

Market Update – Yearend Summary 2013

Residential: Local Market Dominates Sales as Inventory Continues to Decline

*Commercial: Jackson Commercial Property Values Remains Stable,
Developers Enter Market With Speculators*

Residential - Observing data compiled through the end of 2013, it is noted that the number of residential real estate sales (single-family homes, attached homes, and vacant lots) are up from 481 total sales during 2012, to 626 sales this year (an increase of over 30%). This rate of increase is slightly greater than the 28.6% increase in number of sales observed when comparing 2012 volume to that of 2011. Notably, this yearend sale volume is only a rounded 23% less than the volume noted at this time in 2006 (the last year unaffected by the mortgage crisis of 2007). It could be argued that a low-twenties disparity in current sales volume numbers from that of 2006 is not a measure that is indicative of a recovery. However, when noting that the 2013 number of sales is 172% above the 2009 low recording of 230 sales, a more positive perspective is gained. It is also believed by many that a lack of inventory, not demand, is the primary limitation to greater sales volume figures. Further indication of the ongoing recovery is that the dollar volume of sales is up over 17% from the preceding year. The average price for real estate is down nearly 10%. However, this was due to an increase of more moderately priced inventory being sold throughout the year to date, with the local-oriented market showing a 60% jump in number of sales, while the resort-oriented market only grew by 6.3% in transaction numbers. The intuition that the declining average sale price is due to the changing composition of the inventory of sold homes (and not value erosion) is further corroborated by the examination of individual property sales / re-sales, which provide the indication that values, on average, have been increasing between .25% and 1% since the market reaching an inflection point in mid-2011.¹ Observation of active listings as of December 2013, shows that the available residential sales inventory is currently 10% less than it was at this time last year and currently only 21% above 2007 levels. While this presents a challenge for those seeking a home, it provides a benefit to the selling side of the equation.

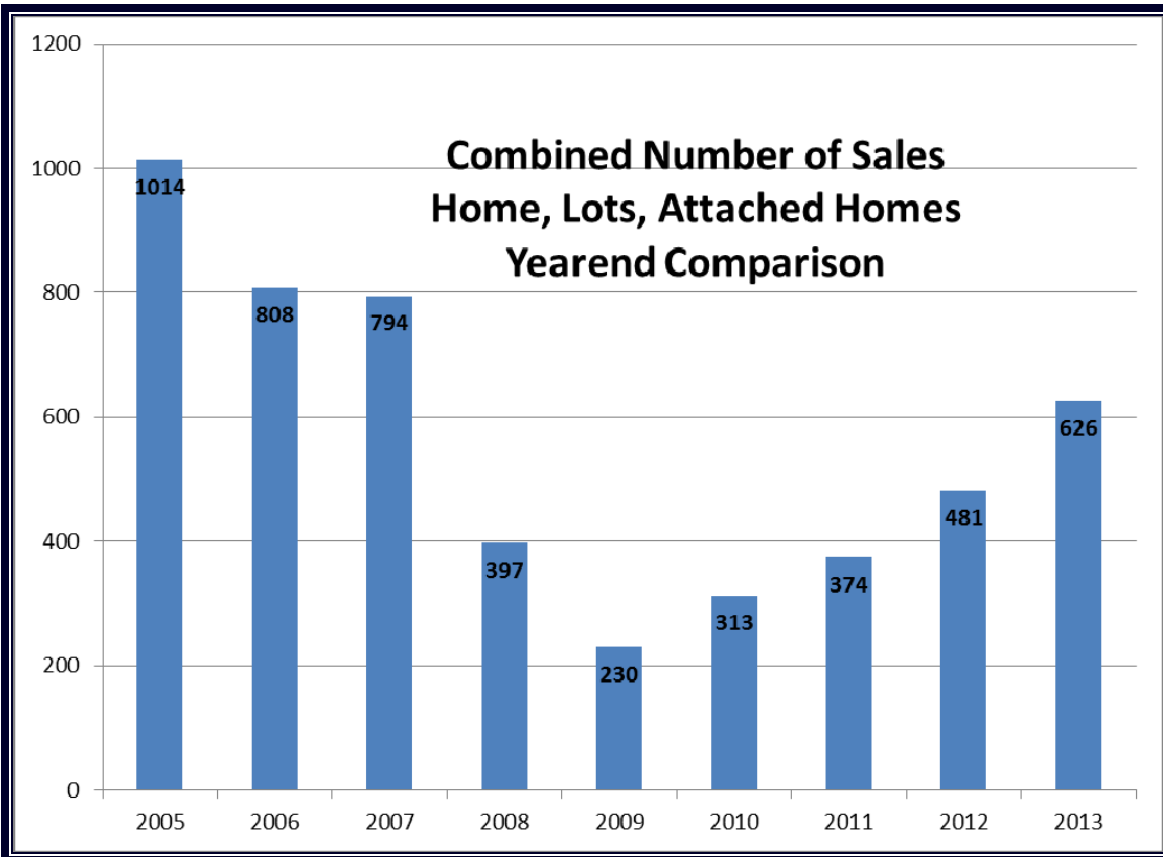
Commercial – The number of commercial sales as of yearend was down slightly, but this drop is not seen as being a significant indicator of commercial activity due to the small sample size. Moreover, commercial capitalization rates remain bullish for Teton County, with office and retail properties most often yielding capitalization rates between 5% and 6%. A positive for the commercial market is also gleaned from the fact that developers are now competing for vacant land, removing this market from being the exclusive haunt of speculators and land bankers.

¹ Value trends vary between market segments and property types.

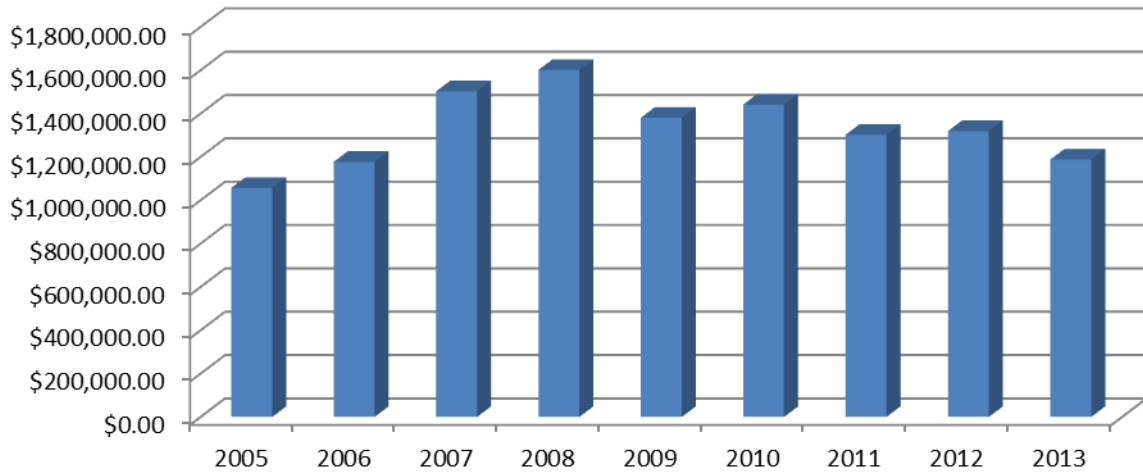
Combined Sales Data – All Property Types

Combined Statistics for Single-Family, Attached-Home and Vacant Land - December 31 YTD Comparison										
Year	2005	2006	2007	2008	2009	2010	2011	2012	2013	%Δ 2012-2013
# Sales - Local Market	485	348	362	186	103	137	173	211	339	60.66%
Dollar Volume Local Market	\$226,281,618.48	\$206,447,506.36	\$266,472,696.17	\$163,006,382.00	\$71,740,279.68	\$82,498,250.00	\$94,662,295.58	\$108,014,208.41	\$202,992,895.35	87.93%
Average Price Local Market	\$466,560.04	\$594,949.59	\$736,112.42	\$881,115.58	\$696,507.57	\$602,177.01	\$563,466.05	\$511,915.68	\$600,570.70	17.32%
# Sales - Resort Market	529	460	432	211	127	176	201	270	287	6.30%
Dollar Volume Resort Market	\$845,674,517.00	\$743,495,086.00	\$926,635,646.00	\$471,184,126.94	\$245,893,680.94	\$365,816,601.00	\$372,846,085.01	\$523,857,050.00	\$536,915,933.00	2.49%
Average Sale Price Resort Market	\$1,598,628.58	\$1,616,293.67	\$2,144,989.92	\$2,233,100.13	\$1,936,170.72	\$2,102,394.26	\$1,952,073.74	\$1,954,690.49	\$1,883,915.55	-3.62%
Total Number Sales	1014	808	794	397	230	313	374	481	626	30.15%
Total Dollar volume	\$1,071,956,135.48	\$949,942,592.36	\$1,193,108,342.17	\$634,190,508.94	\$317,633,960.62	\$448,314,851.00	\$467,508,380.59	\$631,871,258.41	\$739,908,828.35	17.10%
Average Price	\$1,057,155.95	\$1,177,128.37	\$1,502,655.34	\$1,601,491.18	\$1,381,017.22	\$1,441,526.85	\$1,302,251.76	\$1,319,146.68	\$1,187,654.62	-9.97%

Summary of Market Statistics



Average Transaction Price (All Property Types) December 31 YTD Comparison



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Vacant Homesite Market Segment

Vacant Land Sales - December 31 YTD Comparison										
Year	2005	2006	2007	2008	2009	2010	2011	2012	2013	%Δ 2012-2013
# Sales - Local Market	63	29	53	22	10	15	15	23	50	117.39%
Dollar Volume Local Market	\$27,491,006.00	\$13,372,500.00	\$31,699,769.20	\$23,213,500.00	\$8,519,500.00	\$5,561,500.00	\$5,527,222.00	\$8,288,050.00	\$19,322,486.00	133.14%
Average Price Local Market	\$436,365.17	\$461,120.69	\$598,108.85	\$1,055,159.09	\$851,950.00	\$370,766.67	\$394,801.57	\$360,350.00	\$386,449.72	7.24%
# Sales - Resort Market	183	126	145	43	31	40	49	78	73	-6.41%
Dollar Volume Resort Market	\$253,476,749.00	\$239,447,757.00	\$342,591,800.00	\$111,753,500.00	\$48,519,225.00	\$57,360,000.00	\$81,133,590.01	\$137,217,750.00	\$109,774,000.00	-20.00%
Average Sale Price Resort Market	\$1,385,118.85	\$1,900,379.02	\$2,362,702.07	\$2,598,918.60	\$1,565,136.29	\$1,509,473.68	\$1,886,827.67	\$1,782,048.70	\$1,546,112.68	-13.24%
Total Number Sales	246	155	198	65	41	55	64	101	123	21.78%
Total Dollar volume	\$280,967,755.00	\$252,820,257.00	\$374,291,569.20	\$134,967,000.00	\$57,038,725.00	\$62,921,500.00	\$86,660,812.01	\$145,505,800.00	\$129,096,486.00	-11.28%
Average Price	\$1,142,145.35	\$1,631,098.43	\$1,890,361.46	\$2,076,415.38	\$1,391,188.41	\$1,187,198.11	\$1,520,365.12	\$1,455,058.00	\$1,066,913.11	-26.68%

The vacant homesite market was up in number of sales by nearly 22%. This volume growth was heavily dominated by the local-oriented market, which showed an over 117% growth in number of transactions when compared to 2012. The heavy increase in transactions from the local market diluted the overall average sale price for vacant land. However, this should not be misconstrued as being indicative of value loss. On the contrary, comparisons of sales and re-sales of vacant land have shown a brisk rebound in value in several market segments since the observed ceasing of devaluation for most market segments in mid-2011. Furthermore, the decline in average price and sales volume of the resort vacant land market should not be misinterpreted as a stagnating of this market segment, as the first half of 2012 saw six sales in excess of \$3,000,000, whereby not more than three had been seen for this time period since 2008. These high-end lot sales (including one bulk purchase of three lots with prices greater than \$5,000,000 each) totaled over \$30,000,000, providing an anomalistic bump to the 2012 midyear numbers (which causes the misperception of a softening for the high-end land market in 2013).

Address	SaleDate	SalePrice	% Appreciation	Appreciation Per Month
Lot in Melody Ranch	11/18/2011	\$195,000.00		
	4/1/2013	\$260,000.00	33.33%	2.00%
Lot in 3 Creek Ranch	5/13/2011	\$495,000.00		
	12/20/2012	\$550,000.00	11.11%	0.57%
Lot in Kams Hillside	4/4/2012	\$327,000.00		
	4/22/2013	\$439,810.00	34.50%	2.70%
Lot in Indian Springs	10/4/2012	\$2,200,000.00		
	6/17/2013	\$2,275,000.00	3.41%	0.40%
Vacant Land Appreciation Since Stabilization in mid-2011				

Attached Home (Condominium / Townhouse) Market Segment

Attached Home Sales - December 31 YTD Comparison										
Year	2005	2006	2007	2008	2009	2010	2011	2012	2013	%Δ 2012-2013
# Sales - Local Market	233	164	144	80	39	60	62	79	136	72.15%
Dollar Volume Local Market	\$76,040,929.48	\$60,796,533.36	\$73,645,149.22	\$48,430,573.00	\$19,020,479.68	\$29,793,250.00	\$22,761,215.00	\$24,641,108.41	\$65,015,694.20	163.85%
Average Price Local Market	\$326,355.92	\$372,984.87	\$511,424.65	\$613,045.23	\$487,704.61	\$496,554.17	\$367,116.37	\$311,912.76	\$478,056.58	53.27%
# Sales - Resort Market	202	188	141	101	36	59	64	78	87	11.54%
Dollar Volume Resort Market	\$181,705,064.00	\$186,266,199.00	\$160,804,662.00	\$143,115,626.94	\$54,004,694.94	\$87,786,400.00	\$56,289,701.00	\$76,827,300.00	\$81,121,250.00	5.59%
Average Sale Price Resort Market	\$899,530.02	\$990,777.65	\$1,140,458.60	\$1,416,986.41	\$1,500,130.42	\$1,487,905.08	\$893,487.32	\$984,965.38	\$932,428.16	-5.33%
Total Number Sales	435	352	285	181	75	119	126	157	223	42.04%
Total Dollar volume	\$257,745,993.48	\$247,062,732.36	\$234,449,811.22	\$191,546,199.94	\$73,025,174.62	\$117,579,650.00	\$79,050,916.00	\$101,468,408.41	\$146,136,944.20	44.02%
Average Price	\$592,519.53	\$703,882.43	\$822,630.92	\$1,064,145.56	\$973,668.99	\$988,064.29	\$632,407.33	\$646,295.59	\$655,322.62	1.40%

The number of sales in the attached home (condominium / townhouse) market was up 42% overall in 2013. Similar to the market for vacant land, this growth was dominated by the more moderately-priced local market. The result of this sales allocation being that only slight price growth was shown by the aggregate numbers, despite individual sale and re-sale comparisons showing more pronounced price growth since the 2011 inflection point of the sales pricing trends.

Address	SalesDate	SalePrice	Change In %	Appreciation Per Month
Eagle Village Area	May-11	\$326,000.00		
	May-13	\$345,000.00	5.83%	0.23%
Cottonwood Flats Area	Jan-11	\$454,000.00		
	Sep-13	\$455,000.00	0.22%	0.01%
Meadowbrook Area	Feb-12	\$129,905.00		
	Jan-13	\$130,000.00	0.07%	0.01%
Metro Plateau Area	Aug-11	\$360,000.00		
	Aug-13	\$460,000.00	27.78%	1.12%
Elk Run Ln	Jul-11	\$474,000.00		
	Oct-13	\$545,000.00	14.98%	0.53%
Teton Village - Granite Ridge	Jul-12	\$1,635,000.00		
	May-13	\$1,825,000.00	11.62%	1.11%
Teton Village - Granite Ridge	Nov-11	\$2,445,000.00		
	Mar-12	\$2,850,000.00	16.56%	4.14%
Teton Village - Granite Ridge	Jul-11	\$2,100,000.00		
	May-12	\$2,200,000.00	4.76%	0.46%
Teton Village Condo-tel	May-12	\$675,000.00		
	Mar-13	\$860,000.00	27.41%	2.94%
Teton Village Condo-tel	Nov-11	\$595,000.00		
	Aug-13	\$680,000.00	14.29%	0.66%

Single Family Market Segment

Single Family Home Sales - December 31 YTD Comparison										
Year	2005	2006	2007	2008	2009	2010	2011	2012	2013	%Δ 2012 - 2013
# Sales - Local Market	189	155	165	84	54	62	96	109	153	40.37%
Dollar Volume Local Market	\$122,749,683.00	\$132,278,473.00	\$161,127,777.75	\$91,362,309.00	\$44,200,300.00	\$47,143,500.00	\$66,373,858.58	\$75,085,050.00	\$118,654,715.15	58.03%
Average Price Local Market	\$649,469.22	\$853,409.50	\$976,531.99	\$1,087,646.54	\$818,524.07	\$760,379.03	\$721,454.98	\$688,853.67	\$780,623.13	13.32%
# Sales - Resort Market	144	146	146	67	60	77	88	114	127	11.40%
Dollar Volume Resort Market	\$410,492,704.00	\$317,781,130.00	\$423,239,184.00	\$216,315,000.00	\$143,369,761.00	\$220,670,201.00	\$235,422,794.00	\$309,812,000.00	\$346,020,683.00	11.69%
Average Sale Price Resort Market	\$2,850,643.78	\$2,176,583.08	\$2,898,898.52	\$3,228,582.09	\$2,389,496.02	\$2,865,846.77	\$2,769,679.93	\$2,741,699.12	\$2,724,572.31	-0.62%
Total Number Sales	333	301	311	151	114	139	184	223	280	25.56%
Total Dollar volume	\$533,242,387.00	\$450,059,603.00	\$584,366,961.75	\$307,677,309.00	\$187,570,061.00	\$267,813,701.00	\$301,796,652.58	\$384,897,050.00	\$464,675,398.15	20.73%
Average Price	\$1,601,328.49	\$1,495,214.63	\$1,878,993.45	\$2,037,598.07	\$1,645,351.41	\$1,926,717.27	\$1,705,065.83	\$1,733,770.50	\$1,665,503.22	-3.94%

Single family home sales were up in number nearly 26%. Similar to the other market segments, this growth was largely fueled by the local market segment, which diluted aggregate price averages, despite homes in most market segments showing measurable price growth as is noted in the following table of sales and re-sales.

Address	SalesDate	SalePrice	Change In %	Appreciation Per Month
Home in Hoback Area	Feb-11	\$465,000.00		
	Apr-13	\$650,000.00	39.78%	1.52%
Home in Rafter J Area	Jun-12	\$428,000.00		
	May-13	\$445,000.00	3.97%	0.37%
Home in Melody Ranch Area	Feb-13	\$735,000.00		
	Aug-13	\$800,000.00	8.84%	1.62%
Home in Melody Area	Nov-12	\$715,000.00		
	Nov-13	\$840,000.00	17.48%	1.39%
Home in Gill Addition Area	Apr-12	\$1,100,000.00		
	May-13	\$1,200,000.00	9.09%	0.70%
Home in Gill Addition Area	Mar-11	\$1,350,000.00		
	Mar-13	\$1,525,000.00	12.96%	0.55%
Home in East Jackson Area	Jan-11	\$950,000.00		
	Jul-13	\$1,340,000.00	41.05%	1.34%
Home in Bar B Bar Area	Sep-11	\$1,085,000.00		
	Aug-13	\$1,300,000.00	25.60%	1.09%

The result of the appreciation trend in many market segments has been the observance of price points that are approaching that of the high water marks noted in 2007 and 2008. Such value recapture has been most frequently noted in markets comprised of higher-end single-family residences, with attached homes still typically showing a greater disparity between current pricing and previous highs. The following table arrays data pertaining to tracked home sales and re-sales, with the initial sale occurring between January of 2007 and August of 2008, and the second sale (of the same property) occurring during the 2013 calendar year.

Recent Sales Price as a Percentage of Peak Values

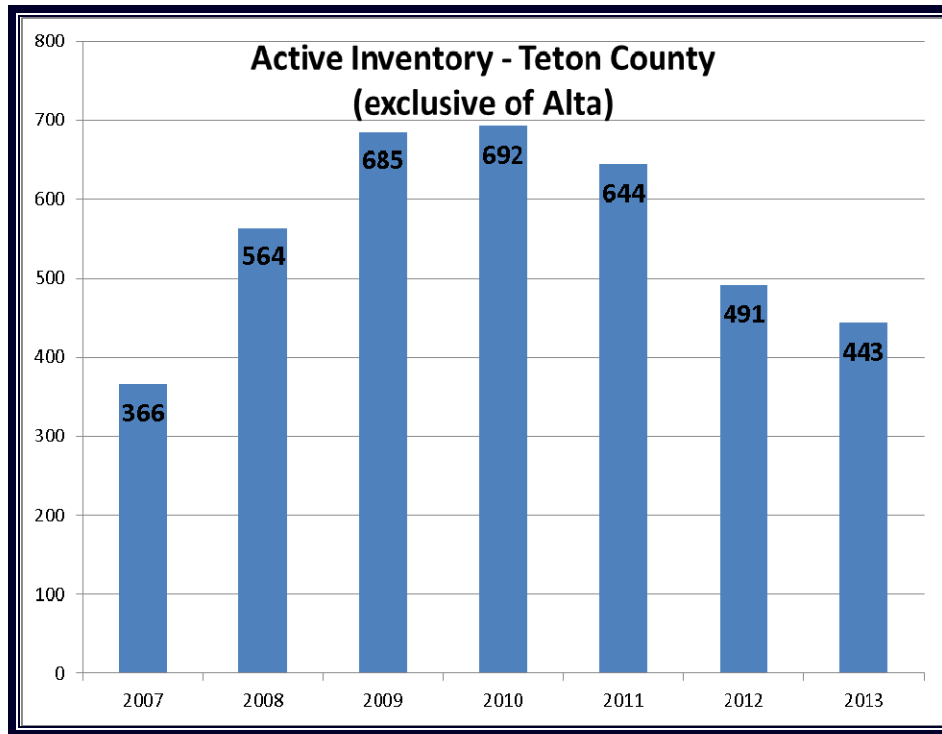
Property	Percent of Peak Value		Comment
	Range	Average	
Teton Village Condominium	50.1% - 61.28%	56.62%	Most units are noted to be back to their 2008 price levels. However, being one of the first market segments to devalue due to lack of financing, this is still below 2007 peaks.
Teton Village Single Family Residence	84.82%	84.82%	One comparison falling within the date parameters is a small sample. However, a 2012 sale of a multi-million dollar home was noted to sell at the same price it sold for in 2007.
North of Town Single Family Residences	78.4% - 99.78%	93.96%	One market segments showing the strongest level of recovery, newer homes in developments such as Bar B Bar Meadows, and the Jackson Hole Golf & Tennis have traded near their 2007 prices.
Skyline Ranch	59.65% - 77.79%	68.68%	Two homes in Skyline Ranch sold at price points approaching 70% of their 2007 sale prices.
Golf and Tennis Condominiums	62.09% - 94.53%	79.34%	Attached homes in the general area of the Jackson Hole Golf and Tennis are selling at price points approaching 80% of peak values.
West Bank Single Family Homes (excluding Teton Pines)	91.13% - 106.41	100.00%	Homes west of the Snake River appear to be trading near 2007 price points. However, this is based on a limited sample of three sales.
Aspen Condominiums	66.67%	66.67%	Two Aspen condominiums sold at prices approaching 67% of their previous sales price during 2007.
Town and South of Town Attached Homes - Condominiums	41.66% - 69.14%	52.21%	Attached homes in the town and south of town market areas traded in 2013 at price points that approximated slightly greater than 50% of their sale prices in 2007.
Town and Rafter J Single-Family Detached Homes	52.12% - 96.23	74.40%	Homes in the limits of the town of Jackson, as well as Rafter J Ranch traded in 2013 at prices averaging nearly 75% of the prices at which they sold in 2007 .

As can be noted in the preceding table, some single-family home segments appear to be approaching 2007 price points, while attached homes are remaining at a lesser percentage of peak values. An interpretation of this data to definitively state that any market segment is completely back to its 2007 price levels should be made with caution due to the limited sample size of comparisons available.

The Supply Side

The market has exhibited a shrinking inventory since 2010, with a lack of inventory now being cited by some real estate professionals as being an impediment to sales volume:

Active Listings Teton County - Exclusive of Alta, Wyoming - Yearend 2013 Comparison																
		2007		2008		2009		2010		2011		2012		2013		%Δ
Type	Area	Number	Avg. Price	Number	Avg. Price	Number	Avg. Price	Number	Avg. Price	Number	Avg. Price	Number	Avg. Price	Number	Avg. Price	
SFR	Teton Village	6	\$6,870,833	15	\$5,393,333	17	\$6,547,647	12	\$5,585,833	15	\$7,651,933	9	\$3,656,111	7	\$3,870,714	-22.22%
SFR	West Bank	39	\$6,892,049	83	\$4,059,529	76	\$3,543,322	90	\$3,267,250	91	\$3,360,495	69	\$3,624,420	66	\$3,379,750	-4.35%
SFR	Buttes and North	40	\$4,880,600	50	\$5,089,470	73	\$4,796,699	80	\$4,122,341	55	\$4,201,491	55	\$4,647,251	41	\$4,431,951	-25.45%
SFR	Town and South Park	55	\$2,660,600	91	\$1,589,943	115	\$1,811,169	103	\$1,691,655	94	\$1,446,945	54	\$1,978,739	36	\$2,031,678	-33.33%
		2007		2008		2009		2010		2011		2012		2013		
Type	Area	Number	Avg. Price	Number	Avg. Price	Number	Avg. Price	Number	Avg. Price	Number	Avg. Price	Number	Avg. Price	Number	Avg. Price	
COTH	Teton Village	43	\$1,852,451	73	\$1,799,286	69	\$1,416,293	77	\$1,496,025	57	\$1,341,981	40	\$1,538,415	34	\$1,436,176	-15.00%
COTH	West Bank	19	\$795,100	14	\$723,250	19	\$644,021	25	\$710,320	22	\$549,245	13	\$536,000	10	\$713,550	-23.08%
COTH	Buttes and North	1	\$845,000	5	\$769,780	9	\$823,656	7	\$938,857	13	\$792,481	10	\$827,375	8	\$836,500	-20.00%
COTH	Town and South Park	31	\$868,215	74	\$760,331	88	\$640,878	89	\$475,235	91	\$463,636	45	\$612,387	33	\$540,042	-26.67%
		2007		2008		2009		2010		2011		2012		2013		
Type	Area	Number	Avg. Price	Number	Avg. Price	Number	Avg. Price	Number	Avg. Price	Number	Avg. Price	Number	Avg. Price	Number	Avg. Price	
Land	Teton Village	6	\$3,740,000	9	\$3,837,778	14	\$3,056,786	17	\$3,712,059	18	\$3,553,333	13	\$2,837,692	18	\$2,739,444	38.46%
Land	West Bank	26	\$2,671,107	26	\$2,394,827	35	\$1,926,928	48	\$2,715,042	37	\$2,599,892	41	\$2,227,390	36	\$2,071,222	-12.20%
Land	Buttes and North	56	\$4,033,237	71	\$4,119,694	83	\$3,835,205	68	\$3,564,382	77	\$3,280,396	71	\$2,375,458	77	\$2,839,864	8.45%
Land	Town and South Park	44	\$3,092,614	53	\$1,623,632	87	\$1,556,661	76	\$1,167,591	74	\$1,249,492	71	\$1,180,127	77	\$1,847,565	8.45%
Total Active Inventory		366		564		685		692		644		491		443		



Real Estate – Commercial

Trend analysis of the Teton County commercial real estate market is hampered due to the size of the market area. That is to say that the relatively small number of commercial real estate transactions occurring create a situation where one sale can easily skew averages and median price data. Therefore, the health of the Teton County commercial real estate market is most accurately described without heavy dependence on statistical measures. That said, it was noted that the number of improved commercial sales in the Teton County market area numbered 16 sales, which is two less than the 18 sales that occurred in 2012 (with 18 also being the number of sales that occurred in 2011). When examining recent trends in rent and vacancy levels, it appears that vacancy for both office and retail has stabilized, with second-tier spaces still taking longer to lease than newer, better located spaces. Perhaps the previously hardest hit of commercial market segments had been development parcels that were slated to be redeveloped with mixed use buildings, often featuring ground floor retail and high-end residential condominiums on their upper floors. With the economic feasibility (and in some cases legal permissibility) of such developments becoming questionable in 2009, property values for such property lost as much as 70% of their value from previous peak levels. The year 2013 saw an indication that some bounce back was occurring in the vacant land market, with one premier development parcel selling for 50% of peak value (as opposed to the greater level of loss that had previously been hypothesized). Encouragingly, current land pricing, construction costs, and rent numbers can often be considered to create a new project that is economically feasible in today's market. This is different than the pre-recession market, which required that a project's construction costs would be justified by the hope of next year's price increases.

Retail Market – The retail market for 2013 saw five sales. This was an increase from the two sales of the previous year, with the observed sales trading at overall capitalization rates of between 5% and 6%, a range that has remained relatively stable over the past two years. Rents for this market segment can range from \$10.00 per square foot for large retail spaces suitable for big box tenants, to approaching \$50.00 per square foot for spaces in proximity to the Jackson Town Square – with smaller “kiosk” spaces renting for even more. Leases had typically been written in a triple net format, with the tight retail market having allowed for well-located properties to command premium rental rates. However, vacancies rose throughout 2008-09 with reports of concessions being offered in both rental rates and interior build-out and landlord absorbing some building expenses (rather than passing them all through to tenants) being noted. Significantly discounted rents were noted to be negotiated during 2011. However, during 2012 and 2013, rents have been noted to stabilize at rates typically within 15% - 20% of peak values.

Office Market – The office market for 2012 saw only two sales of pure office space, a number two less than that of the two previous years. Capitalization rates accepted by investors and owner occupants typically existed between 5% and 6%, with some sales transacting at rates of return less than 5%. Prior to 2007, the office market in Teton County had been one of the stronger commercial sectors, with very little available space to rent. The shortage of office space that existed in 2007 spilled over into early 2008, before the contracting economy was acknowledged in this market segment. The contracting economy’s effect on this segment had been compounded by the completion of several large projects that were begun during the more robust economy. A lack of demand combined with increased inventory forced rental rates for office property downward at this time. Properties previously thought to have rental rates above \$30.00 per square foot were being leased for less than \$20.00 per foot. This trend began to stabilize during the summer of 2011, with some larger office projects that had been completed near the peak of the market achieving stabilized occupancy; 2012 and 2013 saw a slow but perceptible strengthening of the office market, with rents typically approaching levels within 15% of peak values.

Light Industrial – The light industrial segment of the Teton County Commercial Real Estate Market in 2013 saw seven sales, up one sale from the previous year. Most of these sales were properties suitable for owner-users, whose assumptions of full occupancy and personal use typically equated to overall rates less than 6%.

Hotel / Motel – One lodging property sold in 2013, on the heels of two large hostelry transactions occurring in 2012 (The Snow King Hotel in Jackson and the Snake River Lodge and Spa in Teton Village having been purchased). Heading into the winter season, hostelry operators were cautiously optimistic on the upcoming winter season with advance bookings reported to be slightly up in Teton Village, while reportedly remaining level for most in-town properties. The Rocky Mountain Lodging Report provides that revenue per available room (RevPar) for the Jackson market place was up approximately 4.5% as of yearend 2013.

Vacant Land (Commercial) - During the approximate five years leading up to the current period, vacant commercial land had enjoyed strong price growth. This growth in price existed with most land type categories, but was most noticeable in the intensely-zoned UC (Urban Commercial) zoning district. This was largely due to the speculation that, through the use of the PMUD (planned mixed-use-development) provision of the Jackson Land Development Regulations, large amounts of building area could be profitably developed. Further fueling the price growth in land conducive to PMUD projects was the inclusion of residential product in PMUD developments. The influence being that many developers envisioned strong price growth for residential product and were willing to pay premium prices for land as a result. As a result, land sales in Jackson's more development-intensive zoning districts progressed from price points in the \$130 per square foot range in late 2005 to over \$265 per square foot in 2008. In 2012, two sales of properties that are similar to the properties that at the above-specified peak values sold for between \$109 and \$123 per square foot. A similar discount was reported for the UC-zoned (Jackson's most intense zoning designation) parcel on Broadway, which is reported to have sold for approximately 50% of its pre-2007 value. Teton Village saw heavily discounted prices in 2012, where the development parcels that were purchased in 2007 for the development of high end condominium hotel projects (reported Ritz Carlton and Little Nell Hotels) were sold out of foreclosure for discounts as great as 75% off of their previous acquisition prices. While those sites remain undeveloped, the first development project since the onset of the recession broke ground in the fall of 2013, with a larger combination residential / commercial project being presently underway. Encouragingly, this development, as well as that of the new Walgreens, is examples of land purchases that have occurred for development, rather than land banking or speculation.

Commercial Rental Supply and Demand - As was discussed in the previous analysis of the retail and office sectors, the rental market in Jackson appears to have stabilized. And, while no dramatic rebounds are to be noted, the rental market appears to be slowly improving. As of January 2013, the Teton County MLS was reporting a combined tally of slightly over 27,000 square feet of office and retail space. This trend continued over the course of 2013, with 21,266 square foot of office and retail space as of January 2014. While not as tight as pre-2008 occupancy, this is in considerable contrast to 2009, when the addition of several new projects to the existing office retail space created an excess supply that was approximate to be as high as comprising 50,000 – 60,000 of unused space.

Data Provided by:



Teton County's Premier Real Estate Analysts