

STAR VALLEY BREAKS SEVERAL RECORDS

Star Valley broke several records the first half of 2006 indicating a consistently strong market, while real estate throughout the rest of the country levels off. Our unique market continues to boom seeing buyers from Florida to California and everywhere in between. The area we saw the most change from early 2005 to 2006 was in vacant land sales. According to the Lincoln County Assessors Office, Northern Star Valley saw 143 lot sales for a median price of \$85,000, which was the largest increase in the history of Northern Star Valley. This was due in part to the number of new subdivisions on the market such as Alpine Meadows Subdivision located near the Alpine Junction. The Alpine Meadows lots along with many others in the area offer affordability and close proximity to Jackson Hole and Idaho Falls. These lots are being consumed by a large number of buyers looking for investment property in an area still seeing rapid rates of appreciation. The growth continued further south as well, where Star Valley Ranch has seen a 75% increase in total number of sales with a median lot sale price of \$66,000 for the first six months of 2006. The surge of buyers in the Ranch express that even though the prices have increased they are still extremely affordable. Considering this is a golf and recreational community bordering national forest, it is unique in comparison to the rest of the country.

HOW STRONG IS THE STAR VALLEY MARKET?

We have seen a large portion of Star Valley buyers spilling over from Jackson to invest in other areas surrounded by National Forest with similar recreational activities at more affordable prices. This makes the levels of appreciation in neighboring areas around Jackson Hole no surprise. While Star Valley continues to see an increase in housing and commercial development, it still offers a taste of small town life that makes for the perfect getaway from life in the city.

And once again, we are seeing baby boomers nearing retirement who are finding that their one million dollars won't buy them the dream home they were looking for in Jackson Hole. Just an easy thirty to forty minutes drive down the Snake River Canyon, they are finding a beautiful valley in a unique setting where their money not only buys their dream but leaves something in their bank account for their retirement years.

OVERALL MARKET IN STAR VALLEY:

When comparing the first half of 2005 to 2006 the overall market saw a 43% increase in the average price, which went from \$152,604 to \$218,139. Plus a 52% increase on total number of sales in the valley. The good news doesn't end there. The total dollar volume spent in Star Valley was up over 175%. One of the major contributing factors in the overall market was Star Valley Ranch remaining a hot spot. Although prices for vacant land in the Ranch continue to rise, it was still the most affordable lots in the Northern part of the valley. Offering a variety of recreational amenities and still close to Jackson Hole, it is still a favorite of the young and the old. Also contributing to the overall climb in the market were the sales in the Southern part of the valley as well. We are continuing to see more development of land in the area while also adding to the recreational possibilities with the new Johnny Miller designed 18-hole golf course.

The segment of the Star Valley market with the most activity, for the first half of 2006, was vacant residential land sales where we experienced a 141% increase in the number of total sales and the total dollar volume was up an astounding 197% as compared to the same period in 2005.

CURRENT OVERALL AVAILABLE INVENTORY:

The number of overall active listings on the market, as of July 1st, increased 32%. Again, the increase in inventory doesn't seem to have had an effect on the asking prices, as the overall average price for active listings went from \$278,210 to \$468,159 or up 68%. The median price for active listings also seemed unaffected by the increase of available inventory as the median in 2005 was \$192,000 and this year is \$249,000, or an increase of 30%. The dollar volume of available properties, as of July 1st, was \$245 million for an increase of 122% when compared to July 1st 2005. The area that we are seeing the most demand and shortage of inventory are single family homes for less than \$250,000 in the Northern part of the valley. When these homes do hit the market, they are usually under contract in a short amount of time.

REAL ESTATE CURRENTLY UNDER CONTRACT:

There were 102 listings under contract, as of July 1st, 2006, with an average listing price of 299,920 (up 37%), a median listing price of \$215,000 (up 43%) and an overall dollar volume of \$30,591,000, up a strong 92%. Compare these stats to what has already closed this year and one can safely state that Star Valley has moved into a Seller's market!.

AREAS OF STAR VALLEY:

Southern Star Valley (Smoot to Bedford) - 3,057 deeds.
Northern Star Valley (Bedford to Alpine) - 5,024 deeds.

Star Valley Ranch - 2,068 deeds.

JACKSON HOLE REAL ESTATE & APPRAISAL, LLC has served the Star Valley for over twenty-six 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, Wyoming (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,

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*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.

*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.

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SINGLE FAMILY HOMES (VALLEY-WIDE) - The housing segment in our valley continued to strengthen in the first six months of 2006. While the valley experienced a 26% rise in the total number of single-family home sales, the big story was a tremendous increase in the overall dollar volume, up 46%, and the average price was also up 17%. With the Fed holding interest rates steady the last few times it has met, we are still seeing the surge of first-time homebuyers and the continuing influx of second homebuyers. Buyers are realizing that they can get a lot more for their dollar in Star Valley yet still be close to the amenities that Jackson Hole and Idaho Falls have to offer.

OTHER VALLEY-WIDE STATS:

Under contract: 38 - with an average list price of \$298,665 and the median list price of \$250,000.

Active Listings: 195 homes with an average list price of \$405,656 and the median list price of \$318,000.

Least Expensive Listing: \$80,000. This buys you a 3 bedroom, 2 bath, 1,500 sq. ft. home in Afton that was built in 1984.

Most expensive listing: \$2,350,000 - this buys you a 6,700 square foot custom log home with high-end lighting, flooring, appliances and finishes on 1.14 acres in Star Valley Ranch.

SALES BY AREA:

Northern Star Valley (The Hot Spot) had 44 home sales with an average sale price of \$293,460 and a median sale price of \$255,000 (up 18%).

Star Valley Ranch had 38 home sales with an average sale price of \$217,422 (up 10%) and a median sale price of \$190,000 (up 13%).

Southern Star Valley had 28 home sales with an average sale price \$290,435 (up 94%) and a median sale price of \$165,000 (up 28%).

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RESIDENTIAL VACANT LOTS (valley-wide) - This segment of the market is where we saw the biggest change during the first six months of 2006. There was a 141% increase in the number of total sales for the valley and the total dollar volume was up an astounding 197% as compared to the first half of 2005. With all of this action, we have also seen the average sale price rise from \$77,874 to \$95,055, for an increase of 22%. Continuing to drive this segment of the market is the amount of speculative buying in the valley. More and more buyers are finding better appreciation rates in vacant land than in the stock market. This has been the case for vacant land throughout the whole valley, whether someone buys a larger tract and subdivides, or the investor buys a single lot and sits on it. People are realizing that real estate is a better investment than the stock market at this time.

OTHER VALLEY-WIDE STATS:

Under Contract: 44 with an average list price of \$170,633 and a median list price of \$120,000.

Active Listings: 220 with an average list price of \$192,353 and a median list price of \$125,000.

Least Expensive listing: \$45,000 - a .3-acre lot in Star Valley Ranch, a golfing and resort community.

Most expensive listing: \$495,000 - this buys you 5.2 acres bordering Bridger National Forest in the Bridger Forest subdivision outside of Bedford.

SALES BY AREA:

Northern Star Valley (The Hot Spot) had 143 lot sales with an average sale price of \$113,467 and a median price of \$85,000 (up 13%). Why is Northern Star Valley the Hot Spot? This area continues to be fueled by the speculative buyer. Real estate has always been a great place to invest your disposable income. With the ever-increasing demand for real estate in Star Valley from Jackson Hole commuters, second home owners, and retirees, Star Valley should continue to be a great place to park your investment dollars for a long time to come.

Star Valley Ranch had 46 lot sales with an average sale price of \$46,120 (up 283%) and a median sale price of \$45,000 (up 286%).

Southern Star Valley had 18 total sales with an average price of \$73,846 and a median sale price of \$58,000 (up 22%).

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FARM AND RANCH (35+ acre parcels) - This segment of the market has really picked up in 2006. The **number of lots sold was up 185%** and the **dollar volume was up 104%** (to over \$13 million) when compared to the first six months of 2005. The average and median sale prices also had strong showings with \$986,501 for the average price and \$450,000 for the median sale price. Star Valley North had the bulk of sales from second homes owners, whose money didn't go very far in Jackson Hole.

What is driving this segment of the Star Valley market? While we are seeing some locals trading up into these larger tracts of land, the bulk of sales in 2006 were again to second homeowners. Like smaller residential vacant lots, when you compare the communities within a 60-mile radius

around Jackson Hole, Star Valley had the lowest average sale price for 35+acre parcel. Jackson Hole's average sale price was over \$8 million, and Driggs/Victor, Idaho came in at \$2.1 million. When you combine Star Valley's sheer beauty with endless recreational opportunities, it becomes clear that Star Valley continues to be a real bargain.

OTHER VALLEY-WIDE STATS:

Under Contract: 11 with an average list price of \$906,363 and a median list price of 747,000.

Active Listings: 47 with an average list price of \$1,809,130 and a median list price of \$900,000.

Least Expensive listing: \$385,000 - a 36-acre parcel near Thayne.

Most expensive listing: \$8,900,000 - 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. This ranch, south of Smoot also stretches into Utah and Idaho

SALES BY AREA:

Northern Star Valley had 30 total sales with an average sale price of \$1,087,335 and a median price of \$450,000.

Southern Star Valley had 10 total sales with an average price of \$987,475 and a median sale price of \$675,000.

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REAL ESTATE TIPS

The Median Sale Price: Why this is a more accurate number to focus on:

While we use both the average and median sale price when reporting the real estate news, the Star Valley market is better understood and tracked when using the median sale and list price. In some larger real estate markets, where the range of sale prices can be tightly compressed, the average sale price (the total sales dollar volume divided by the number of sales) is a fairly good indicator. But, in a market like Star Valley where the least expensive home for sale in July 2006 is \$69,500 and the most expensive home for sale is \$2.35 million, the average sale price becomes skewed very fast. With the average sale price as an indicator, if the market has a few really high-end sales (\$1 to \$2 million) in a given six month period it can appear that the market has heated up. On the flipside if the market has more low-end sales (\$80 to \$150k), it can appear the market is cooling down, which isn't always the case.

By looking at the median sale price (the cost of a property that has an equal number of sales above and below it on the price scale), the Star Valley market can be more accurately understood. It takes many more sales in a given price range to make the median sale price move and therefore isn't so sensitive to the time of year or the amount of money being spent on a property in any given six month period.

When considering a time to sell your home our market is unique in that we get an influx of buyers in the summer and fall. We see a huge jump in listings in the start of summer. This makes mid to late summer a great time to list. You will generally find less competition and an increase in serious buyers. If you are considering selling during this time frame you may want to start preparing your home to sell in the spring. First impressions are extremely important and can be a "deal maker or breaker". Simple things you can do to help stage your home include a fresh coat of paint or stain on your front door. A thorough cleaning with special attention to detail on windows, the kitchen and bathrooms all helps out tremendously. Candles can make a home feel more inviting and aromas such as cinnamon have been said to appeal to more people. Make sure to get rid of any unnecessary clutter, boxes, and free up as much counter space as possible. All of these simple tips can get you moving in the right direction and help get your home sold! For a more specific analysis of your home set up a free consultation with one of our Alpine agents.