

“HOW’S THE REAL ESTATE MARKET?”

Charlie Dresen

As a real estate advisors, this recurring question has complex answers. Especially in Steamboat Springs where our real estate varies from small vacation condos to multi-million dollar homes. So the “how’s the market” question really depends on the property in question.

The national media sources like S&P/Case-Shiller Home Price Indices reports that average home prices are up 12.4% over the last year. While this is true, not every property in Steamboat Springs went up in value over the last year. Some properties saw 20+% gain in value, while other properties saw less appreciation. So much of this depends on the location, size, condition and type.

For real estate value to increase, there needs to be a greater demand than supply, generally speaking. But here’s where it get confusing. Here is a breakdown on the average time it takes to sell a specific property:

ABSORPTION RATE

DEFINITION:

The rate at which available homes are sold in a specific real estate market during a given time period.

METHOD:

Calculated by dividing the total number of available homes by the avg number of sales per month

SINGLE FAMILY HOME

Avg time on market = 8 months
Priced under \$500K = 6 months
Priced over \$1M = 12.3 months

So it’s a Seller’s Market for homes under \$500K and a Buyers Market for home over \$1M. Thus, the market’s great if you’re selling a home priced under \$500K but not great if you’re selling a home priced over \$1M.

TOWNHOME

Avg time on market = 6.5 months
Priced under \$500K = 2.4 months
Priced over \$1M = 21 months

So it’s a Seller’s Market if priced under \$500K and a Buyers Market if priced over \$1M. Again, great if you’re a seller of a more affordable townhome but if it’s valued over a million the market is still recovering.

CONDOMINIUM

Avg time on market = 10.3 months
Priced under \$500K = 9.6 months
Priced over \$1M = 9.2 months

So it’s a Buyer’s Market for condos priced under \$500K and a Buyers Market for condos over \$1M. And if you fall in the range between \$500K and \$1M, it might take 24 months to sell.

So how’s the real estate market? That answer can vary dramatically. Now more than ever, it’s important to contact your Sotheby’s real estate advisor to get an accurate answer to that question.

ABSORPTION RATE

The Past 8 months
Downtown, Mountain, Fish Creek

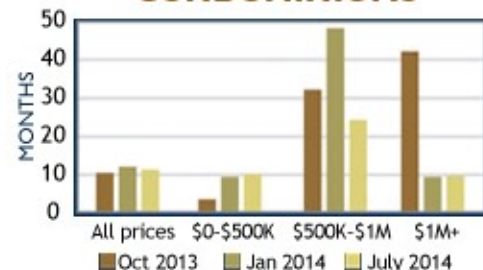
SINGLE FAMILY HOME



TOWNHOMES



CONDOMINIUMS



HEALTHY MARKET:

5-7 months of inventory

SELLER’S MARKET:

Under 6 months of inventory

BUYER’S MARKET:

Over 6 months of inventory