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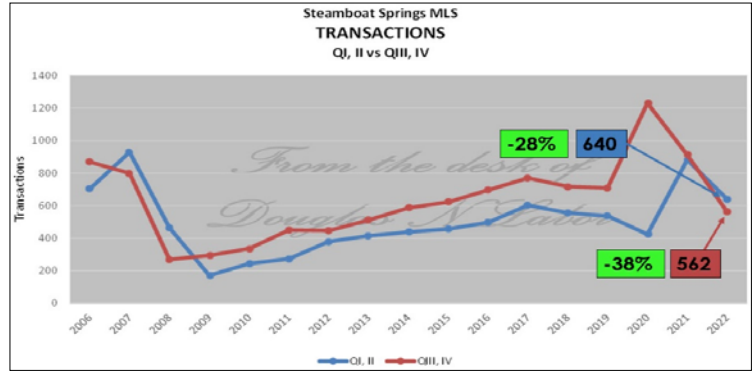
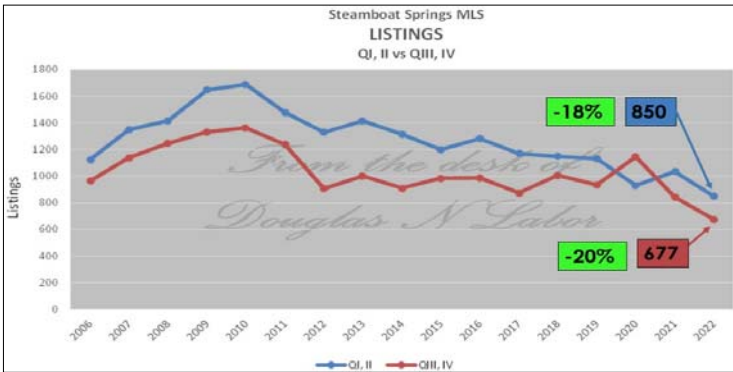
February 2023

## Big Swings in Steamboat's Real Estate Market

As any seasoned coach can attest, you must play two complete halves to win a game. In the case of the Steamboat Springs real estate market, 2022 posted a record-setting first half, then ended the year with a second half in line with a more "normal" performance.

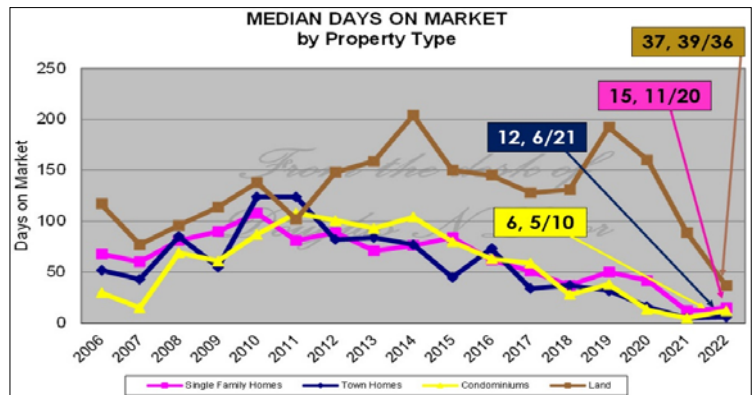
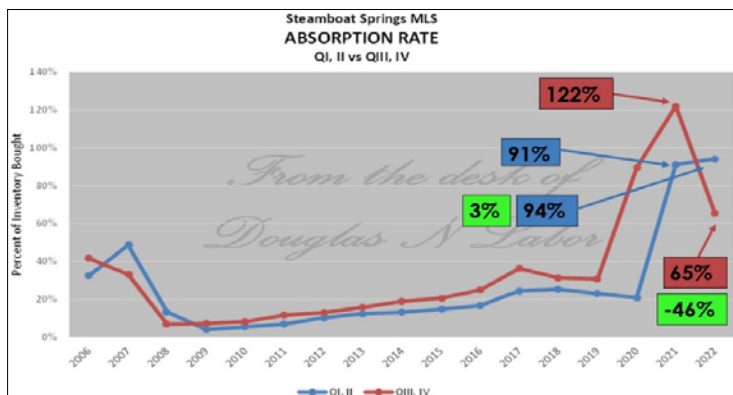
The graph below shows what Quarters I and II of each year the Steamboat Springs Multiple Listing Service recorded for Listings (blue line) and what it recorded for Quarters III and IV. Q's I & II had 850 listings, an 18% drop from 2021, and the lowest first half of listings since dating back beyond 2006. The second half of 2022 had 677 listings - a 20% decline from 2021 and the lowest on record. Combined, 2022 posted the lowest listing count as far as 1996.

2022 QI & II Transactions totaled 640, a 28% drop from 2021, but still the fourth best on record. Q's III & IV had 562 Transactions, a 38% drop from 2021. Lack of inventory, national economic concerns, and interest rate increases most likely factored the decline in sales.



The relationship between listings (supply) and transactions (demand) is the Absorption Rate. A 100% AR means as many properties came on the market as were bought. A record Absorption Rate was recorded in the second two quarters of 2021. In 2022, QI and QII posted a strong 94% AR, then the Absorption Rate fell off sharply to 65% in the second half of 2022. However, that result was still 4th best.

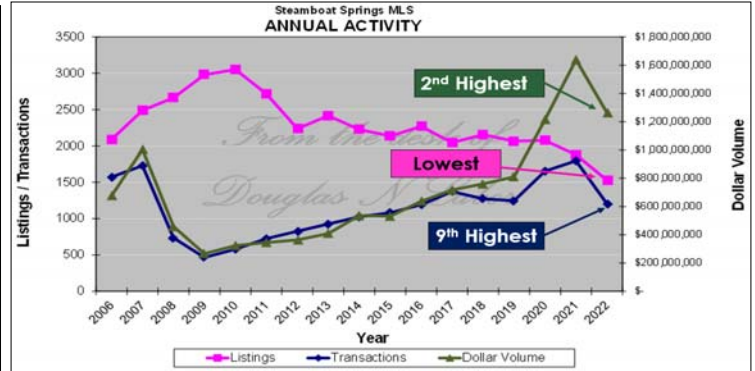
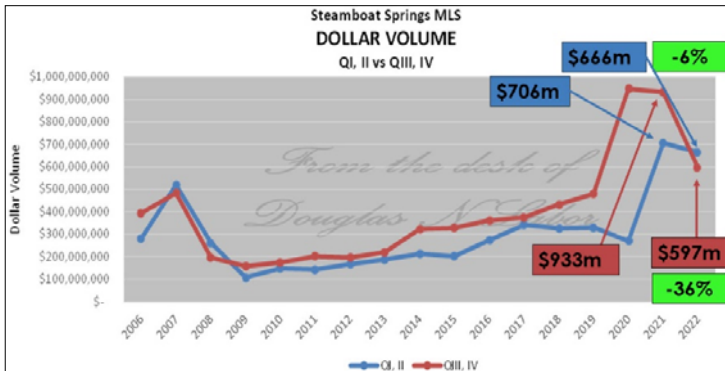
Additional evidence of real estate demand is the number of days a property stays on the market (DOM). The graph below shows how quickly the various property types sell, with Land (brown) being the highest at 37 days, with a first-half of 2022 at 39 days and second half at 36; Single Family Homes (pink) at 15 days (11 first half and 20 second half); Town Homes (blue) at 12 (6 and 21) and Condos (yellow) being on the market for a mere six days (5 and 10).



Big Swings *cont...*

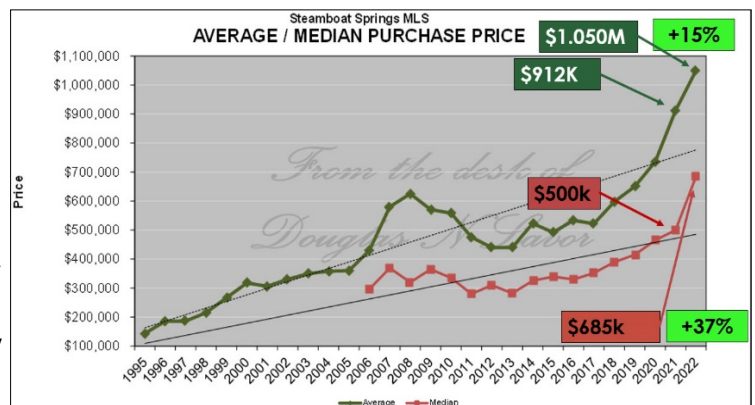
As seen in the graph below, the second half of most years is typically the highest half for Dollar Volume. In 2020 and 2021 the market posted nearly \$1 billion in second-half sales. That number dropped 36% to almost \$600 million in 2022. Although a significant decline, it was still the third best second half on record. The first half of 2022 was the second best first half with \$666 million.

Overall, despite the market having to deal with the lowest number of Listings (pink) ever recorded in 26 years at 1,527, the market posted the ninth best year for Transactions (blue) at 1,202 and second highest total for Dollar Volume (green) with \$1.262 billion in sales.



Last, the market saw substantial increases in both Average (green) and Median (red) Prices. For the first time the Average Price surpassed \$1 million. Median Price increased 37% from \$500,000 to \$685,000.

There is no doubt the Steamboat Springs real estate market slowed down in the second half of 2022. However, the Achilles Heel that contributed to most of that slowdown was lack of inventory. If the market had more to buy, increases would have been realized in Transactions and Dollar Volume. After all, you can't buy something if it isn't for sale. The market has experienced an inventory shortage for at least five years (see Absorption Rate chart). National economic conditions (inflation, interest rates, stock market, etc.) have slowed things down, yet property values continued to appreciate. Considering the desirability of real estate in a market such as Steamboat Springs, along with persistently low inventory, buyers and sellers should not expect things to change any time soon.



For my detailed 2022 Market Report and 2023 Forecast, visit [www.Dougs2022SteamboatMarketReport.com](http://www.Dougs2022SteamboatMarketReport.com).

**ABOUT DOUG...**

*Doug Labor has over 37 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 Steamboat Sotheby's International Realty. What he enjoys most in his real estate practice is providing imaginative, yet logical and valuable guidance in helping clients reach their goals.*



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