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July 29, 2020 – At the end of the second quarter of 2020, the importance of tracking trends in year-over-year housing statistics for Summit and Wasatch Counties continued to pale in the face of the growing influence and impact of the COVID-19 on the industry. The numbers show strong appreciation with increases in both average and median sale price as well as dollar volume as reported by the Park City Board of REALTORS® Multiple Listing Service. Fears that the market might be facing a long term slow down followed by a slow, sustained recovery period were short lived. While the market dipped quickly in April, by mid-May the recovery was already beginning. By mid-June, many areas of the market had recovered fully and some were exceeding the prior year results.

The greater Park City service area (Summit and Wasatch counties combined) in general continues to show great stability in single family homes. The number of homes sold increased 2% with the median sale price holding steady year over year, and days on market decreasing slightly (down 6%).

The strongest single-family price gains appeared in the fast growing Tuhaye/Hideout area on the east side of the Jordanelle Reservoir where the median sale price jumped 51% to almost \$1.7 million. The Jordanelle overall posted a 18% median price increase over the same period in 2019 with a 27% increase in number of homes sold.

Condominium sales continued sustained strength in second quarter increasing 13% in units sold (904 vs 802 sold in 2019) with a solid median price gain of 16%. Vacant land sales increased 12% to 548 units on slightly lower median prices, down 9% to \$279,000 from the year prior.

A closer look – Single Family Homes

Among the five major areas measured by the Park City MLS, homes within the Park City limits fared well with units sold dipping slightly while prices held steady.

- Within Park City Limits, total unit sales were down 5% to 157 units over 2019 while sales volume was down as well to \$403 million, a 15% drop year-over-year.
- The median price of a single-family home across the city fell 3% to \$2.03 million
- But in Old Town, while sales volume was up 9% (50 units), the median price rose 16% over 2019 to \$2.01 million
- Snyderville residents saw a similar small drop in sales volume (down 6%) while the Median price increased 4% to \$1.3 million

- The hotspots were south and east of the metro area in Jordanelle which saw vigorous activity (sales units up 27%) that pushed the sales volume to \$116 million, up 42% from the year earlier.
- Heber Valley saw a 14% rise in sales units and 26% higher sales volume while the Median price remained steady at just over a half-million dollars.
- As we saw in first quarter, Tuhaye/Hideout was the hot spot in the region with Median price jumping 51% in a year to nearly \$1.7 million on strong gains in sales units and sales volume.

The Jordanelle area continued its dominance in the two-county area when measured by Median price appreciation jumping fully 18% in median price to just over \$2.0M on unit sales that were up 27% over last year. That median price bumped Park City proper from its long-held perch as the most expensive area.

Heber Valley again had over 340 home sales in the last 12 months as demand remained strong for this growing community with good schools and near proximity to the Park City ski resorts.

The number of home sales in the Snyderville Basin tracked closely to last year's number and while prices remained steady to slightly up.

- The Promontory neighborhood led the price appreciation parade with 20% growth in their median price, topping the \$2.3 million mark.
- In Jeremy Ranch sales were down slightly compared to the year before but the median price rose a respectable 19% to \$1.25M.
- Promontory saw the greatest number of home sales in the Basin with a total of 75, 7% more than the year before.

Despite fluctuations in the regional markets, Single Family sales activity on a region wide basis was on par with the year prior with unit sales up 2% and median prices unchanged.

Single Family Summary One Year Period ending 6/30/20	Qty Sold	% Chg	Sales Volume	% Chg	Average Price	% Chg	Median Price	% Chg
Park City	157	-5%	403,867,895	-15%	2,572,407	-10%	2,030,000	-3%
Snyderville Basin	331	-6%	578,778,444	-2%	1,748,575	5%	1,300,000	4%
Jordanelle	61	27%	116,162,316	42%	1,904,300	12%	2,075,000	18%
Heber Valley	341	14%	264,642,071	26%	776,076	10%	545,000	2%
Kamas Valley	103	-23%	100,885,927	12%	979,475	45%	549,900	10%
Wanship/Hoytsville	63	62%	35,074,131	69%	556,732	5%	485,000	12%
Total Primary Market Area	1,056	2%	1,499,410,784	2%	1,419,897	1%	927,500	0%

A closer look – Condominium Sales

If you're looking for the hot action in home sales, look no further than the condo market. For the Summit and Wasatch Counties combined market area, the number of sold condominiums was up 13% to 904 units compared to the previous 12 months. Median pricing was up as well to \$650,000, 16% above the year earlier.

- The Condo market in Old Town Park City continued to be solid with sales up slightly (7%) in units on a modest gain in Median price of 8% to \$615,000.
- Park Meadows and Deer Crest were the standout neighborhood performers with sales up 33% in each while the Median prices climbed 44% and 62% respectively.
- In the Snyderville area, Canyons Village saw the biggest gains with sales units almost doubling last year's number (233 units) and sales volume following suit with 171% rise in the Median price to over \$950,000.

- Condo sales in Midway were up 39% with the Median price increasing slightly by 8% gain to \$340,000.
- Heber topped Midway in Condo sales with a 173% increase (30 units) and 199% in sales volume.

In the Snyderville Basin, there were more than 380 condos sold and the median price continued its upward trend growing 26% to \$695,000.

- By neighborhood, Canyons Village had the highest number of closed sales at 233 and the median price in Canyons Village jumped 53% to \$952,000.
- Outside of the core neighborhoods, as we saw in single-family sales, the nexus of activity was in the Heber Valley and Midway areas which saw sales jump 81% and median prices gain 2% to over \$288,000.

Condominium Summary One Year Period ending 6/30/20	Qty Sold	% Chg	Sales Volume	% Chg	Average Price	% Chg	Median Price	% Chg
Park City	305	2%	332,854,534	0%	1,091,326	-2%	791,000	-1%
Snyderville Basin	381	36%	369,090,455	89%	968,741	40%	695,000	26%
Jordanelle	138	-20%	89,142,848	-14%	645,963	7%	641,000	5%
Heber Valley	74	80%	26,463,515	81%	357,615	0%	288,600	2%
Kamas Valley	6	-25%	2,979,087	-6%	496,514	26%	503,529	16%
Total Primary Market Area	904	13%	820,530,439	26%	907,666	12%	650,000	16%

Conclusion

Overall, the second quarter numbers continue to reinforce the stability and pricing consistency within the greater Park City area despite fluctuations seen in other cities as a result of the nationwide pandemic. Pricing growth continues at or slightly above the national average.

As the second quarter of 2020 drew to a close, the overwhelming effect of the COVID-19 virus pandemic was in full force and fury in Summit and Wasatch counties. The area had weathered the near complete shutdown of businesses and recreational activities. The U.S. as a whole was going through a bounce in reported cases as many states reopened too soon and without appropriate safeguards in place to quell the spread of the disease. Many governors were forced to reinstate closings and issue mask mandates. The only good news seemed to be that the real estate market, at least in the Wasatch Back area, was resilient and rebounding.

As of the July 4th holiday weekend, New Listings were tracking parallel to the listing rate in 2019 after hitting their nadir between mid-April and early-May. Pending contracts bottomed in mid-April, but exceeded 2019 totals in all but one of the following ten weeks to finish the quarter with 41% more Pending listings than in the same period the year before. Closed sales which usually track four to six weeks behind contract signings, were expected to catch up quickly.

The negative economic impact of the pandemic, as expected, has been widespread. Unemployment has spiked by magnitudes unseen in history. Locally, the tourism industry has been hardest hit with local businesses that rely on summer vacationers struggling to stay afloat. But the effect on housing at least on a local level has been far less than during the housing crisis of 2008.

What's pushing the market? Mortgage lenders have kept rates the lowest they have been in 60 years, some dropping below 3%. This has made borrowing more attractive even for first time home buyers. Sellers have been slow to return to the market, perhaps out of concerns about strangers touring their homes without sanitation

awareness. This has pushed median sale prices, particularly in “outlying” areas higher with Jordanelle (up 18%) and Kamas Valley (up 10%) seeing the greatest gains.

The biggest unknowns facing the industry in the months ahead focus on how the continuing Covid-19 pandemic will affect the fall opening of schools and the winter ski season. Can both activities be allowed to continue while still following appropriate social-distancing guidelines? Or will a resurgence of the virus compel local authorities to tighten the restrictions and further complicate the economic relationships between business, education, and recreation? It is a situation that must be closely watched as we head into late summer and early fall.

What do Park City agents see coming in the next three to six months? Here are a few observations and predictions from those with their fingers on the pulse of the market.

- There will be no slowdown anytime soon. Many specialty and resort markets, particularly those in the upper end of the price curve are blessed. These markets are holding strong or expanding.
- Most ski resorts are confident they will open fully and on schedule with all runs open and terrain maintained. Food and beverage may be affected but their intention is to open with the full experience operational for their guests.
- Many expressed concerns about the economy in general. Will unemployment rate come down and will people have money to spend on recreation, not just on houses?
- Ski resorts may be affected by federal visa restrictions. Finding sufficient capable staff may be a challenge which may point to more local hires.
- The biggest unknowns: the pending November election and the uncertain level of tourism coming to Park City for ski-season.

We have no crystal ball, but local market watchers are optimistic that the uniqueness of Park City area housing stock may continue to insulate this market somewhat from larger macro-level changes elsewhere in the country.

Real estate in the Wasatch back consists of highly segmented markets with nuances that vary significantly from one neighborhood to another and one house to another. Comparisons are hard to read on paper due to the unique features of individual properties, such as amenities, condition, style, location, age, and inventory. Buyers and Sellers are advised to contact a local Park City Board of REALTORS® Professional for the most accurate, detailed, and current information.