



The Best Way to Buy Real Estate in Steamboat



Steamboat

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Dedicated to serving buyers in the Steamboat marketplace.

Good "Buy", 2009

The 2009 Steamboat Springs real estate year was considered an opportune one for many buyers who took advantage of market conditions, but for sellers and a majority who were involved in the business side of the industry, it could probably have not ended soon enough. However, there are signs it may be on the mend.

But first, the BAD news...

The 467 transactions posted by the Steamboat Springs MLS in 2009 were the lowest total of any year I have on record, which date back to 1995. The closest to this total was 785 in 1996. The \$267 million in dollar volume was only better than 2001 (9/11) and the period 1995 through 1998. See Chart 1.

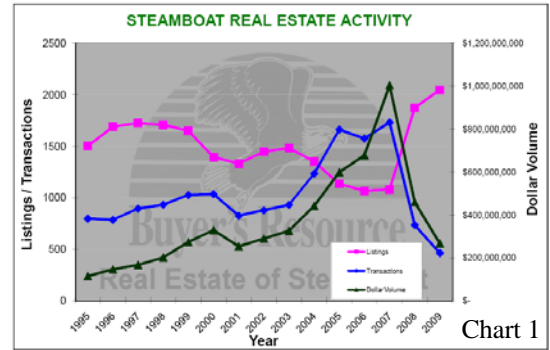


Chart 1

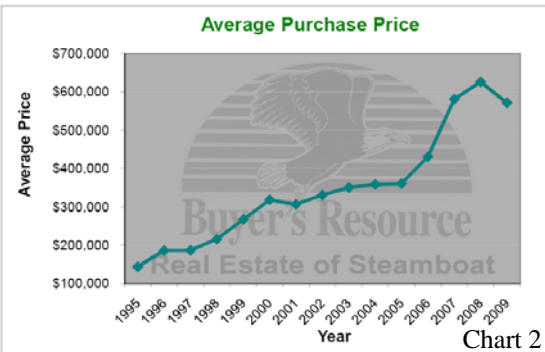


Chart 2

Now, the GOOD news...

The 2009 Average Purchase Price, at \$571,000, was only third to the all-time high of \$625,000 in 2008, then \$580,000 in 2007, indicating that values have held considerably well despite the uncertainty. See Chart 2.

And the BEST news...

Yes, the year ending totals show 2009 as being one of the worst years ever for Steamboat Springs real estate transactions, but a more short-term and closer-in look shows that a turnaround in activity is beginning to take shape. The first quarter of 2009 may well have been the bottom of the market with only 62 transactions. Transactions in all three quarters thereafter have increased; Q2 at 110, Q3 at 132 and the most recently completed Q4 at 163. Typically, Q4 is the third *worst* quarter of the year, not the best (Q1 is the worst) as it was in 2009. Furthermore, the number of listings has seen a significant 15% reduction from a high of 2,310 to an end of year total of 1,959. See Chart 3.

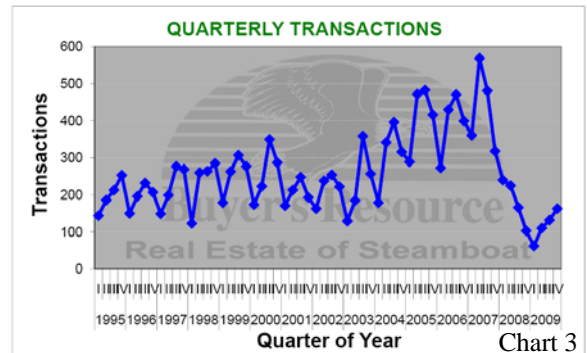


Chart 3

Additional information on the Steamboat real estate market can be found by visiting our web site, at 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.

Buyers took advantage of record low interest rates, distressed sellers, foreclosures, short sales, stagnant developer inventory and tax incentives; variables which may not be around in another year.

The average amount discounted from the list price in 2009 was 8.3%, where as recently as 2007 sellers were only giving 3% away. Although 98 of the 467 transactions were at full price, there were a number of buyers who were able to make some pretty unbelievable deals, highlighted by Chart 4.

How did these buyers make such a catch? They went fishin'. Some may have had to make several casts before landing their big one; others may have received a strike on their first attempt. But they all threw a line in the water.

2009 Top 10 Purchases by Percent of Discount					
Type	Location	Description	List Price	Purchase Price	Discount
Land	South Valley	57 Acres	\$4,995,000	\$2,500,000	50%
Commercial	Downtown	Yacht Club Restaurant	\$2,999,999	\$1,900,000	37%
Farm/Ranch	North Routt	Seed House Ranch	\$2,200,000	\$1,400,000	36%
Land	Stagecoach	.94 Acre Lot	\$21,500	\$14,000	35%
Land	Steamboat	.3 Acre Lot	\$189,000	\$125,000	34%
Condo	Steamboat	#203 Phoenix	\$499,000	\$339,500	32%
Land	Stagecoach	.73 Acre Lot	\$65,000	\$45,000	31%
Land	Steamboat	.56 Acre Lot	\$599,000	\$415,000	31%
Commercial	Steamboat	Office Building	\$2,300,000	\$1,600,000	30%
Townhouse	Steamboat	# 1D Chadwick Place	\$1,795,000	\$1,272,000	29%

Chart 4

That's not to say there weren't challenges along the way in 2009, and the biggest seemed to be financing. Condominium money was very hard to come by. Fannie Mae and Freddie Mac lending regulations put a stranglehold on a number of property types, especially condominiums that could be used as short term rental properties. Other lending challenges came in the form of new and stiffer regulations, fewer loan options and higher down payment requirements. As of the time of this article, there are currently no mortgages available for timeshare or fractional ownership properties. Some new challenges were also seen in appraisals, with cumbersome procedures, and from the lack of activity, finding recent comparable sales to help determine value.

Challenges certainly remain in the market, but it appears the climate is beginning to improve. Sellers are now realizing the market is not at 2007 prices anymore, and buyers are beginning to feel a little more confident about making a purchase decision and are able to see opportunities that didn't exist in 2007. As the market saw a certain type of buyer emerge in the mid 2000's with the rapid appreciation and development occurring, a new type of buyer is now entering the market, but with added caution and more conservative nature. Good buys will most likely be available in 2010 as well, as sellers and buyers still determine the market, and it appears they may be beginning to agree rather than disagree more recently than in the past few years.

Upcoming Steamboat Events

January

- 4 - 9 - 11th Annual Musicfest at Steamboat
- 9 - Ski Jam VII
- 19 - 36th Annual Bud Light Cowboy Downhill

February

- 3 - 7 97th Annual Winter Carnival
- 7 - Buyer's Resource Reception @ Howelsen Place
- 14 - Valentines Day Torchlight Parade & Fireworks

March

- 17 - St. Patrick's Day Torchlight Parade & Fireworks
- 20 - Bud Light Rocks the 'Boat Free Concert
- 27 - Bud Light Rocks the 'Boat Free Concert

April

- 3 - Bud Light Rocks the 'Boat Free Concert
- 10 - 30th Annual Cardboard Classic
- 11 - Last Day of Skiing, Splashdown & Pond Skim

Buyer Tip of the Month

In addition to reviewing the condominium documents, the Buyer should also request copies of the HOA meeting minutes for the last two years.



Stay on top of the Steamboat Springs real estate market by receiving our monthly newsletter by emailing us at info@BuySteamboat.com.