



# The Best Way to Buy Real Estate in Steamboat



## Steamboat

Real Estate Analyst & Newsletter

April, 2009

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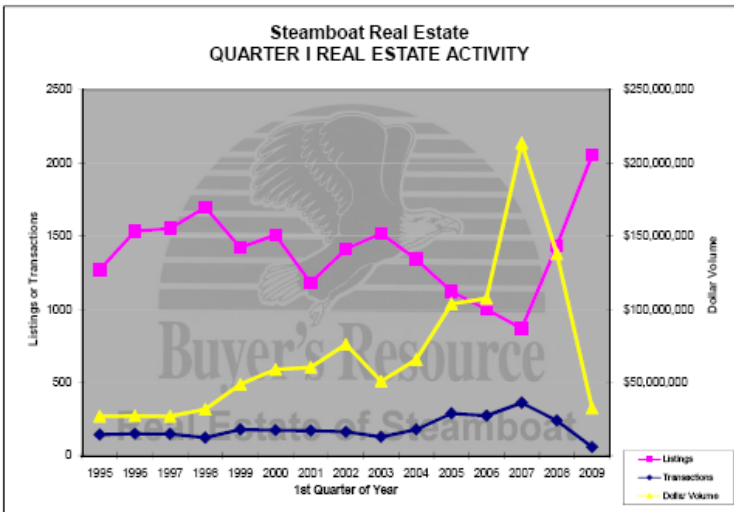
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### Time to Buy?

Sales activity for the recently completed first quarter of 2009 in the Steamboat Springs area real estate market seemed to go on life support, which is beginning to present good opportunities for buyers. Data compiled from the Steamboat Springs Multiple Listing Service shows the first three months of 2009 posted just 59 transactions...the lowest number of sales recorded for any quarter dating as far back as 1995. Q1 yielded a total of \$32,459,640 in dollar volume...a total not seen since Q1 of 1998. The five-year average of sales transactions for Q1 has been 267 with an average dollar volume of \$121 million. The only real bright spot was the \$315,000 overall median price, placing Q1 2009 closely on par to the median price for 2008 (\$320,000), but well below the 2007 benchmark of \$370,000.



Residential sales typically make up 68% of Q1 sales, but 2009 experienced a shift upward to 83%. This is unlikely due to a greater interest in residential sales but more likely due to a drop in land purchases, which have been slowing at a faster pace than other product types over the past year.

With snow on the ground and difficult access, land purchases are typically slow during the winter. However, there were only six land purchases in Q1, and those sales totaled only \$1,213,700. The five year Q1 average is 72 transactions for \$28,500,000, which represents a drop of 92% in purchases and 96% in dollar volume. Of the six transactions, the least expensive purchase was a .18 acre residential lot in Hayden for \$59,900, while the most expensive purchase was a 260 acre hunting property that included mineral rights and bordered national forest in Moffat County for \$585,000.

Of the 49 residential purchases, 20 were single family home purchases with seven selling within Steamboat city limits at a median price of \$1,000,000. There were four in Hayden, which included the least expensive home sale of \$93,000. The two bedroom, one bath, 1,173 square foot home was listed for \$130,000. The most expensive home sold consisted of 7,089 square feet. The brand-new residence has five bedrooms and baths and is situated on the 18<sup>th</sup> green of the Rollingsstone Golf Course. Listed for \$4.2m, it went under contract after being on the market for only three weeks for \$4.1m.

Steamboat condos usually are as active as single family homes and make up approximately 35% of all residential sales. However, only seven condo sales occurred in January, February and March of 2009, with four of those occurring downtown at the new Howelsen Place condominium project. Averaging \$632 per square foot, the luxury condominiums sold between \$514,200 *continued...*

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for a one bedroom to the high for the quarter of \$1,513,720, which was a two bedroom and bath residence consisting of a total 2,369 square feet. The least expensive condo sale of the quarter was a two bedroom, one bath Meadowlark unit that was purchased for \$215,000. Look for more new condominium purchases to hit the MLS sales rolls over the next several months, as Howelsen Place, Trailhead Lodge and some of the other new condo construction projects are finished and are able to close.

The category capturing the highest number of residential sales was in townhomes. Thirteen purchases consisting of \$9,289,500 made up the list. The least expensive in the MLS occurred in Craig for \$105,000 at \$85 per square foot; however, in Steamboat the least expensive at \$233 per square foot was a three bedroom, two bath, Suncrest townhome that was on the market for 360 days and sold \$34,000 off of list for \$295,000. The most expensive townhome sale was a near-new four-plus bedroom, four and a half bath, 3,594 square foot Chadwick Place townhome on four levels with a two car garage. Originally listed for \$2,100,000, it was reduced to \$1,795,000 and then eventually sold for \$1,272,000.

Over the last two years timeshare / fractional sales made up only 7% of overall purchases. But for the first quarter of 2009, and with only 59 total sales, the nine Q1 timeshare sales represented 15% of the entire market. Eight of the nine purchases were in the Steamboat Grand. One major hurdle fractional and timeshare sales are going to have to overcome in the short term is financing. Unless the new buyer has cash, can pull money out of their primary residence in the form of a second mortgage, or the seller is willing to finance, the likelihood of finding outside money is bleak, as this money has literally blown away in the current economic storm.

On the bright side, listings have seemed to have leveled off. The market saw a dramatic increase from 1,434 in Q1 of 2008 to 2,083 in Q2, but that number has remained relatively steady since, with the first quarter of 2009 posting 2,053 listings.

With any real estate market, buyers and sellers need to agree on a value to consummate a deal. As pointed out in last month's newsletter comparing Steamboat Springs' market with other resort areas, the resorts that realized the greatest activity had sales lower prices as compared to their past. In these unprecedented and volatile economic times, it is difficult for sellers not to look back at the value their property once had only a few years ago. However, the reality is that in the past 30 days there have been nearly as many price reductions (187) as new listings (208) that have hit the market. For a buyer to make a purchase it has to make sense before signing on the dotted line and they need to feel they are receiving a good value for the risk. Buying opportunities are now beginning to show, and buyers who have been sitting on the sidelines for the past few years are now beginning to come off the bench, and in times like this, there may be no better time to get into the game.



**This is the interior of a Best Buy I identified in February after a \$1m price drop to \$2.85m. It went under contract shortly thereafter and closed in March for \$2.5m.**

## Upcoming Steamboat Events

### April

- 4, 12 - Bud Light Rocks the Boat Free Concert, Steamboat Springs Orchestra's Season Finale
- 10 - 12 - 2nd annual Springalicious Celebration
- 11 - 29th annual Cardboard Classic & Easter Egg Hunt
- 12 - 2nd annual Splashdown Pond Skim, Last Day of Skiing

### May

- 2 - Spirit Challenge
- 25 - Paddling Life Pro Invitational

### June

- 5 - 28th annual Steamboat Marathon
- 13 - Hayden Cog Run
- 16 - Model T Ford Tour
- 18 - 21 - 21st annual Rocky Mtn Ford Mustang Roundup
- 19 - 20 - Weekend Steamboat Pro Rodeo Series Begins

### Buyer Tip of the Month

*The best time to ever make an offer is when no one else is! Sellers are more negotiable, there are no other buyers you are going to be competing with, and you have greater selection of properties in which to choose!*



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