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“Steady as She Goes” for Steamboat Market

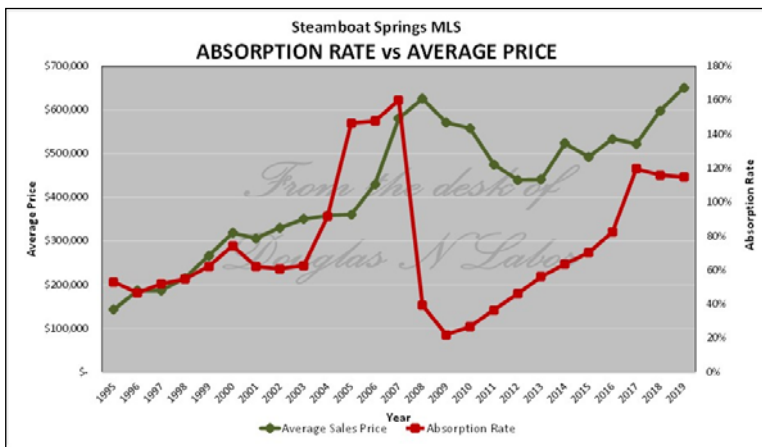
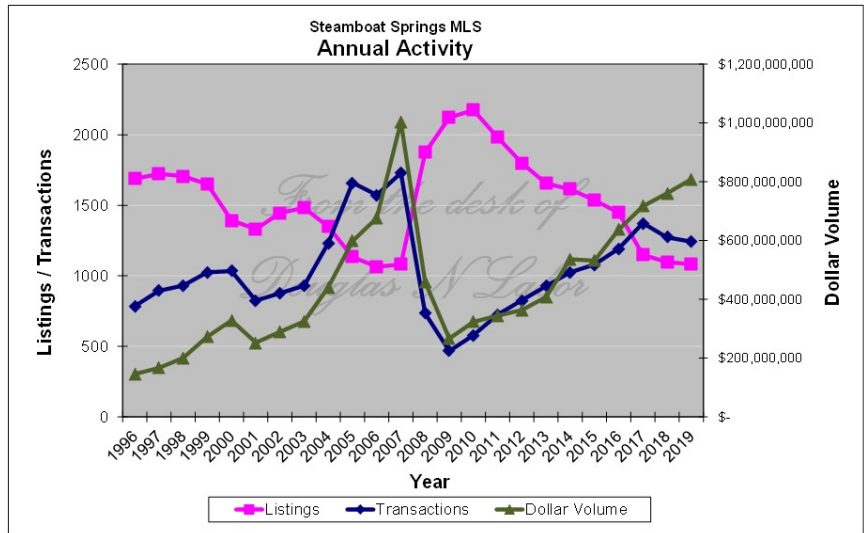
The new course the Steamboat Springs real estate market set in 2018 did not alter more than a few degrees in 2019.

The number of transactions (trades) posted by the Steamboat Springs Multiple Listing Service dropped 2% from 2018, at 1,242. This is most likely due to the low supply of properties for sale in the market over the past three years.

Speaking of low supply, listings declined for the ninth straight year, to 1,083. Except for 2006 (1,065), 2019 carried the second lowest number of listings throughout the year, calling it a tie with 2007 at 1,081.

Another key indicator is Absorption Rate, or the inventory bought, which is the dynamic between supply (listings) and demand (transactions). The graph below shows the relationship between the Absorption Rate (red line) and Average Price (green line).

After nine straight years of there being higher supply than demand (less than 100%), the last three years the market has seen more demand than supply (over 100%) and has averaged around 119%. With supply not meeting demand, one would expect prices to increase, which is seen by the sharp increase in Average Price from \$522,000 to nearly \$651,000 in 2019. From 1995 to 2019, the Average Price for properties in the Steamboat Springs MLS has increased an average of 9.17% annually. The 2019 Average Price of \$650,780 is the highest the MLS has ever recorded. Likewise, the 2019 Median Price was \$419,000, also highest on record.



Although there were not as many 2019 transactions as 2018, there were some very interesting ones. Following are some of the most notable sales and occurrences this past year in the Steamboat Springs MLS:

Single Family Residences

SF homes typically represent about one-third of all MLS transactions. 367 single family homes were sold in 2019 at a median price of \$665,000 and \$299/square foot. Dollar-per-square-foot is an industry benchmark that equates to a price a property is valued, depending on its square footage. SFR's within Steamboat had posted 169 transactions (-10%) with a \$850,000 median price (+10%) at \$362/sf (+3%).

The highest priced single-family home (non-Farm & Ranch) was a 7,555 sf, 6-bedroom (br), 7 bath (ba) home on 3.48 acres (ac) in the center of town that sold for \$5.625 million, or \$745/sf. It was only on the market for 267 days. The least expensive home that sold was a quaint, 2BR/2BA, 1,320 sf home downtown on a .15-acre lot and sold at its list price at \$402,500.

The Motherwell Ranch, located south of Hayden, captured the award for highest ranch sale. The ranch consists of 10,349 *cont...*

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acres, stunning scenery, river, lakes, an excellent wildlife habitat and numerous improvements. Listed at \$33.5 million, it sold for \$27 million.

Condominiums

Condos accounted for nearly half of all residential sales in Steamboat Springs (49%). 334 sales (+11%) occurred with a median price of \$391,000 (+7%).

One Steamboat Place was home to the highest priced condo sale, at \$3.6 million. The 3,217sf residence was sold at \$1,102/sf. This slope side, 4br / 3.5ba residence comes with yearly HOA dues of \$49,706, but some of the finest services and amenities one could want. Fish Creek Condos had the least expensive condo sale at \$152,000 for a 1br/1ba, 680sf ground floor unit.

Town Homes

Town homes fill the niche between condos and single-family homes, with 152 (-4%) selling in 2019. Steamboat \$/sf values increased substantially from \$310 to \$351 (+11%), and median prices increased 7% to \$642,000.

Winning the top town home honor was Chapelco Lodge - a 6br / 4.5ba, 5,573 sf home at \$2,350,000. It also features five ensuite bedrooms, gourmet kitchen, custom metal work and large bunk room. A 2br/2ba Whistler Village townhome in the Mountain Area was the most affordable townhome sale, at \$237,500 and 920 sf.

Land

Land transactions saw another decline in 2019. Overall land transactions in 2018 were at 209, and 2019 saw 148. This 61-sale drop was mainly felt in Steamboat, where sales went from 74 to 28. Despite the drop in activity, the Median Price increased substantially from \$327,500 in 2018 to \$430,000 (31%) in 2019.

The most expensive lot sale in town as a .62-acre parcel in the Boulder Ridge Subdivision. Perched just above downtown with stunning panoramic views of the entire Yampa Valley, the parcel was only on the market for 19 days and had competing offers.

Summary

The issues facing the market a year ago remain the same. Low inventory and high demand are choking the market, increasing values and pricing buyers out of the market. Building costs continue to be high and skilled tradesmen are hard to find. There are some projects on the drawing board, but they are years out for delivery. Look for condo prices to increase more than other property types.

Future Forecast

Although 2020 is an election year, politics have had little impact on markets like Steamboat Springs, so don't expect the market to change course over the next year. In the near term, look for real estate transactions to drop again in 2020 between 1% and 3%. Transactions will be stymied because of low inventory, which should hover around 1,050. Look for property values to continue to increase another 8% to 10% due to these conditions.

ABOUT DOUG...

Doug Labor has over 35 years of real estate experience, including executive level positions with some of the largest ski and golf resorts in North America. He is the General Manager of Sotheby's downtown Steamboat Springs office. What he enjoys most in his real estate practice is providing imaginative, yet logical and valuable guidance in helping clients reach their goals. His industry knowledge and service have been recognized by both clients and peers as one of the premier brokers in Steamboat, with the 2005 and 2014 Steamboat Springs REALTOR of the Year and 2012 and 2014 "Best of the Boat" Real Estate Agent awards. Doug's clients appreciate his unsurpassed market knowledge and keen negotiating skills working for them, as well as the professional work ethic and personal care he delivers to each and every client, no matter if they are in the luxury or introductory market.



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