be interesting to mine deep into the Steamboat Springs Multiple Listing Service data to see which areas have fared the best in this "new economy" we're in. What was uncovered is an indication that the market is now responding better to buyer expectation and seller realization.

Overall, the first six months of 2011 saw 328 purchases for \$171 million in volume. That compares to 241 purchases for \$148 million in volume in 2010. Purchases increased a substantial 36% and dollar volume increased 16%. Median Prices for that same period decreased from \$329,000 in 2010 to \$289,450 in 2011, or -12%. The MLS averaged 2,024 listings over the first half of 2011, where 2010 saw 2,255. A 10% decrease in inventory. Of the properties currently listed, only 3% are foreclosure properties, which is quite healthy considering some US metropolitan markets are reporting over 30% of bank owned inventory. There certainly were several bargain hunters in the foreclosure market, for of the 328 purchases, 81 were foreclosures, or 25%.

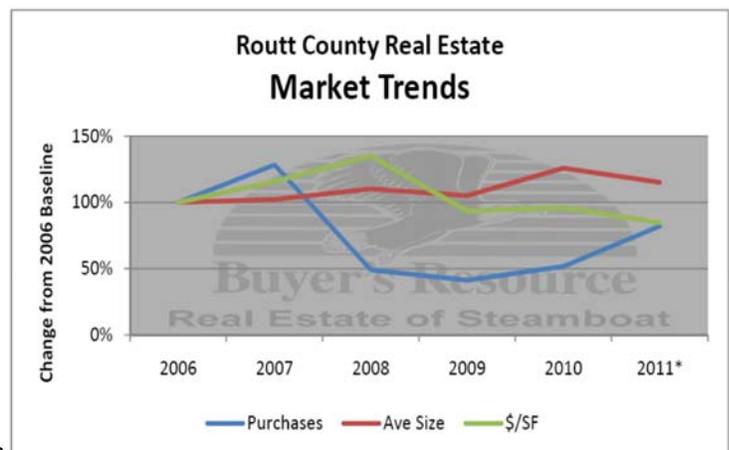
A Geographic Study

To take a more detailed look at the market, six geographic areas were selected: Steamboat Springs; the South Valley; Stagecoach; Oak Creek / South Routt; Steamboat Lake / North Routt; Hayden / West Routt. Also, 2006 was used as the baseline because it is the earliest year to derive the MLS data. It is important to state that in the history of the Steamboat Springs MLS, 2006 was the second best year on record for dollar volume and third best for purchases. Although only half way through 2011 at press time, historically, purchases made during the first half of the year represent 50% of the year-end total, so a doubling of the first half has been used to estimate 2011.

Not all geographic areas in Routt County have the same product types (condo, ranches, timeshares, etc.). However, the one product type that all have in common is single family residences (SFR). Furthermore, average and median price analysis are good to compare, but a more accurate way to determine value is by looking at the "dollar per square foot" cost of residential property. Some areas attract larger homes (South Valley home purchases in 2011 averaged 4,551 sf) while others attract smaller (Oak Creek / South Routt homes average 1,771 sf).

Findings

Overall – The number of SFR purchases in the first six months of 2011 was 126 (or 252 projected total for the year), which is estimated to be 82% of 2006 level of 307 in the sample market areas. The dollar per square foot (\$/sf) average is \$216 (85%) of '06 levels showing a buyer in today's market is now able to purchase the same property with 15% less money than in 2006. A number of real estate experts have predicted that the average size of a home buyers are purchasing will decrease. That is not the case in Routt County, where the average SFR for all areas was 2,953 sf, which is 115% of the 2006 average of 2,564 sf.

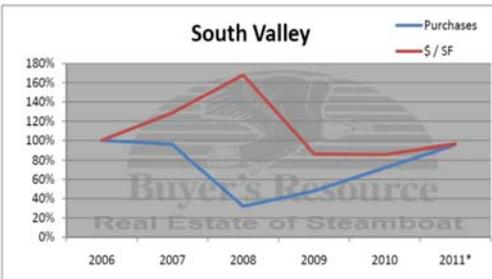


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If you would like us to conduct a personal property search, please give us a call, toll free, at 877.970.8885.

Steamboat Springs – There were 106 SFR purchases in 2006. A total of 118 purchases are estimated for 2011. The average sf cost in 2006 was \$338 and in 2011 is \$264, or a 22% decline. Peak was in 2007 for purchases at 143, while \$/sf was \$435 in 2008.

South Valley – The most expensive real estate in Routt County is located here. 2006 saw 25 purchases at \$380 /sf; an average home size of 4,190 sf; and an average purchase price of \$1,593,786. 2011 has had 12 sales thus far at an average of \$367/sf. Should the second half of 2011 end like it should, 2011 could be a banner year for South Valley sellers.



However, the best year to sell in this area was in 2008, where eight sellers were able to fetch a hefty \$639/sf for their abodes.

Stagecoach – Purchases jumped an unbelievable 272% from 2006 (18) to 2007 (49), and then fell nearly as fast to six in 2008. However, there are an estimated 30 sales projected in 2011. The 2011 average \$/sf is \$125 - only 63% of the market in 2006, but an improvement from the \$116/sf last year.

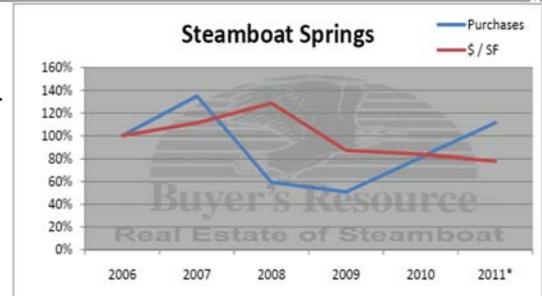
Oak Creek / South Routt – Levels for both purchases (22) and property values (\$97/sf) are both at 72% of their 2006 marks.

Hayden / West Routt – In 2006 this area was very active, with 94 SFR purchases - only two less than the record year of 2007. As such the 38 sales projected to finish 2011 is only 40% of baseline - the greatest decrease of all areas.

Steamboat Lake / North Routt – Took the greatest decline (79%) of all areas from 2006 purchases (33) in 2009 when only seven sales occurred, but for 2011 it is anticipated that the purchases and \$/sf values should rebound to 65% of 2006.

Conclusions

There is nothing better to maintain property value than location and quality. That cannot be more true than how properties in the South Valley have fared over the turbulent economic times the local and national real estate markets have experienced. Of the six geographic areas, the \$/sf values for South Valley properties coped the best at 96% of their 2006 average. 59 SFR's have already been snatched up in Steamboat in the first half of the year at a \$264/sf average. That's 111% of 2006 purchases and 78% of those values. Stagecoach posted the worst \$/sf in relation to 2006 at 63%. However, buyers are recognizing the value Stagecoach now offers, for it also has the highest projected increase of purchases for 2011 from 2006 at 167%.



Upcoming Steamboat Events

Pro Rodeo every Friday and Saturday night at Romick Arena thru August

July

- 20, 23 - Classic Concert Series at Strings Pavilion
- 22 - Free Summer Concert
- 21 - 31 - Triple Crown World Series
- 27, 30 - Chamber Concert Series at Strings Pavilion

August

- 4 - 7 - Steamboat Wine Festival
- 4 - 7 - Ride 4 Yellow
- 18 - 21 - 3rd Annual All Arts Festival
- 28 - Steamboat Triathlon

September

- 3,4 - 7th Annual Wild West Air Fest / Labor Day Celebration
- 16,17,18 - 3rd Annual Steamboat OktoberWest
- 22 - Steamboat Springs Orchestra Spring Concert

Buyer Tip of the Month



When condo shopping make sure you know what the incomes and expenses are before ruling out more expensive properties. The higher rental income just might compensate for the higher price.

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