



The Best Way to Buy Real Estate in Steamboat



Steamboat

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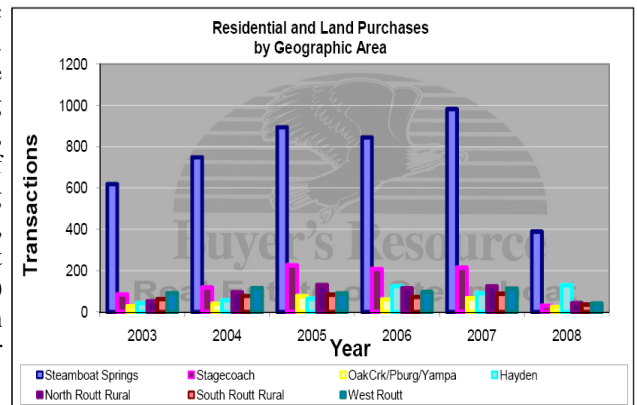
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Dedicated to serving buyers in the Steamboat marketplace.

Geographic Highs and Lows of 2008

With a 49% decline in transactions (737), 27% decline in dollar volume (\$614,950,381) and 12% increase in average median price (\$320,000) over the past five year average, there were some dramatic shifts geographically in the 2008 Steamboat Springs real estate market. To take a more in-depth look and study the market by location, there are seven distinct areas that comprise the Steamboat Springs Multiple Listing Service area. These areas include the communities of Steamboat Springs, Hayden and Stagecoach, and grouping the three south Routt hamlets of Oak Creek, Yampa and Phippsburg, as well as the more rural, outlying areas of North Routt (the Elk River Valley and north including Clark, Hahn's Peak Village, Columbine and the surrounding areas), South Routt Rural (the South Valley including Catamount, Blacktail Mountain etc.) and West Routt, (the west Highway 40 corridor, Milner, and points north and south). Due to the record year posted in 2007, the previous five year average (2003 through 2007) will be used to better compare market shifts.



Of these seven areas, Hayden was the only area seeing an increase in transaction activity, mostly due to the sales posted at the Hayden Airport Garages. Of the 129 real estate sales posted in Hayden, 83 were properties to house cars or recreational vehicles. The area experiencing the largest transaction drop was Stagecoach, decreasing 82% in activity from its five year average of 170 to 31. Fuel prices and commuting distance to Steamboat, as well as real estate prices increasing more rapidly than market demand may have all contributed to the decrease. Activity in Steamboat Springs fell 52% to 389 transactions, from its five year average of 818. However Steamboat still received the lion's share of dollar volume at \$280 million, where the remaining six geographic areas of Routt County amassed a total of \$158 million.

Single family home sales fell 30% in Hayden (to 26 from 37), and the greatest drop was Stagecoach, where only six homes closed in all of 2008...a 76% reduction. The past five year average was 25, although in 2001 and 2002 Stagecoach had four and six home sales, respectively. The 2008 median home price in Stagecoach was \$395,000; in Hayden it was \$244,000; Oak Creek / Phippsburg / Yampa was \$225,000; North Routt was \$765,000, and West Routt was \$483,000...all increases. The median price of a single family home in Steamboat went over the one million dollar mark for the first time, at \$1,100,000. This is an increase of 76% over the five year average. Looking back as far as 2001 the median price was \$350,000, although the homes back in 2001 were smaller in size than what some are today. There were 57 single family home sales in Steamboat last year, compared to 51 in 2001.

Probably the biggest anomaly out of 2008 is in the median price of a single family home in the South Valley. Where the five year median price averaged \$868,100, in 2008 the median was an amazing \$3,918,940! There were only nine sales in this area last year (as opposed to an average of 29), so the sample size was small, but nonetheless, in a category of all their own.

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There were exactly as many condominiums sold in Routt County last year as single family homes, and of the 153 sales, condo buyers seemed to focus on Steamboat, posting 152 of those sales. Stagecoach had the other condo sale. The \$360,000 median price is 37% higher than the \$262,730 five year average, and with some of the new developments scheduled to deliver their shiny new condominiums in 2009, another bump in median price will most likely occur. Many of these new properties have been contracted from \$850 to \$1,000 per square foot.

It is interesting to find that single family home and condominium sales in Steamboat dropped 55% and 57%, respectively, and townhomes dropped an equivalent amount of 55%. The 84 townhomes that were sold in 2008 fetched a median price of \$709,500, which is 67% greater than the five year average of \$424,400. Stagecoach townhomes held their own, increasing in value 54% over the five year average from \$181,700 to \$279,000.

Land purchases fell the most in 2008, from an average of 376 transactions a year to 112 in 2008. With land loans requiring higher down payments, escalating construction costs and the lack of new, affordable parcels contributed to the reduction. North Routt experienced the greatest appreciation, posting a median price increase of 131% over the five year average, from \$145,061 to \$334,500. The least expensive area to purchase land was in Hayden, with an \$84,900 median price, and the most expensive was in the South Valley, where the median price was \$815,000. Stagecoach, which has seen a flurry of activity over the past five years and averaging 123 lot sales a year, fell 88% with only 15 sales. This was the sector of the market that has been hit hardest in activity.

What does all of this mean for the immediate future of the Steamboat Springs real estate market? There were certainly some hot, warm, cold and down-right frigid areas last year. Activity declined in every geographic area but Hayden, mostly due to one project. Pull out the 83 garage sales and their total sales dropped 39% from average. Although the median prices in every property category in every geographic area increased from the five year average, a closer look at the 2007 versus 2008 median shows a quarter of the product categories (single family homes, condominiums, townhomes and land) in the seven geographic areas decreased, a quarter increased, while half remained the same.

Sellers and buyers determine any market. An informal survey of local real estate offices regarding their web site hits (primarily from buyers) shows traffic remains good, so there's still interest, and perhaps those buyers are just waiting in the wings for the ever-elusive bottom of the market to hit. But for sellers, competition is fierce. As of February 5, there were 1,989 listings in the Steamboat Springs MLS. Only in the second and third quarters of 2008 have there been more (2,083 and 2,066, respectively) listings. Based on 2008 sales, this represents a 32 month supply.

The market constraints that have affected our market are not local. Consumer confidence in the national and international economies needs to return before a significant upswing can occur. Credit markets are tighter than what the market has seen in the past 20 years, although interest rates for qualified borrowers buying qualified properties are very favorable. Ample inventory exist for buyers, but to enter today there has to be real value or necessity. It has turned into a waiting game for some, and seen as an opportunity for others, with only time to dictate who is right.

Upcoming Steamboat Events

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

March

- 1 - 24th Annual Jimmie Heuga Vertical Express
- 7 - 18th Annual Steamboat Pentathlon
- 7 - Bud Light Rocks the Boat Free Concert
- 13 - 15 - Ski Jumping & Nordic Combined Championships
- 26 - 29 - NASTAR National Championships

More Analysis Available!

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