

# INVEST IN VAIL

by Sondra Slappey

Your Vail Expert in Real Estate

• 2nd Quarter - 2009



EXCEPTIONAL CUSTOMER SERVICE \* INTEGRITY \* INTELLIGENCE

## WHERE DO WE GO FROM HERE IN THE VAIL REAL ESTATE MARKET? by Sondra Slappey

*"Even if you are on the right track, you will eventually get run over if you just sit there." - Will Rogers*



**STILL THE \$1,000,000 QUESTION - IS IT TIME TO BUY REAL ESTATE IN VAIL ?**

The mantra for most folks I know is "back to basics" in these uncertain financial times. I like good, sound

financial planning to food and your waistline. That \$100,000 line of credit on your home may taste good right out of the bank, but eventually it will catch up with you and begin to look unattractive and possibly

**TIGHTEN YOUR FINANCIAL BELT**

become downright harmful to your health. It is estimated that 67% of adults in the U.S own a home and 2/3rds of those homeown-

ers have mortgages. One in eight homeowners are late on house payments or in foreclosure (12%). What about the rest of us? In Eagle County, there are 72 properties (excluding the ubiquitous timeshares) that are in foreclosure (NED filed). This is up about 200% from this time last year. Eagle County is not immune to the woes of the national economy. About 45% of homes in Eagle County are 2nd homes or

vacation homes. Sales of vacation homes fell 31% in the U.S. in 2008 while primary home sales fell 13%. The median price of vacation homes fell 23% in 2008, and 23% of vacation home purchases are in resort areas. These statistics make it easier to quantify the drop in

**THE BIGGEST LOSERS**

our local real estate market. The biggest losers have been the very expensive luxury homes. *Cont'd on page 3*

***\$\$ DID YOU KNOW - Congress approved an \$8,000 tax credit for buyers who have not owned a principal residence in the last 3 years and purchase a home between January 1 and December 1, 2009? Story Page 3***

### Average Sold Price per Square Foot (last 3 months)

Area	# transactions	Price Range	Avg. Sold Price/SF
Vail Village	6	\$800,000 - \$15,950,000	\$1608
Lionshead	1	\$1,050,000	\$941
West Vail (N&S)	10	\$279,000 - \$2,500,000	\$429
Eagle Vail	5	\$375,000 - \$800,000	\$266
Minturn	0		
Avon **	5	\$300,000 - \$435,000	\$330
Beaver Creek	10	\$1,150,000 - \$6,100,000	\$874
Bachelor's Gulch	2	\$5,800,000 - \$6,750,000	\$944
Arrowhead	6	\$650,000 - \$8,750,000	\$612
Singletree	5	\$495,000 - \$1,585,000	\$345
Homestead	1	\$300,000	\$300
Eagle Ranch	6	\$300,000 - \$1,001,047	\$206
Eagle (not ER)	3	\$440,000 - \$465,000	\$220

\*\* excludes the Westin Riverfront

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# Market Analysis by Area

Includes: Commercial, Residential and Vacant Land  
Year End - 2008  
Eagle County, Colorado

Area	Total Dollar Volume	% of Volume	Number of Transactions	% of Transactions	Average Transaction Price	Median Transaction Price
Bighorn, East Vail	\$7,935,000	3.70%	9	4.52%	\$881,667	\$500,000
Booth Creek, The Falls	\$0	0.00%	0	0.00%	\$0	\$0
11th Filing, Vail Golf Course	\$962,500	0.45%	1	0.50%	\$962,500	n/a
Vail Village	\$27,346,800	12.75%	32	16.08%	\$854,588	\$362,500
Lionshead	\$15,100,000	7.04%	2	1.01%	\$7,550,000	n/a
Spraddle Creek	\$0	0.00%	0	0.00%	\$0	\$0
Potato Patch	\$0	0.00%	0	0.00%	\$0	\$0
Lionsridge, Sandstone, The Ridge, The Valley	\$3,105,000	1.45%	4	2.01%	\$776,250	\$837,500
Cascade Village, Glen Lyon	\$5,000,000	2.33%	3	1.51%	\$1,666,667	\$1,800,000
Buffer Creek, Vail Das Shone, Vail Heights, Vail Ridge	\$530,000	0.25%	2	1.01%	\$265,000	n/a
Highland Meadows	\$0	0.00%	0	0.00%	\$0	\$0
Intermountain, Matterhorn, Vail Village West	\$2,838,000	1.32%	4	2.01%	\$709,500	\$539,000
Minturn, Redcliff	\$255,000	0.12%	1	0.50%	\$255,000	n/a
Eagle Vail	\$2,266,300	1.06%	5	2.51%	\$453,260	\$385,000
Avon	\$9,113,000	4.25%	15	7.54%	\$607,533	\$427,500
Mountain Star	\$0	0.00%	0	0.00%	\$0	\$0
Wildridge	\$2,998,500	1.40%	4	2.01%	\$749,625	\$806,750
Beaver Creek	\$37,852,200	17.64%	16	8.04%	\$2,365,763	\$2,100,000
Bachelor Gulch	\$19,550,000	9.11%	4	2.01%	\$4,887,500	\$5,025,000
Arrowhead	\$15,288,500	7.13%	9	4.52%	\$1,698,722	\$1,080,000
Berry Creek, Singletree	\$6,603,200	3.08%	7	3.52%	\$943,314	\$870,000
Edwards	\$6,099,000	2.84%	11	5.53%	\$554,455	\$450,000
Homestead, South 40	\$0	0.00%	0	0.00%	\$0	\$0
Lake Creek, Squaw Creek	\$4,000,000	1.86%	1	0.50%	\$4,000,000	n/a
Cordillera Valley Club	\$7,214,000	3.36%	5	2.51%	\$1,442,800	\$295,000
Cordillera	\$9,375,000	4.37%	8	4.02%	\$1,171,875	\$1,037,500
Wolcott	\$0	0.00%	0	0.00%	\$0	\$0
Bellyache, Red Sky	\$1,200,000	0.56%	1	0.50%	\$1,200,000	n/a
Eagle	\$9,950,300	4.64%	25	12.56%	\$398,012	\$224,800
Gypsum	\$4,298,400	2.00%	16	8.04%	\$268,650	\$287,500
Basalt, El Jebel and Misc. In-County	\$15,687,000	7.31%	14	7.04%	\$1,120,500	\$562,500
<b>TOTAL</b>	<b>\$214,567,700</b>	<b>100.00%</b>	<b>199</b>	<b>100.00%</b>	<b>\$1,078,230</b>	<b>\$554,500</b>

**WHERE DO WE GO FROM HERE IN THE VAIL REAL ESTATE MARKET? *continued***

There are currently 132 active listings priced over \$5 million. I further researched the 34 most expensive listings in the valley which are priced between \$10 million and \$21 million. 34% have had price reductions and the average number of days on the market is 462. In the last 90 days, there have been 6 sales in this high-end luxury market. That puts the current supply at a staggering 5.5 years. Simply put, the number of buyers who wish to and can afford to spend this kind of money has been greatly reduced, and funding for these types of homes has also been an issue with rapidly declining prices and weary lenders. Now, is an exceptional time to purchase a multi-million dollar property if you are one of the few who can

**LUXURY HOME FORECLOSURES**

afford it. There are even foreclosure opportunities in luxury land in Eagle County.

In reviewing the YTD statistics available through April 2009, 64% of all closings have been for

properties priced less than \$1 million, and 79% of all closed residential transactions were priced less than \$2 million. The writing is on the wall again. The most active part of the market remains in the pricing stratosphere of the “normal

**WHAT IS SELLING NOW**

folks.” I would expect to see the recovery in real estate begin from the bottom up, meaning the inventory at the top should remain heavy for a long time to come.

Prices are continuing to go down in Eagle County. The further from Vail, the more the price is dropping. Part of the reason for the continuous decline is still partly due to unreasonable or uninformed sellers who are not pricing ahead of the curve but are chasing the market down with price drops. While the buying activity is certainly picking up, there is just more inventory. Remember the law of supply and demand? In my last newsletter, I mentioned the probability of rising inventory entering the summer months. There are currently 1667 residential listings in Eagle

**WHY TO BUY NOW?**

County compared to 1454 in the first quarter of 2009, an increase of 15 %. As inventory continues to rise into the early summer months, buyers will continue to enjoy a market in which sellers are eager to negotiate.

If I were looking to purchase a home, I would definitely be looking now. Why, you may ask, if I am predicting a continued decline in price? Because I believe that interest rates are headed north and soon. A 1% increase in interest rates is roughly equivalent to 5% of the purchase price of a \$500,000 home. Pick your poison, timing the real estate market or timing the interest rates of a country in the midst of unprecedented borrowing. Real estate prices have already plunged an estimated 20% or more in Eagle County. We are seeing sales prices reminiscent of 5 years ago.

If you are qualified and know what you want, it is time to be ready to pull the trigger when the right property comes on the

**CLIENT TESTIMONIAL**

*Sondra handled both the sale of my condo and the purchase of a new duplex in a difficult market. She listened to my needs in what I was looking for in my purchase, and found something that uniquely fit my needs. Through some excellent strategy, creative marketing, and timing, Sondra was able to help me get close to my asking price for my condo and helped negotiate a lengthy process to get to a price on the new home that fit my budget! Sondra's persistence and hard work paid off for me during a tough market!*

*Andrea Eddy- Edwards, CO*

“Only when the tide goes out do you discover who has been swimming naked.”

- Warren Buffet

**WHY TO BUY NOW**

market. You may not hit the exact bottom of the market, but you are buying in a time of historical housing affordability and somewhere near the bottom. There is also the issue of the available tax credit which will save you another \$8000! Ready, Set and GO!

**DETAILS OF THE \$8000 HOMEBUYER TAX CREDIT WHICH  
EVEN INCLUDES HOUSEBOATS ...**



This dollar for dollar tax credit applies to anyone purchasing a home between January 1 and December 1, 2009. If you have not owned a primary residence in the last 3 years and earn less than \$75,000 (single) or \$150,000 (filing jointly), you qualify for the full credit. You still get a partial credit if your income is less than \$95,000 (single) and \$170,000 (joint filing), but no credit for higher incomes. If you sell your home within 3 years of purchase, you will be liable for repaying the credit. Call me for purchasing strategies or a free market analysis of your home.

**FEATURED LISTINGS**



**EAGLE** - 35 acre ranch property with water rights. Owner will carry 100%. **\$699,000**



**AVON** - On the RIVER ! Furnished Single Family with 3223sf. 4BR/3.5BA. **\$1,195,000**

***HOT NEW LISTING COMING !!!***

**\$325,000**

Duplex in Old Eagle  
3 BR/2 BA with 2 car garage.

No Dues.

This won't last !

Call me for details or my **HOTLIST !**

***This newsletter is not intended to solicit currently listed properties. Information deemed to be accurate but subject to change.***

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