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## 2007 YEAR IN REVIEW

### MARKET UPDATE

The Killington real estate market has been moving through what is considered to be a normal cycle, and has transitioned from a seller's market, to a balanced market, and ultimately into the current buyer's market, which is expected to continue for an extended indefinite period of time. Inventory has grown significantly in all categories of real estate, including condominiums and single family houses, with condominiums representing the largest inventory that we have seen in many years. Particularly one and two bedroom condominiums are in the largest supply. Appropriately so, asking prices have been reduced in many instances by sellers to adjust for the increase in supply and the reduction in demand. Properties have been selling, but at a greatly reduced pace and with downward pressure on selling prices.

Interest rates remain low and continue to be attractive to many buyers. However, the sub-prime mortgage crisis has caused many buyers to adopt a much more conservative and cautious approach to purchasing real estate, and lenders have appropriately tightened up lending practices, and are now qualifying borrowers much more extensively. Lenders are also requiring appraisers to justify real estate property values much more carefully. This is actually very good news for the long term stability of the market.

Serious buyers are looking for considerable value and are well aware of the existing supply and demand factor in the current real estate market. They are looking at comparable sales within the last year, considering the range and ranking of asking prices for similar properties, and are negotiating more aggressively than has been typical in recent years.

Despite the significant slowing of the real estate market nationally, regionally, and locally, we remain optimistic that opportunities still exist for very desirable sales, if properties

are well maintained, priced appropriately for the market, and are effectively marketed. Of course, the time on market should be expected to be longer than has been typical in recent years, as a result of the much larger inventory and fewer buyers in the marketplace.

**HOMES:** 10 homes sold in Killington in 2007 compared to 23 in 2006. The list prices range from \$289,000 to \$1,375,000 and the selling prices range from \$269,000 to \$1,275,000. There are currently 44 homes on the market starting at \$249,000 to \$1,950,000, another new record for Killington. There are no homes under contract in Killington.

**CONDOMINIUMS:** Only 53 condos sold in 2007 down from 68 in 2006. The 2nd half of the 2007 saw 33 condos sold compared with 37 in the same period of 2006. The average sales price was \$242,125 compared to \$288,793 in 2006. Overall sales prices dipped slightly in all complexes. The year recorded a 22 per cent drop in units sold. The current inventory of 128 units is up from the beginning of 2006.

**LAND:** 1 lot sold in 2007 compared to 15 in 2006. The sales price was \$130,000. There are 21 residential parcels on the market right now ranging in price from \$60,000 to \$595,000. There are two commercial parcels are listed for \$1,400,000 and \$2,950,000.

Our first newsletter was published in December of 1996. The average sales price of a house in Killington was \$166,000. There were 196 condominiums for sale ranging in price from \$32,500 to \$349,000. This is our 46th newsletter and we continue to appreciate your comments and suggestions. We look forward to working with you in 2008 and as always, if we can be of any assistance to you, please do not hesitate to contact any one of our associates.

Best wishes for 2008 from all of us!