



How's the Market?

"When is the bubble going to burst?" is a common question these days and it's easy to see why: Active inventory is down, prices are skyrocketing, and demand is fierce. Although overall inventory on the national level grew slightly since last month, there is still a huge supply shortage. So, is this a bubble that is about to burst? Many experts seem to agree that the answer is "not any time soon."

A "bubble" is a rapid increase in the price of an asset followed by a swift decline, which is what happened back in 2008. Here is an oversimplified version of what occurred: Banks were giving loans to homebuyers very liberally, many of whom took on more debt than they were qualified for. These lending practices created demand for those wanting to get in on the action of rising home values (a bubble) even though there was an oversupply of housing. When homebuyers could not make their loan payments, banks foreclosed, and the value of the home was then lower than the amount of the outstanding mortgage. The result? The bubble burst and home values plummeted.

Today, experts think things are different. Generally, six months of supply of real estate is considered a balanced market. If there is more than six months of supply, it is considered a buyer's market; less than six months, a seller's market. In 2008, nationally, there was more than eleven months of inventory. Now, nationally, there is 3.4 months. In Steamboat, there is a measly 1.2 months of supply.

Also, lending restrictions have tightened greatly since 2006-08. This time around, demand is real, not speculative. Gen X and Millennials are coming of age, buying homes, and starting families. The capacity for remote work and the COVID inspired focus on quality of life have increased demand drastically. When supply is low and demand is high, prices rise.

There is good news among all of this: If you already own a home, you have likely built a tremendous amount of equity and could be well-positioned to make a move. The median sale price in Steamboat is now \$930K, up 35% from this time last year. Our creative and experienced agents can also help decisive homebuyers in this competitive market. If you're searching for or considering selling a home, our agents can offer expert guidance. Call us at 970.870.8800.

Year to Date Stats



Single Family Home Stats 2020 vs. 2021

Sold Single Family Homes
47 vs. 78
+66%

Median Days in MLS
108 vs. 13
-88%

Median Close Price
\$900K vs. \$1.6M
+78%



Condo/ Townhome Stats 2020 vs. 2021

Sold Condos/Townhomes
84 vs. 163
+94%

Median Days in MLS
34 vs. 5
-85%

Median Close Price
\$413K vs. \$664K
+61%

A Buyer and Seller's Guide to Navigating Multiple Bids

A lack of housing inventory and an ever-growing pool of potential buyers has created an incredibly competitive real estate market across the U.S., particularly in Steamboat Springs and other resort towns. New listings often get a surge of showings within days of listing, frequently followed by multiple offers. As a result, there are bidding wars like never before. So, how do buyers and sellers navigate such tricky waters?



TIPS FOR SELLERS

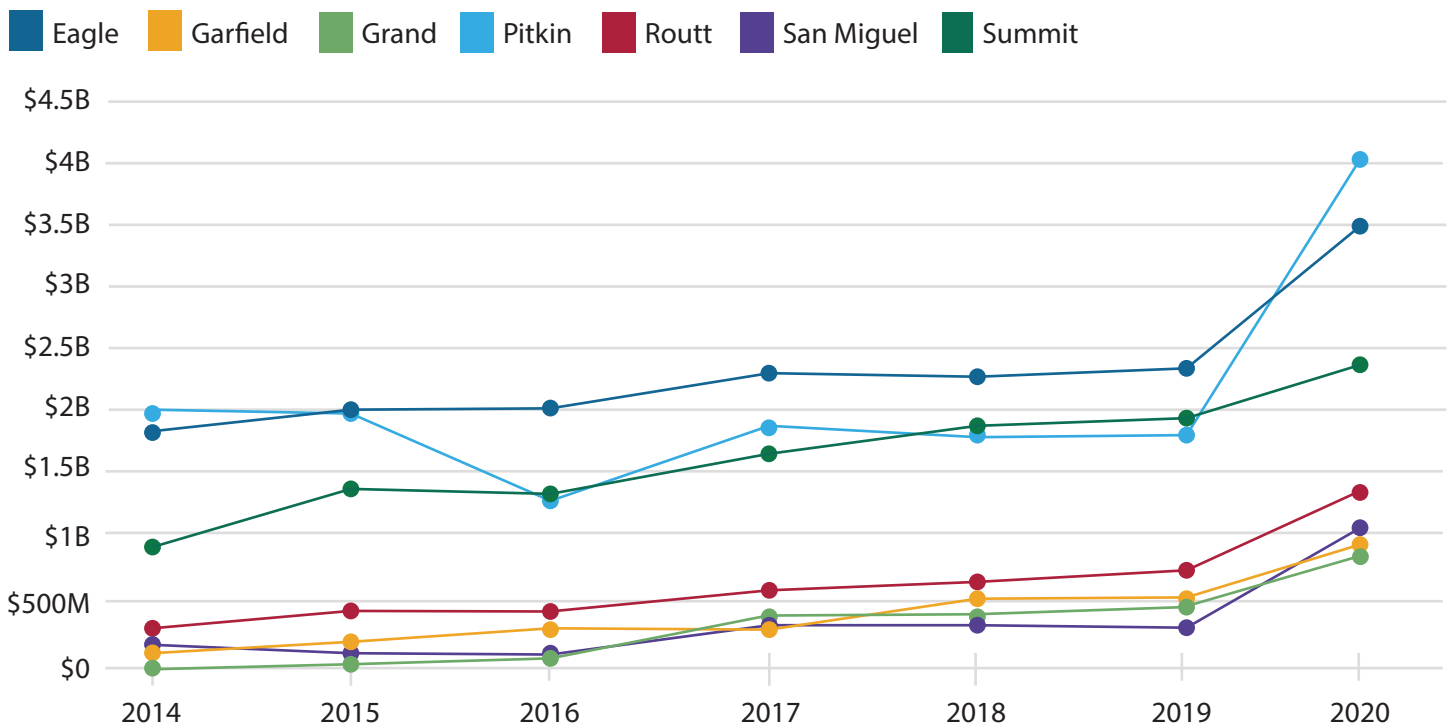
- Consider vacating your property the first few days of listing to accommodate numerous showings.
- Decide what factors are most important to you, whether it is price or terms.
- If you invite buyers to make their best and final offer, it can go two ways: You may discourage a buyer who felt they were already making their strongest offer or you may get more than the current offers on the table.
- Be fair and honest with buyers. If there is a sense that you are playing one off against the other, you run the risk of losing out.
- Verify the financing of your 'best' offer. Your listing agent will be able to tell you whether a buyer is pre-approved with a lender, if it is not a cash offer.

TIPS FOR BUYERS

- Obtain pre-approval from your lender before you make an offer. It is much stronger than a pre-qualification letter, which serves as a first step to establishing what you can afford to borrow.
- Make a strong initial offer and avoid going too far below the listing price in the hopes of negotiating. Unfortunately, for many buyers it takes losing out on a few properties to understand that the market advantage is currently with sellers.
- Some contingencies such as selling another property first to close the deal could put you at a strong disadvantage. You could consider a bridge loan, or if you're able to make an all-cash offer, it may be more competitive.
- In a competitive market, you may feel pressure to forgo a home inspection to win a bidding war. Forgoing a home inspection can be precarious and there are other ways to strengthen an offer, such as increasing a down payment, or offering the seller additional days to move out before taking possession, for no fee.
- Consider including an escalation clause with a maximum price into your offer, suggesting you'll increase your purchase price by a set amount above the next highest offer. Be sure to discuss the potential pitfalls of this strategy with your agent.
- Make a confidential offer or establish a confidentiality agreement with the seller, to avoid the listing agent from sharing details of your offer with other buyers.
- If you are unsuccessful in your bid, ask if the seller will consider a back up offer, should the sale fall through.

Over \$15 Billion in Property Sales in 2020 Across Seven Resort Counties Led to a 61% Increase Over 2019

Total Volume of Real Estate Sales in Seven Colorado Resort Counties 2014 - 2020



Data provided by Land Title Guarantee Co.

Update on Alpenglow Village



Last spring, the Yampa Valley Housing Authority began leasing units at the brand new Alpenglow Village, located between downtown Steamboat and Steamboat Resort. The first residents moved in last summer and now the waitlist includes over 100 households.

"I believe COVID has increased demand for low and moderate income housing, as more households are moving to or investing in Steamboat from elsewhere," said Jason Peasley, Executive Director at Yampa Valley Housing Authority. "It's driving up housing prices and constricting supply."

Alpenglow Village is the second apartment community project completed through a partnership between the YVHA and Kansas-based developer, Overland Property Group.

The apartments feature patios or balconies, knotty-alder cabinets, Energy Star appliances, LED lighting, walk-in closets and simulated luxury wood flooring. A clubhouse includes a community room, fitness gym and library. "We did a lottery to sort out the 350+ applicants we had for 72 units," Peasley said. "COVID made us rethink how we approached the lease sign up, using a lottery system instead of a large in-person leasing event." The rental apartments were offered to households earning 60% or less of the local median income, with up to 24 units available to households earning up to 120% of local median income.

A few months ago, YVHA broke ground on 90-unit Sunlight Crossing, located on the north side of US Highway 40, close to The Reserves. The development will inch YVHA closer to their goal of building 600 affordable housing units by 2030. "I'm thrilled to see this project break ground and watch new workforce housing develop in Steamboat; it is geared toward our local working individuals and families, that will remain affordable in perpetuity," Peasley said.

Routt County Day of Caring

When individuals and organizations put out a call for community volunteers in Steamboat Springs, people come in droves. On May 19, Routt County United Way will stage a Day of Caring, their annual public collaborative event.

"Volunteering to help nonprofits is a double win; the volunteer feels good knowing that they are helping nonprofits and the nonprofits meet new volunteers and save labor costs," said Kate Nowak, Executive Director of Routt County United Way.

Each year, different nonprofit organizations are matched with over 200 individual and corporate volunteers who share their time and talents. "When you see orange shirts around the county on May 19, you know volunteers are caring for our community," Nowak said.

For more information visit www.routtcountyunitedway.org



A Wild and Wonderful Feast

On Thursday, May 27, 100 lucky diners at Aurum Restaurant in downtown Steamboat Springs will be testing their taste buds. The Wild Edible Feast, now in its 21st year, has become a staple fundraiser for Yampatika, Steamboat's environmental education nonprofit organization.

For the first time in the event's history, the format will include a five-course dinner served to two sittings of 50 people. The chefs at Aurum will be kept on their toes until the last minute, when the team at Yampatika delivers the week's harvest. "Every year, the produce is always a little different based on the weather," said Joe Haines, Yampatika's Executive Director.

This year's feast will include moose, elk, antelope and duck eggs, with seasonal staples such as wild onions, ferns and dandelion leaves. Chefs will find a mystery smorgasbord in the pantry with unusual pickings, such as cattail root, to create their culinary masterpieces.

Local naturalists will teach a master class on wild edibles between sittings for an additional fee. Those who aren't lucky enough to secure a coveted ticket, or would like to dabble in their own kitchen, can sign up for Yampatika's virtual master class series 'Dig In' at www.yampatika.org.

Routt County COVID-19 Impact Monitor

Data provided by Johns Hopkins CSSE. Updated 5/15/21

% Of Routt County Residents Vaccinated
59% Have Received at Least 1 Dose

Total Cases
2,206

Deaths
20

Routt County Dial Level
Low Risk

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