



TRANSACTIONS ON THE RISE

Welcome to the 12th issue of the Star Valley Report. Published semi-annually, this data-driven report is the most accurate and trusted real estate news source in Lincoln 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 Star Valley.

While we may have officially “hit bottom” in 2009 when looking at the number of transactions, we are continuing to see declining prices throughout the valley. There are several reasons for the decline in pricing, but the most obvious reason is the increase in number of distressed properties. **Out of all sales** this past year, **24% (64 sales) were distressed** at one point during the selling process. The distressed segment of the market continues to drive prices downward. Banks are pricing REO (bank owned) properties aggressively and short sellers are able to negotiate lower list prices, in turn making it more difficult for the “fair market” seller to remain competitive. The fair market sales in 2010 have had to adjust their prices in accordance with the distressed market in order to compete. Other contributing factors in the pricing decline include the virtually non-existent first time homebuyer due to the stringent lending guidelines, and a lack of existing homeowners trading up. Home values have decreased, thus affecting the locals’ inability to sell their primary residence and trade up.

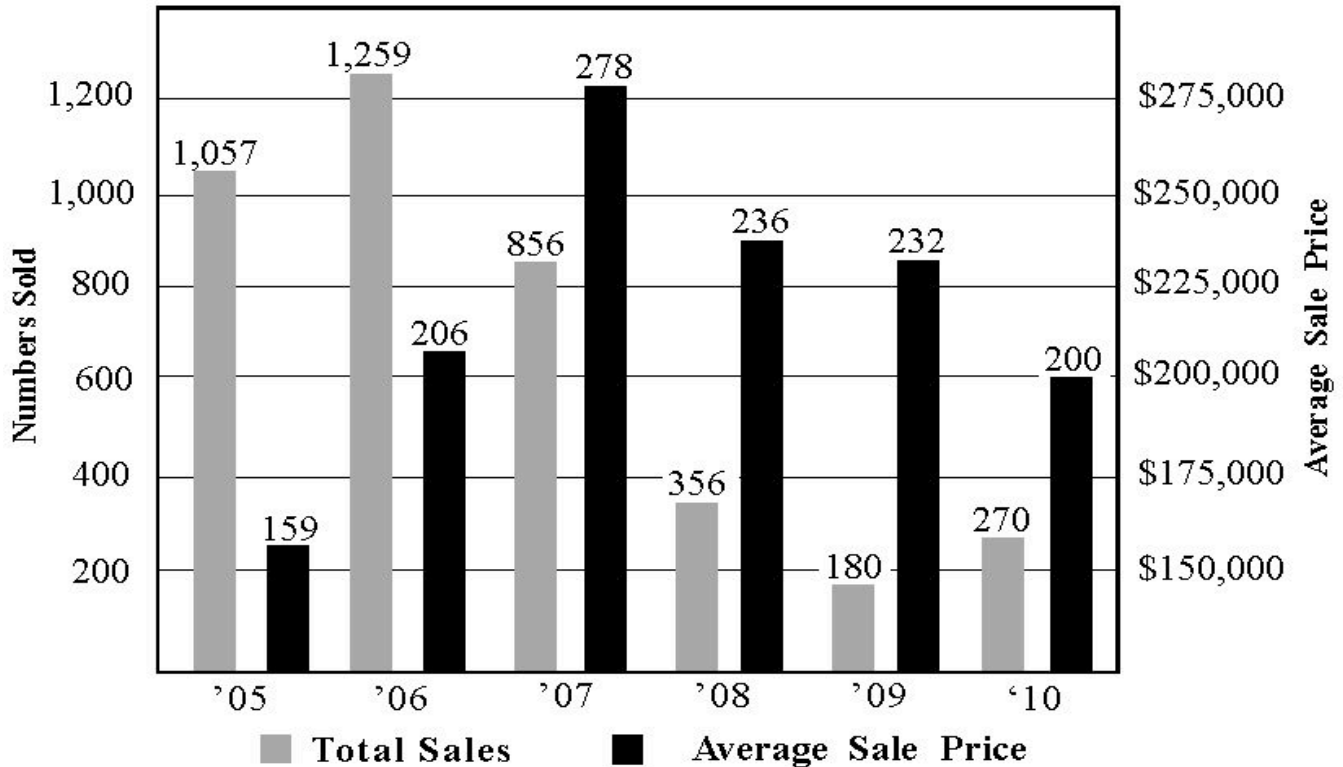
The above scenario has created the perfect storm for the investment buyer, in particular those looking to diversify their portfolios by capitalizing on distressed real estate. Those looking for deals or second homes in the valley have been very successful. *The Wall Street Journal* stated this as a national trend, “Sales in many vacation communities across the U.S. soared to levels not seen since boom times, driven by deep discounts, cash purchases and buyers’ rising stock portfolios.” (January 10, 2011). Despite the decline in values, the good news in **2010 reflects a significant increase in the number of transactions!** 2010 brought the first climb in number of sales since the years 2005/2006, when we were at our all time high in number of sales. We have seen **an increase of 50% more sales** when compared to 2009. Our current market has definitely shifted the scales in the buyer’s favor, resulting in the substantial increase in the number of transactions in 2010.

HOW STRONG IS THE STAR VALLEY MARKET? For the buyer, now is a great time to be shopping. With inventory levels remaining steady, and motivated sellers in every segment of the market, opportunities are abundant. For those looking to take advantage of the distressed properties we have seen sales in vacant land for less than original developers pricing and in certain home sales, less than replacement costs.

For sellers, now is the time to ask the question “do I really need to sell”? If the answer is yes, then competitive pricing is going to be the key to getting your property shown and possibly sold. If you do not need to sell right now, then your best bet is to wait until we see signs of prices stabilizing. One of the downfalls of having to wait this time out is the fact that it may be years before we see the market begin to climb in price again.

OVERALL MARKET IN STAR VALLEY: The overall market in Star Valley remains soft. While the number of sales increased this past year in the valley, both the average and median sale prices fell once again. The **average price fell 14%** (\$232,671 in 2009 down to \$200,377 in 2010) and the **median price fell 10%** (\$195,000 in 2009 down to \$175,000 in 2010). Again, the biggest contributor to this decline in sale prices has been the aggressive pricing of distressed properties and buyers making “value” buys throughout the valley.

Overall Sales



Current overall available inventory: At the close of 2010, our current **inventory was up 4%** when compared to the end of 2009 (695 listings, up from 668). When looking at our current inventory of 695 listings, and comparing it to what is currently under contract, Star Valley has a 43-month supply of real estate available for purchase. At our current pace of sales, and no new listings coming onto the market, it would take roughly 3.5 years to sell the inventory on hand. This is another indicator that we are in a buyer's market and will remain there for some time.

Real Estate currently under contract: At the close of 2010, there were 16 properties under contract (**up 23%** from 2009) with an average list price of \$239,344 (down 59% from 2009) and a median price of \$199,000 (down 3%). Of the real estate currently under contract, **44% are distressed properties.**

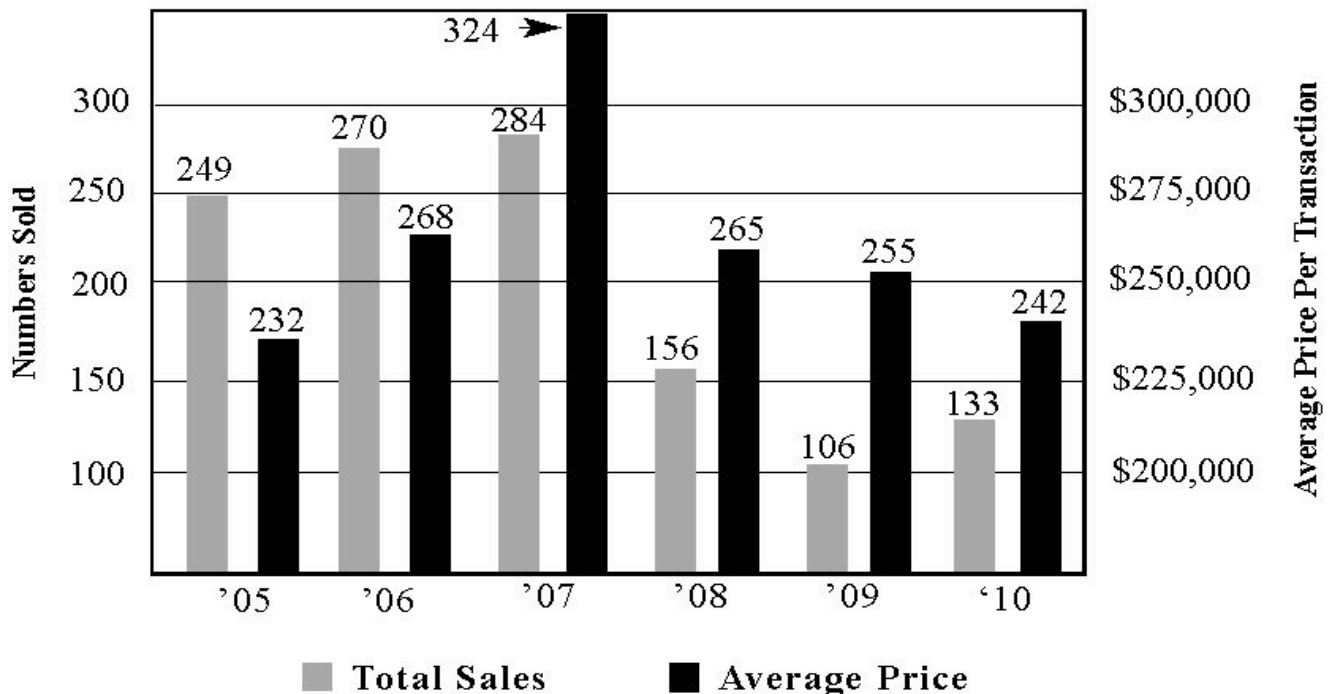
SINGLE FAMILY HOMES VALLEY-WIDE: For the first time since 2007, the home segment of the market experienced an increase in the number of sales. While 2009 brought an all time low for home sales in the valley since the inception of the Star Valley Report, 2010 experienced **an increase of 25% in the number of sales** when compared to 2009 (133 sales compared to 106 for 2009). Even with the increase in sales, we continue to see home values fall in every area of the valley, as the **average sale price declined 5%** (\$255,611 for 2009 down to \$242,172 for 2010) and the median sale price fell 7% (\$226,000 for 2009 down to \$210,000 for 2010). The major contributor for the fall in both the average and median sale prices is the sale of distressed properties throughout the valley. These homes are selling in most areas for below market value, therefore driving the price of comparable homes down. Also affecting the prices today is the fact that buyers are "value" minded and are looking for the best deal they can find.

Northern Star Valley (The Hot Spot): The northern half of the valley experienced the largest rise in home sales, **up 49%** (61 in 2010 up from 41 in 2009). The average sale dropped 4% to \$294,305 (down from \$305,630) and the median sale price dropped a whopping 19% to \$220,000 (down from \$270,000). This drop can be attributed to the number of distressed sales for this area of the valley. Of the 61 sales, **39% (24 sales) were considered distressed.** The large drop in the median sales price tells us that the more affordable properties are the ones selling, accompanied by the occasional high-end sale.

Southern Star Valley experienced a 5% increase in the number of sales (40 sales for 2010 up from 38 in 2009) while the average sale price fell 7% (\$174,337 down from \$187,298 in 2009) and the median sale price fell 10% (\$149,000 down from \$165,000 in 2009). Similar to the lower valley, **35% of the 40 sales were considered distressed** at one point during the selling process.

Star Valley Ranch had a **15% increase in the number of sales** for 2010 (31 sales, up from 27 in 2009). The average sale price fell 15% (\$225,853 in 2010, down from \$266,272 in 2009) and the median sale price fell only 1% (\$226,900 in 2010 down from \$230,000 in 2009). Of the 31 sales in 2010, **42% (13 sales) were considered distressed**. This was a major factor in the significant decrease in the average sale price.

Single Family Home Sales



OTHER VALLEY-WIDE STATS:

Under contract: 9 with an average list price of \$290,455 and a median list price of \$200,000.

Active Listings: 251 homes with an average list price of \$348,429 (down 8%) and a median list price of \$259,000 (down 12%).

Least Expensive Listing: \$64,900 buys you an older cabin in Alpine on .13 acre.

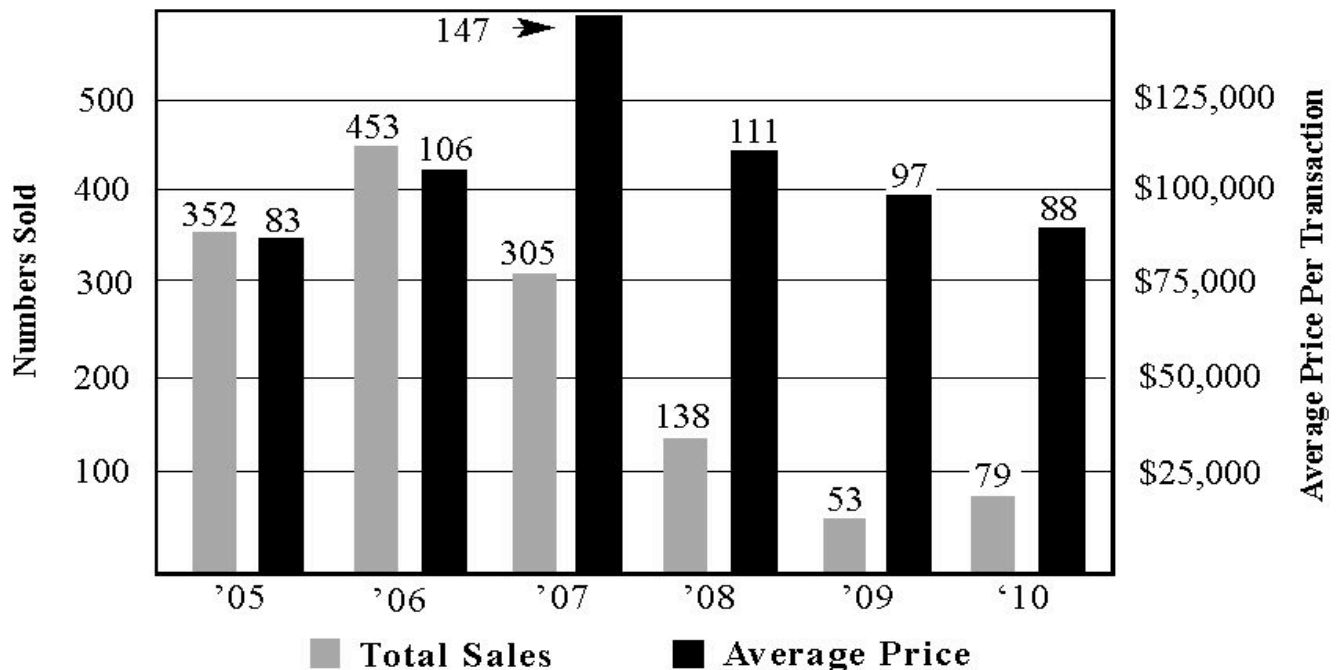
Most expensive listing: \$3,650,000 – this buys you a 5800 square foot home on the banks of the Salt River in the exclusive Double L Ranch

RESIDENTIAL VACANT LOTS

VALLEY-WIDE: The number of vacant land **sales jumped 49%** in 2010 (79 sales compared to 53 in 2009). The **northern part of the valley** has seen the biggest increase in sales (**up 85%**) due to the prices in this area becoming more affordable than in years past. While this jump in number of sales can be looked at as a positive, prices throughout the valley continue to fall. Most of the larger subdivisions were perfect examples of the impact REO’s (bank owned properties) have had on the market. Prices dropped to unprecedented lows in subdivisions like Salt River Cove and Buffalo Run. These low prices are not the norm but can be attributed

in part to foreclosed properties and a lack of banks willing to lend on vacant land. The majority of these sales were purchased by investment minded cash buyers looking to capitalize on a down market.

Vacant Lot Sales



OTHER VALLEY-WIDE STATS:

Under Contract: 3 all in the northern part of the valley.

Active Listings: 326 (down 2%) with an average list price of \$139,336 (down 5% and a median list price of \$99,000 (no change from 2009).

Least Expensive listing: \$16,600- Star Valley Ranch .30 acre

Most expensive listing: \$789,000- Bedford area 15.75 acre parcel.

SALES BY AREA:

Northern Star Valley had 48 vacant land sales (up 85%) with an average sale price of \$105,569 (down 21%) and a median sale price of \$55,000 (down 55%).

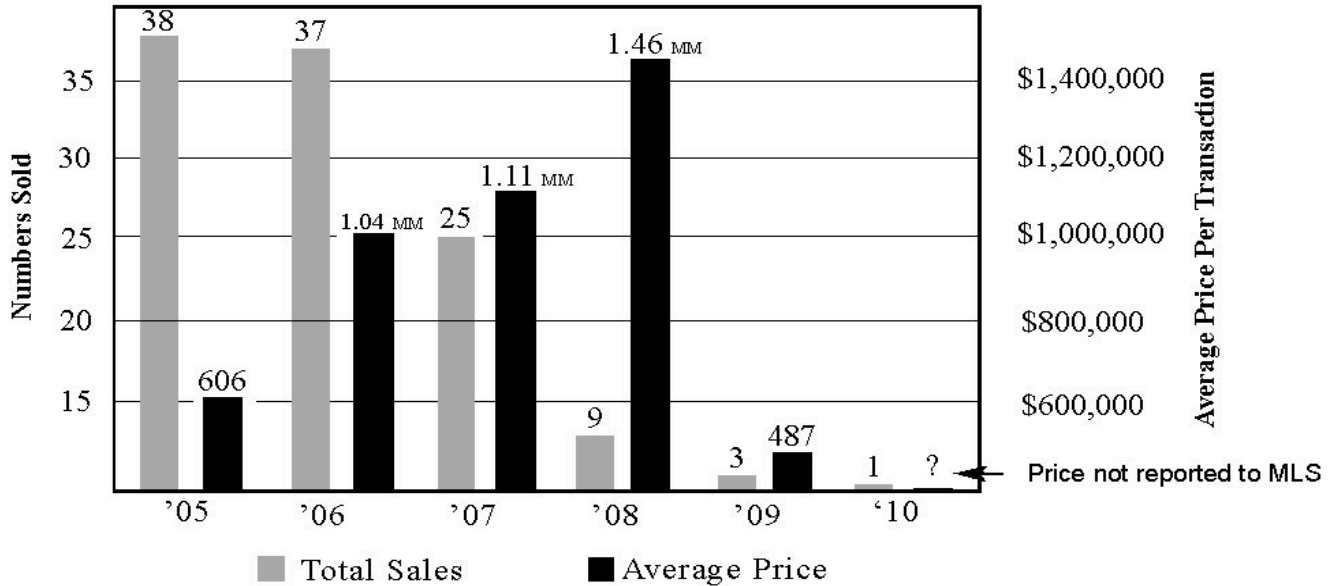
Southern Star Valley had 14 sales (up 17%) with an average sale price of \$71,544 (down 4%) and a median sale price of \$56,000 (down 18%).

Star Valley Ranch had 14 lot sales (down 7%) with an average sale price of \$28,561 (down 21%) and a median sale price of \$22,000 (down 37%).

FARM & RANCH (35+ ACRE PROPERTIES)

Valley-wide farm and ranch properties continue to see **little interest during these tough economic times**. There was only one sale for 2010, which was not reported to the MLS. The lack of interest can still be attributed to the higher asking prices that larger tracts of land tend to garner, and there are fewer buyers for this segment of the market. Although many deals can still be found in Star Valley, the decrease in Jackson prices could be playing a roll in keeping buyers from venturing out of Teton County into this aspect of the Star Valley market.

Farm & Ranch Sales



OTHER VALLEY-WIDE STATS:

Under Contract: Zero

Active Listings: 17 with an average list price of \$1,932,441 and a median list price of \$1,280,000.

Least Expensive listing: \$ 230,000– a 35 acre parcel in the Fairview area.

Most expensive listing: \$6,000,000 – this buys you a home on 590 acres in the Thayne area.

SALES BY AREA:

Northern Star Valley had zero farm and ranch sales.

Southern Star Valley had one 99-acre sale that was not reported to the MLS.

This report was written and edited by **Carlton and Cathy Loewer of Jackson Hole Real Estate Associates, Alpine Office**. For more information on the overall market in Star Valley, or for a free comparable market analysis, please call the experts in the market at our Alpine office (877-654-7575).

JACKSON HOLE REAL ESTATE ASSOCIATES LLC is the **largest locally owned and operated Real Estate Company** in the region and has served the Star Valley area for over thirty years. Our team is comprised of 90+ 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 Star Valley. Combine all this with the **worldwide reach of Christie's International Real Estate**, the simple fact remains: **We Know the Market Better than Anyone**. Jackson Hole Real Estate Associates LLC located at 181 US Hwy. 89 in Alpine, Wyoming across from Gunner's Pizza. You can also visit our virtual office at www.starvalleyrealestate.com or email us for more information at info@jhreassociates.com.

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 Star Valley property. Please contact us to learn more about the programs and services we can provide. Be sure and also check out our new website www.starvalleyrealestate.com for the latest listings and news about our local market.

Christie's, the world's leading art business, has recently announced a corporate name change for its exclusive property brand **Christie's International Real Estate** www.christiesrealestate.com, formerly Christie's Great Estates. The prime and super-prime sectors of the property market—where Christie's International Real Estate operates exclusively—have a global clientele. The name change will instill in these consumers a more immediate grasp of the company's mandate and clarify that Christie's and its real estate arm are one and the same.

Christie's International Real Estate is the only real estate network wholly owned by a fine art auction house. The network is uniquely positioned to follow the footprint of its parent company, Christie's, into the growing markets of the Middle East, Russia, and China, as well as established economies across the world, most notably North and South America and Europe. The new name further underscores that the values that distinguish Christie's—commitment, expertise, integrity, discretion, and five-star customer service—are likewise embedded in the company's luxury residential property specialists.

Christie's International Real Estate represents some of the most prestigious trophy properties in the world, which include estates, resort properties, second and third homes, and super-prime new-build developments. Properties have included Lord Andrew Lloyd Webber's Trump Tower Residence in New York City; Lyons Demesne, the historic Irish landmark fully restored by Dr. Tony Ryan; Ingmar Bergman's island retreat in Sweden; and the Astor Beechwood Mansion in Newport, Rhode Island. Among the most valuable properties currently in the Christie's International Real Estate portfolio are Palais Montmorency on Avenue Foch in Paris, France, valued in excess of US\$100 million, and Cornwall Terrace, the historic Grade I-listed Regency terrace in The Regent's Park, London, which was recently voted the most significant luxury property development in the United Kingdom.

Jackson Hole Real Estate Associates is the region's largest locally owned and operated real estate brokerage. As the exclusive affiliate of Christie's International Real Estate, **Jackson Hole Real Estate Associates provides access to a worldwide audience with more than 1000 real estate offices in 42 countries and transactions resulting in over \$125 billion annually.** The reputation of Jackson Hole Real Estate Associates for exemplary client service and market knowledge combined with the power of Christie's International Real Estate, the largest network of independent real estate firms, offers a synergy between local strength and global networking. By cultivating this unique balance of worldwide scope with a personal touch, through Christie's International Real Estate, Jackson Hole Real Estate Associates has become a global authority on the effective marketing of fine properties. Finely tuned marketing services, and a commitment to the business philosophy established by Christie's in 1766, define a brand based on trust, integrity, discretion, and excellence.

THE STAR VALLEY REPORT is published semi-annually and posted on the world-wide web. 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 northern Lincoln County. This data-driven report is the most accurate and trusted real estate news source in Lincoln County, Wyoming. If you would like to sign up for these semi-annual email updates, or need more detailed information about our market, feel free to either call or email us at one of the numbers below. You can also find "The Star Valley Report" online at www.starvalleyreport.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 no-obligation comparative market analysis please email info@jhreassociates.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 STAR VALLEY 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 3225, Alpine 83128.

Sincerely,

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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 2009 compared to sales in 2010.
- *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 northern Lincoln County combined (homes, lots, condos, commercial and ranch).
- *The term "Market Value" means; the value of a 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 Star Valley 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, call us today. **"We are the Experts"**.

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