



The Best Way to Buy Real Estate in Steamboat



Steamboat

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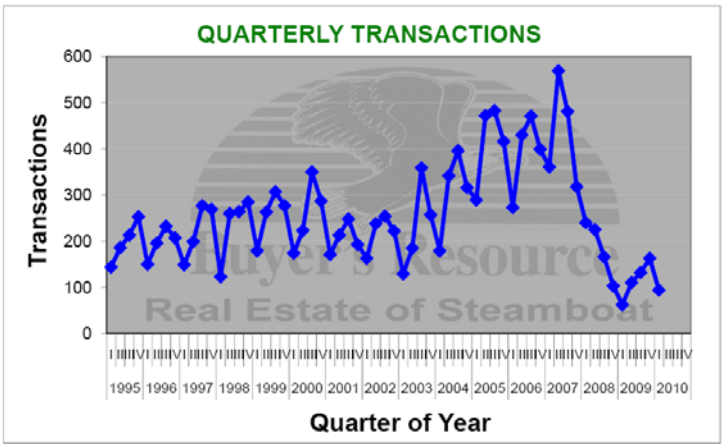
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Dedicated to serving buyers in the Steamboat marketplace.

Market on the Mend?

The first quarter of 2010 may have been a telling sign that the Steamboat Springs real estate market might have actually hit bottom (at least activity-wise) in the first quarter of 2009. Real estate transactions reported by the Steamboat Springs Multiple Listing Service in the first three months of 2009 were a measly 59 (the lowest since my records go back to 1995), but the recently completed first quarter of 2010 posted 94 sales, an impressive 59% increase. The first quarter is typically the slowest quarter of the year, and future quarters are anticipated to naturally generate higher sales. Furthermore, the first quarter of 2009 saw the greatest 'seasonally adjusted' decrease of all four quarters. Although these two results are impressive, the median price remained unchanged for the year at \$313,750, showing that the properties that are being purchased are priced to reflect current market conditions.



Residential sales increased from 49 in Q1 of 2009 to 76 in Q1 of 2010 (+55%). The Median Price for residential sales (single family homes, town homes, condominiums, timeshares and mobile homes) decreased 9.9% to \$329,000. Of this amount, buyers snatched up 10 short sales (purchase price was less than mortgage amount and required seller and lender approval for the sale). Of those ten, six were Sunray Meadows Condominiums. Three residential sales were foreclosures.

Of the 27 condo Steamboat Springs MLS purchases in Q1, the most impressive was a three plus bedroom, three bath, 1,882 square foot Edgemont penthouse at \$2,594,000, or \$1,378 per square foot. Edgemont is Steamboat's newest luxury condominium development perched slightly above Gondola Square. On the other end of the price spectrum was a one bedroom and bath, 565 square foot Walton Village unit that was only on the market for 113 days and was purchased at its \$150,000 list price.

There were 17 townhome purchases in Q1. The most remarkable purchase was a new five bedroom, 5,277 square foot half-duplex originally listed for \$1.8 million, reduced to \$1.199m and sold for \$935,100, or \$177 per square foot. The most expensive townhome purchase was the other half of the one just mentioned. This townhome was originally listed for \$1.9m, reduced to \$1.299m, had six bedrooms, comprised 5,468 square feet, four car garage, wine cellar, three fireplaces and sold for \$219 per square foot, or \$1.2 million. Both of these properties were FDIC owned. The least expensive townhome was a one bedroom Walton Pond unit at \$140,000.

Although economic times have hampered many segments of the market, properties priced at \$1 million and over seemed to stay active with eight of the 25 purchases occurring over a six figure price tag. Arguably, the best buy of the bunch was a bank owned

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6,133 square foot, five bedroom and five bath Dakota Ridge home that was grabbed for \$1,250,000, or \$204 per square foot! This home was purchased in 2007 for \$1,650,000, and in 2006, homes in this exclusive neighborhood have ranged in price from \$275 to over \$500 per square foot. The least expensive single family residence was a two bedroom home in Hayden for \$130,000 and was snatched up after only being on the market for 94 days. A Sanctuary home with one of the most delightful wine rooms I have ever seen was the highest priced purchase of Q1, at \$2.85m. Situated along Fish Creek and the 14th green to the Rollingsstone Golf Course, this 7,402 square foot home was on the market for slightly over 600 days and was originally listed for \$4.9 million (41% from original list!).

As buyer's interests focus on skiing, vacant land sales are typically slow the first quarter of the year. However, land sales nearly doubled from the six that occurred in Q1 '09 to 11 in Q1 '10. The median price nearly doubled as well, from \$108,350 to \$195,200. The least expensive land parcel bought was a .92 acre parcel in the High Cross subdivision in Stagecoach for \$7,500, while the most expensive was a beautiful 415 acre hunter's paradise bordered on three sides by national forest with Big Creek running the length of the parcel for \$4 million.

Most interesting, however, is foreclosures and short sales (aka distressed properties) have not made up a big part of the market (at least as of yet). Of the 94 Q1 transactions, only 14 had lender involvement. And of the 2,124 listings that were on the market as of March 31, 55 were designated as potential short sales and 30 foreclosures...four percent of the overall market. It appears that most properties that are currently in a distressed situation were purchased during the 2006 – 2007 run-up, perhaps by investors looking for a quick return on their investment, and who did not have any intention of use and enjoyment or a long term hold. With current market values meeting the market that existed in the 2004 – 2005 era, those owners who bought during that time or earlier and now want to sell can do so without any consequence and even have room enough to undercut some of the foreclosed prices. However those who bought after that time will most likely have to make some price concession to divest their properties.

It is certainly encouraging that activity has continued to increase from Q1 of 2009. Was that the bottom of the market? I guess it depends upon your market bottom definition, as well as what the future holds. Prices continued to adjust downward throughout the year, and buyers seized the opportunity. However, some forecasters feel a new wave of foreclosures may come about as five year adjustable mortgages readjust and adding more distressed properties to the market. Only time will tell. Those who are realizing the opportunities that exist today have been rewarded with the potential of making a great investment, but if use and enjoyment is your number one priority, even a more extended recovery than anticipated cannot dampen that satisfaction gained from buying in the buyer's market that exists today.

Upcoming Steamboat Events

Steamboat Springs Pro Rodeo Series every Friday and Saturday evening beginning June 18.

Casual Classic Concerts at the Strings Pavilion every Wednesday beginning May 30 through the summer.

May

- 8 - Home & Garden Show
- 19 - 20 Economic Summit
- 24 - 30 Restaurant Week
- 29 - 7th Street Music Jam
- 31 - 30th Annual Yampa River Fest / Paddling Life Invitational

June

- 6 - 29th Annual Steamboat Marathon, Half-Marathon and 10K
- 12 - Cayuse Classic
- 17 - 20 22nd Annual Rocky Mountain Mustang Roundup
- 18 - 19 Steamboat Springs Pro Rodeo Series begins

July

- 1 Free Music on the Green
- 2 - 4 Cowboy Roundup Days / 4th of July Celebration
- 9 Volleyball Tournament
- 10 - 11 30th Annual Hot Air Balloon Rodeo / Art in the Park
- 10 - 11 Cowpie Classic Rugby Tournament
- 16 - 18 26th Annual Steamboat Mountain Soccer Tournament
- 16 6th Annual Tour de Steamboat Cycling Road Race

Buyer Tip of the Month

Springtime is the best time to make an offer on a Steamboat condo. It is right after the sellers have received their ski season income and right when their carrying costs start kicking in.



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