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## Hot (and Cold) Areas in Steamboat's Single Family Home Market

The Steamboat Springs area single family residential (SFR) market has certainly experienced its ups and downs over the past several years. In a general sense, the market has been on a slow and steady climb since 2008. However dramatic geographic changes in demand have occurred, resulting in values remarkably different in just a few short years.

There are five primary geographic markets surrounding Steamboat Springs. The data collected in this study is from the Steamboat Springs Multiple Listing Service. In order to represent the most up-to-date information, the annual data taken is from May 1 to April 30 for each year. In other words, the data posted as 2014 was actually taken from May 1, 2014 to April 30, 2015. Average property values are determined by dollar-per-square foot (\$/sf), considered by real estate practitioners as the least common denominator to compare properties.

### Steamboat Springs

Approximately 50% of all SFR purchases in Routt County occur within the City of Steamboat Springs. Averaging \$400/sf in both 2007 and 2008, then hitting bottom in 2012 at \$230/sf, property values have recovered to nearly \$300/sf. 2014 activity hit 140 sales, which is two better than the prior record of 138 in 2006.

### South Valley

Home to some of the most valuable real estate in the Yampa Valley, the neighborhoods of Dakota Ridge, Catamount Ranch and Club, Priest Creek, Agate Creek and the like make up the area known as the South Valley. This area does not post as many sales as others, but what is purchased is typically high end, and as such shows more graphically erratic transaction activity, however, property values have remained steady at \$300/sf.

### Stagecoach / Oak Creek

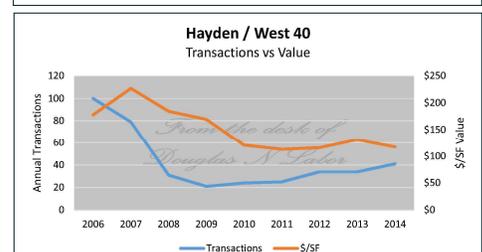
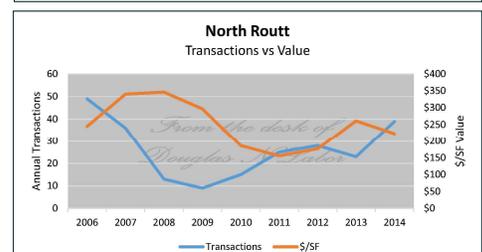
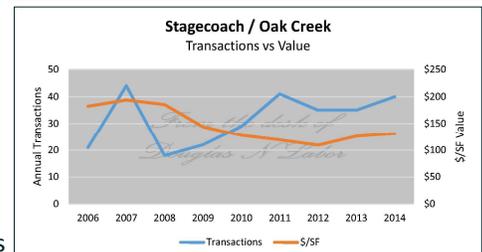
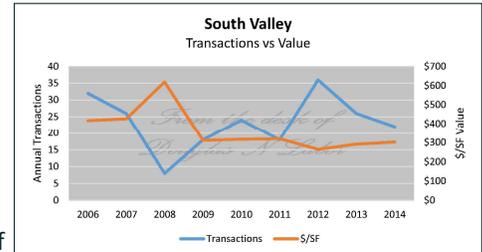
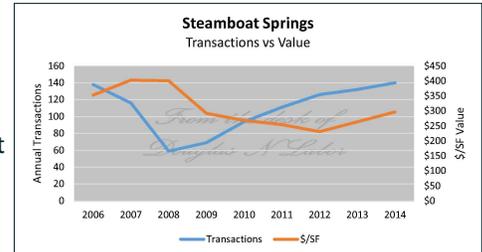
Once a hotbed of activity, the communities of Stagecoach and Oak Creek were hit hard with the 2008 market crash. Foreclosures created a major impact, where of the 29 homes sold in 2010, all but six were bank owned. However, these communities in Southern Routt County have showed their resilience and have posted nearly as many sales in 2014 (40) as they did in the boom year of 2007 (44). Of those 40, only seven were distressed sales. SFR's in this area have been purchased at an average of \$131/sf which is roughly half that of properties within the city limits of Steamboat Springs just 20 miles away.

### North Routt

Activity in North Routt and the villages of Clark, Steamboat Lake, Hahns Peak Village and Columbine took the greatest hit of the other five locations in this study, and a mere nine SFR's were purchased in 2009. Prices soon reacted, falling 50%, from \$297/sf to \$155/sf in two years. However, the North Routt market is recovering and is now matching 2007 levels in transaction activity, and prices are beginning to follow suit.

### Hayden / West Routt

Commanding nearly one-third of the Routt County SFR market in 2006 and 2007, Hayden



## Hot (and Cold) Areas in Steamboat’s Single Family Home Market (cont.)

and parts west of Steamboat have taken quite a hit and have been slowest to recover. A number of subdivisions came onto the market in the mid-2000’s that once boosted this market. Bargain hunters should consider this area, where SFRs were once selling at over \$200/sf, but are now in the \$120/sf range. When transaction activity picks up a little more, prices will soon follow.

### Market Forecast

Where could the market head in the future? Taking a look at the current inventory and dividing by prior year home sales may shed some light, at least on a short term basis. This calculation yields the number of months of SFR inventory in a given price range, and provides a measure of supply and demand.

In the chart below, SFR’s priced under \$750,000 in Steamboat Springs (where less than a four month supply exists) could experience some upward pricing pressure due to limited supply. Market wide, there is plenty of inventory in most price ranges over \$1.25m, while the lower price ranges are where the majority of demand and lowest inventories exist.

	Months of Inventory*				
	Steamboat	South Valley	Stagecoach/OC	North Routt	Hayden / West
\$0 - \$250k	^	^	3	9	4
\$250k - \$500k	2	^	13	7	21
\$500k - \$750k	4	7	20	17	8
\$750k - \$1m	10	36	TBD	44	TBD
\$1m - \$1.25m	12	8	#	12	TBD
\$1.25m - \$1.5m	20	48	TBD	36	#
\$1.5m - \$1.75m	48	6	#	#	#
\$1.75m - \$2m	24	60	#	12	#
\$2m - \$2.5m	28	24	#	#	#
\$2.5m - \$3m	24	TBD	#	#	#
\$3m - \$4m	12	TBD	TBD	TBD	#
\$4m - \$5m	24	24	#	#	#
\$5m+	TBD	TBD	#	#	#

\*As of 5/14/2015

^ - Past year sales but no current listings

TBD - Current listings but no past year sales

# - No current listings or past year sales

1 to 12 months

13 to 24 months

25 + months

There are certainly more hot than cold areas in today’s market, and should the trend continue, even the Hayden / West Steamboat area should see a bump in prices. Especially in Steamboat Springs, supply in the more affordable ranges is dwindling and there are no major development plans at least in the immediate future, for this to change. When homes were fetching \$400/sf, 40% of Routt County SFR purchases occurred within Steamboat Springs. When the market started correcting in 2008 and SFR’s were at a more affordable \$250-\$300/sf, buyers returned to Steamboat, capturing a 50% market share. However, hints of an outward migration of buyers seeking affordable housing in outlying communities has commenced yet again as single family residences in Steamboat Springs become more expensive.

## MAJOR UPCOMING STEAMBOAT EVENTS

### ONGOING THROUGHOUT THE SUMMER

Pro Rodeo every Friday and Saturday, 7 pm at Romick Arena

### JUNE

7 34th Annual Steamboat Marathon

18 27th Annual Rocky Mountain Mustang Roundup

### JULY

3 Free Concert, Howelsen Hill

4 4th of July Parade, Block Party, Rodeo, Fireworks

11, 12 34th Annual Hot Air Balloon Rodeo

### AUGUST

5 - 9 12th Annual Steamboat Wine Festival

10 - 16 7th Annual All Arts Festival

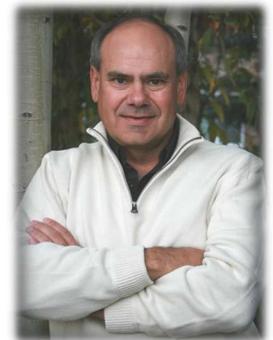
14 - 18 USA Pro Cycling Challenge

### SEPTEMBER

5, 6 11th Annual Wild West Air Fest & Labor Day Celebration

### 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.*



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