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Steamboat Springs
**REALTOR
OF THE YEAR**
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THE IMPORTANCE OF BUYING SLOPESIDE

Most condominium shoppers buy for two reasons: personal use / enjoyment, and investment potential. It is relatively easy for a family to determine whether a slopeside or non-slopeside location to the slopes is going to best fit their needs for fun, but to answer their question as to which location is the best for investment, they need to turn to their agent for guidance. So, which location is a better investment?



To find that answer, the most active condominium properties surrounding the mountain area were selected, with transactions dating as far back as 2006, which was one year before the top of the market in activity and two before its price peak. Slopeside properties used include Bear Claw, Ski Inn, Ski Time Square, Storm Meadows and Torian Plum Creekside. Comparable non-slopeside properties include The Lodge, Quail Run, The Ranch, The Rockies and Timber Run.

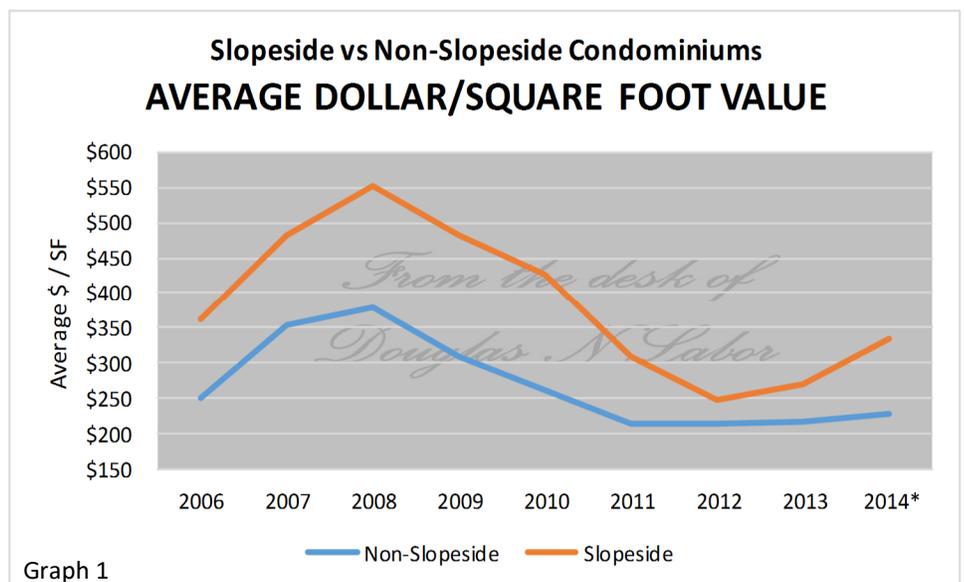
These properties not only compare well in age, but they were also consistently the most active in the market. Projects constructed after

2006 could not provide enough historic significance for this study. Data used for 2014 goes through the third quarter (2014*).

Although deciding on a slopeside or off-slope location it is a relatively easy decision for many buyers, one trade-off some have to consider that comes with location is size. The average size of the five condo projects selected in the ski base was 909 square feet (sf), while the six located just few blocks away averaged 1,076 sf. Furthermore, the average purchase price of a slopeside condo from 2006 to 2014 was \$345,000, versus \$280,000 for the surrounding locales. Consequently, the market has determined, for the convenience of skiing in and/or out of a condo, as well as the other location factors, that buyers on average are willing to pay 23% more and have 18% less space living slopeside.

From an investment perspective, real estate analysts use a dollar per square foot calculation to define a 'least common denominator' for value and appreciation purposes. The Average Values on an annual \$/SF basis for Slopeside and Non-Slopeside condominiums are shown in Graph 1.

Trends for both property types are relatively consistent, but it appears Slopeside Properties have greater market volatility (graph movement). It also appears Slopeside Properties may be first recognizing a market recovery.

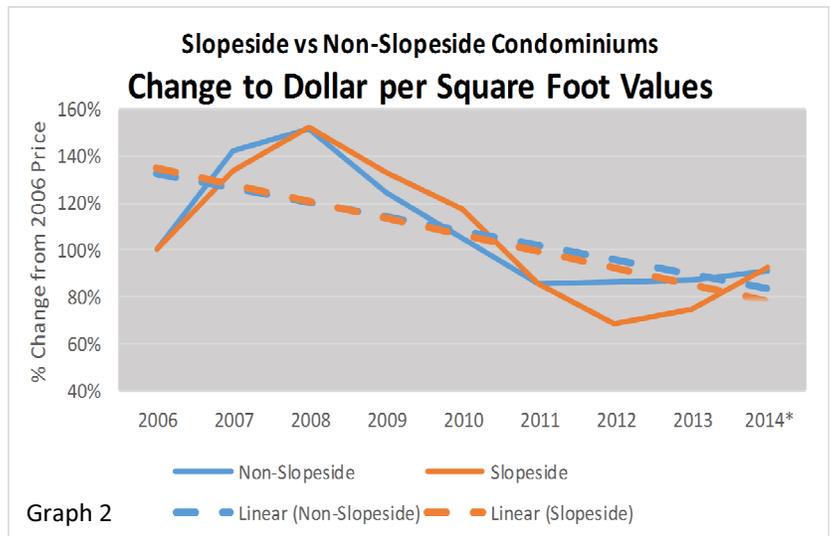


THE IMPORTANCE OF BUYING SLOPESIDE *continued...*

This data is helpful, but the next step is to see which location is going to have the greater percentage return on investment. Graph 2 sets the 2006 \$/SF price as the "100%" benchmark. In 2007 the Non-Slopeside properties appreciated at 142% of the 2006 price, whereas the Slopeside properties appreciated 134%. In 2008 the Slopeside properties made up that difference, where both appreciated at 152% to their 2006 base price. In 2014 \$/SF values for Non-Slopeside properties were 91% (\$228) of what they were in 2006 (\$249) and Slopeside (\$362 in '06) were 92% (\$334). They both tracked somewhat closely thereafter, and by superimposing Linear Trendlines (dashed), there is literally no recognizable difference to the percentage change in values between the two.

Real estate experts constantly preach location is the key to creating value, and this research indicates it is no different in Steamboat Springs. However, one very interesting discovery is that with the market conditions that have existed over the past eight years, location has not impacted the appreciation/depreciation of Steamboat Springs condominiums on the slopes versus those which are not.

Over 400 transactions and nearly 500,000 square feet of real estate was used for this study. With both locations returning relatively similar percentage returns on investment by the particular market cycle in which their asset is traded, condo buyers can simply rely on personal use and enjoyment as the reliable way to decide which location is best for them.



MAJOR UPCOMING STEAMBOAT EVENTS

ONGOING THROUGHOUT WINTER

Yampakita Snowshoe Tours of Emerald Mtn Fri & Sat 10:00 am
First Friday Downtown Artwalk (each month) 5 - 8 pm

December

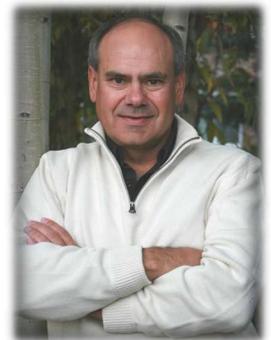
16 - 18 Women's Ski Camp
18 Night Skiing Begins
21 Holiday Festival & Torchlight Parade
25 REALTORS Community Christmas Dinner - Merry Christmas
31 New Years Eve Torchlight Parade & Fireworks

January

1 New Year's Day
5 - 10 Music Fest
19 40th Annual Cowboy Downhill

ABOUT DOUG...

Doug Labor has over 30 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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