



The Best Way to Buy Real Estate in Steamboat



Steamboat

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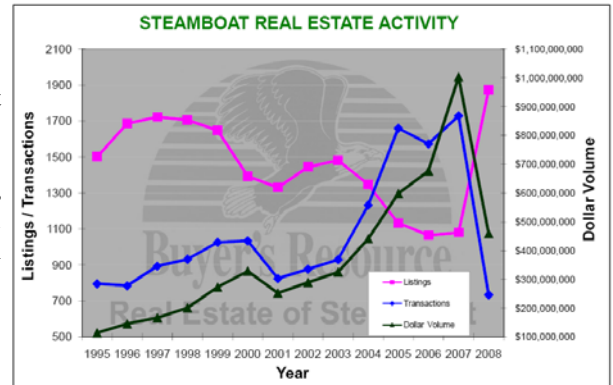


Dedicated to serving buyers in the Steamboat marketplace.

A Time For Adjustment

What goes up must come down, and after four consecutive years of record breaking sales activity, the Steamboat Springs real estate market came down in drastic fashion in 2008. Even Steamboat, as well as other Rocky Mountain resort communities, has proved it is not immune to the economic virus that has reached a national and international level. However, this could prove to be a good thing, for if the appreciation rate during that time continued, Steamboat real estate would have become beyond the financial means of most.

Universal factors that fueled the Rocky Mountain resort area upswing during that time include the population increase of baby boomers entering the age at which they are seeking a second or retirement home, technological advances and easier transportation access that make living and conducting business in more remote areas easier, as well as the desire to live in a naturally beautiful, safe and healthy locale. Specific to Steamboat, the recent sale of the ski area to mega resort owner Intrawest, redevelopment of the base area, a downtown revitalization, along with several major new development projects being built or in the planning process accelerated the local market even more.



Steamboat Springs Multiple Listing Service statistics show after exceeding one billion dollars in dollar volume for the first time in 2007, 2008 produced \$447 million, or a 56% decline. However, that is still the fourth highest amount ever posted by the MLS. Sales transactions took a comparable drop of 58% to 727, which was nearly 1,000 less sales than the 2007 record of 1,723. Going back as far as 1995, 2008 posted the lowest number of sales transactions. As one may anticipate, with a drop in activity comes a drop in median price, and the \$320,000 median price in 2008 was \$50,000 less than what was recorded in 2007. The median price is the sales price where half of the sales were higher than that price and half were lower.

It would be unfair to only compare the record breaking year of 2007 to what happened in 2008. After all, no market can reach new heights year after year. The 5-year history of the average number of transactions (with 2008 in parentheses) was 1,425 (727); dollar volume was \$609 million (\$447 million) and the average median price was \$285,150 (\$320,000).

Of the 501 residential sales that occurred last year, single family homes had the most sales at 184. The median price MLS wide (Routt County) was \$465,500 and the median price within the Steamboat Springs city limits was \$925,000. Stagecoach, after posting 48 sales with a median price of \$470,000 in 2007, had only 7 sales with a median price of \$410,000 in 2008. North Routt saw 14 sales at \$553,750, but did not drop as much as Stagecoach from 2007 where it posted 27 sales at a \$410,000 median. Historically, the most expensive real estate resides in the "South Valley" and 2008 was no exception, with eight sales occurring at a median price of \$4,034,470. The gamut of single family home sales ranged from a two bedroom, one bath Phippsburg residence *continued...*

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that was for \$122,500 to a five bedroom home on 70 acres alongside the Yampa River in the South Valley for \$8.2 million.

There were 153 condominium purchases in 2008 with a median price of \$360,000. The five-year average of condominiums sold has been 366 with an average median price of \$259,035. The least expensive purchase was a 260 square foot studio condominium at The West Condominiums for \$130,000 that included a Rolling Stone golf membership, and the most expensive was a slopeside 2,182 square foot, four bedroom and bath Christie Club condominium that was listed for \$2,559,000 and was purchased for \$2 million.

Of the 102 townhome sales, 84 occurred in the Steamboat city limits with a median price of \$709,500. There were 9 sales in Stagecoach with a median price of \$279,000. A record price for a townhome was set in 2008 when a slopeside five plus bedroom and bath, 5,904 square foot new residence was purchased for \$5.4 million. The least expensive was a two bedroom, one and a half bath Hayden townhome for \$159,000.

Land sales took the biggest hit in 2008, possibly due to construction costs and less available and affordable financing. The five-year average of land transactions has been 390, however 2008 posted only 124 purchases. The median price was up substantially at \$302,500, while the five-year average median was \$133,390. Stagecoach parcels, which have been a hotbed over the past several years, dropped from a five-year average of 123 with an average median price of \$46,600 to 15 purchases in 2008 at a median price of \$67,000. Fifteen Steamboat lots sold at a median price of \$567,500, 19 lots in the South Valley sold at a median of \$820,000. Five-year averages for Steamboat lots are 81 at a \$383,000 average median price and the South Valley averaged 41 lot sales at a \$511,000 average median price. The least expensive land purchase was a .26 acre North Routt unbuildable parcel for \$2,500 to a 665 acre Stagecoach parcel for \$6,250,000.

With a slower sales pace than normal, it is only logical that there would be more inventory from which buyers have to choose. The five-year average of MLS listings was 1,222, and in 2008 the average number of listings was 1,873. For buyers waiting for the right time to enter the market, the welcome mat is out. This is the best selection of properties to choose from. Mortgage rates are at unbelievable lows and there is mortgage money for most property types. It may be a bit of a challenge to secure a condotel loan. Otherwise, if you can prove you can make the payments, the money is available!

With added competition from these listings, Sellers may either have to price their properties to reflect the current climate or wait out the storm. When the clouds clear, Steamboat is better positioned than most other resorts for a more rapid recovery. With the momentum that started with the ski area sale and improvements currently under way, sooner or later more normal times will return. Many economic experts predict the recovery to begin near the end of 2009, creating opportunities for buyers over the next 12 months.

Upcoming Steamboat Events

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

February

- 4 - 8 - 96th Annual Steamboat Springs Winter Carnival
- 6 - Soda Pop Slalom
- 10 - 12 - 25th Annual Women's Ski Camp with Deb Armstrong
- 14 - Valentines Day Strings Progressive Dinner, Torchlight Parade & Fireworks
- 16 - President's Day
- 24 - Mardi Gras / Fat Tuesday
- 27 - March 1 - Wooden Ski Rendezvous

Buyer Tip of the Month

Consider outdoor living spaces and how they are orientated toward the sun. A southerly exposure is the warmest side of the property.



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