

Park City, Utah – Real estate sales in Park City surpassed the billion dollar mark for the seventh time in 2011. Year-end statistics from the Park City Board of REALTORS® show an overall sales dollar volume of \$1,077,426,368, up 6% from \$1,013,432,555 for 2010. The number of sales continues to trend upward with 1,662 closed sales for 2011, up 17% from the 1,418 closed sales in 2010 and up 32% from the 1,131 sales in 2009.

Inventory levels have decreased since last year, with about 2,300 properties listed for sale compared to about 2,750 in 2010, a 13% decrease. Sales activity remains strong, which can be attributed to the reduced home, condominium and vacant land prices and the positive economic conditions in the state of Utah. For the Park City area, tourism, resort industries and a nationally ranked public school district continue to draw both primary and secondary home buyers.

It was predicted that 2011 would look much like 2010, and that turned out to be true. Just as in 2010, in 2011 the number of sales was up while prices continued to decline. The exception to this is that prices in some neighborhoods and some property types seem to have stabilized. Prices have declined in many areas and property types with the following exceptions: home prices overall and particularly in the Snyderville Basin were either flat or saw an increase, while vacant land prices in the Snyderville Basin and in the Heber Valley were either flat or have increased. “The market continues to be active, with the number of sales in all four quarters of 2011 being strong, with the second quarter of 2011 having the most sales that we’ve seen since the fourth quarter of 2007,” says Mark Seltnerich, Statistician and Past President of the Park City Board of REALTORS®.

Prices

Median sold prices in 2011 were down 13% for our overall market, although single family homes continue to be the strongest part of our market with a 1% increase. Condo median prices were down 16% and vacant lot median prices were down 13%. While the percentages improved in the second and third quarters, they are still well below where they were predicted to be at the beginning of the year.

Number of Sales

The number of closed sales in the Park City area in 2011 was up substantially over 2010. Home sales increased by 19%, condo sales were up 10% and vacant land sales were up 23% in 2011 compared to 2010. Just as had been noted throughout the year, the number of overall sales and home prices in particular are the two bright spots in our market.

Single-Family Homes

Home prices may be stabilizing. Although certain neighborhoods are still seeing declining prices, other neighborhoods are experiencing increased prices. This is similar to the national trend where the year end statistics showed three straight months of improved sales and is characterized by the National Association of REALTORS® as a “market in recovery.”

In reviewing the data for individual neighborhoods, some areas are certainly doing better than others. Median home prices in Old Town are down 14% to about \$817,500 while median home prices in Park Meadows are down 7% to an even \$1,000,000. Median home prices are also down 2% to about \$609,000 in the Silver Springs area. However median home prices in the Sun Peak area are up 25% to a median price of \$872,500, up 12% in the Old Ranch Road area to a median price of \$1,500,000 and up 13% in Pinebrook to a median price of about \$642,500. Conversely, median prices in Jeremy Ranch are down 11% at \$624,000.

Condos

Median condo prices inside the city limits are down about 28% from a year ago to a median price of \$539,500, while median prices in the Snyderville Basin area are down about 15% to a median price of about \$260,000. However, there are some areas where median condo prices have increased, including Empire Pass (up 25%), the Prospector area (up 12%) and Sun Peak (up 4%).

Vacant Land

Median lot prices were down about 18% inside the city limits, and were flat in the Snyderville Basin (exactly the same at a median price of \$160,000). However, just as with home and condo prices, certain neighborhoods did post median price gains, including Promontory (up 7%) and Summit Park (up 59%). The Promontory area had by far the highest number of sales in an individual area, accounting for over half of all lot sales in the Snyderville Basin area.

Foreclosures

As in 2010, foreclosures continued to be a significant part of our market in 2011. As reported previously, the number of Notices of Default (NOD's) in Summit County peaked in the third quarter of 2009 and has been falling since. In fact, the number of NOD's in 2011 was about half of what it was in 2009, and about one-third fewer than in 2010. The number of Trustee's Sales (foreclosures) peaked in the fourth quarter of 2009 and has also been generally falling since. The total number of foreclosures was down in 2011 about 25% from the higher numbers seen in 2009 and 2010. "The numbers are still historically high, but it is a positive sign that those numbers are decreasing," says Seltenrich. As for actual sales of distressed properties in our market, about 30% of all sales were distressed, a high number but down from 2010. Distressed sales still make up about 7% of all properties on the market.

In Wasatch County, the numbers of foreclosures is declining but the number of NOD's was still elevated throughout 2011. So even though there were fewer foreclosures in Wasatch County in 2011 than 2009 and 2010, the number of foreclosures is likely to increase in 2012 compared to 2011.

Looking Ahead

Prices in our market have, in general, been falling for four straight years, with many parts of our market being 40-45% below where those prices were at the peak. Similarly to how many erroneously thought in the mid-2000's that prices would keep rising "forever," it is just as erroneous to assume that prices will keep falling as they have over the past four years. It appears that prices have now corrected in virtually all parts of our market, and although price increases will probably be slow, future sizable declines seem unlikely. It continues to be a buyer's market, but choices are declining as the distressed properties are being purged from the market.

The bottom for home prices has probably already past, and that may be true of lot prices as well. Condos are probably nearing their low point or will reach that point in 2012. There continues to be strong buyer interest and activity, and hopefully the number of sales will be similar in 2012 to what they were in 2011. Properly priced properties will continue to sell, while properties that are priced too high will languish. Seltenrich advises, "With different neighborhoods responding differently to the current market, it continues to be very important to consult with your local REALTOR® to understand what the market is doing in your area."

The Park City Board of REALTORS® (PCBR) is a trade association of nearly 900 members comprised of REALTORS® and Affiliates from the greater Park City real estate industry. PCBR analyzes and reports on real estate trends for the greater resort community of Park City.