



# The Best Way to Buy Real Estate in Steamboat



## Steamboat

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*Dedicated to serving buyers in the Steamboat marketplace.*

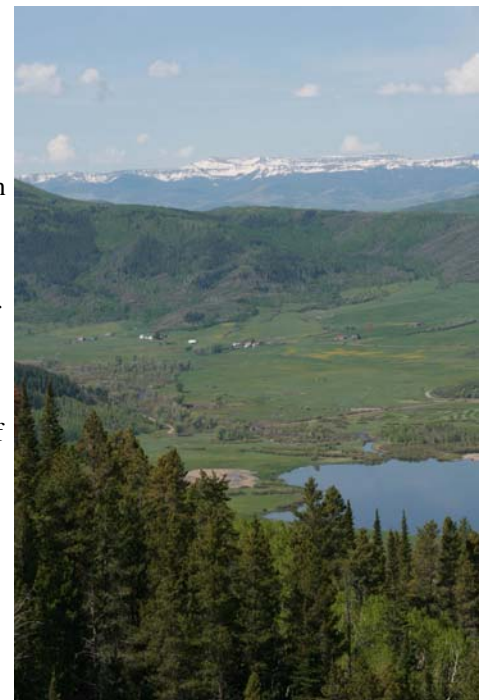
### Deals Exist for Steamboat Land

The segment of the Steamboat Springs real estate market that has been hit hardest from the recent market slide has been land sales, creating interesting opportunities for land seekers. For the first three quarters of 2008, land transactions in the Steamboat Springs Multiple Listing Service have totaled 113; a 59% drop off of the average number of 273 sales transactions through the first three quarters of each year dating back to 2000. The lowest three-quarter total before this year was in 2002 (dot.com crash and 9/11 impacts) at 183. Overall, real estate transactions were down 36% for the first three quarters of 2008. Residential purchases dropped 39% during this time period.

Shedding some light as to the possible concerns for this drop in transactions may be found within the \$279,000 average median price that land parcels have fetched thus far in 2008. This is a substantial 109% increase over the prior eight years of \$133,347. Residential prices increased in 2008 an average of 42% to 413,000 from \$289,984. There are several reasons why this substantial increase has occurred:

**The limited amount of affordable inventory close to Steamboat** – With the Silver Spur and Heritage Park developments west of town sold out, as well as the in-town subdivisions of Emerald Knoll and West End Village, there have not been any new developments close to town to replace that product type. These one-fifth to one-third acre vacant parcels were introduced to the market at the turn of the millennium for an average price less than \$100,000, and are now being listed for resale in the \$250,000 to \$400,000 range.

**The price of the new inventory** – Of the three most recent land subdivisions that have entered the Steamboat market, all have been substantially over the average median price. Steamboat Barn Village, located between Fish Creek and Yampa Valley Medical Center has an average price of \$694,000, Boulder Ridge, offering panoramic views of the Yampa Valley off of Fish Creek Falls Road is at \$1,039,000 and lots at Graystone on the Green, adjacent to the Rolling Stone Golf Course Clubhouse, average \$935,000.



Reasons why the number of transactions have diminished so rapidly include:

**Cost of building** – Building costs of a single family home or townhome have increased dramatically since the turn of the millennium. The price differential between purchasing an existing home at \$250 to \$300 per square foot becomes more appealing than building one for around \$350 to \$400 per square foot, along with waiting a year or two to move in.

**No new inexpensive / entry level product** – Lot costs are estimated to be between 25% and 35% of an overall project cost. With an average of 30%, that equates an overall project cost for a \$1 million lot to be \$3 million, which is

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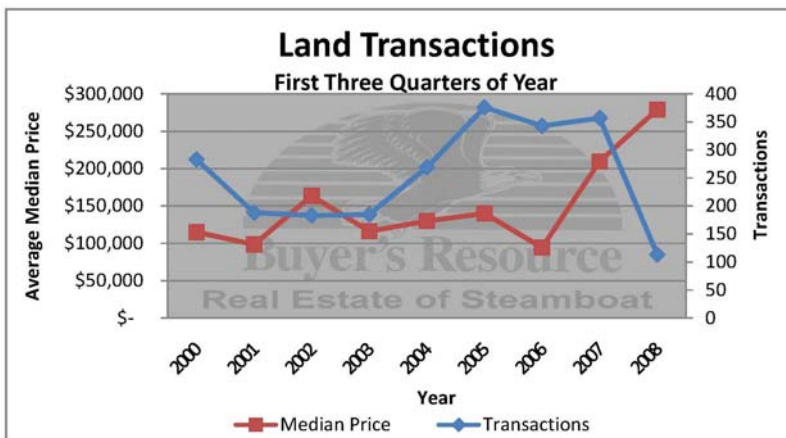
Additional information on the Steamboat real estate market can be found by visiting our web site, at [www.BuySteamboat.com](http://www.BuySteamboat.com).

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

beyond the wishes or means of many Steamboat residents.

**Fuel costs** – The most affordable lots that have sold in the past few years have been in the outlying areas of Stagecoach and Steamboat Lake. However, with the spike in the price of gasoline and diesel in the recent year, more locals directed their efforts toward an existing home closer to town.

**Mortgage Changes** – Land loans that were once available with a 20% to 30% down payment are now hard to find. Buyer's need to now anticipate a 35% minimum down payment to secure financing on land.



The 716 land listings in the fourth quarter of 2008 is the highest the Steamboat Springs MLS has ever experienced. The median price of these was \$349,450. 158 of those listings were within town limits and had a median price of \$799,000. These listings ranged from a \$219,000 lot off of Highway 40 to a one-tenth of an acre, slopeside parcel for \$10 million. Stagecoach has 178 listings at a median price of \$85,000, while the 64 lot listings around Steamboat Lake have a median price of \$245,000. These prices are all much higher than in more active times.

There are proposed land projects being discussed that are supposed to be more affordable, but nothing yet has been approved, and with the present state of the economy, it is difficult to predict when they will come on the market.

Developers of the Steamboat 700 project, as well as 360 Village, both located west of Steamboat near the Silver Spur and Heritage Park subdivisions, are being touted as affordable for locals, however no prices have been announced. Buying opportunities may exist in the marketplace, but it will be the unique, scarce and well positioned properties that will see the most interest.

In this challenging economy, it took deep discounts from retailers to encourage holiday shoppers to come through their doors on "Black Friday", and it seemed to work. The retail business and real estate business are two different markets, but for sellers who have the desire to sell, it may take some coaxing to bring today's buyer to look at their property. If you're a buyer for the long term, use and enjoyment will be key factors motivating your decision, and when the right property is available there should be no hesitation to seize the opportunity whether it is now or in the future. If you're an investor, timing the market will be key, as well as locating the right property and negotiating the right deal, and whether that time is now or into the future is hard to predict. However, as western humorist Will Rogers suggests, "Buy land, 'cause they ain't makin' any more of it."

Give us a call if you would like to know more about the Steamboat Springs land market and the great opportunities that now exist!

## Upcoming Steamboat Events

### December

- 6 - Howelson Ski Hill Opens, Ski Ball
- 7 - Steamboat Springs Orchestra's Holiday Concert
- 17 - 31st Annual Community Holiday Party
- 21 - Hanukkah Starts
- 25 - Christmas
- 28 - Strings Music Festival Holiday Gala Concert
- 31 - New Years Eve Torchlight Parade & Fireworks, Emerald Ball

### January

- 1 - 28th Annual Steamboat Marathon registration opens
- 3, 25 - Sven Wiik Cup Nordic Ski Race
- 5 - 7 - 10th Annual MusicFest
- 12 - 17 - Ski Jam VI
- 16 - 18 - Steamboat Family Snow Festival
- 18 - 24 - 20th Annual Weather Summit
- 19 - Martin Luther King, Jr. Holiday

### Buyer Tip of the Month

*When making an offer on a vacant land parcel, ask for any and all soils reports, maps and studies the seller has conducted or that are in his or her possession.*



*We appreciate referrals.  
They're the greatest compliment we can be given!*