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COLORADO GROUP REALTY INSIDER



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How's The Market?

Despite the lowest real estate inventory levels in years, sales figures in Steamboat for the first quarter of 2018 were surprisingly quite healthy. While slightly down from the same time last year, through March 2018, just over 200 properties were sold totaling over \$135M.

While we're hopeful to see significant increases in inventory as the snow melts, it's doubtful that we'll return to levels seen over the last few years; this, of course, will lead to continuing price escalation. New listings in February (74) were only half of what we've seen hit the market in previous Februarys. New list prices continue to rise significantly as homes hitting the market are priced higher by nearly 9% from 2016, averaging \$575,000.

Home prices are rising at the same time mortgage rates are rising. 30 year fixed mortgage rates now average close to 4.45%, up from below 4% at the beginning of 2018. With the Feds hinting at 2-3 more rate hikes this year, perhaps buyers are rushing to purchase before mortgage rates rise again. Still, rates are near historic lows, just not near recent lows.

Historically, when single-family home prices shoot up, more people, especially first-time buyers, choose lower priced condos and townhomes. With an YTD average price of \$416,000, condos and townhomes are significantly less expensive than single-family homes with a YTD average sales price of \$733,000.

Year To Date Stats



Single Family Home Stats 2017 vs 2018

SOLD SINGLE FAMILY HOMES

29 vs 29

AVERAGE DAYS ON MARKET

102 vs 144

↑ 41%

MEDIAN SOLD PRICE

\$670K vs \$800K

↑ 19%



Condo/Town-Home Stats 2017 vs 2018

SOLD CONDOS/TOWNHOMES

101 vs 95

↓ 6%

AVERAGE DAYS ON MARKET

141 vs 110

↓ 22%

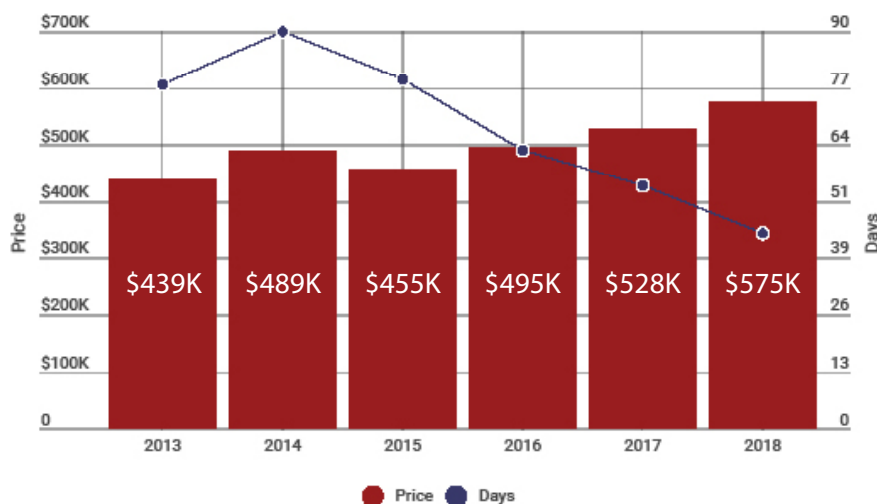
MEDIAN SOLD PRICE

\$377K vs \$370K

↓ 2%

Source: Steamboat Springs MLS / data shown for the City of Steamboat Springs through March 27th

Average Days on Market vs Median List Price



Source: Steamboat Springs MLS / data shown for the City of Steamboat Springs

The Cost of Desirability

Housing inventory in the Steamboat market is at a historically low level with just over 100 single family homes currently on the market within city limits. As a result, the market has turned into a seller's market, with prices rising and houses going under contract quickly after being listed.

According to Chris Paoli, a Broker/Owner at Colorado Group Realty, the low inventory is attributable to Steamboat being a desirable place to live, attracting first and second homeowners.

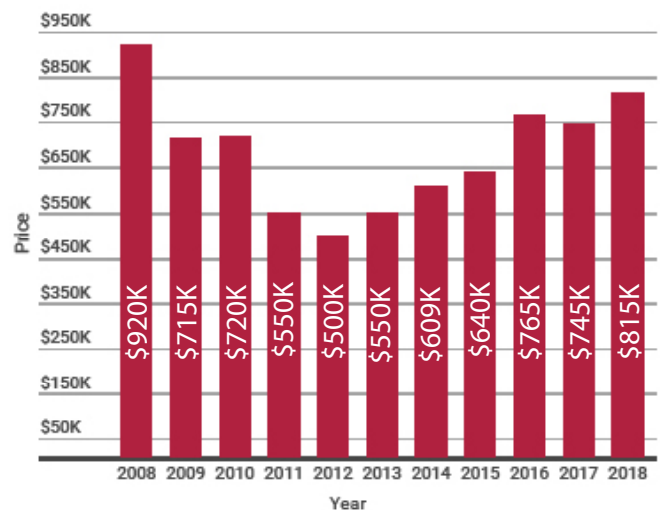
"As long as Steamboat remains popular with tourists, we will continue to see prices rise," said Paoli. "Our overall affluent visitor has increased substantially over the past five years. With recent infrastructure improvements and new restaurant scene, Steamboat is very appealing."

In 2017, Steamboat median single family home prices appreciated by a healthy 8.5%. Most are predicting that prices will continue to rise until the economy slows down. While the visible increase in construction will help balance the supply shortage, there isn't enough in the pipeline to meet demand. In 2008, construction of several significant developments, including One Steamboat Place, Edgemont, Howelson Place and Alpenglow was completed. However, the last recession

hit shortly thereafter and these developments were not fully absorbed by the market until last year. Now, with the developer inventory of those projects finally sold, Steamboat faces a tighter shortage in the number of properties available.

When will prices stabilize? It will likely take a slow down in the overall economy before there is a decline in Steamboat's economy, including housing prices. Meanwhile, Steamboat home buyers are hopeful that builders will fill some of the void with new homes and developments.

Median Sales Price within Steamboat Springs City Limits



Ski Wars: Ikon Pass vs. Epic Pass

Now that 2018-2019 ski season prices have been announced for the Ikon and Epic passes, the next questions become what is the cost of each pass? Which resorts are included? What benefits do you get with each pass?

IKON

vs.

epic

IKON FULL PASS
\$899 Adult Full Pass (Ages 13+)
\$719 Teen Ikon Pass (Ages 13-17)
\$449 Child Full Pass (Ages 5-12)
\$29 Four and Under (Ages 0-4)

EPIC FULL PASS
\$899 Adult Full Pass (Ages 13+)
\$469 Child Full Pass (Ages 5-12)

EPIC LOCAL PASS
\$669 Epic Local Pass
\$619 Epic Local College Pass (Ages 17+)
\$549 Teen Epic Pass (Ages 13-18)
\$359 Child Epic Pass (Ages 5-12)

VS.

IKON BASE PASS
\$599 Adult Ikon Base Pass
\$479 Teen Pass
\$299 Child Pass (Ages 5-12)
\$29 Four and Under (Ages 0-4)

April Showers Bring Low Residential Inventory and a Busy Building Season

Historically, April and May are peak months for a high volume of houses going on the market, giving potential buyers several options. However, this spring might lack the traditional spike in the volume as inventory has been in decline for years. Alternatively, buyers are looking at options such as purchasing land to build a home or remodeling their existing home.

Eric Rabesa, owner of Rivertree Custom Builders, said the trend toward building has put a high demand on builders' availability and is driving up the cost of construction. "We are booked through 2018. We booked up for 2018 in October 2017," Rabesa said.

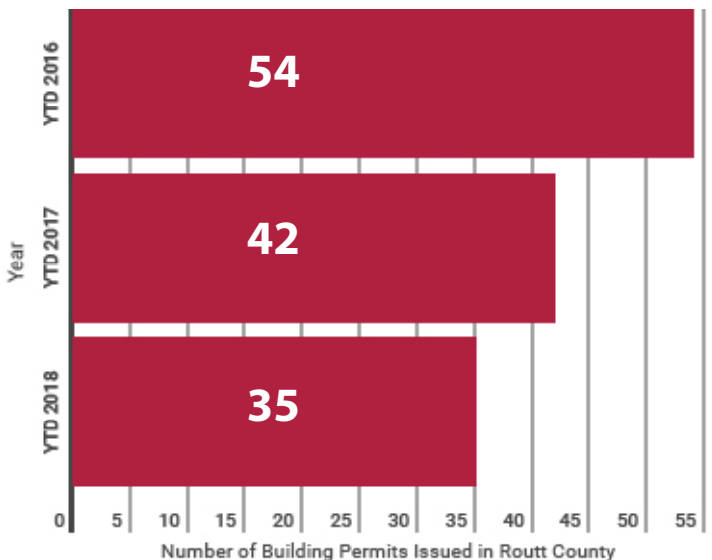
According to Rabesa, another issue with the high demand in building is finding available subcontractors, due to a shortage in the local labor force. "I can't sign up to build a house if I don't know whether I can get subcontractors lined up," Rabesa said. Building costs on new construction are now typically over \$300/sq. ft; this makes construction on the lower cost market segments needing the most supply very challenging.

Frank Becker, owner of Becker Design/Build, said that due to the high cost of building, he has seen an increase in remodeling jobs. "With the cost of purchasing a lot plus construction, a homeowner can

do some renovations on an existing home for less than new construction," Becker said.

The decrease in residential housing inventory has generated an increased interest in spring construction and remodeling as options for first or second home buyers. The mild winter weather provided an earlier start in the season for builders, bringing more new homes and opportunities to the market. It remains to be seen if the new supply will catch up with increasing demand.

Number of Building Permits Issued
Information from the Routt County Building Department



Construction at 3035 Ridge Road Sold in December of 2017 for \$3.4M

Spring into Action to Get Your House Market Ready

Are you thinking of putting your house on the market but feel overwhelmed by the daunting task of spring cleaning?

With the longer, warmer days of spring, now is the time to polish and brighten your house, making sure it is clean and ready to show. Here are some tips to help you organize spring cleaning tasks.

Most buyers are looking for more than a house; they are looking at their potential new home. Consider writing a welcome letter for potential buyers, telling them what you love about your neighborhood. Fill them in on nearby amenities

and activities. Give them the history of any upgrades to your home, or tips on how to maintain the landscape. Describe the vibe of the neighborhood: which neighbors have potential playmates for kids, which neighbors have pets and the fun to be had at neighborhood block parties. Remember, you are the best resource of information for your home, so let potential buyers know what you love the most! If this seems daunting, don't worry, a CGR Realtor® is happy to guide you through these tips and more.

Bring spring inside and brighten up colors wherever possible, with accent rugs, accessory pillows or fresh flowers spread throughout the house

Clean and check light fixtures, replacing light bulbs or broken fixtures. Increase bulb wattage where possible

Wash the walls, windows, baseboards and clean any window treatments

Remove personal items, such as pictures

Declutter your house; for showings, less is more.

Deep clean kitchen and bathrooms and clean all appliances inside and out. Check and fix caulk in the bathrooms.

STEAMBOAT HAPPENINGS

APRIL

March 30-April 1:
Charlie and the Chocolate Factory on Ice

April 6:
First Friday Artwalk Downtown

April 14:
Cardboard Classic Steamboat Resort

April 15:
Closing Day Celebration Steamboat Resort

MAY

May 4:
First Friday Artwalk Downtown

May 10-12:
Cabaret at the Chief Theater

May 12:
YVSC's Recycling Drop Off Day

May 25-28:
Downtown Steamboat Sidewalk Sale

THE METZLER TEAM

(O) 970.875.2923

(C) 970.846.8811

METZLERTEAM@MYBROKERS.COM



Nick Metzler
Broker/Owner



Reall Regan
Broker Associate



Bart Kounovsky
Broker Associate



Bert Svendsen
Broker Associate



Jeff Daigle
Team Assistant