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Steamboat Springs
**REALTOR
OF THE YEAR**
2014



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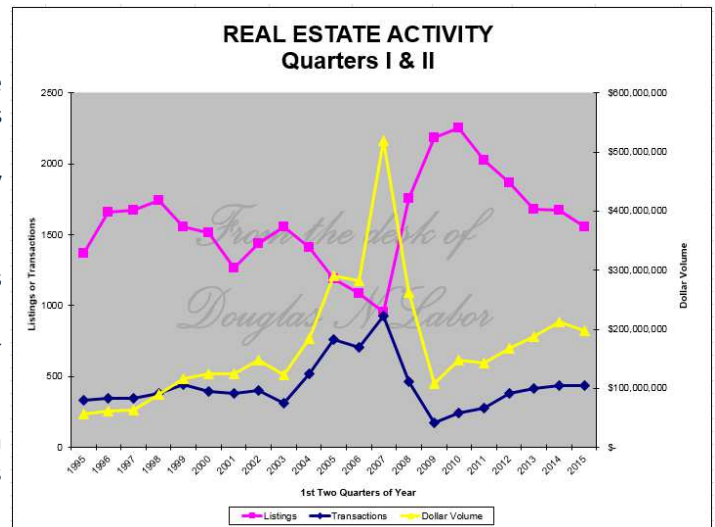
Throw the Supply/Demand Theory Out the Window ...at Least for Now

At the conclusion of 2014, the Steamboat Springs real estate market posted its fifth best year on record. Should the direction the second half of 2015 continue like the first, 2015 just may take over that recognition. With the first half of 2015 in the record books, the Steamboat Springs MLS posted 441 transactions, bettering 2014's mark of 438.

More notable, however, is on the supply side, where a 7% decline in listings occurred. Ask any economist and they will tell you as demand increases and supply decreases, prices increase. However, that has not happened, as yet, as 2015 prices in most property types have remained consistent with those of 2014.

With the drop in listings and near-equal sales, the supply versus demand dynamic should have resulted in higher property values. Conversely, overall Dollar Volume dropped 6% to \$200 million, resulting in a 7% decline in the Average Price to \$454,000.

Median Price also slipped, from \$316,000 to \$309,000. In spite of a general drop in prices, foreclosures have continued to make up less of the market, as bank-owned real estate activity declined 25% in the first half of 2015, to only 25 transactions.



So that is a look at the general market. Here's what is happening in the four most popular property types:

Single Family Residences

In comparing all property types, the 12% decline in purchases of single family residences (SFR) was the biggest surprise, from 142 in 2014 to 125 in 2015. Median Price declined substantially from \$528,750 in 2014 to \$394,000 in 2015...a 25% drop. This could be from a shift, geographically, away from the more expensive Steamboat Springs and South Valley areas. Purchases in these areas declined from 75 to 56, but the number of buyers in outlying areas increased slightly from 67 to 69 from 2014 to 2015. The sales decline in these two areas could have occurred from lower inventories or possibly higher list prices. Average dollar-per-square foot values in these areas, however, which is a common benchmark used for determining real estate value, saw a slight increase, from 2014 (\$296/sf) to 2015 (\$307/sf). Stagecoach SFR's enjoyed the greatest increase in activity, from 8 to 13 (63%), and \$/sf values increased by \$1.00 to \$140/sf. Purchases of SFR foreclosures dropped from 18 to 15.



Town Homes

One additional town home was purchased in 2015 (67) than in 2014. Median Price declined 17% in 2015, to \$367,250, and \$/sf

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Throw the Supply/Demand Theory Out the Window (cont.)

values followed suit, going from \$267/sf to \$253/sf. The first half of 2014 saw seven purchases over \$1m, while only two occurred in 2015.

Condominiums

Condos were the only residential property type that posted a Median Price increase...and it was a substantial 17% bump, to \$290,000. This could be partly due to the fact that the bottom of the condo market is moving up. In 2014, ten were purchased at a price point under \$100,000. 2015 had only three. A 23% decline (40 to 31) was also seen in the next higher price range of \$100k to \$200k. Correspondingly, activity increased in the \$300k to \$400k range by 64% to 23. Purchases above \$1m remained relatively steady, from 10 to 11 in 2015. Total condo activity was two better in 2015 (117) than 2014.

Land

The most substantial improvement in activity of any property type was in land, which increased from 52 transactions to 76, a 46% increase. This could be a result of the lack of SFR inventory and the increase of SFR list prices. Median price saw a modest 4% increase to \$187,497, but there were five purchases of \$1m or over in 2015, up from only one the prior year. Land activity is typically highest in mid to late summer.



Conclusion

It is only reasonable to expect that as inventory continues to be depleted and demand continues to increase, that prices will have to move upward. As of yet that does not seem to be the case, giving buyers an opportunity to make their move before any change may occur.

MAJOR UPCOMING STEAMBOAT EVENTS

ONGOING THROUGHOUT THE SUMMER

Pro Rodeo every Friday and Saturday, 7 pm at Romick Arena

AUGUST

5 - 9 12th Annual Steamboat Wine Festival

10 - 16 7th Annual All Arts Festival

13 - 18 Routt County Fair

14 - 18 USA Pro Cycling Challenge

SEPTEMBER

5, 6 11th Annual Wild West Air Fest & Labor Day Celebration

6 Chili Challenge

12 Rubber Ducky Race

18, 19 Steamboat OctoberWest

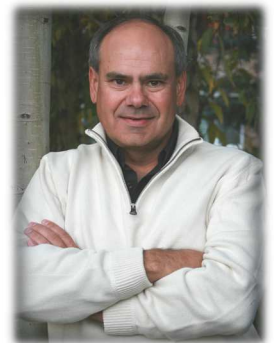
OCTOBER

17 Steamboat Sneak

22 Cardboard Classic Boat Race

ABOUT DOUG...

Doug Labor has over 30 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.



To receive my monthly e-newsletter (including Best Buys), learn more about the market, or discuss how you can put me to work for you, contact me at...

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