



Steamboat
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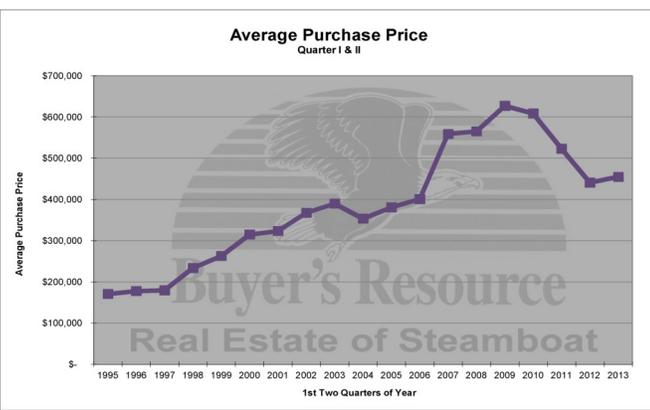
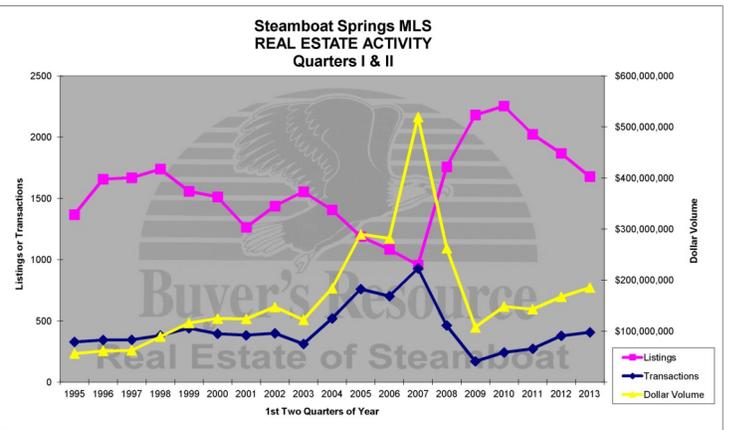
Dedicated to serving buyers in the Steamboat marketplace.

Market Expectations for Buyers and Sellers

The first half of 2013 of the Steamboat Springs real estate market has ended with some very encouraging numbers that demonstrate the slow and steady recovery continues.

First half transactions (408) have continued to increase (+7%) over 2012 since bottoming out in 2009 (172) and inventory (1,679) continued to drop (-10%) over 2012 since hitting its all-time high in 2010 (2,255).

Lower inventories and higher transactions resulted in an Average Price increase. This was the first time since 2009 the Steamboat Springs MLS posted an increase (+3%, to \$454,000). However, the increase in purchase activity and decrease in inventory over the past few years is general in nature, so knowing more detail reveals some interesting opportunities for certain property types and price ranges. Buyers and sellers should be aware of those that exist when coming up with a strategy to fit their situation.



To find these hot and cold spots, the geographic areas that attract the most activity have been studied, and include the areas of town within Steamboat Springs known as Downtown, Fish Creek, Strawberry Park, Mountain and West Steamboat areas, as well as the South Valley within 15 minutes of town.

Determining the number of months it takes for a property to be absorbed (purchased) in the market gives a seller an idea of how long it may take before their property sells, or how quickly a buyer should make an offer after seeing a property listed. It also shows both parties how much competition they may have with other sellers and buyers.

As an example, if there are 15 condos listed for sale between \$250,000 to \$500,000 and in 2007 there were 30 sales, on average, it would take six months for a property in that category to sell.

2007 was arguably the most active year the Steamboat Springs market ever experienced. Taking a look at inventory levels at that time, as well as a snapshot of what the market was like in 2009 and then at current levels reveals some interesting continued...

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findings in the current market, along with some trends currently taking place. It is pretty safe to say that in both good and bad markets, turnover in the lower priced 'entry level' segment is typically the most active.

Months of Inventory			
Single Family Homes			
	2007	2009	2013
\$0 - \$250K			
\$250K - \$500K	5	11	5
\$500K - \$1M	3	30	14
\$1M - \$1.5M	7	95	20
\$1.5M - \$2.0M	8	57	36
\$2.0M - \$3.0M	11	138	31
\$3.0M - \$4.0M	26	118	36
\$4.0M - \$5.0M	5	59	36
\$5.0M +	20	59	54

Months of Inventory		
0 - 12	13 - 24	25 - 36
37 - 48	48+ TBD	

Specific to the entry level price range for Single Family Homes (sub-\$500,000), in 2007 the market was sitting on a five month supply...the same it is sitting on as of this writing (end of July), but in a much more robust time. The 22 homes currently on the market should be turned over by year's end. In 2009 it was nearly double that timeframe, but was still the most active. Owners of properties over \$5 million are going to need patience. With a 54 month supply, this is the one price range that has not seen a whole lot of improvement since 2009, when those same properties took 59 months to sell.

Months of Inventory			
Townhomes			
	2007	2009	2013
\$0 - \$250K		10	2
\$250K - \$500K	2	12	10
\$500K - \$1M	2	34	18
\$1M - \$1.5M	2	23	36
\$1.5M - \$2.0M	9	37	TBD
\$2.0M - \$3.0M	15	118	24
\$3.0M - \$4.0M	10		

Months of Inventory		
0 - 12	13 - 24	25 - 36
37 - 48	48+ TBD	

One of the fascinating findings about Townhomes, is that in 2007, none were available under \$250,000. However, with the market adjustment some have resurfaced, and for those that have, only take two months before being purchased. In 2013 there have been no townhome sales in the \$1m - \$1.5m price range, so the months of inventory is 'to be determined' (TBD).

Months of Inventory			
Condominiums			
	2007	2009	2013
\$0 - \$250K	1	25	5
\$250K - \$500K	2	42	19
\$500K - \$1M	7	42	33
\$1M - \$1.5M	59	32	36
\$1.5M - \$2.0M	TBD	39	42
\$2.0M - \$3.0M	59	49	27

Months of Inventory		
0 - 12	13 - 24	25 - 36
37 - 48	48+ TBD	

The Condominium market shows strong signs of recovery. The timeframe it took a condo priced from \$250,000 (entry level) and below has dropped from 25 months in 2009 to just five months in 2013. With the exception of a slight increase in units priced from \$1.0m to \$2.0m, the time it takes for a condo to sell in all other price categories has dropped.

Months of Inventory			
Vacant Land			
	2007	2009	2013
\$0 - \$200K	7	1	37
\$200K - \$400K	7	4	83
\$400K - \$600K	3	11	132
\$600K - \$800K	10	4	66
\$800K - \$1.0M	6	11	108
\$1.0M - \$1.5M	18	6	TBD
\$1.5M - \$2.0M	65	4	TBD
\$2.0M +	33	4	TBD

Months of Inventory		
0 - 12	13 - 24	25 - 36
37 - 48	48+ TBD	

The most dramatic change in inventory levels is with Vacant Land. Absorption time in all price ranges has increased substantially. The least amount of time it will take a land parcel to sell within Steamboat Springs and the South Valley is an average of 37 months, and that is in the entry range of under \$200,000. On the other side of the spectrum, no parcels sold in the first half of 2013 that were priced above \$1m. The main reason the Vacant Land market has been behind the curve is that buyers are realizing more value in purchasing an existing home. For this to change, either home prices need to increase, residential inventory needs to be reduced or Vacant Land prices need to decline.

It is important for sellers to know the competition they have, where their property fits in the pricing stratification, and the demand that exists within that range. It is safe to say as a whole the market is improving, but they need to know where their property fits within the market. Properties become stigmatized after sitting on the market longer than they should because they were not priced right at the beginning. Buyers also need to know their competition and how quickly they should act after locating a property that fits their needs. Disappointment runs deep after hearing the one-of-a-kind property they had their eyes on went under contract with another buyer. Education for both buyers and sellers and managing expectations is important and with proper education and knowledge will lead to more satisfying outcomes.

Major Upcoming Steamboat Events

August

- 7 - 11 Steamboat Wine Festival
- 15 - 18 Steamboat All Arts Festival
- 21 - 22 USA Pro Cycling Challenge
- 31 - 1 Labor Day Festivities (Sidewalk Sale, Chili Cookoff), Wild Wet Air Fest

September

- 6 - 8 Yampa Valley Crane Festival
- 20 - 22 Steamboat Oktoberfest

October

- 10 Economic Summit
- 31 Halloween Stroll



Buyer Tip of the Month

When looking for a condominium, make sure no more than 15% of the condominiums in the project are for sale at any one time.

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