



Park City Market Report



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FIRST QUARTER 2010 OVERVIEW

The first quarter of 2010 showed signs that the real estate market in particular, and the overall economy in general, are in the early stages of recovery.

According to the National Association of Realtors, the sales of existing homes increased nationally in March, climbing 6.8 percent over February. Sales also increased significantly from March 2009, rising 16.1 percent. The first-time home buyer tax credit (which expired at the end of April) and lower prices also had a significant impact on the sales of existing homes. In addition, the upturn in interest rates prompted some buyers to move more quickly in order to secure favorable financing – a turn of events that no doubt comes as welcomed news to sellers as we move into the traditionally strong spring and summer sale seasons.

Speaking of interest rates, they are likely to play a major factor in the recovery of the housing market in general. While home values have fallen over the past 18 months, interest rates have remained at record lows. But as the economy starts its recovery, mortgage rates

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are bound to be pushed higher. In addition, the Federal Reserve Bank has slowed its purchase of mortgage-backed securities (MBS), which helped hold rates down. Now that the MBS buy-back program has slowed, interest rates have only one way to go – up. Be forewarned: some industry experts predict that interest rates could climb to six percent by this time next year.

Hello!

The past two years have created some unique and exciting opportunities in the Park City real estate market. With interest rates still near record lows, and home pricing starting to level off after some dramatic declines, it is a great time to be a buyer. The Keller Williams Park City Real Estate team has the knowledge and experience to help you understand and make decisions in the current and rapidly changing resort real estate market. Whether you are a buyer or a seller we are there to make sure you have a successful real estate transaction.

Please take a few minutes to look over our 2010 first quarter market review. This report will provide you with insightful information on the current general trends and what you can expect in the near future. If you have any questions regarding the Park City market or more detailed statistics for a particular area, call me and I will be happy to assist you in any way I can.



SUN PEAK

1750 Sun Peak Dr.
Park City, UT 84098

MOUNTAIN RESORT

1776 Park Ave. Ste 209
Park City, UT 84060

MAIN STREET

693 N. Main Street
Park City, UT 84060

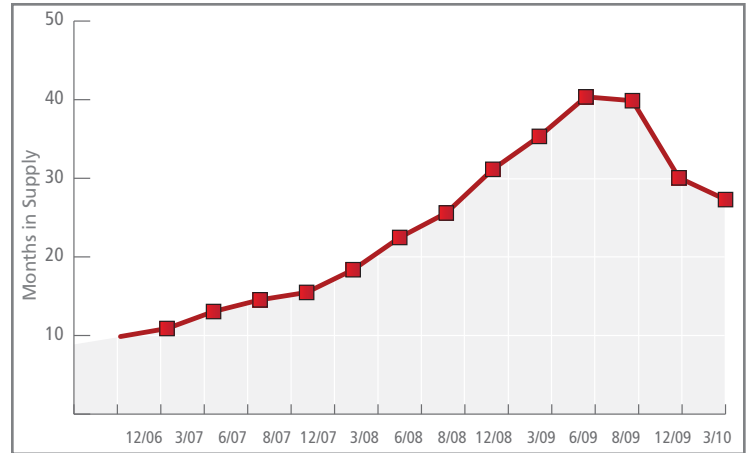
HEBER VALLEY

150 N. Main St. Ste 101
Heber, UT 84032

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HOUSING ABSORPTION

The Park City housing market's "absorption rate," which estimates how long it will take a house to sell, has fallen for the seventh month in a row. The absorption rate hit a high of 41.26 months in August of 2009. Currently, there is only a 27.29 month supply of inventory – a noteworthy sign suggesting that we are moving into an improving, more active real estate market. What has been a strong buyer's market over the past year could be moving back towards a more balanced market, signaling that the window of opportunity for buyers may soon be closing.

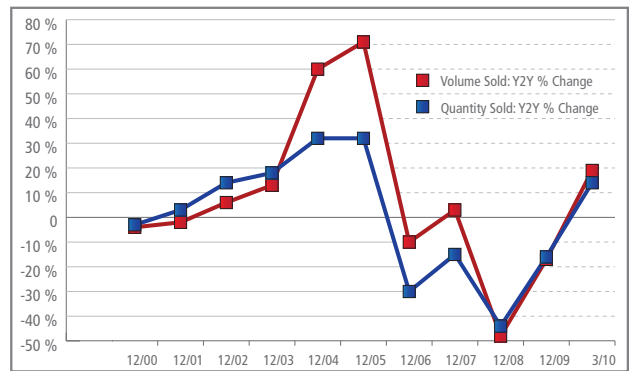


QUANTITY AND DOLLAR VOLUME SOLD

To say that activity in the Park City housing market has increased from the same time last year would be an understatement. During the first quarter of 2009, just 167 transactions took place in the greater Park City area (the lowest quarterly transaction total in 20 years). By comparison, 325 closed during the first quarter of 2010, nearly a 100% increase.

	Q1	Q2	Q3	Q4
2005	775	1157	1131	965
2006	763	767	686	596
2007	634	604	604	609
2008	375	356	359	245
2009	167	246	344	355
2010	325			

The 12-month rolling average (of the number of houses sold in the Park City area) jumped last October and has increased steadily since, marking the first time there has been sustained positive growth in the rolling total of units sold since November 2005. The 12-month rolling total of dollar volume has seen an equally impressive jump during the past six months. The rolling total volume sold in March reached \$1,021,240,993, up 19 percent over the previous year.



Yet another significant statistic, and one that supports the hypothesis of a bottom in housing prices, is the 12-month rolling average of the single family home median sales price. Over the 18-month period of April 2008 to September 2009, the median home price fell 27% – from \$710,000 to \$500,000. That price has now remained flat for seven months, further indicating that housing pricing has found a bottom.

SALE PRICE VS. LIST PRICE RATIO

SELLERS SEEING MORE RETURN IN Q1 '10

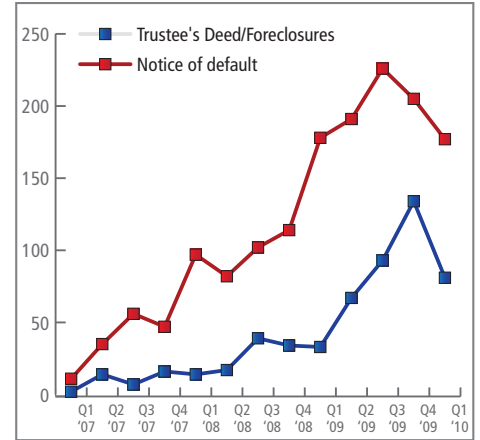
The sale-price versus list-price ratio has dropped nearly every month since December of 2007. This ratio measures the difference between what a home listed for and the price at which it sold. In February,

the sale-price versus list-price ratio hit 94.80 percent, up from 94.75 percent in January. The ratio remained at 94.80 in March, suggesting that buyers are moving closer to paying what sellers are asking – yet another sign that the Park City market may have reached a bottom in terms of property devaluation.

<p>SUN PEAK 1750 Sun Peak Dr. Park City, UT 84098</p>	<p>MOUNTAIN RESORT 1776 Park Ave. Ste 209 Park City, UT 84060</p>	<p>MAIN STREET 693 N. Main Street Park City, UT 84060</p>	<p>HEBER VALLEY 150 N. Main St. Ste 101 Heber, UT 84032</p>	<p>TRUST · EXPERIENCE</p>
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FORECLOSURES AND NOTICE OF DEFAULT

An additional indicator of a housing market's strength, or weakness, is the number of foreclosures and notices of default taking place. In the first quarter of 2007, just two foreclosures occurred in Summit County. That number has increased every quarter since, reaching a high of 134 in the fourth quarter of 2009. In the first quarter of 2010, the number of Summit County foreclosures dropped to 81, a 40% decline. The number of notices of default also dropped, from 205 in the fourth quarter of 2009 to 177 in the first quarter of 2010, a 14% decline. Lower numbers of foreclosures and defaults are strong indicators that the economy and housing market have started to recover.



It is also worth noting that the foreclosures and notices of default in Wasatch County, adjacent to Summit County, declined in the first quarter of 2010 over the fourth quarter of 2009. Foreclosures dropped from 65 to 61, and notices of default fell from 129 to 94.

OTHER NOTES ON PARK CITY

Encouragingly, just as the economy starts to bounce back and the housing market begins to stabilize, Park City and Summit County have been the subject of



noteworthy articles in the national media. Forbes.com recently announced that Summit County ranks as the 22nd wealthiest county in the nation, having a median household income of \$85,258.

beauty of its year-round community along with the quality and variety of its skiing, golf and numerous recreational activities. The article also noted Park City's close proximity to the Salt Lake International airport.

The business newspaper Barron's singled out Park City as one of the Top 10 places to buy a



second home in America. Park City showed up number four on the list – ahead of Aspen, and the highest ranked ski resort. Barron's attributed Park City's high ranking to the

Considering the improving national economy, encouraging local real estate trends, and

positive exposure in the national media, Park City and its surrounding areas appear to be poised for positive growth over the weeks and months immediately ahead.

A New Look for A New Decade

To usher in the new decade, Keller Williams Park City Real Estate is launching a brand new look to better reflect our growing position in the Park City Real Estate Market. This new branding initiative is intended to better reflect the quality of our agents and better serve our valued customers.



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