



## ***"Where Did All the Buyers Go?"***

Make no mistake: Jackson Hole has joined the rest of the nation with a **substantial downturn in the number of sales** for the first quarter of 2009. While this downturn hasn't impacted each market segment equally, it has cut deeply in some parts of the Valley. Like other Rocky Mountain communities, we don't know exactly how deep some cuts will go, or when the market will turn around. What we do know is **It Will Turn Around**.

Here's what else we know:

- Only 5% of all current listings are priced below market value.
- Inventory is at its highest level, for the first quarter of the year, in more than 10 years.
- Only 25 % to 30% of all current listings will sell by years-end.
- **If you want to** be one of those who does **sell your property in 2009**, you'll need to **price it** below current market values. This could be as much as **30% below the all-time market high**, in the fall of 2007.
- Interest rates are still at an historic low, and banks are beginning to lend again.
- We know the Buyers will be back. Just because there are fewer Buyers right now doesn't mean they've lost interest in Jackson Hole. The fact is there's a large pent-up demand from first-time homebuyers, locals who want to trade-up and baby-boomers who still want to spend their golden years in the valley. When the market does turn around, expect to see these groups of Buyers quickly return.

### **Market Analysis:**

The overall **dollar volume** was **down 65%** to \$82 million and the **number of transactions** was also **down 79%** to 29 sales, when compared to the first quarter of 2008. Meanwhile, the **average and median sale prices are both up**, 70% and 9% respectively. As of April 1<sup>st</sup>, there were 640 available properties in all of Jackson Hole. When you consider only fifteen homes are currently listed for under \$700,000 you begin to understand why the number of sales have decreased yet the average and median sale prices continue to increase.

**The overall number of properties under contract**, as of April 1st, 2009, was **down 28%**. The dollar volume was also down 50% (\$166 million under contract) when compared to the same time period in 2008. This decrease in dollar volume, combined with the dollar volume of transactions already closed, confirms the overall market has really slowed. The **average list price for properties under contract** has also dropped significantly, **down 69%**, yet the median list price was up 5%. This indicates the properties under contract are in the mid-range of our market (\$1 to \$2 million).

The overall **upper end of the market** (\$2 million plus) is struggling as well. The number of **sales is down 71%** and the dollar volume is down 45%. In addition, the number of upper-end properties under contract is down 14%, with dollar volume down 52%. Worth noting is the strong showing of the **over \$5 million** price range where **sales were up 20%** in the first three months of 2009. Also noteworthy are the number of available homes with list prices over \$10 million; 23 available with the most expensive listed at \$29,500,000. **Expect this segment to recover sooner than the rest.**

**Single-family home sales** have dropped off significantly, **down 43%**, yet the **average and median sale price increased** 28% and 22% respectively. Note: The median sale price of a single-family home was \$1.345 million (up 22%). The number of homes under contract is down 41%, yet the median list price under contract was up 4%, when compared to the first quarter of 2008.

As of April 10, 2009, 61 of the 255 single-family homes on the market were listed for under \$1 million. This brings the **median list price down 8%** to \$1,795,000. For Buyers looking for a deal, this is a good place to start. The flat spot (segment with the most available inventory) is the \$1M to \$2M price range

where 76 homes are currently being offered for sale. This does not include resort-zoned areas (this zoning permits nightly vacation rentals) where only seven homes are currently available in this price range.

**Vacant land sales** have all but disappeared with **only three sales in the first quarter** of 2009. Unlike the late 1990's, when vacant land was the hottest segment of our market, today's economic environment is preventing this segment from gaining momentum. The three types of Buyers in this segment are contractors, speculators, and retirees. Currently, contractors are afraid to build new homes. Speculators lost most of their investment dollars in the stock market, and the retirees have delayed their plans to retire for a few years. The highest price vacant lot sale was in the Skyline neighborhood.

**Vacant lots under contract** have also **almost disappeared**, with only two currently under contract. Meanwhile, the number of single-family lots on the market is up 22% pulling the average list price down 20%. The law of supply and demand is hard at work in this segment of our market. Currently there are 79 available lots, of 2-acres or more, with only seven being offered for under \$1 million.

**Condo/townhouse sales** have all but disappeared too, with **only three sales in the first quarter** of 2009. Meanwhile, current available inventory has saturated the condo market with 195 **available units (up 67%)** at the end of March 2009. The current state of the condo market is changing, due mainly to new financing guidelines. First time home buyers, who make up the biggest segment of condos sales, can no longer qualify because of either their credit score; debt-to-income ratio; or don't have the required 20% down payment. The next largest segment is second-home buyers, who are purchasing a condo with the intent of generating rental income (nightly vacation rentals in resort areas). Again, these Buyers are affected by new lending guidelines. In their case though, it's not about qualifying for the loan, it's more about finding a lender who will loan on what's considered an investment property. Look for some **great bargains in the Racquet Club/Aspens**, where inventory is plentiful and **prices are back to 2005 levels**.

**What's ahead?** We're predicting a slow recovery through the summer. Based on the number of active listings, we also predict that only 25% to 30% of the current listings will sell by the end of 2009. If you want to **be part of the lucky ones** who do sell in 2009, be sure to price your property to compete. NOTE: We are currently seeing up to 40% of all sales, whether broker driven or not, that are not being reported to the local MLS. This is due to sale prices coming in way below the current market values. Sellers and Buyers alike don't want anyone to know these prices. For this reason, and so many others, if you are buying or selling real estate in Jackson Hole you owe it to yourself to **start with Jackson Hole Real Estate Associates**, as we're the only brokerage to track every single transaction.

**Pricing your property this summer:** With summer approaching many Sellers will consider placing their property on the market soon. Take caution when pricing your property though, as skeptical and savvy Buyers are still looking for real bargains. If you plan to price your property above market value, conventional wisdom would say hold off and wait until confidence returns to our market and values catch up with your price goal. **Overpriced listings do nothing but sit on the market.** Unless confidence returns quickly, expect to see property values flatten this summer.

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If you haven't noticed, there's a new name on this report. Devon and I are proud to announce that we have helped facilitate the creation of a new, more powerful real estate company.

**Jackson Hole Real Estate Associates** is the largest locally owned and operated firm in the region and has been founded based on our continued commitment to provide the finest services to our clients and customers.

The Realtors of Jackson Hole Real Estate Associates have already **captured over 50% market share in the 1st 100 days of 2009!** We also have the leading market share in Star Valley. With this new entity we give our team of Realtors and our clients the competitive edge over all the competition.

- Jackson Hole Real Estate Associates is the **Exclusive Affiliate of Christie's Great Estates in Wyoming** and Teton Valley, Idaho. Christie's Great Estates is the largest international network of real estate companies dedicated to the sale and marketing of luxury properties and a subsidiary of Christie's, the world's leading art business. The Christie's Great Estates global network spans more than 40 countries with 850 offices and approximately 35,000 brokers and has achieved annual total combined sales in excess of \$125 billion.
- Jackson Hole Real Estate Associates offers access to the Valley's oldest and most established appraisal company and the most comprehensive real estate database in our region.
- Jackson Hole Real Estate Associates has over 500 years of combined real estate sales and development experience and success. Amongst the principals we have a history of successful real estate brokerage ownership including Dianne and Chad Budge who co-founded, with their partners, the Sotheby's franchise in Jackson Hole; Bob Graham, the founder of Real Estate of Jackson Hole 35 years ago; and our previous partners Brad Andrews, William May and Cathy and Carlton Loewer who were also principals of 41-year old Jackson Hole Real Estate & Appraisal.

It is important your real estate company truly knows the market and the individual property values, has a diverse level of experience and knowledge and is equipped with marketing tools that attract buyers. We are confident Jackson Hole Real Estate Associates is capable of responding to those needs like no other organization in our market place today.

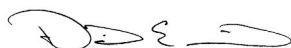
We hope this report will give you some sense of market trends. As always, we are glad to discuss them further with you. This newsletter does not go into detail on every segment of the market, but is intended to offer an overview of general market conditions, showing year-to-year changes in number of transactions and average sale prices. The value of any individual property may, and probably will, vary from the average and median prices indicated in this report.

**Jackson Hole Real Estate Associates** is the largest locally owned and operated Real Estate Company. With a team of 70+ agents, appraisers and support staff, a powerful database that leverages information for our clients, daily tracking of every single real estate transaction in Jackson Hole and the world-wide reach of Christies Great Estate, the simple fact remains: **We Know The Market Better Than Anyone.**

Our main office is located at 455(B) W. Broadway, next to The Sports Authority. You can also visit our office on the square (110 E. Broadway) or our virtual office website at [www.jhreassociates.com](http://www.jhreassociates.com) or email Devon and David for more information at [davidviehman@jhreassociates.com](mailto:davidviehman@jhreassociates.com)

If you plan to list your property this summer, would like a more detailed analysis of specific areas, back issues of **THE HOLE REPORT**, or a professional Realtor to represent you in your next real estate transaction, please call or email one of the numbers below or write to P.O. Box 4897, Jackson, WY 83001, Attn: David Viehman.

Sincerely,



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\*While other local Real Estate Brokerages attempt to report on the local real estate market, Jackson Hole Real Estate Associates LLC is the only company to track every single transaction. Therefore, if you want

the most accurate information to help guide you through your next real estate transaction, call us today.  
**We Know The Market Better Than Anyone.**

\*All statistics are supplied by sources that have been deemed reliable, but are not guaranteed.

\*All statistics quoted in this newsletter are based on first quarter sales in 2008 compared to first quarter sales in 2009.

\*Median sale price is the cost of a property that has an equal number of sales above and below it on the price scale.

\*Overall real estate statistics are a combination of all home, lot, condo and commercial transactions or listings.

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