



Steamboat
Real Estate Analyst & Newsletter
 February, 2012 Douglas Labor, Editor

Buyer's Resource Real Estate
 56 Ninth Street
 Steamboat Springs, CO

 970.870.8885 / 877.970.8885
[wwwBuySteamboat.com](http://www.BuySteamboat.com)



Dedicated to serving buyers in the Steamboat marketplace.

Steamboat Condos Making a Comeback

In 2011 the Steamboat Springs real estate market made substantial improvements over 2010 in purchase activity, notching a substantial 25% more acquisitions (725 from 580). However, that increase was a painful one for sellers, as the average sales price they were able to get decreased from \$558,063 to \$475,574, or nearly 15%. The average number of listings decreased as well, dropping 9% from the prior year to 1,980. Should demand continue to go up and supply continue downward, it may only be a matter of time before those basic market factors take hold and prices begin leveling.

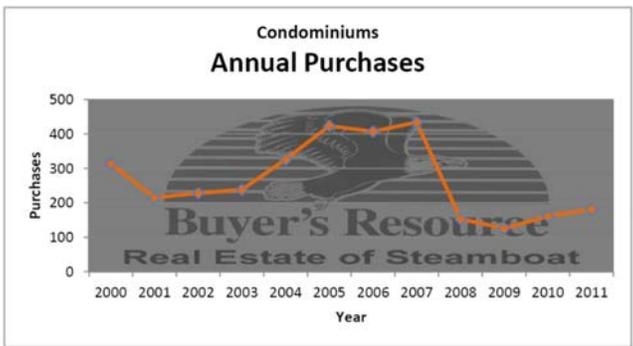


One product type that is a very integral part of the Steamboat Springs market is condominiums. The affordability of condominiums and ease of ownership make them attractive for not only second home owners, but also for first time buyers. Condos are also a means by which some investors begin to get involved in the real estate market. Should their experience be favorable and they decide to make Steamboat more a part of their lives, condos become a feeder market into bigger properties.

With the firestorm of added lending regulations over the past few years, condominiums have received the greatest scrutiny. On-site check-in desks, rental programs and the health of the homeowners association are just a few of the items crosschecked by lending underwriters before granting loan approval. Higher down payments have also been added to the mix. And with those additional challenges one would think that it would deter buyers from considering condo ownership.

Since 2001 condominium purchases represented an average of 25% of the total number of sales in all product types in the Steamboat Springs MLS. But buyers found ways to either meet those challenges by either paying cash, tapping into the equity in their primary residence, obtaining a seller-carry, or coming up with some other means to make the purchase, for in 2011 the number of condominium sales was 181...again representing 25% of the total number of sales.

The most significant changes were noticed on both ends of the purchase price spectrum - with the market return of the sub-\$100,000 condo and a record number of plus-\$1 million purchases. Prior to the two sub-\$100,000 purchases in 2010, the last time a condo buyer was able to purchase one for under \$100k was in 2005. However, in 2011, a remarkable 26 purchases reappeared. Of that amount 16 were bank owned, showing financial weakness in the affordable housing sector. The least expensive condo purchased in 2011 was a two bedroom, one bath, 864 square foot, bank-owned Wagon Wheel condo in Stagecoach for \$53,000.



continued...

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.

Foreclosures definitely played a role in the condo market. However, condo foreclosure purchases (23%) were not as numerous as in single family product, where 35% (86) of 244 single family homes were bought from banks. 24% (25) of 105 townhome purchases in 2011 were foreclosures. The lower percentage of condo foreclosures could be from the rental income owners can use to offset carry costs.

The most expensive condo purchased in 2011 was a five bedroom, four-and-a-half bath, 3,903 square foot slopeside condo at Edgemont for \$3,224,000. Although it was purchased at \$826 per square foot, it only received a seventh place finish for the highest dollar-per-square-foot price. Receiving first place goes to a One Steamboat Place unit at \$926 per square foot. At 2,511 square feet, it was purchased for \$2,325,000.

A record 21 condos sold north of \$1 million in 2011. The second highest year was 20 in 2009. Although the number of \$1m+ units is up, there are still plenty for luxury buyers to choose. As of the end of January, a total of 51 condo listings were available in the Steamboat Springs MLS, providing a 25 month supply.



Steamboat Springs MLS Condominium Data*			
Price Range	2011 Sales	Listings	Months of Inventory
\$0-\$100k	26	9	4
\$100k-\$200k	45	39	10
\$200k-\$300k	45	70	19
\$300k-\$400k	25	56	27
\$400k-\$500k	2	42	252
\$500k-\$600k	3	29	116
\$600k-\$700k	5	28	67
\$700k-\$800k	6	19	38
\$800k-\$900k	1	19	228
\$900k-\$1,000k	2	13	78
\$1,000k +	21	51	29
TOTAL	181	375	25

* as of 1/23/2012

The price range showing the least amount of inventory is below \$100,000, where only nine are available, representing a four month supply; and even those below the \$300,000 mark are receiving a good amount of attention. The 'soft spots' in the market are those condos in the \$400,000 - \$600,000 range, as well as those between \$800,000 - \$900,000, where the latter range only had one sale in 2011 and 19 are currently available (228 month supply).

The most popular size to purchase remains in the two bedroom category, where nearly half of all condo sales have resided (from records dating back to 2000). One bedroom units remain the second most popular, where the median price in 2011 was \$102,000. Two bedroom median price jumps to \$229,000, and three bedroom units were \$377,500.

Most recently market values have been set more by foreclosures, the most motivated sellers, sellers competing for buyers and opportunity-seeking buyers than replacement costs and low inventory. No one knows if the market bottom is upon us,

but for prices to begin to stabilize, supply needs to subside and demand increase, both of which show signs that both have begun.

Upcoming Steamboat Events

February

- 8 - 12 - 99th Annual Winter Carnival, Fireworks, Parade, Events
- 14 - Valentines Day Torchlight Parade & Fireworks
- 17 - 21 - Bud Light Mardi Gras, 18 - Free Concert

March

- 10, 14, 17, 24, 31 - Bud Light Rocks the Boat Free Concert
- 17 - Spring Torchlight Parade & Fireworks
- 30 - Ski 4 Yellow

April

- 7, 15 - Free Concert
- 14 - 32nd Annual Cardboard Classic
- 15 - Pond Skim, Closing Day



Buyer Tip of the Month

Seeing a number of condos for sale in the same complex may be a good or bad thing. Sellers can be competing with each other for buyers, which could lead to lower prices, or there may be a hidden reason why so many want to sell. Your Exclusive Buyer's Broker will help determine which case it is!

Stay on top of the Steamboat Springs real estate market by receiving our monthly newsletter by emailing us at info@BuySteamboat.com.