



The Best Way to Buy Real Estate in Steamboat



Steamboat

Real Estate Analyst & Newsletter

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Dedicated to serving buyers in the Steamboat marketplace.

Market Trying to Find Common Ground

The second quarter of 2009 for the Steamboat Springs real estate market remained stymied by the national economy as the number of transactions was the lowest post for any second quarter dating as far back as 1995. The Steamboat Springs Multiple Listing Service tendered 104 purchases in April, May and June (Q2). This is a bright spot in the market as it was nearly double the 59 posted for the first quarter of '09. The average increase from the first quarter of the year to the second averages 53%; in 2009 it increased by 76%. In the Steamboat market, the first quarter of the year is typically the least active. Over the past five years, Q2's have averaged 359, making the 2009 transactions fully 71% off of that average.

Another bright spot is that the median price of all real estate types in Q2 of 2009 was \$318,000, which is slightly higher than the \$313,800 five year median average.



This is the interior of a beautiful townhome that was purchased on June 12 for \$1.985m; a \$600,000 reduction from list price.

The product type that continues to struggle most with the current economy is unimproved land. A total of 15 purchases occurred in Q2. The prior Q2 five year average is 95. At \$490,000, the Q2 '09 median price was much higher than the \$302,000 five year median average, so what did sell were some of the more expensive listings. In fact, the most expensive land parcel that was purchased this past quarter was the 8,686 acre Mountain Meadow Ranch in Jackson County for \$18,703,875. Also selling for a high dollar amount (but not occurring through the MLS) was a 471 acre parcel in Strawberry Park that was listed for \$16m, purchased in 2007 for \$13.4m and sold June 30 for \$11m. On the other end of the price spectrum were three Stagecoach lots averaging an acre in size and were purchased for \$10,000 each.

Surprisingly, Q2 of '08 only posted two condo sales that exceeded \$1m, but in '09 there were six! All of these six figure purchases were located in the two most recently completed buildings at Trappeur's Crossing Resort. The least expensive condo purchase was a two bedroom / one bath Wagon Wheel unit in Stagecoach. At 864 square feet, it sold at \$174 per square foot, or for \$150,000. The new Bear Lodge at Trappeur's Crossing Resort posted the most expensive sale, and at \$1,118,250, the three bedroom and bath, 1,836 square foot residence came in at \$609 per square foot.

There were 35 single family home purchases at a median price of \$420,000 in Q2. Most interesting is that in all of 2008 there were six Stagecoach homes purchased, but in just the three months of Q2 a total of eight were sold. Five of these were located in the newer Red Hawk Village development, and while some were purchased under a short sale / pre foreclosure status,

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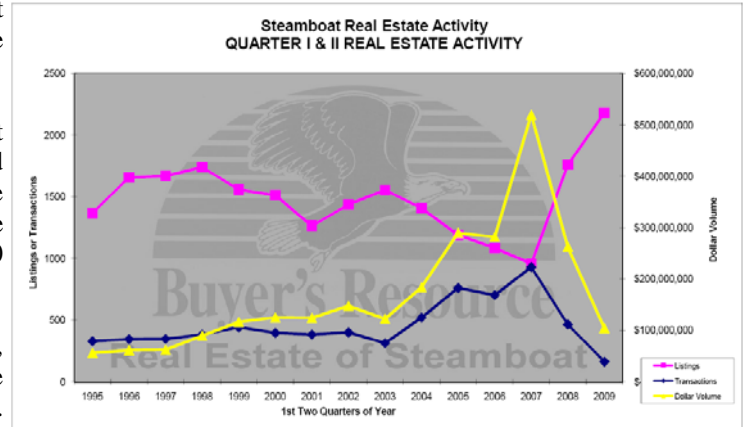
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the purchase price of slightly under \$300k may show the current market demand for homes in that area. The least expensive home purchased in Routt County was a one bedroom and bath, 960 square foot Hayden bungalow for \$107,000 that was listed for only 60 days. The most expensive was a beautiful 3,242 square foot, ranch style custom home with a new barn and pond on 38 acres for \$2.6m, and at \$802 per square foot. The home was on the market for 349 days.

Positioned between single family homes and condos, the townhome market posted 10 sales at a median \$515,000 price. The least expensive was a tastefully appointed, deed restricted, two bedroom and bath, 1,152 square foot West End Village townhome for \$255,000. The most expensive purchase was the model home at Stonewood, which was a fully furnished four bedroom, three and a half bath unit at \$528 per square foot, for \$1.995m.

The residential property with the greatest percentage off of list price was a single family lot in Steamboat that was purchased for \$125,000 or 66% of list, while the property that had the greatest monetary reduction from list was a new 3,903 square foot townhome listed for \$2,628,630 and sold at a \$643,630 reduction.

Sellers have been adjusting to the current market conditions, where in the 30 day period from June 13 to July 13, 2009, the MLS reported 260 new listings, 37 sales and 271 price changes. Of the price changes, 3 properties increased in asking price while the remaining decreased by an aggregate value from \$235 million to \$190 million. As of July 17, there were 2,311 listings for a total of \$1.998 billion and at a median price of \$499,000.



Estimating that the first two quarters of the year represent roughly half of the total annual purchases, the 163 closings thus far equates to roughly 326 for the year, leaving a seven year supply of inventory. Of course these times are not typical. In the past five years the MLS has averaged 1,380 annual purchases. However, as economic times improve, it could be assumed that certain sellers will change their mind about selling their dream property (reducing inventory) or raising their asking price. But for now, sellers are continually monitoring their price to make their properties attractive to buyers while buyers have the best selection of properties to consider in years and at increasingly more affordable prices.

Upcoming Steamboat Events

Steamboat Springs Pro Rodeo every Friday & Saturday evening at 7:00 thru August
Strings in the Mountains Music Festival thru August

July

- 2, 3 - The Neville Brothers in Concert
- 3 - First Friday Art Walk
- 4 - Cowboy Roundup Days & 4th of July Parade & Celebration
- 11, 12 - Hot Air Balloon Rodeo & Art in the Park
- 17, 18, 19 - Mountain Soccer Tournament
- 18 - Kitchen & Garden Tour
- 30, 31 - Wine Festival
- 31 - Free Concert, Freddie Jones Band

August

- 1 - Wine Festival, Mt. Werner Classic Run
- 7 - First Friday Art Walk
- 8, 13, 15 - Elixir of Love Opera
- 16 - Continental Divide Run
- 20 - Free Concert, The Avett Brothers
- 30 - Steamboat Triathlon

September

- 4 - First Friday Art Walk
- 5, 6 - Wild West Air Fest
- 18, 19, 20 - Steamboat OctoberWest

Buyer Tip of the Month

When financing a purchase, include a clause in the contract for an automatic extension for loan document delivery delays.



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