

PARK CITY'S BEST REAL ESTATE VALUES:
THE EXPERTS WEIGH IN

By Annette Velarde, Mountain Express Magazine

Let's be honest – none of us know what we can be certain of when it comes to the global or local economic recovery. In a single day, one expert will emphatically declare we're well on our way to prosperity, then another says it's going to be at least two years before we can even begin to determine where the world's financial systems stand. About the only point everyone agrees on is that all the rules are changing and things will never be as they were again ... which might be for the best.

In light of this, we began to search for some answers to questions we all have about the Park City real estate market. When is it going to be the best time to buy? Have the prices bottomed out yet? What neighborhoods have the best deals? Park City's home values have not fallen as much as many other ski resort communities - why is that? We sought out the expert's – local RE Brokers and top agents – to tell us what their thoughts are on this subject. What we learned is extremely valuable information for anyone who is thinking about buying a primary or secondary home in Park City in the next 12 months.

President of the Park City Board of Realtors and Agent for Keller Williams Real Estate, **Lincoln Calder**, thinks this is the best buyer's market he seen in years. "Even though consumer confidence relating to the economy as whole has been slow to come around, we've seen a 300% increase in pending sales since February of 2009. The ease of access and quality of life here has not been changed by the economic downturn, and as a result many families have taken advantage of the drop in prices and made Park City their primary home. There's an incredibly wide range of properties available at prices significantly lower than in 2008. Most notably, some very unique homes that offer ski-in/ski-out, one-of-a-kind floor plans, or panoramic views have started to become available. I think in the long-run, these homes will prove to be most profitable investments."

Chris Robinson, President Elect of the Park City Board of Realtors and Park City Regional Manager for Prudential Utah Real Estate, stated, "The data collected during this past selling season indicates it is the Buyer who is driving the market and values. I believe there will continue to be adjustments downward throughout the end of 2009 while we 'sell through' the short sales and the foreclosures currently available. The Buyer must keep in mind, however, that these 'deals' are fewer and further between. Also, in many cases, those 'deal' properties will not

meet the criteria or desires of a Buyer who wants to live or invest in our community. There are isolated 'best' deals throughout our diverse geographical areas, but it's a moving target. It is extremely important for a Buyer to connect with a Park City Realtor® to be better informed and get the most timely information on properties that are available."

Co-owner of Summit Sotheby's International Realty, **Bruce Shannon**, believes the sector of Park City's real estate market with price points below \$700k is fairly stable, especially for single-family homes. He thinks this is because lending is readily available for this type of transaction. However, above this price or other types of properties, loans have become very difficult to obtain, particularly second homes or condos. "For cash buyers, there are unbelievable deals all over town." Shannon went on to say that Park City has been hurt less relative to many of the other resort areas in the Rocky Mountains. "I think this is because there has always been great value here in Park City. When you add together Park City's attractive price points, how near we are to Salt Lake's airport, our three world-class ski resorts, and a quality of life second-to-none, you can't help but conclude that Park City represents the best real estate values in the intermountain west."

Marny Schlopy, is with Summit Sotheby's International Realty and a member of The Park City Masterminds: a group of top-rated agents from most of the local Brokerages that meet to discuss their business practices and market trends. In agreement that this is definitely a buyer's market that won't last long, this group also recognizes that what has made Park City a wonderful place to live has never changed. The Masterminds have seen an increase in the number of buyers coming to make Park City their full-time home. The relaxed lifestyle, great schools, never-ending recreation opportunities, and close location to a major airport have not been diminished by economic woes at all. Schlopy stated, "The upside of this recession is that people have taken inventory of their lives again and remembered what really matters most. Any family that has vacationed here and loved it knows that now is the time to make their move. Waiting another year will only mean they're another year older and they will have missed these great prices."

Principal Broker for Talisker Mountain Realty, **Jeff Lykes**, thinks that when all is said and done, the real estate industry will make changes, some for the better some not so much. "The recession will reduce the number of active agents. The benefit to a buyer or seller is that they will have an agent that had the experience and expertise to weather the storm. Park City is a very unique ski area in that we have a major international airport 45 minutes away and we have three ski areas within six miles of each other. We are still priced significantly lower than some of the other Rocky Mountain ski resort communities. Our gut feeling is

that we still have some downward pressure on pricing to come and that will make Park City very attractive to buyers. Many sellers are still in denial and or cannot afford to bring down their prices. We have a feeling that this winter could be a very large dose of reality for them.

Matt Green, CEO of Keller Williams Park City Real Estate, said, “It is nearly impossible to say for sure whether prices in Park City have or have not hit bottom. Appreciating pricing trends have historically trailed increased demand and transactions. Single-family primary residences have remained the most robust compared to other types of property. Additionally, during the past year financing to purchase vacation homes and condos has become more difficult to obtain. As such, there has been a greater dip in values in vacation properties than in primary homes. Overall, I believe Park City’s Real Estate values have suffered less than other ski areas. This is largely due to the fact that Park City has a larger base of permanent residents compared to many other resort communities.

Broker for RE/MAX Mountain Properties, **Ron Wilstein**, says right now is an optimum buyer’s market. “While a high percentage of our inventory is overpriced, some motivated sellers have reduced their prices 20% or more from 2008 prices to attract buyers. Primary residences represent the majority of our sales. The recent rise in closed transactions (a 50% increase in August and September compared to January through July 2009) is based on increased confidence in the economy along with a growing fear that interest rates will rise soon. We all know that the Feds will have to at some time raise interest rates to avoid inflation so right now represents the best combination of low prices and interest rates.”

Rich Sonntag, Managing Director of Promontory Club, has been in the real estate development business for over 30 years and has ridden through tough down cycles in Colorado, Florida, Arizona and now Park City. What he’s learned is that the second home market always recovers and has always risen to a new level. “This is a great time to be picking properties up, and it shows in the number of transactions we’ve closed this year. Savvy investors are taking their cash off the sidelines and buying what they know will give them lucrative returns. Promontory is a great example of a development that has the worst of it behind them and is now garnering renewed consumer confidence.”

Owners of Mountain Town Realty Group, **Jim and Billie Harsch**, point out that although 2009 sales have improved since May, they have not even reached 2008 levels. However, sales of single family homes over \$3 million are stronger in 2009 than they were during the same period in 2008. “The weakest segment of the single-family home market is in the \$700k-\$1 million range, which probably indicates that there will be deals

in this range in the coming months. The strongest single-family homes sales have been in the Jeremy Ranch neighborhood. Red Ledges in Heber has had the most closed transactions of all the golf communities. Single-family sales are probably close to the bottom, however, condo and residential lot sales probably have more corrections to come.”

Sally Roberts, top agent for RE/MAX Mountain Properties pointed out some of the benefits of considering the areas just beyond the Park City limits. “It takes me less time from Heber/Midway to Park City’s Main Street than it does from the Pinebrook or Jeremy Ranch neighborhoods. Kamas is about the same travel time. The amount of house your dollar buys in these nearby towns is far greater than Park City proper. The Heber/Midway area boasts five golf courses, longer falls and earlier springs, and maintains a welcoming small-town culture with a relaxed tempo of living. ”

While all of our experts had very differing opinions on many points, they’re all in agreement that the winter of 2009/2010 represents the strongest ‘buyer’s market’ Park City has seen in many years. Single-family home prices appear to be stabilizing, while the condo and building-lot sectors are still seeing a downward trend. And if you’ve got cash, you’re king. Park City real estate will remain stronger than most of the other ski vacation communities because it is the most accessible, has three resorts ranked among the top 20 in the world, offers year-round outdoor activities, and is a very strong permanent resident community.