

WHAT MARKET SLUMP? HOW MOUNTAIN REAL ESTATE IS BUCKING THE TRENDS

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SEPTEMBER 2008  
DISPLAY UNTIL  
OCTOBER 6, 2008



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# What Market Slump?

In a rocky real estate market, mountain resorts are avoiding the avalanche of falling prices

STORY BY MARY BARTHELME ABEL

As bad news continues about the country's real estate market, mountain resorts across the West are holding strong. Many areas have seen a drop in sales and a rise in inventory compared to the last few years, but how can we be surprised? For most areas, 2005 and 2006 were record years in terms of appreciation and sales; it couldn't possibly last forever.

That doesn't mean that things are crumbling in the high country, according to realtors from several mountain resort areas. To be sure, everyone can feel the effect of the country's economic woes, and it was just a matter of time before unprecedented appreciation came to an end. But looking at historical trends, this sort of correction is also reflective of a normal market. What's more, in many mountain towns, average and median prices are holding steady—or even increasing—even as the number of sales falls.

A big issue for many real estate professionals now is convincing sellers that they might not get the 20- or 30-percent gains that were the norm in years past. Realtors across the West speak of sellers who are simply unrealistic about the value of their property.

Matt Green, an associate broker with Prudential Utah Real Estate in Park City, finds that helping sellers adjust to this change has become a large part of his job. "My challenge is to find good statistics that show sellers what their home is really worth," he says. "It's a mistake to assess the value of your home by looking at your neighbor's listing." Phoenix broker Walt Danley agrees: "Sellers need to look at their property with an unemotional eye and start at the right price in order to sell in a reasonable amount of time." In this market, Danley advises against "testing the waters" at a higher price.

Of course, that's not to say that sellers are slashing prices—nor should they. Indeed, home values in high-end resort markets such as Aspen and Lake Tahoe tend to hold steady, even in a down market,



# 5 MARKETS TO WATCH

because sellers of luxury properties usually aren't in a must-sell situation. In other words, they can afford to stay firm on their asking price; if they don't get their price, they simply take their home off the market.

"Every home has a price that will allow it to sell in 30 days," says Craig Morris of Morris and Fyrwald in Aspen. But in a slower market, he adds, "patience is a virtue" for those who are determined to get top dollar for their property.

Jackson Hole is another area where confidence in the market remains strong. "There are no 'fire sales' in Jackson," says David Viehman of Jackson Hole Real Estate. "We are not in a slump. Real estate is still one of the best investments around." And a building moratorium imposed earlier in the spring can only help home values in this popular resort area.

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In more metropolitan areas, such as Santa Fe and Phoenix, the down market hits a little closer to home. "The Santa Fe market has leveled out over the past 18 months," says Marilyn Foss with Sotheby's Santa Fe, "but prices are holding well; we haven't seen any big price reductions." Foss says that even with a larger inventory, the choice properties are still selling quickly. "If you can buy now, do it while there's still a great selection of quality homes. Believe me, when things improve they'll be gone."

The conclusion? The market is still solid in Western resort areas. And as buyers continue to look to the mountains for the perfect place to escape or retire, the future promises to be as smooth as a well-groomed ski run.

**Paradise Valley, AZ** Aptly named, this upscale town is conveniently situated between Scottsdale and Phoenix with wonderful views of Camelback and Mummy Mountains. A premier tourist and second-home destination, the town boasts 12 resorts, exclusive real estate and luxe shopping. Inventory is up, so now is the time to take the leap and make an offer. [paradisevalleyarizona.com](http://paradisevalleyarizona.com)

**Livingston, MT** The original (and only year-round) gateway to Yellowstone National Park, Livingston has small-town charm, big-city amenities, and a true Western lifestyle. Perfect for those yearning for wide-open spaces, the town is surrounded by the Absaroka-Beartooth Wilderness Area. And with a median home price of just under \$300,000, Livingston is an affordable option for those who want to live near Bozeman and Big Sky. [livingston-chamber.com](http://livingston-chamber.com)

**Sandpoint, ID** Nestled at the base of the Selkirk Mountains on the northern shore of pristine Lake Pend Oreille, idyllic Sandpoint is recognized not only as a year-round recreational area, but as one of the nation's best small arts towns. With a strong sense of community, steady business growth, and lots of land available on which to build your dream home, Sandpoint is a true Northwestern gem. [sandpoint.com](http://sandpoint.com)

**Carbondale, CO** Located in the Roaring Fork Valley in the shadow of Mount Sopris, Carbondale is a Rocky Mountain playground for anyone who likes to be outdoors. A long list of recreational activities can be enjoyed in town; world-class skiing is just 30 minutes away at Aspen/Snowmass. The median home price of just over \$1.4 million is well below Aspen's. Anyone looking for adventure will feel right at home here. [carbondale.com](http://carbondale.com)

**Victor/Driggs, ID** On what locals call the "quiet side" of the Tetons, the charming towns of Victor and Driggs offer some of the region's best single-track mountain biking and the Grand Targhee Ski and Summer Resort. Several well-planned developments such as Spring Hollow and Teton Springs offer prospective buyers great new opportunities to create their own Western getaways. [tetonvalleychamber.com](http://tetonvalleychamber.com)