

THE HOLE REPORT

“Buyer’s Market Fading Fast”

WELCOME TO THE MOST TRUSTED REAL ESTATE NEWS SOURCE IN JACKSON HOLE, PUBLISHED SEMI-ANNUALLY TO KEEP ALL OF TETON COUNTY WELLINFORMED ON OUR LOCAL MARKET.

It’s been a Buyer’s Market for almost four years now. But, like interest rates, real estate prices are going up, properties are selling faster and available inventory is quickly being depleted. We don’t expect this Buyer’s market to last much longer as the traditional strongest time of the year for sales is still to come.

As most of you know, a Buyer’s Market is when supply outpaces demand. With excess inventory Buyer’s don’t feel the pressure to have to buy right away. In fact, most Buyers tend to procrastinate in hopes that the market will soften even more. This, in turn, forces the motivated Seller to drop his price below past market value in order to sell. Today, not only are Sellers not dropping their prices; but they are starting to get better than the market values of the recent past. And, as inventory continues to be depleted, many Sellers will hold out for more than current market value.

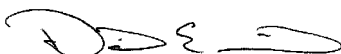
When compared to the first six months of 2003, the overall market this year had a 21% increase in the number of sales. The dollar volume was way up, by 51%, while the number of properties under contract was down 5%. Looking at the number of active listings on the market, as of July 1st, inventory is down 10%. For more details on the overall market go to: www.jacksonholereport.com

Across the board, we are seeing a larger number of closed transactions this year, most notably for vacant land sales. This segment of the market has really exploded with the number of sales up 55%, dollar volume up 99% and the median sales price up 102%. Even the upper end of the vacant land market is seeing more buyers with a 70% increase in closed transactions for properties over \$1 million so far this year vs. 2003.

I hope this report will give you some sense of market trends and, as always, I would be glad to discuss them further with you. This report does not go into detail on every segment of the market, but is intended to offer an overview of general market conditions, changes in number of transactions and average sales prices. The value of any individual property may and probably will vary from the average indicated in these graphs.

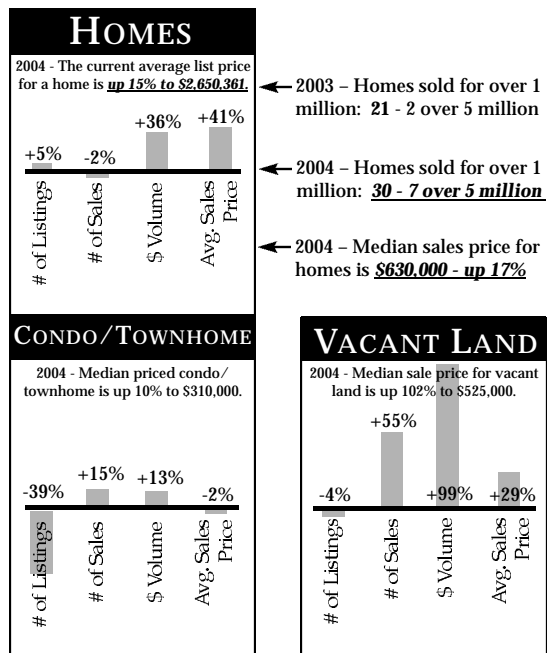
If you would like a more detailed analysis of specific areas, back issues of the Hole Report or are in need of my services, please email or call one of the numbers below or write to P. O. Box 7436 - Jackson Hole, WY83002 Attn: David Viehman.

Sincerely,



David E. Viehman
 Owner, Broker
 Jackson Hole Real Estate & Appraisal, LLC
 800-735-8385 or 307-733-3436 x 211
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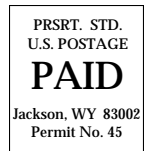
Jackson Hole Real Estate Activity January - June 2003 vs. January - June 2004



Homes - While the total number of sales is down 2% so far this year, the single family home market is showing great strength with 36% more dollar volume, 41% higher average sales prices and a 17% higher median sales price when compared to the first six months of 2003. Meanwhile, available single-family home inventory is up slightly, by 5%, but so are the average and median asking prices, +15% and +7% respectively. Homes “under contract” are a little sluggish, down 16%, but the median sales price is up 10%. For a more in-depth understanding of this segment of the market go to: www.jacksonholereport.com

Condo/Townhomes - The condo/townhome market is still fairly strong. The number of sales is up 15%, dollar volume is up 13% and the median sales price is up 10%. This segment is no longer a Buyer’s Market as the number of units for sale continues to drop, down 39%. Listings under contract also reflect a departure from a Buyer’s market with 24% more transactions, 78% higher overall dollar volume and a 44% higher average sales price when compared to 2003. For more on this segment go to: www.jacksonholereport.com

Vacant land - This segment of the market is really moving again. The number of sales is up 55%, the dollar volume is up 99%, average sales price is up 29% and the median sales price is up 102%. Active listings are also seeing the same trend with 4% fewer available listings, a 24% higher average asking price and an 8% higher median asking price. For a better understanding of why this segment of the market is turning the corner into a Seller’s Market go to: www.jacksonholereport.com



Return Service Requested

Postal Customer

Alpine, Wyoming - Jackson Hole Real Estate & Appraisal is proud to announce that, after 23 years in our old location, we are expanding our Alpine branch office in a big way! Because of Alpine's growing popularity (with Jackson Hole commuter's staying in Wyoming stretching their real estate dollars further) we decided to expand our operations with a new office and bring all the tools that have made us so successful in Jackson Hole.

Our new office is just two doors southeast from our old location and directly across from Gunner's Pizza. The new building will be over 4,000 sq. ft. and will house 12+ Realtors and Appraisers. We will be wired for the high-tech world with tools no other real estate company in Star Valley has ever offered. Completion is scheduled for late September 2004.



Like our JH search engine web site (see below) we have over 300 local businesses posted for the Alpine area with free links. This site provides free advertising to local vendors allows locals and non-residents alike to surf the web for all their local needs. This site is live and ready go to work for you. For a free posting or to preview go to www.starvalleysearchengine.com

Our new Star Valley database is one of the major high-tech additions to our Alpine office. As in Jackson, we now have every single property owner in the Star Valley area in a central database. This includes all owner's names and addresses, property legal descriptions and their physical addresses, state and county ID numbers, zoning, tax codes and much more.

Daily email search engine - Following the success of our Jackson daily search engine, this fall we will be offering our on-line clients a way to watch the Star Valley real estate market on a daily basis. The search engine lets us help you keep an eye on the real estate market so you don't have to work so hard searching through all the different newspapers and web sites out there.

With our daily real estate search, we offer a no-pressure way for you to find the piece of property you've been looking for. Just fill out the on-line form at www.jhre.net/marketwatch.html once, and we'll send you emails whenever a property that fits your criteria comes on the market. You can select all the features that are critical to you, such as price, size of home, acreage, beds and baths etc., or you can choose to watch the entire market. The search results will give you lots of pertinent information, such as maps showing you how to get to the property, photos, and plenty of information about each listing.

Star Valley semi-annual newsletter - Like the Hole Report you are currently reading, we will be offering the "Star Valley Report". Twice a year we will report on the real estate market including what just happened in the last six months, trends in the market and a prediction of what's to come. Look for the first addition to be published in print and at www.starvalleyreport.com in late January 2005.

Alpine/Star Valley websites: We have the web covered in Star Valley, just go to: www.starvalleyrealestate.com, www.alpinewyominguarealestate.com, www.starvalleysearchengine.com, www.starvalleyreport.com or our main site www.jhre.net



Jackson Hole's hottest web site - Jackson Hole Search Engine is hosted by Jackson Hole Real Estate & Appraisal, LLC. Our goal is to provide **free internet links (ads) to everyone** doing business in Jackson Hole. Big or small, new or as old as the Tetons, we want everyone to generate more business and at the same time discover the wonders of internet marketing here in Jackson Hole.

We launched www.jhsearchengine.com in 2002 and the traffic has continued to climb every month since. The site currently enjoys thousands of monthly visits from locals, tourists and consumers alike and has generated countless new customers for the 1,200+ businesses currently listed on the site. The site also offers free classified ads and a community calendar of events for everything in Jackson Hole (schools, non-profits, the arts, recreation, support groups & entertainment). The best thing about this site is that you can password protect your link and change the information at your convenience.

So whether you offer accounting, advertising, art galleries, baby sitting services, construction, dry cleaning, food or groceries, health care, night life, snowplowing, scenic tours, ski instruction or just whatever you do, as long as you are doing business in Jackson Hole we want your link. **You do not need a web site or email address to advertise your business.** Either stop by the office, call and ask for Sylvia who can input your information for you, or go to www.jhsearchengine.com and sign yourself up on-line.

RECEIVE THE HOLE REPORT BY EMAIL: If you would like to be emailed when the Hole Report is updated on the world-wide web (save a tree), just send your email address to: david@jhre.net or call me at 800-735-8385 x211, locally 733-3436.

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*All statistics are supplied by sources that have been deemed reliable but are not guaranteed.

*All statistics quoted in this newsletter are based on sales in the first six months of 2003 compared to the first six months of 2004.

If you are a property owner in Jackson Hole and would like a **FREE no-obligation market analysis** on the value of your real estate as it relates to the current market please call, write or email today. I will not only give you the competitive price range, but will also keep you updated every spring and fall thereafter. If you're not a Jackson Hole property owner but would like to **watch the local market via email, need current sales data** and a professional to help you make your first or next purchase, or would just like to be put on mailing/email list for the Hole Report please call, write or email today!