



COLORADO GROUP REALTY

INSIDER

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How's the Market?

As the world slowly comes out of COVID-19 hibernation, homebuyers have also reawakened resulting in increased real estate activity. The April and May freeze, where showings were restricted and visitors were not allowed, has thawed but the stay-at-home orders resulted in drastically lower sales volume and transaction numbers. May total sales volume in Routt County was only \$35M compared to \$69M last year. The mere 48 transactions in the month were 57% less than May '19. Total sales volume in Routt County is now down 18% year over year. While not surprising, the numbers are stark.

Brighter days are ahead as activity is ramping up to pre-pandemic levels. Showing activity in Steamboat is only down 1% compared to this time last year. Single family homes under \$1M are frequently going under contract near or above asking prices. The rolling 12 month median sale price of a single-family home in Steamboat Springs is now \$889K, up from \$867K at this time last year. Across most categories and neighborhoods, property values have stayed steady or increased due to low inventory. For the last six months, inventory has hovered near all time lows with only around 300 residential properties for sale in Steamboat. Desperate buyers are hopeful that it's better "late than never" for the spring spike in inventory, when the number of properties for sale traditionally increases by around 30%.

Buyers across the country are being aided by historically low 30-year fixed mortgage rates that currently average 3.2%. Nationally, mortgage applications in the last week are up an astounding 18% compared to the same week last year. In April, only 38 properties went under contract in Routt County. The number grew to 80 in May, but still well below typical norms. Estimates for June are that around 100 properties will go under contract (about the same numbers as last June).

While the business case for investment properties that rely on nightly rental revenue will be challenged until travel is back to normal, there is an influx of new buyers looking for what Routt County offers. The pandemic has been hard on those quarantining in crowded urban centers and many of these people are now seeking the Steamboat lifestyle or a second home escape. This new demand, combined with persistent low inventory, will likely buoy property values for the foreseeable future.

Please reach out if you have any questions about the state of the market; we are more than happy to assist.

Year to Date Stats



**Single Family
Home Stats**
2019 vs. 2020

Sold Single Family Homes

91 vs. 61
-33%

Median Days in MLS

66 vs. 64
-3%

Median Close Price

\$975K vs. \$865K
-11%



**Condo/
Townhome Stats**
2019 vs. 2020

Sold Condos/Townhomes

142 vs. 104
-27%

Median Days in MLS

44 vs. 32
-27%

Median Close Price

\$385K vs. \$413K
+7%

Source: REcolorado Market Statistics for zip code 80487 (Steamboat Springs) through 6/14/20

Features Homebuyers Are Searching For Online Since COVID-19



Real Estate Market Predictions



As America begins to open up again, it is good news for the real estate industry. "After a three month quasi-hiatus, real estate activity across the globe as well as here in Routt County is picking up. While we may not reach levels of the last few years, there are plenty of reasons to be optimistic for the remainder of 2020," said Steve Goldman, CEO of Colorado Group Realty.

Throughout May, the National Association of Realtors conducted an online survey, to gauge the needs of buyers and sellers during and after the COVID-19 pandemic.

They found that 65% of respondents would be comfortable touring a home for sale. 82% said they would within three months, assuming safety precautions were in place. Four out of ten buyers said they would purchase a property without a visit. 54% of buyers and 62% of sellers valued guidance from their Realtor® during the pandemic.

Zillow, the online real estate database company, looked at the impact of previous pandemics and found that during SARS, for example, transaction volumes dropped considerably, but house prices remained mostly unchanged.

Laurence Yun, Chief Economist for the National Association of Realtors believes housing will be one sector leading us out of a recession and predicts home sales to rise approximately 10%, while home values could increase by 3-5%. Mortgage rates remain at historical lows and demand still outweighs supply. Yun also noted that while overall retail sales are down, spending on home improvement is up, as the pandemic highlighted the value people place on where they live.

In the 2008 recession, homeowners without appropriate credit were still able to purchase properties they could not afford, leading to a housing bubble. The situation we face now is markedly different given the unprecedented Federal support, which instills faith that the housing market will hold its own. While the pandemic has certainly been damaging to the economy, it has also increased the desire to own a home and spurred interest from people looking to move to a new home.

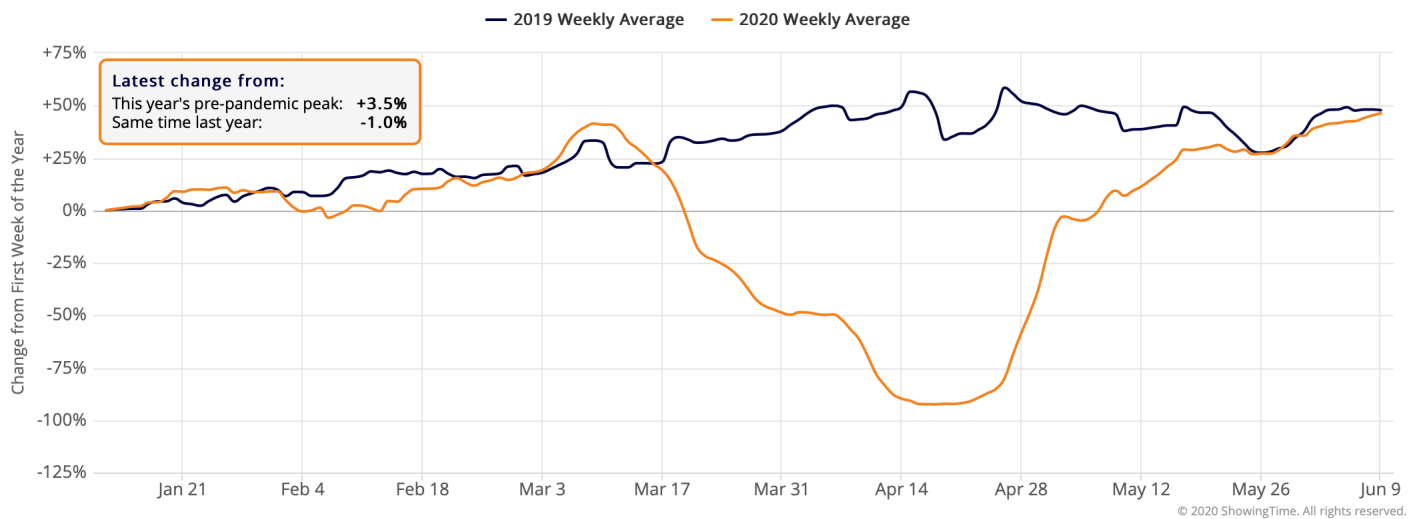
Routt County COVID-19 Impact Monitor

Provided by Routt County Public Health. Updated 6/15 at 8:00am.

Active Cases	Confirmed Cases	Deaths	Recovered	Tests Administered
1	63	6	56	2,928

Impact of COVID-19 to Real Estate Showings in Colorado

Weekly showings normalized to the first calendar week of January, 7-day moving average. Data through June 9, 2020



COVID-19 Forces City Budget Changes



Summer in Steamboat has officially begun but for a tourist destination, it is set to feel markedly different from past years. The current statewide ban on groups of 10 or more people forced the cancelation of Steamboat's legendary line up of festivals and events for summer 2020.

As of June 1st, lodging reservations were only at 10-15% of total occupancy, and the City had made significant budget cuts. "The City relies heavily on sales tax however we are fortunate that about 65% of that comes from locals," said Kim Weber, Finance Director of the City of Steamboat Springs. Other revenue streams, which include special events, facility rentals, planning and building permits, are all down considerably.

The city began cutting budget at the start of the pandemic in an effort to balance an estimated 20% drop in revenues. "We are working to make reductions in operations that have the least impact on the community yet enable us to be prepared to react when our revenue returns to where it was before," Weber said. Executive orders along with current state and local health orders are constantly evolving giving Weber cautious optimism about the future.

The two largest revenue generators for the city are sales tax and property tax. Much of sales tax revenue is collected during ski season, which has spurred city staff to make smart fiscal decisions in the summer. Approximately 40% of the local economy relies on tourism, enabling the city to rely on sales tax and keep property taxes low. "We certainly want to support our tourism industry but we also have to explore other avenues to support the economy," said Kara Stoller, Chief Executive of the Steamboat Springs Chamber of Commerce.

Until a few weeks ago, the Colorado Tourism Office was not encouraging out of state travelers to visit Colorado. This is no longer the case. Visitor numbers are up significantly in early June, giving local businesses hope that the worst is behind us. "We have the opportunity to convey our wide open spaces and the ability for people to be able to do so much while they are here, while remaining at safe distance," Stoller said.

The CGR Charitable Foundation Launches \$10K Matching Donation Campaign



Inspiring people to give is the latest initiative to be launched by the Colorado Group Realty Charitable Foundation in response to COVID-19. The Foundation will match up to \$10,000 worth of donations to four local non-profits: Steamboat Creates, Steamboat REPS (Reaching Everyone Preventing Suicide), Routt County Humane Society and Steamboat Reading.

Last year, Steamboat Creates, which focuses on support of arts and culture, was the beneficiary from CGR's Annual Parade of Homes. Sadly, the event cannot be held this summer due to COVID-19. "Working with Colorado Group Realty showed us how dedicated and passionate they are in giving back to the community," said

Dagny McKinley, Development Director of Steamboat Creates. "We are looking at huge financial losses due to COVID-19. This support reminds us that Colorado Group Realty believes in the work that we do and these funds will help us get through these difficult times". Part of this summer's programming includes online art classes for Steamboat's adults and youth.

The physical closure of schools has had negative consequences for students, in particular struggling readers. In an effort to combat the loss of instructional time, Steamboat Reading is offering more opportunities for individualized reading instruction and support for families. "One of our upper elementary-aged students who is dyslexic has a goal for the summer, to learn to read," said Kim Schulz, Executive Director of Steamboat Reading. "Donations help Steamboat Reading support families with scholarships to help their children reach their goals."

COVID-19 has sparked a dramatic increase in the need for support within the community, in particular mental health. "We are grateful to Colorado Group Realty for this collaborative opportunity to further continue our mission to preserve, protect and promote life," said Mindy Marriot, Executive Director of Steamboat REPS. "These needed funds will help us sustain our free therapy and counseling program and continue to provide crisis support services to our most vulnerable population."

Not all members of the community have a voice to share their needs including the city's population of pets. The Routt County Humane Society has seen a dramatic drop in revenue but a rise in the need for animal rescue. "Our community and donor support during the pandemic has been remarkable and made it possible for Routt County Humane Society to provide critical services and programs within a humane animal-sheltering model to our community pets," said Elaine Hicks, Executive Director of RCHS. "Your donations continue to fund our life saving work and we are so grateful for your support."

Please visit ColoradoGroupRealty.com/COVID-Relief-Fund to donate!

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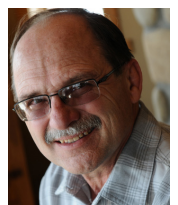
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