



2ND QUARTER  
2014

## SLIM INVENTORY STOKES BIDDING WARS

The first-quarter dynamic endures: Inventory levels continue to dwindle, thereby slowing down the sales pace. In a new turn, bidding wars now greet nearly all new, well-priced listings in the under \$1 million segment of the market. These bidding wars are accelerating local appreciation; appraisers track between .5% and 1% growth per month in properties priced under \$1 million.

The inventory shortage is stoking the bidding wars: the overall number of listings – homes, lots, condos, commercial and ranches – is the lowest seen in seven years. Single-family homes priced under \$1 million are at a 25-year low, or the lowest in my tenure tracking the Jackson Hole market. Of these 35 current listings, half have been on the market for over six months, an indication of their pricing misalignment within the current market.

Condo inventory under \$500,000 has hit the lowest level in six years, with only 28 currently available. It's interesting to note the historical context: In 2007, there were no condos listed for under \$500,000 and the median list price was \$990,000. While the current median list price for condo/townhouse is \$695,000, that median will surely climb with the continued dearth of new inventory.

With so little supply, buyers must be prepared for the heightened demand. To compete in a bidding war, buyers must be ready to go financially to purchase a home. They should be familiar with property values in their target neighborhoods, and they must know what they want. While offering the most money might seem like the best way to win a bidding war, sellers don't always choose the highest offer, preferring surefire offers that meet all of their conditions. To increase your chances of winning a bidding war for your dream house, please contact me.

### DATA-DRIVEN REPORT FOR THE FIRST SIX MONTHS OF 2014

*The **Jackson Hole Report** is the most accurate and trusted real estate market report in Teton County, WY. I derive my statistics from a privately-maintained database that tracks every single sale, not just the transactions reported through MLS.*

### THE OVERALL MARKET

When compared with the midyear mark of 2013, the **number of sales is down 18%** and dollar volume is down 19%. The focal price point continues to be the under \$1 million segment. Even though the number of sales has dipped 15% from last year, this sector claimed 71% of overall sales. This heightened level of activity in the under \$1 million market was last experienced in 2005, when the similar demand made the mean sale price for a single-family home first break the \$1 million mark, averaging \$1,098,502. Today, the overall average sale price is \$1,148,312.

The upper end of the market is losing steam as well, with a 29% decrease in sales over \$3 million compared with this time last year.

**Overall available inventory** of active listings is **down 11%**, and the overall dollar volume has dipped 4%. Meanwhile, the average list price is up 8% and the **median list price is up 13%** when compared with July 1, 2013. Taking a closer look at available properties, 37% are listed for under \$1 million with 57 listings, or 11% of overall listings, priced under \$500,000. Also noteworthy: the \$1-2 million price range accounts for 26% (128 listings) of total available inventory. **NOTE:** According to the National Association of Realtors, the average amount of available inventory nationwide is 9.7%. In stark comparison, only 4% of all privately-held real estate in Jackson Hole is currently on the market.

The number of **properties under contract** has **slipped by 5%**, even though the average list price has skyrocketed by 64%. These statistics, combined with the overall 2014 median sale price of \$716,000 (an 11% increase from this time last year) support the conclusion that buyers continue to focus on sub-\$1 million properties. **NOTE:** 60% of under-contract properties are listed below \$1 million, and 23% (19 properties) are listed for less than \$500,000.

***In the first half of 2014, 39% of the valley's real estate transactions were either not reported to the MLS or, if listed, the sale price was not reported.*** In this competitive market, buyers and sellers with access to such statistics have an advantage. To see the full statistical landscape, please contact me.

### LOOKING AHEAD

I am confidently optimistic that the Jackson Hole market will continue its steady recovery through the summer, particularly considering the bidding-war demand for the under \$1 million single-family home segment. For owners who want to successfully sell their properties this summer, their listings must be priced correctly. **NOTE:** 57% of all available inventory – homes, lots, condo/townhome, and commercial – have sat on the market for more than a year, and 43% for two-plus years, time lags that suggest mispricing. Talk to your realtor about an effective pricing strategy and aggressive marketing plan. For sellers without representation, please know I am here to help you. Bolstered by my comprehensive database, I know the market better than anyone. My clients turn to me for accurate, data-driven insight and advice. To receive a free no-obligation market analysis, and/or to list your property in 2014, contact me through [www.jacksonholereport.com](http://www.jacksonholereport.com), email [david@jacksonholereport.com](mailto:david@jacksonholereport.com) or call 307-690-4004.

### SINGLE FAMILY HOME

The total number of **single-family home sales** is **down 38%** when compared to the first six months of 2013, a decrease mainly due to the dwindling available inventory under \$1 million, down 42%. Even though the dollar volume spent on homes decreased by 37%, the median sale price rose by 21%, an increase reflective of fewer sales under \$1 million (down 44%) and under \$500,000 (down 78%). Of the 85 single-family home sales so far this year, 5 were under \$500,000, 45 under \$1 million, and 40 over \$1 million (down 29%). Activity in the upper end of the housing market – homes priced at \$2+ million – is slowing with 37% less sales in the first six months of 2014. The decrease in sales over \$2 million can be attributed to a decrease in available inventory (down 6%), and the fact that over 50% of available inventory is at least 15 years old.

While the number of homes under contract is down 11%, the **average list price under contract is up 28%** and the **median list price is up 14%**, reaffirming our local housing appreciation continues to build. Note: 50% of the homes under contract are listed for under \$1 million. This continues to reaffirm that our market demands are still focused on a lower price point.

**Available single-family home inventory** is **down 14%** when compared to July 1, 2013. **NOTE:** For five years running, inventory has decreased. In 2009, there were 337 homes on the market, compared to the scant 184 currently listed. While the average list price has dropped slightly (5%), the **median list price is up 17%**. The drastic increase in the median list price can be directly attributed to the decrease in available single-family home inventory for under \$1 million. There are currently 35 homes for sale under \$1 million (down 42%).

The segment with the most available inventory is the \$1 to \$2 million range, where the number of available

single-family homes (59) makes up 32% of available residential inventory. **NOTE:** Currently, 3 homes are listed for under \$500,000, down 88% from July 1, 2013 when there were 25 for sale. If you are looking for a home in this price range, be prepared to participate in a bidding war.

**The least expensive home currently on the market** is \$365,000 for a 1,056 sq. ft. 2-bedroom, 2-bath home south of Wilson built in 1958 on 3.58 acres. An adjoining 4 acres is also available. **NOTE:** This is not considered a distressed listing.

**The most expensive home on the market**, as of July 1, is \$18.9 million for an 11,815 sq. ft. home with 8 bedrooms, 12 baths, and a guesthouse, all situated on 33 elevated acres south of Wilson.

## CONDO/TOWNHOME

**Condo/townhome sales** are level with last year, while the average and median sale prices increased by 10% and 27% respectively. Of the 103 sales, 94 sold for under \$1 million, 53 sold for under \$500,000, and 13 sold for under \$300,000. The fact that more than 51% of the sales fell under \$500K clearly indicates that buyers are chomping at the bit to gain access to the JH real estate market. **NOTE:** With only 10 condos currently listed for under \$300,000 and 28 listed for under \$500,000, I expect condo/townhome appreciation will continue to gain momentum in the second half of 2014.

**Condos/townhomes under contract** are up 5%. Meanwhile, the dollar volume for condos under contract has spiked 20%, the average asking price 16%, and the **median asking price 17%**. This drastic increase in the average and median asking prices reflects the inventory shortage in this price range.

**Available condo/townhome inventory** continues to shrink (**down 24%** as of July 1). **NOTE:** Inventory has been dwindling for five years running. In 2009, 214 condos were on the market compared to the 83 of today. While the average asking price has increased slightly this year, up 7%, the median asking price remains level with July 1, 2013. The overall dollar volume for available condos/townhomes dropped by 19% to \$82 million. The continued decrease in inventory paired with the increase in demand makes me confident that this segment of the market will continue to appreciate.

**The least expensive condo** on the market is \$194,900 for a 644 sq. ft. 2-bedroom, 1-bath unit built in 1976 in the Town of Jackson.

**The most expensive condo** on the market is \$4.95 million for a 3,826 sq. ft. luxury 3-bedroom, 4.5-bath condo in the Four Seasons Resort, Teton Village.

## SINGLE FAMILY VACANT LAND

While the **number of single family vacant lot sales** dipped by 7%, the average and median sale prices increased 4% and 10% respectively, due to the growth in number of sales over \$1 million (up 5%) and drop in sales under \$500,000 (down 53%). Currently, 43% of all available single-family lots are listed below \$1 million, with 26 listed for under \$500,000 (down 42%). **NOTE:** During this same midyear period in 2008, there was only one residential vacant lot available for under \$500,000. While sales are picking up steam in this segment, now the biggest hurdle is the high cost of construction and finding a good contractor. While lending for new homes has increased in the last two years ago, the high cost of construction materials and labor makes it difficult for new construction to appraise for what it cost once completed.

**The upper end** of the vacant residential land market (parcels over \$1 million) experienced a small 5% uptick in sales, while the dollar volume rose a scant 2%. **NOTE:** 60% of lot sales were over \$2 million.

**Residential vacant lots under contract** remain level with last year. Though encouraging, it only equates to 9 pending sales. The lack of pending sales reflects the current market condition with a 7% decrease in sold activity so far this year.

As of July 1, **available lot inventory is down 7%**, due in large part to the decrease in the number of active

listings under \$1 million (down 20%). Other segments remain even with midyear 2013: the **median asking price** for a single-family residential lot **increased by 20%** to \$1,190,000, while the average asking price increased 5% to \$2,221,617.

**The least expensive lot** currently on the market for \$225,000 is a 9.8-acre parcel located 7 miles south of Jackson at the entrance of Game Creek.

**The most expensive lot for sale** is \$17.9 million for a 73-acre property comprising two adjoining deeded parcels on the Snake River. Teton views abound.

## **JACKSON HOLE LUXURY REPORT**

A SINGULAR REPORT FOR SINGULAR PROPERTIES: Nearly 20 years ago, I identified the need for specialized analysis of the nuanced Teton real estate market and published my first Jackson Hole Report. Then as now, I filled a valley niche for thorough research on property sales and listings, and the Jackson Hole Report remains the definitive source on valley real estate, regularly cited in national publications. Post-recession, I observed the high-end segment grow in strength and subtlety. Realizing luxury properties required special attention and analysis, I published the inaugural *Jackson Hole Luxury Report* a year ago – to wide acclaim. The *Jackson Hole Luxury Report* caters to high-end buyers and sellers who seek to gain a clear understanding of this elite market segment.

The *Jackson Hole Luxury Report* focuses on properties worth \$3 million and above – many of which are sold privately and therefore never appear in public listings. Combing through public records, I determined that in 2014 there are 1,072 properties worth \$3+ million in Jackson Hole. To further refine the scope of the report, I have honed in on the 500 most valuable properties in Jackson Hole, a list I refer to as the **Luxury 500**.

While the **Luxury 500** includes owners of commercial properties and large tracts of land or ranches, the Luxury Report focuses on high-end homes, condos and vacant single-family lots. NOTE: So far in 2014, the **highest-priced sale** was the Walton Estate, a peerless 2.45-acre property bordering Ellen Creek with panoramic views of the Tetons and direct access to the Bridger-Teton National Forest and Jackson Hole Mountain Resort. The fully-furnished home, an architectural masterpiece, blended traditional alpine style with impeccable European details. Listed for \$12.5 million, it took us only 10 weeks to find a buyer.

If you would like to receive a copy of the *Luxury Report*, or if you would like to know where your property ranks in the Luxury 500, please call me at 307-690-4004 or email [david@jacksonholereport.com](mailto:david@jacksonholereport.com). To sign up for the digital version, visit [www.JacksonHoleLuxuryReport.com](http://www.JacksonHoleLuxuryReport.com).

## **A SNAPSHOT OF WORKFORCE HOUSING IN OUR COMMUNITY**

**Demand for workforce housing skyrockets:** Despite continued community efforts to house the local workforce, the perennial summer housing shortage has reached a crisis level in recent months. The Jackson Hole News & Guide's weekly classifieds say it all: pages of Help Wanted ads stand in sharp contrast to the handful of listings for high-priced rentals. The shortage of workforce housing is one of the most significant factors impeding the ability of local businesses to function, much less thrive. Businesses need employees and employees need a place to live.

## **TETON COUNTY HOUSING AUTHORITY**

For nearly 25 years, Teton County Housing Authority has developed and managed affordable rental and ownership opportunities for the valley workforce, strategically filling in the gaps not being met by the free market. TCHA has facilitated the creation of more than 450 restricted rental units, not including its eighth affordable development, The Grove, which will introduce 20 new affordable rental units by Fall 2015.

"There is no silver bullet to solve our local housing dilemma," said Christine Walker, TCHA Executive Director. Instead, many community resources – free-market leaders, employers, government entities, nonprofits – must work together to house 65% of our workforce.

### HABITAT FOR HUMANITY

Habitat is currently building four LEED-certified homes in the Daisy Bush Subdivision of East Jackson. Habitat works with pre-selected partner families who have taken financial education classes, saved for a down payment, and put 500 hours of "sweat equity" into building their homes side-by-side with volunteers. Habitat sells the homes at cost of construction and issues an interest-free, 30-year loan to its partner families. With building opportunities identified through 2016, Habitat is determinedly raising the funds necessary to see them through.

Volunteers are essential to Habitat's success. Please consider donating your time toward making a difference for affordable housing in our community. At the Daisy Bush job site, volunteer days are every Wednesday, Thursday and Saturday.

### THE UNSUNG HEROES OF JACKSON HOLE

As a board member of the Grand Teton National Park Foundation, I have always recognized the good work of park employees – public servants who commit themselves to the park's visitors and future. But now I know personally the kindness and compassion of their service.

Park employees are the unsung heroes of Jackson Hole. They greet us every time we enter the park, and yet, we are too distracted by the promise of adventure to notice their big smiles and ready support. For those of us fortunate enough to live in Jackson Hole, we approach the park as our backyard, our vast playground. And yet, we rarely acknowledge, much less appreciate, the people who make our play possible and protected.

Park employees shape our experiences in the Tetons: they maintain park facilities and features; they inform millions of visitors; they steer our outdoor excursions; and, when we find ourselves in danger, they rescue us with speed and skill. They are custodians, caring for the park and for the people.

Grand Teton National Park is populated by many wonderful features – wildlife, peaks, waterways – but park personnel are undoubtedly its greatest resource. Amid the majesty, they make the park a beneficent place.

So the next time you visit the park, please thank an employee, whether it be the ranger you meet on the trail, the guard welcoming you at Moose or the captain ferrying you across Jenny Lake. Their professionalism allows us to explore the park with peace of mind. I, for one, feel forever grateful for their selfless service.

### THE JACKSON HOLE REPORT HAS MOVED

To better serve my clients and customers, I moved my real estate license along with the Jackson Hole Report and Jackson Hole Luxury Report to RE/MAX Obsidian Real Estate, a relocation effective March 12, 2014.

### RE/MAX OBSIDIAN REAL ESTATE

A member of the RE/MAX Global Network, RE/MAX Obsidian Real Estate is a locally-owned and managed boutique real estate sales brokerage. Our team consists of 33 seasoned realtors, as well as a powerful database that keeps daily track of every single real estate transaction in Jackson Hole. While the intimacy of our local firm guarantees personal service and attention, **the global reach of RE/MAX is unmatched in Jackson Hole.** When you combine the global presence of all other local brokerages, their collective reach does not equal half the number of worldwide offices and agents in the RE/MAX Global Network. Stateside, RE/MAX offers an equally impressive presence. **Our U.S. franchises' websites are visited by 10 times as many people as any other local franchise or affiliate brokerage combined, which equated to more than 50 million visits in 2013. This marketing advantage is critical when selling a property; according to the National Association of Realtors, 95% of all buyers in the U.S. start their search**



**online.** Global.REMAX.com even allows potential buyers to look for properties in 30 languages, translate currencies, and find the latest international real estate news.

With nearly 90,000 agents in 89 countries, RE/MAX Obsidian Real Estate and the RE/MAX Global Network connect your property to potential customers virtually anywhere. In Jackson Hole, RE/MAX Obsidian is a vital, contributing member of the community. As a participant in 1% for the Tetons, our brokerage donates 1% of our real estate sales commission to local sustainability initiatives.

*My decades-deep knowledge of the valley combined with the international reach of RE/MAX Global Network makes me your **Local Real Estate Expert**.*

Whether you are pricing your property to sell in this competitive market, or weighing the right time to buy, rest assured that when you are my client, you will have the upper hand through access to current market statistics as well as an impeccable level of service and personal attention. For a free comparative market analysis, please contact me by calling 307-690-4004 or emailing [david@jacksonholereport.com](mailto:david@jacksonholereport.com).

I hope this report has given you a snapshot of market trends and, as always, I would be glad to discuss them further with you. Please contact me if you plan to list your property this summer, would like a more detailed analysis of specific areas or back issues of the **JACKSON HOLE REPORT**, or if you are scouting for a **professional Realtor to represent you in your next real estate transaction**. I look forward to working with you.

Sincerely,



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\*While other local Real Estate Brokers attempt to report on the local real estate market, David Viehman is the only Broker 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 David today. **"I am the expert"**.

\*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 2014 compared to sales in 2013.

\*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.

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