

Demand Outpacing Supply

Welcome to the **18th Anniversary** of the *Jackson Hole Report*. Published semi-annually, this data-driven report is the most accurate and trusted real estate news source in Teton County, Wyoming. First, we would like to thank all our loyal readers, customers and clients for their continued trust in this report. Our ability to track every single real estate transaction, and then turn the data into historical knowledge, has made us the most sought after real estate experts in Jackson Hole.

DEMAND IS OUTPACING SUPPLY IN OUR HOUSING MARKET

The big news for 2012 is the Jackson Hole residential market is regaining equilibrium with supply and demand. In fact some segments of our housing market have reached equilibrium of price and quantity and values have started to increase. Based on the number of closed sales in 2012, the overall market now has less than 11 months of inventory; **single-family homes** only have **9 months of inventory**; and **condo/townhomes** only have **7 months of inventory**.

As mentioned in previous reports, affordably priced inventory is rapidly disappearing. Just four years ago, the idea of purchasing a **single-family home** in Jackson Hole **for under \$500,000**, or a condo/townhome for under \$300,000, was an unobtainable dream. In 2012 though, a total of 47 buyers realized their dream of buying a home for under \$500,000, and 50 buyers purchased condos for under \$300,000. Today this dream is vanishing quickly, as there are only 12 homes on the market for under \$500,000 and only 6 condos for under \$300,000. Based on these figures there are **only 3 months of home inventory** and 1.5 months of condo inventory in these price points.

What is driving our demand? We cite four main reasons: 1.) Our local work force, who dream of homeownership and providing a quality of life for their family; 2.) Baby-boomers who are looking for a place to retire and shelter their wealth; 3.) Investors who are looking for income producing properties and a place to hedge inflation; 4.) Second homeowners looking for a place to escape their daily lives, and spend quality time with family. Combine these reasons with the lowest interest rates in 40 years, and you can bet the demand will continue.

Where will our supply come from? We cite three concerns: 1.) After weathering the great recession many local contractors are wary of speculating future demand and, therefore, there is very little spec building in Jackson Hole, at this time; 2.) Teton County is putting the finishing touches on our updated comprehensive plan, and when completed it will greatly reduce future inventory; 3.) multifamily developable land is almost non-existent, as no one wants it in their backyard; Combine these concerns with the ever-increasing restrictions on new development, and we predict the supply for housing will be slow to return.

DISTRESSED REAL ESTATE (FORECLOSURES, SHORT SALES & BANK OWNED/REO)

As part of our continued effort to stay on top of market trends, we have provided a snapshot of distressed sales in 2012 and our prediction for 2013. **We also offer weekly email updates of all upcoming foreclosures, short sales and REOs.**

Number of distressed sales in 2012: Out of 565 total sales 95 (17%) were considered distressed at some point last year before they sold. Of those 95, 75 sold for under \$1 million (79%), 55 sold for under \$500k (58%), and 34 sold for under \$300k (36%).

Areas with the most distressed sales: Out of the 95 distressed sales, 46 were in the Town of Jackson, 20 were south of Jackson, 10 were in Teton Village, 7 on the Westbank (outside of resort zones), and 5 were in the JH Racquet Club.

Number of currently distressed listings: There are currently 498 listings in Jackson Hole. Of these listings 16 (3%) are considered distressed. Of these 16, 13 are listed for under \$1 million (81%), 4 are listed for under \$500k (25%), and 1 is listed for under \$300k.

Areas with the most distressed listings: Out of the 16 distressed listings, 7 are in the Town of Jackson (44%), and 3 are South of Town (19%).

Prediction for 2013: Jackson Hole was one of the last areas in the country to experience the recession and, therefore, many sales occurred in the first nine months of 2008. Some of those loans had a five-year lock on the interest rate and, therefore, the borrower has to re-qualify and the house has to re-appraise in order to lock into a new rate. Some of these properties will not appraise for what is currently owed and, therefore, these properties could become distressed. With only 3% of our current inventory distressed, which is half the number we tracked at the end of 2011, we expect to see lingering distressed listings in 2013 and the end of distressed inventory in 2014.

NOTE: If you are currently seeking well-priced distressed properties, consider the following: in 2012, 17% of the overall sales were distressed. Of the 498 currently available listings, only 3% are considered distressed. Buyers need to also understand a distressed sale requires lots of patience, as the average time spent to close on a distressed property is between 90-120 days. **Don't let the allure of a distressed property blind you from the other opportunities.** The current number of motivated Sellers is still historic, as are the low interest rates. While distressed sales usually generate lots of media press and interest, the non-distressed properties are some of the best buys in today's market. The motivated Sellers of these well-priced properties are often more eager to make a deal, and Buyers can negotiate more readily with them than the mega banks that represent the distressed properties.

CRUNCHING THE NUMBERS FOR 2012

The overall market (*all home, lot, condo and commercial transactions or listings*) again has seen a steady climb in the number of sales across the board. When comparing the 2011 year-end statistics with 2012's, we discover that the **overall number of sales was up 38%** to 565, and the overall **dollar volume was up 50%** to \$881 million. The Luxury Market (**over \$3 million**) rebounded in 2012, where **number of sales was up 52%** and a 51% higher dollar volume. The **hot spot in 2012 was under \$1 million**, where 62% of all transactions closed.



The continued surge of sales in the under \$1 million market, and the simultaneous depletion of homes listed in the under \$1 million segment (see single-family homes below), indicate that prices in this segment will start to increase in 2013. The unknown factor is this: How much new listing inventory will we see in the coming months? In 2013, we predict with confidence that buyers will continue to take advantage of some great values. They will choose to leverage their cash, or strong borrowing power, by investing in Jackson Hole real estate. NOTE: There are still some active listings priced above their current market value. The ones that are considered "a great deal with strong value" are the ones that are selling. Those Sellers with properties priced above market value will continue to experience frustration with little activity, or offers, on their properties.

Overall real estate currently under contract reflects the 2012 trend will continue into 2013. The number of properties currently under contract is up 4% when compared to the end of 2011, but the dollar volume and average price are both down 45%. Meanwhile, the Buyer's focus on distressed properties holds steady, as 26% of the listings under contract are considered distressed. NOTE: Of the 53 properties under contract, only 7 are vacant land listings.

Current overall available inventory has **decreased 16%** when compared to the end of 2011. Following this trend, the overall dollar volume and average listing price are also down 25% and 10% respectively. The drop in the average listing price indicates many Sellers are still willing to keep up with current market values. NOTE: While the number of listings and the average list price are down, the median list price is starting to move back up. When looking at the overall distressed listings only 3% of the 498 listings are currently considered distressed. This is just another sign our recovery is well underway.

Real Estate Tip: Why you should use an agent that participates in IDX? According to the National Association of Realtors, 95% of all Buyers start their search for property on the Internet. In fact, buyers cite the internet as one of the most important tools they use in their property search. The National Association of Realtors "Internet Data Exchange" (IDX) policy enables MLS Brokers to display your listing on other IDX public websites. IDX, also called "broker reciprocity," is in many ways simply the logical extension of the MLS, but it's greater than just that. Example: if you list your property with a non-participating IDX Broker, Buyers who are looking at local real estate websites can only find your listing on your non-participating IDX Broker's respective website. If you list with an IDX Broker, Buyers can find your listing on 50+ other local real estate company websites and 100's of more websites nationally and internationally. Bottom line: IDX introduces your property to many more buyers and increases your chances of receiving offers. So, make sure your Broker participates in IDX.

JACKSON HOLE LUXURY REPORT

We have been publishing the Jackson Hole Report for 18 years and have watched an emergence of a high-end segment that warrants special attention. For this reason we are creating a limited edition newsletter just for this segment called the Jackson Hole Luxury Report (JHLR). The JHLR will be printed and mailed semi-annually to the owners of the 500 most valuable properties in Jackson Hole (the *Luxury 500*), and will be available digitally for everyone else.

The purpose of this limited edition is to provide high-end buyers and sellers with a clear understanding of this elite market segment. The report will go beyond what is stated in the Jackson Hole Report and further analyze only high-end sales of \$3 million and more. The singular nature of luxury properties in Jackson Hole requires that each one be looked at in great detail and are often simply not comparable to another property. When pricing this type of property, you need a luxury data specialist to ensure success. As a courtesy, and upon request, we will first provide a free confidential market analysis of your distinctive property. Then we will update your current value annually to aid in estate planning and/or updating your trust.

While the JHLR will only focus on luxury homes, condos and single-family vacant parcels, the **Luxury 500** mailing list will include owners of some commercial properties, large tracts of land, and ranches in Jackson Hole. If any of the Luxury 500 properties sell during the year we will make special notations. If you do not receive the JHLR in the coming weeks, or would like to know where your property ranks in the Luxury 500, please call David Viehman or Devon Viehman-Wheeldon at 307.690.4004 or email david@jacksonholereport.com To sign up for the digital version go to www.jacksonholeluxuryreport.com

SINGLE FAMILY HOME SALES

Single-family home sales accounted for 44% of all sales in 2012, and were **up 32%** when compared to 2011. The dollar volume totaled \$419 million (up 33%), but the average and median sale prices were both flat when compared to 2011. The under \$1 million market has been particularly robust and accounted for 51% of all home sales in 2012. The year ended with 127 home sales under \$1 million, yet we currently have only 49 homes available in this price range. What does this mean? Current **demand is outpacing supply for homes under \$1 million**. Based on current demand we have about **four and a half months of available inventory**. Supply and demand is an economic model of the price determination in our market. In a competitive market, the price for a particular home will vary until it settles at a point where the demand by buyers will equal the quantity supplied by sellers, resulting in an economic equilibrium of price and quantity. In 2013 we believe prices will increase in those segments of our housing market where inventory is scarce.

Homes Under \$500,000: Just four years ago, in 2008, the least expensive home sold for \$553,500, yet this year, 47 sold for under \$500,000 with the least expensive coming in at \$265,000. NOTE: There were 3 homes that sold for under \$300,000 in 2012. The last time we had home sales close for under \$300,000 was back in 2002.

Single-family home hot spot: The **Town of Jackson and south of Town** shared the spotlight with 71 and 51 sales respectively. The area with the largest increase in home sales over 2011 was Teton Village where 12 sales occurred, or an increase of 200%.

The million dollar-plus segment of single-family homes enjoyed a 35% increase in number of sales (123 transactions) for 2012. While the average sale price was flat, the median sale price was up 17% to \$2.1 million. This increase in the median sale price reflects a shift of focus to the \$2+ million segment, where 55% of all sales over \$1 million occurred in 2012. If you are a property owner in Jackson Hole, and would like a free comparative market analysis, please contact us at www.jacksonholereport.com or call David & Devon Viehman at 307.690.4004. Our in-depth local knowledge combined with the **Christie's International Real Estate** global network has made us **Local Luxury Experts**.

Homes currently under contract: As of the year's end, there were 22 homes under contract (**up 29%**) with an average listing price of \$1.1 million (down 35%) and a median list price of \$699,000 (down 23%). The drop in the average and median list prices are from the increased activity in the low end, where 68% of the homes under contract are listed for under \$1 million.



Homes currently on the Market: There are currently 184 homes on the open market (**down 17%**) with an average list price of \$3.49 million (up 11%) and a median list price of \$1.85 million (up 21%). Out of the 184 single-family homes currently on the market, 49 are listed for under \$1 million, while 46 are listed for over \$4 million. This means 48% of the existing inventory is listed between \$1 and \$4 million. NOTE: Current **demand is outpacing supply** for homes **under \$1 million**. Based on current demand we have about four and a half months of available inventory. We only have **three months of inventory for homes under \$500,000**.

Least expensive single-family home listing at year's end: A 3-bedroom, 2-bath, 1,571 sq. ft. home on .23 acres, in the Hoback Jct. area listed for \$325,000. NOTE: This is not a distressed listing.

Most expensive single-family home listing at year's end: \$37 million - a private estate north of Jackson with a 13,721 sq. ft. main residence and a 3,850 sq. ft. guest house. Both are situated on a total of 117 acres with direct Teton views.

Single Family Home Sales by Area:

1. **Jackson Hole Mountain Resort** (Teton Village): 12 sold (up 200%) with a total dollar volume of \$43 million. The average sale price was \$3.59 million and the median sale price was \$2.75 million.

2. **Jackson Hole Racquet Club** (The Aspens): 4 homes sold with a total dollar volume of \$4.03 million. The average sale price was \$1,008,750.

2a. **Teton Pines:** 15 homes sold (up 67%) with a total dollar volume of \$34.8 million. The average sale price was \$2.32 million and the median sale price was \$1.8 million.

3. **Westbank, North of Wilson** (excluding resort areas zoned vacation rentals): 27 homes sold (up 35%) with a total dollar volume of \$66.9 million. The average sale price was \$2.48 million and the median sale price was \$1.1 million.

4. **Westbank, South of Wilson:** 17 homes sold (up 21%) with a total dollar volume of \$55.4 million. The average sale price was \$3.3 million (up 35%) and the median sale price was \$2.1 million (up 49%).

5. **Skyline Ranch, N. of Hwy. 22 to Sagebrush Dr./W. of Spring Gulch:** 22 homes sold (up 83%) with a total dollar volume of \$45.8 million. The average sale price was \$2.08 million and the median sale price was \$1.35 million.

6. **North of Jackson, S. of Gros Ventre Junction and E. of Spring Gulch:** 5 homes sold with a total dollar volume of \$8.62 million. The average sale price was \$1.72 million

7. **North of Gros Ventre Junction/Kelly/Moran:** 13 homes sold with a total dollar volume of \$31.3 million. The average sale price was \$2.4 million and the median sale price was \$2.3 million.

8. **Town of Jackson:** 71 homes sold (**up 62%**) with a total dollar volume of \$46.4 million. The average sale price was \$653,501 and the median sale price was \$532,500.

9. **South of Jackson to the Snake River Bridge:** 51 homes sold with a total dollar volume of \$72.5 million. The average sale price was \$1.421 million and the median sale price was \$755,000.

10. **South of the Snake River Bridge to County Line:** 13 homes sold with a total dollar volume of \$ 10.3 million

CONDO/TOWNHOUSE SALES

When compared to 2011, the number of **sales was up 16%** and the dollar volume was up 24%. This segment of the market could well be one of the first to see **appreciation**, especially **in the low-end (under \$300,000)**. In fact a few of the in-town entry-level condos have appreciated as much as 20% in the last 12 months. Consider in 2012 there were 50 condo/townhomes that sold for under \$300,000. Today there are only 6 available for under \$300,000, so expect appreciation in this segment to continue in 2013. Note: **65% of all condo sales activity in 2012 was below \$500,000**.

Hot Spots in the Valley: The Town of Jackson and **JH Racquet Club** both experienced increases in the number of condos sold in 2012, **up 15%** and **100%** respectively. The Town of Jackson also outperformed all other areas, with 70 condo sales in 2012. Some of this increase can be attributed to the convenience of living in town, but comes mostly from value-seeking Buyers looking for rock-bottom prices. NOTE: With condo values down as much as 60% from the all-time high in 2008, and long-term rental vacancies staying below 5%, investors' interest in this segment continues. Depending on the size and location of a rental unit, cash investors can realize a 5% to 7% return on their investment, while at the same time buying at the bottom of the market.

Condo/Townhouses currently under contract: While the number of **condo/townhomes** currently under contract is down slightly when compared to the end of 2011, the dollar volume and average and median listing prices are all up, 28%, 64% and 34% respectively. The increase in the average and median listing prices reflect where our current Buyers are focusing, and that our lower-end inventory is depleting quickly. Note: 50% of the condos under contract were considered distressed at some point in 2012.

Current available condo/townhouse inventory for sale is down 33% when compared to the same period in 2012. The beginning of 2013 also marks the first time in 6 years where the **median list price** has increased (**up 22%**). This segment of the market is where half of our distressed inventory resided in 2012. Today there are only 6 distressed condos, with only 1 of those listed for under \$500k. NOTE: For the first time in almost two decades, mortgage payments can be less than you would pay to rent. If you can afford a 10% down payment, and have a good credit score, you can buy a condo and start building equity.

Least expensive condo/townhouse listing at year's end: \$249,000 (a 728 sq. ft. 2 bedroom 1 bath condo in west Jackson).

Most expensive condo/townhouse listing at year's end: \$3.45 million, which buys you a 3,700 sq. ft. 3-bedroom, 4-bath Granite Ridge Timbers townhome.



Condo/Townhouse Sales By Area:

1). Jackson Hole Mountain Resort (Teton Village): 53 sold (up 15%) with an average sale price of \$1.24 million (up 26%) and a median sale price of \$850,000 (up 12%). The most expensive sale was \$4.9 million in the Four Seasons Hotel, which bought a 5,016 sq. ft. penthouse condo with 5 bedrooms and 5.5 baths.

2). Jackson Hole Racquet Club (The Aspens): 20 sold (up 100%) with an average sale price of \$368,375 (down 4%) and a median sale price of \$332,500 (up 5%). The most expensive sale was \$810,000, which bought a 2,400 sq. ft. townhouse with 3 bedrooms and 3.5 baths, built 1991, and bordering ranch land to the west.

3). Teton Pines: 1 townhouse sold. It was a 3-bedroom, 3.5-bath Lodge unit with 2,128 sq. ft. and a one garage for \$875,000.

4). Town of Jackson: 70 sold (up 15% from 2011) with an average sale price of \$310,119 (down 17%) and a median sale price of \$295,000 (down 8%). NOTE: 44% of all condo sales in Jackson Hole were in the Town of Jackson.

5). Jackson Hole Golf & Tennis: 4 condos sold with an average sale price of \$458,000.

6). Rafter J Ranch: 7 condos sold with an average sale price of \$333,214 and a median sale price of \$335,000.

7). Spring Creek Resort: 3 sold for a total of \$2.068 million with an average sale price of \$689,333.

RESIDENTIAL VACANT LAND SALES

When compared to 2011, the **number of lot sales doubled (up 100%)** to 106 transactions in 2012. This is the best showing of vacant land single-family sales in five years. Following suit, the **average sale price was up 123%**. While this segment of the market continues to rebound, do not expect appreciation in 2013. Unlike the single-family home segment, where there are only nine months of supply, at the current sales pace it will take 20 months to deplete the current vacant land inventory. There are some good signs in the market today that could accelerate sales in this segment though. Considering almost 50% of the current home inventory was built 20+ years ago, and overall available home inventory is decreasing, we expect to see demand for vacant land to accelerate in 2013. Couple this information with today's lenders willingness to loan on new home construction, we could also see our construction business recover sooner than later. NOTE: 75% of the vacant land sales in 2012 were bought with cash.

The million dollar-plus segment of residential lots continued to recover in 2012. The **number of sales was up 132%** and the **dollar volume was up 146%**. NOTE: Currently 47% of the available residential vacant land inventory is listed for over \$1 million. If you are a property owner in Jackson Hole, and would like a free comparative market analysis, please email us at david@jacksonholereport.com or call David & Devon Viehman at 307.690.4004. Our in-depth local knowledge combined with the **Christie's International Real Estate** global network has made us **Your Local Luxury Experts**.

Available vacant land listings: Available inventory is **up slightly** when compared to 2011 with 182 available single-family home sites. The average listing price is down 17% to \$1,816,011, and the median listing price was \$995,000. Bargains on residential vacant lots can still be found in just about every neighborhood in Jackson Hole. Available inventory is broken down as follows: 24 under \$300K; 23 between \$300K and \$500K; 50 between \$500K and \$1 million; 47 listings between \$1 and \$2 million; 25 between \$2 and \$5 million; 13 between \$5 and \$10 million; and 3 over \$10 million. **NOTE: Of the 182 listings 104 (77%) have been on the market for over 12 months.**

Least expensive lot listing at year's end: \$209,000 for a 0.32-acre single family lot in Rafter J Ranch.

Most expensive lot listing at year's end: \$17.9 million for 73 acres on the Snake River, north of Jackson.

Lots currently under contract: There are currently 7 lots under contract with an average list price of \$465,871.

Distressed lot listings: Only 2% of the current single-family lot inventory is distressed.

Residential Vacant Land Sales by Area:

1. Jackson Hole Mountain Resort (Teton Village): 11 lots sold (up 267%) with a total dollar volume of \$13.6 million. There were 5 sales in Granite Ridge subdivision, 5 sales in Shooting Star and 1 sale in the JH Ski Corp. addition.

2. Jackson Hole Racquet Club and Teton Pines: 1 lot sold in Teton Pines and none the in JH Racquet Club.

3. Westbank, North of Wilson (excluding resort areas): 10 lots sold (up 233%) with a total dollar volume of \$9,185,000. The least expensive sale was a .29 acre lot in Wilson Meadows for \$350,000.

4. Westbank, South of Wilson: 8 lots sold with a total dollar volume of \$13.6 million. The least expensive sale was a 6.4-acre lot for \$399,000 in the Butler Creek area.

5. Skyline Ranch, N. of Hwy. 22 to Sagebrush Dr./W. of Spring Gulch: 16 lots sold (up 60%) with an average sale price of \$3 million and a median sale price of \$1.3 million (up 44%). Total dollar volume was \$48.6 million.

6. North of Jackson, S. of Gros Ventre Junction and E. of Spring Gulch: 5 lots with a total dollar volume of \$6.43 million. The most expensive sale was \$2.8 million.

7. North of Gros Ventre Junction/Kelly/Moran: 16 lots sold (up 167%) with an average sale price of \$2.36 million and a median sale price of \$835,000. **Total dollar volume was \$37.8 million (up 816%).**

8. Town of Jackson: 16 lots sold (up 167%) with an average sale price of \$300,000. The most expensive sale was \$450,000.

9. South of Jackson to the Snake River Bridge: 20 lots sold with an average sale price of \$1.11 million and a median sale price of \$700,000. The most expensive sale was \$3.5 million.

10. South of the Snake River Bridge to Co. Line: Only 3 lots sold south of the SR Bridge in 2012. One was a 14-acre lot on the Porcupine Plateau (REO) and the other two were down in the area of the Snake River Sporting Club.





Photo courtesy of Ed Riddell

Grand Teton National Park Foundation

Protecting the Valley's Most Spectacular Property: Grand Teton National Park sits at the heart of Jackson Hole and is widely recognized as the area's most prominent and cherished landscape. This iconic park, both a recreational and economic cornerstone of our region, greatly contributes to the success of our town and provides locals and visitors with unforgettable experiences that keep us all coming back for a lifetime.

Private Gifts at Work in the Tetons: This rugged park is one of our country's most fascinating destinations but it needs the support of individuals, corporations, and foundations to thrive. Grand Teton National Park Foundation and its donors are elevating improvement and education projects well beyond the park's federal budget each year. With private funding, the organization can continue to assist the park in creating exceptional trails, protecting and understanding wildlife and habitat, and connecting young people to life-changing wilderness adventures. These projects significantly enhance resources and make Grand Teton memorable for you and your family as well as millions of visitors.

Join Us in Supporting This Valuable National Treasure: The Jackson Hole Report is a proud Foundation partner. From the organization's first campaign—the Craig Thomas Discovery and Visitor Center, one of the most successful public-private projects in national park history—to ongoing efforts that focus on research and protection, restoration, and outreach, Foundation friends provide much more than the National Park Service could accomplish on its own. Help us continue to solve park challenges, educate and engage visitors, and create a solid future for Grand Teton. Visit www.gtnpf.org today to learn how you can make a difference.

AFFORDABLE HOUSING PROVIDES HOMES FOR COMMUNITY'S MIDDLE CLASS

2012 marks the 20th anniversary of the Housing Trust. Over the course of the last 20 years, the Housing Trust has built or acquired 107 homes, which have served over 300 dedicated members of our community.

With the invaluable support of our friends and partners, **the Housing Trust has created a \$32 million community asset that will serve and benefit Jackson Hole in perpetuity.**

By making affordable homeownership possible, the Housing Trust supports the vital organizations we all care about most, by providing a stable, secure and local living situation for their employees.

As we ring in the New Year, we would like to express our sincere appreciation for the generous support of our community. Through affordable homeownership, we are able to strengthen the basic infrastructure and foundation that is imperative to a sustainable, functioning community. **THANK YOU!!!**

Working closely with a local developer, Crystal Springs Ranch, **Teton County Housing Authority (TCHA)** crafted a new Employment-Based Housing program in 2012 that adds nine units of workforce housing to our community at no cost to taxpayers. These homes, located at the just completed development called Homesteads at Teton Village, will be a permanent community asset valued at approximately \$6,750,000.

TCHA used its expertise to create a flexible new Employment-Based Housing Program that assists the developer with mitigation obligations, and responds to the needs of local employers to help them retain valued employees.

The program offers businesses in Teton Village and local non-profit organizations the opportunity to apply for an option to identify an employee or long-term committed volunteer to purchase one of these homes. That household must meet the qualification requirements in the special restrictions, which include that they make at least 75% of their income locally, and work and live in Teton County full time as long as they own the home.

Crystal Springs Ranch also provided **Habitat for Humanity** with land to construct four new homes in this development for applicants who meet their program criteria. Habitat staff and volunteers are currently building the homes which will be completed in May 2013.

Elected officials had the foresight to start Teton County's first housing programs to maintain a local workforce with the inception of TCHA in 1990. Today, under TCHA's leadership, these programs continue to grow and adapt to meet the goal of housing 65% of our workforce locally to preserve the values critical to maintaining our quality of life.

The need for affordable workforce housing in Teton County is still strong, making it as important as ever for our three housing organizations to continue to provide affordable homes to help preserve a strong, vibrant and healthy middle class in our community. To learn more about affordable housing, please contact any of our organizations:



(307) 734-0828
www.tetonhabitat.org



THE COMMERCIAL CORNER

Stabilization and Recovery have been the overriding themes of the Jackson Hole Commercial Real estate market in 2012. Statistically, 2012 shows a stronger, more healthy and robust market with sales volume and transactions up in the Commercial markets. The Commercial markets have gained much momentum in 2012 over last year. Both the total number of transactions as well as the total dollar sales volume is up significantly in 2012 from 2011.

Consistent with past commercial transactions, you will not find all of these closings in MLS as many of them were private, non-disclosed sales. MLS shows about 20 commercial closings for 2012 totaling over \$35MM, but there are about 36 total commercial transactions, including the non-disclosed sales, that were not listed in MLS. That is an increase of about 80% in the number of transactions over 2011. The total sales volume increased from just over \$97MM to \$143MM or about 46% from 2011. That's a significant increase from 2011 both in number of sales and dollar volume.

The increase in commercial transactions, and volume, picked up significantly in 2012 for several reasons; the availability of lower prices in the market place, the fear of rising interest rates and inflation, all combined with an uncertain tax market. People can get a more consistent return on their investment in a tax friendly environment like Wyoming.

Most of these transactions were cash sales. People are looking to place their money in investments with a predictable and consistent income.

Local Commercial Sales Spur Confidence: Some larger commercial transactions have also boosted consumer confidence. The "Hole", .62 acre commercial development land in town that was stalled due to financing, Snow King resort, The Broadway Shops building, lot H1 in the Village, the old Wort parking lot that sold to the Town of Jackson, the Village Center in Teton Village, Builders Lumber - all traded in 2012. In addition to these, the Town approved the development of Walgreens on Broadway & Budge drive, giving approval for the sale of the land.

These recent transactions have given our commercial market some needed strength, confidence and more stability.

A Broad Market Perspective: In the absence of US political leaders coming to an agreement or deal on taxation and spending policies, current legislation would see a sharp fiscal adjustment begin to take effect in early 2013. While early discussions by U.S. political leaders has been encouraging, the budget talks are nonetheless contributing to an unsettled economic future.

Federal Regulators still hold banks to strict lending guidelines for commercial loans. The result of this stricter commercial lending environment is a slower recovery. The Commercial markets would benefit from a stronger commercial lending environment. If banks gain access to a secondary market to sell commercial loans and if the Federal Reserve loosens lending regulations, this could help commercial lending.

Weak financing and inflation fears, together with the uncertainty in our financial markets may cause a slowdown in the local commercial markets in 2013.

Looking Forward: National regulatory agencies still need to loosen the regulations on banks and take some pressure off to open up available credit for the commercial sector.

If our Comprehensive Plan results in higher density developments in town, we could see new opportunities for investors.

Cash flowing properties continue to be valued by the income they produce. Locally, we have seen consistency as more commercial transactions trade between 6%-6.5% CAP rate. As more commercial transactions close, confidence grows! Wyoming's income tax laws continue to attract businesses to relocate to Jackson.

It is still more cost effective to buy existing commercial property than it is to build. Buyers will continue to purchase existing commercial real estate unless it becomes more cost effective to build. If densities go up in town due to revised Land Development Regulations (LDR's) from the Comprehensive Plan, we will likely see more development in town.

As commercial inventory declines and buyers and investors look to shelter income against inflation and tax, Jackson offers the perfect balance of lifestyle and economic benefits.

If you are looking for local commercial property, find an informed local commercial broker. Many commercial sales are closed outside of MLS. Contact me directly at MichaelPruett@jhrea.com or visit me online at www.MichaelPruett.com



Michael S. Pruett
Associate Broker, Commercial Real Estate

THE APPRAISAL CORNER:

Our Appraisal Department is comprised of three General Appraisers and one Residential Appraiser. The most common type of appraisal assignment we perform is the development of an opinion of market value. However, because of our specialized training and experience as appraisers, we can provide a wide range of additional appraisal services—from investment consultation to advice on various business as well as personal financial decisions.

We perform appraisals for our clients for many reasons. The following is a sample of the type of assignments we perform:

- To help prospective sellers determine acceptable selling prices or prospective buyers decide on offering prices
- To establish a basis for the exchange or reorganization of real property or for merging the ownership of multiple properties
- To estimate the market value of a property in eminent domain proceedings
- To estimate the market value of a property in contract disputes or as part of a portfolio
- To estimate the market value of partnership interests
- To estimate damages created by environmental contamination

- To estimate the market value of a conservation easement
- To estimate assessed value
- To determine gift or inheritance taxes
- To estimate the value of the real property component of an estate and decision-making.
- To help establish rent schedules and lease provisions
- To determine the feasibility of a construction or renovation plan
- To aid in corporate mergers, issuance of stock or revision of book value
- To estimate liquidation value for forced-sale or auction proceedings
- To counsel a client on investment matters, including goals, alternatives, resources, constraints and timing
- To advise zoning boards, courts and planners, among others, regarding the probable effects of proposed actions
- To arbitrate between adversaries
- To give expert testimony during litigation

Many appraisals are performed for lending purposes. Property owners should be aware that current federal lending regulations require the lender to “initiate” the appraisal. The lender must have the first contact with the appraiser and oversee the appraisal process. According to these regulations, the lender must be the client and the lending institution must engage the appraiser. Any property owner who wants to use the appraisal for lending purposes should communicate this need to the lender and have the lender engage the appraiser. This avoids the possibility of the lender rejecting the appraisal or requiring a new appraisal because the bank did not initiate the appraisal. According to federal lending laws, any bank can use an appraisal prepared for another bank, as long as the initiating bank reviews the appraisal and finds it to be acceptable.

Our staff has over 41-years of combined real-estate appraisal experience and is able to handle any assignment, no matter what the complexities.

Tom Ogle, General Certified Appraiser Jackson Hole Real Estate Associates LLC
307-739-1104 or tomogle@jhrea.com

JACKSON HOLE REAL ESTATE ASSOCIATES – EXCLUSIVE AFFILIATE OF CHRISTIE’S INTERNATIONAL REAL ESTATE is the **largest Real Estate Company** in the region. Our team is comprised of 100+ agents, appraisers and support staff, as well as, a powerful database that leverages information for our clients, daily tracking of every single real estate transaction in Jackson Hole. Combine all this with the worldwide reach of Christie’s International Real Estate, the simple fact remains: **We Know the Market Better than Anyone.**

It is very clear that buyers and sellers demand to stay informed of market conditions. We offer several services that will keep your finger on the pulse of our local real estate market, from daily email updates, weekly distressed properties list, a free market analysis of your property, to quarterly price updates on your Jackson Hole property. Please contact us to learn more about the programs and services we can provide. **Coming soon**, be sure and also check out our revamped website at www.jacksonholereport.com for the latest listings and news about our local real estate market.

CHRISTIE’S INTERNATIONAL REAL ESTATE global network of affiliated brokers includes nearly 36,000 sales associates operating from 900 offices in more than 40 countries. The network’s combined **annual sales topped \$128 billion**. The combined global networks of Christie’s, and Christie’s International Real Estate, both market leaders in the sale of luxury goods, create a world-class showcase for distinguished real estate. No other network offers this level of international visibility to proven buyers of high-value property.

The **JACKSON HOLE REPORT** is published semi-annually, with additional email updates for the first and third quarters. While others attempt to report on our market with MLS statistics only (MLS historically tracks 65-70% of the market) we track every single transaction in Teton County. This data-driven report is the most accurate and trusted real estate news source in Teton County, Wyoming. If you would like to sign up for quarterly email updates, or need more detailed information about our local real estate market, feel free to either call 307.690.4004 or email us at david@jacksonholereport.com. You can also find the “Jackson Hole Report” online at www.jacksonholereport.com

Whether you are pricing your property to sell in this competitive market, or deciding when the right time to buy is; rest assured that when you are our client, you will have current market statistics, an impeccable level of service and personal attention that will give you the upper hand. For a free comparative market analysis please either call 307.690.4004 or email us at david@jacksonholereport.com

We hope this report has given you a snapshot of market trends and, as always, we would be glad to discuss them further with you. If you plan to list your property this fall, would like a more detailed analysis of specific areas, back issues of the **JACKSON 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 2431, Jackson, WY 83001, Attn: David Viehman or Devon Viehman-Wheeldon.

Sincerely,



David Viehman, Owner/Associate Broker
Devon Viehman-Wheeldon, Owner/Associate Broker
"Realtor Magazine's 30 Under 30 - Class of 2011"
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- *All statistics are supplied by sources that have been deemed reliable but are not guaranteed.
- *All statistics quoted in this newsletter are based on sales in 2011 compared to sales in 2012.
- *Median sale price is the cost of a property that has an equal number of sales above and below it on the price scale.
- *Average sale price is the total combined dollar volume divided by the number of sales.
- *The word "Overall" in this newsletter refers to all sales in Teton County combined (homes, lots, condos, commercial, ranch).
- *The term "Market Value" means; the value of property in terms of what it can be sold for on the open market; current value.
- *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, please call Devon and David today. **"We are the Experts"**.

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