



NUMBERS ON THE DECLINE

Welcome to the ninth issue of ***The Star Valley Report***. Published semi-annually, this data-driven report is the most accurate & trusted real estate news source, keeping all of Star Valley well informed on our ever-changing market.

The Overall Market in Star Valley has fallen on rough times. With a recession in effect and an unstable economy, the rapid rates of appreciation and the number of real estate sales in the valley are finally feeling the effects from America's distressed housing market. Every category of the market (homes, lots, farm & ranch) has seen a downward turn, including number of sales, average price, and median price. The statistics listed below are staggering as the market change has occurred so rapidly and drastically from previous years. The cause for the downturn in our market can be any number of reasons and everyone has an opinion, but the one factor that cannot be argued is the numbers, which speaks volumes.

HOW STRONG IS THE STAR VALLEY MARKET? The number of total sales valley wide has fallen to levels that we haven't seen since 2003-2004. With sales down 58% valley wide, it begins to make one wonder, "when will we hit bottom?" While we have still seen active listed prices continuing to hold, this summer will be pivotal to sellers as to whether they decide to reduce their prices and move the property, or hold fast and ride these tough times out. At some point, we should see investors feel that the market has bottomed out and begin to buy "distressed" properties throughout the valley.

The key realization that most sellers will have to have is that their property is not worth as much as it was 2-3 years ago. Demand is down and inventory is high, so the decision to sell will rely on how motivated the seller is and whether a price adjustment is feasible. Up to date, we have yet to see any drastic price reductions, which will more than likely become more prevalent if the numbers of sales do not increase before the summer of 2009.

OVERALL MARKET IN STAR VALLEY: When comparing the end of 2007 to the end of 2008, there were 500 fewer transactions in 2008 (down 58%). The average price fell 15% from \$278,981 to \$236,806 and the median price was only down 2% to \$210,000. The decrease in average price can be attributed to more sales that fall into the lower end of the scale, meaning more affordable properties throughout the valley are the one's that are selling.

The housing segment of our market, which has been the strongest part of the market the past couple of years, has seen a 45% decrease in the number of sales valley wide.

CURRENT OVERALL AVAILABLE INVENTORY: The number of overall active listings (974) on the market, as of January 1st, increased 5%. We did see a decrease

in the average list price (down 11% to \$389,055) and an increase in the median list price (up 7% to \$237,500). The dollar volume of available properties, as of January 1st was just under \$379 million, or a 7% decrease when compared to January of 2007.

There continues to be a need for affordable homes (under \$250,000) in the northern part of the valley, specifically for the Jackson Hole commuter.

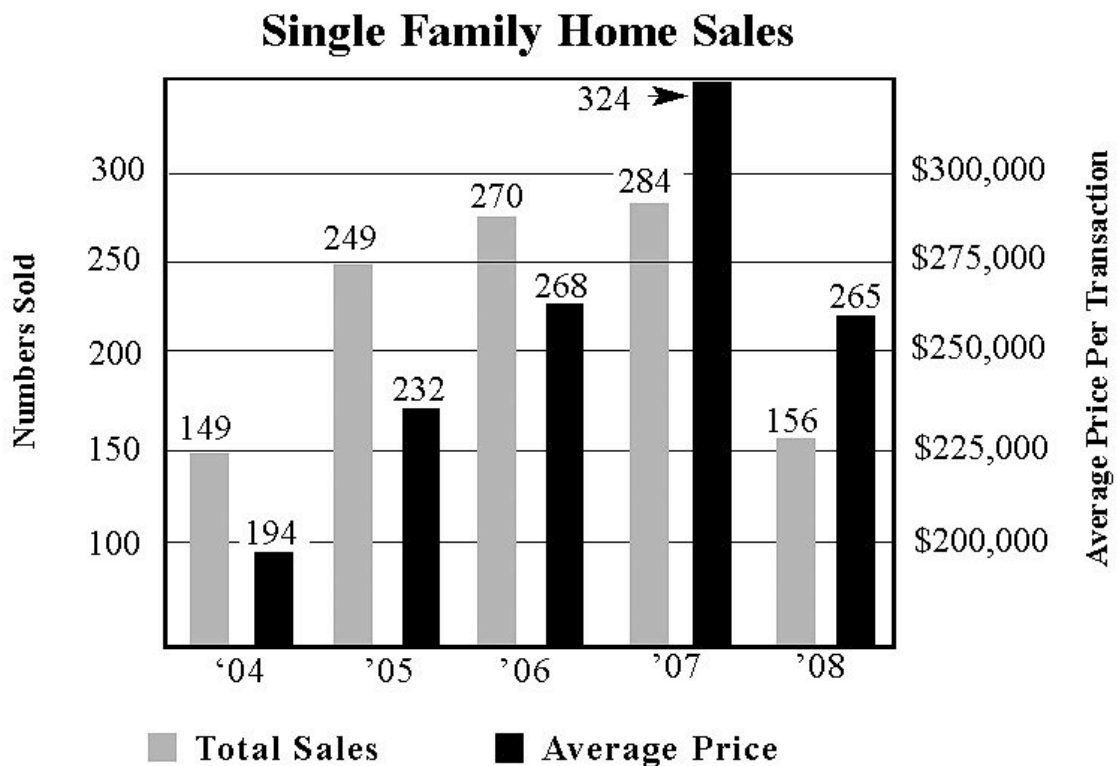
REAL ESTATE CURRENTLY UNDER CONTRACT: There were 17 properties under contract (down 48%), as of January 1st, 2009, with an average listing price of \$368,012 (down 6%), a median listing price of \$226,000 (down 5%), and a total dollar volume of \$6,256,200 (down 52%). Looking at these stats and comparing them to what the current inventory on the market, tells us that we have 57 months (4.75 years) of inventory currently for sale.

AREAS OF STAR VALLEY:

Southern Star Valley (Smoot to Bedford) – 3,282 deeds.

Northern Star Valley (Bedford to Alpine) – 5,629 deeds.

Star Valley Ranch – 2,082 deeds.



SINGLE FAMILY HOMES VALLEY-WIDE: The housing segment of the market fell off tremendously in 2008. We have seen a decline of 45% in the total number of sales valley wide. Not only did we see a decrease in the number of sales, the average price fell from \$324,823 to \$265,194 (down 18%) accompanied by the median price falling as well from \$279,000 to \$245,000 (down 12%). The sharp decline in average price tells us that most of the homes that did sell were in the lower end of the market, therefore driving the average price down. Over the past 2

reports, we have definitely seen a decrease in sales in the upper end of the market (specifically the Alpine area for listings over \$400,000).

The northern part of Star Valley has seen the sharpest decline in number of sales and both average and median prices. The slowdown in the Jackson housing market in the segment under 1 million, has greatly affected the upper end market in the Alpine area. Homes that fall into this category are seeing longer periods on the market and have definitely suffered due to many factors including a volatile economy and stricter lending guidelines. With regards to the actual number of sales being down, this may be due in part to the decrease in investment property in the area. The investment buyer is taking advantage of markets offering more "deals", foreclosures, short sales and motivated sellers.

OTHER VALLEY-WIDE STATS:

Under contract: 7- with an average list price of \$311,529 and a median list price of \$227,900.

Active Listings: 271 homes with an average list price of \$428,305 and the median list price of \$349,900.

Least Expensive Listing: \$99,000. This buys you 1.6 acres in the Grover area with 2 mobile homes on it

Most expensive listing: \$1,999,000 – this buys you a 5,430 square foot home and hangar for your airplane on 3.7 acres in the Afton Airpark

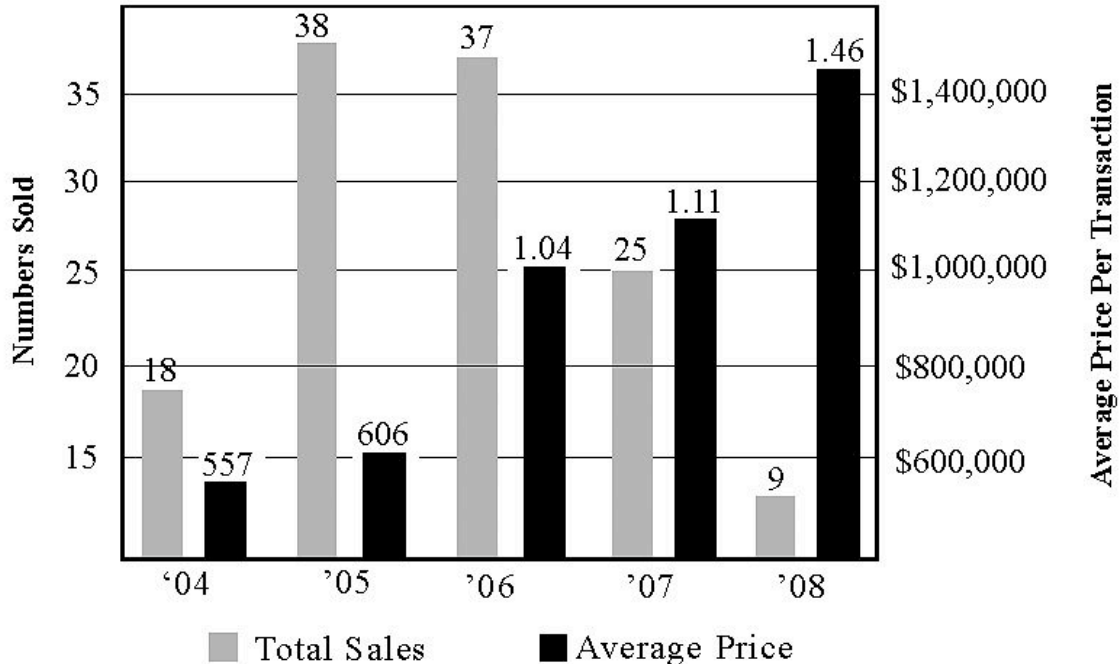
SALES BY AREA:

Northern Star Valley had 59 sales (down 54%) with an average sale price of \$300,231 (down 22%) and a median sale price of \$280,000 (down 11%).

Star Valley Ranch had 50 home sales (down 41%) with an average sale price of \$273,785 (down 11%) and a median sale price of \$255,000 (down 4%). Star Valley Ranch still offers the affordability for the first time homebuyer and the location to commute to Jackson that the northern part of the valley is lacking.

Southern Star Valley had 46 home sales (down 31%) with an average sale price of \$208,222 and a median sale price of \$188,500. This area is the only area that saw no change from the end of 2007 in average sale price and median sale price. The median price actually rose 2% in 2008.

Farm & Ranch Sales



FARM & RANCH (35+ ACRE PROPERTIES) VALLEY-WIDE: This segment, like all the others, has seen a sharp decrease in sales for 2008. Total numbers of sales were down 64% valley wide in 2008. Although we did see fewer sales, we did see a rise in the average sale price of 31%, from \$1,111,862 to \$1,458,375. This rise in average price is due in large part to two larger priced sales that occurred in 2008 and fewer sale prices falling on the lower end of the price scale.

Developers are hesitant in these economic times to purchase large tracts of land for subdivisions because of the slowdown in vacant lot sales, and with our current inventory being at an all time high. Also, buyers looking for that Wyoming ranch lifestyle are hesitant to part with the large amounts of cash needed to secure financing on these larger tracts of land.

OTHER VALLEY-WIDE STATS:

Under Contract: 0

Active Listings: 58 with an average list price of \$1,643,224 and a median list price of \$750,000.

Least Expensive listing: \$295,000 - a 35-acre parcel in the West Hills area overlooking Afton.

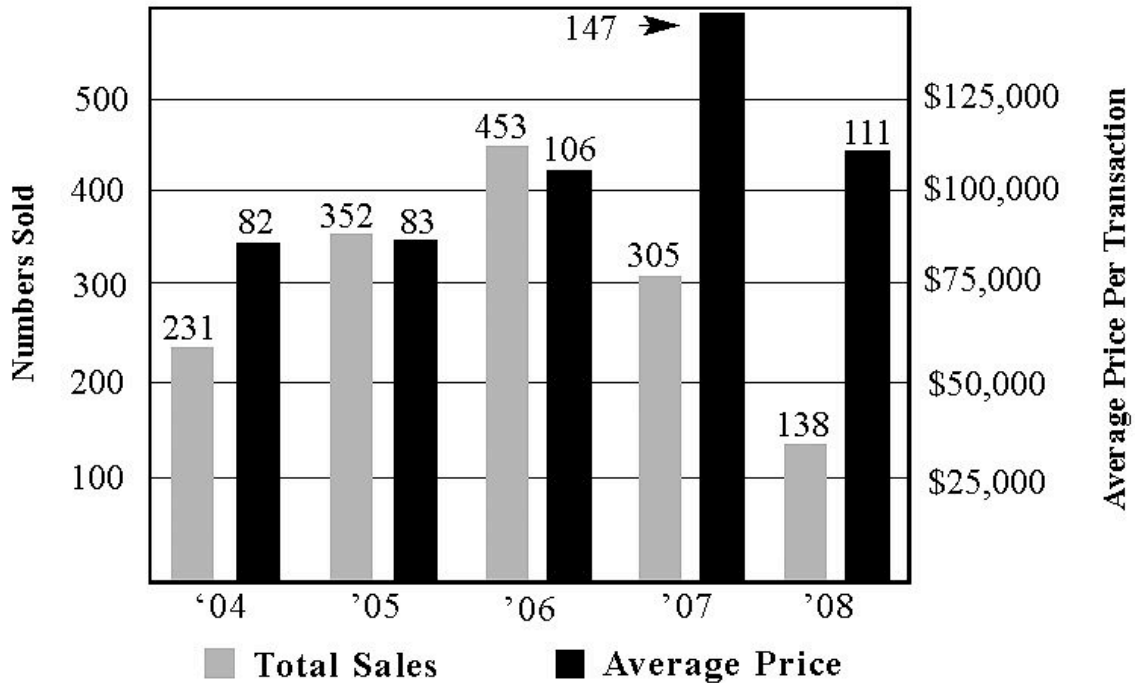
Most expensive listing: \$7,900,000 - this buys you over 2,500 acres Encircled by BLM, National Forest and State Land, this valley is prime habitat for ranging elk, moose and deer.

SALES BY AREA:

Northern Star Valley had 9 total sales with an average sale price of \$1,458,375 and a median price of \$2,308,500.

Southern Star Valley only had one sale, which was a 75-acre parcel for \$675,000.

Vacant Lot Sales



RESIDENTIAL VACANT LOTS VALLEY-WIDE: Vacant land sales have been the driving force the past couple of years throughout the Star Valley area. Generally speaking, if you compare the investment in vacant land here in the valley to the stock market or your 401k over the past couple of years, vacant land has been the better investment overall. That is still true today, although we have seen a downturn in sales and pricing of late.

2008 saw a 55% decrease in the number of sales valley wide. With the decrease in sales we have also seen a fall in average price, down 24% (\$147,337 in 2007 to \$111,578 in 2008), and a 25% decrease in median price (\$110,000 in 2007 to \$85,000 in 2008).

As of recently, we are starting to see anything that is being adjusted in pricing to reflect the instability in the economy and difficulties in lending, start to move. The properties that are still reflecting a price point of a thriving stock market and stable economy are becoming stagnant and creating a saturated market.

OTHER VALLEY-WIDE STATS:

Under Contract: 6 with an average list price of \$175,417 and a median list price of \$155,000.

Active Listings: 527 with an average list price of \$192,109 (down 3%) and a median list price of \$110,000 (no change from the previous year).

Least Expensive listing: \$29,900- a .5 acre lot just east of Thayne in North Forty Subdivision

Most expensive listing: \$2,900,000 for 5 commercial acres at Alpine Junction in the Snake River Junction development.

SALES BY AREA:

Northern Star Valley (The Hot Spot) had 74 lot sales (down 57%) with an average sale price of \$145,825 (down 15%) and a median sale price of \$107,000 (down 14%). Although this area isn't quite as hot as it was in past years, it is still highly desirable due to its proximity to Jackson Hole.

Star Valley Ranch had 33 lot sales (down 39%) with an average sale price of \$46,858 (down 28%) and a median sale price of \$39,900 (down 35%). The Ranch has seen such a spike in pricing in years 2006-2007, and as a result, a decrease in average and median prices is not uncharacteristic. Star Valley Ranch was once the most affordable vacant land in the entire valley and in past years we have seen the prices rise to comparable levels of property throughout the valley. The reason for the decrease in prices is buyers today are looking for the "best deal" and the ranch still affords that opportunity.

Southern Star Valley had 28 sales (down 65%) with an average price of \$122,641 (down 11%) and a median sale price of \$95,000 (down 30%).

This report was written and edited by **Carlton Loewer, Owner/Associate Broker**. For more information on the overall market in Star Valley or for a free comparable market analysis, please call the Alpine office at 877-654-7575.

We hope this report will give you some sense of market trends and, as always, we are glad to discuss them further with you. This newsletter does not go into detail on every segment of the market, but is intended to offer an overview of general market conditions showing year-to-year changes in the number of transactions and the average sale prices.

JACKSON HOLE REAL ESTATE & APPRAISAL, LLC has served the Star Valley for over twenty-eight years. With the daily tracking of every single real estate transaction in Star Valley, the simple fact is **"We Know The Market Better Than Anyone"**. If you are looking for a Realtor or Appraiser, whether you are buying or selling, you owe it to yourself to talk to us before you make what could be the most important decision of your life. At JHRE&A our clients' and customers' best interests are paramount! Your "locally owned and operated" Real Estate Company located at 181 US Hwy. 89 in Alpine, WY., across from Gunner's Pizza. You can also visit our virtual office at www.jhre.net or email us for more information at info@jhre.net.

If you would like a more detailed analysis of specific areas or a professional Realtor who really knows the market and its trends, please email or call one of the numbers below or write to P.O. Box 3225 - Alpine, WY 83128.

Sincerely,

Jackson Hole Real Estate & Appraisal, LLC
Alpine Branch
email: info@jhre.net
www.starvalleyreport.com

locally - 307.654.7575
toll-free - 877.654.7575

- * Overall means everything either sold or on the market in all of Star Valley, which includes homes, lots, condos, commercial, farm/ranch and multi-family.
- * 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 2007 compared to 2008.
- * The value of any individual property may, and probably will, vary from the average indicated in these graphs.
- * Median sale price is the cost of a property that has an equal number of similar properties above and below it on the price scale.
- * Average sale price is the total combined dollar volume divided by the number of sales.
- * This report is published and updated twice a year. Because of our fast moving market most of the statistics in this report are obsolete within two weeks. Therefore, you should not rely on this report to determine the value of a property, instead call me for a free market analysis.

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