

THE HOLE REPORT

Another Record Year

WELCOME TO THE SECOND ANNUAL REPORT ON THE JACKSON HOLE REAL ESTATE MARKET

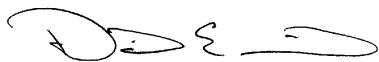
The market in 1996 was, as we predicted, another strong year across the board. The growing popularity and recent media exposure of Jackson Hole is showing its impact and we expect this trend to continue for years to come.

The over all market this year saw 23% more transactions, the average price climbing 35% and the dollar volume swelling 66% more than last year. What's mind boggling was the 41 million-dollar-plus transactions, double that of 1995. Removing those 41 transactions for statistical purposes, gives us a clearer picture. This will show that the number of transactions was still up by 18% over last year, the average price was up 8% and dollar volume climbed 28%.

I hope this report will give you some sense of market trends and as always I'll 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 showing year-to-year changes in numbers of transactions and average sales prices for homes, lots and condos. The value of an individual property could and probably will vary greatly from the average indicated in the graphs.

If you would like a more detailed analysis of specific areas or back issues of the Hole Report, please call one of the numbers listed below or write to P.O. Box 3281, Jackson, WY 83001 Attn: David Viehman.

Sincerely,

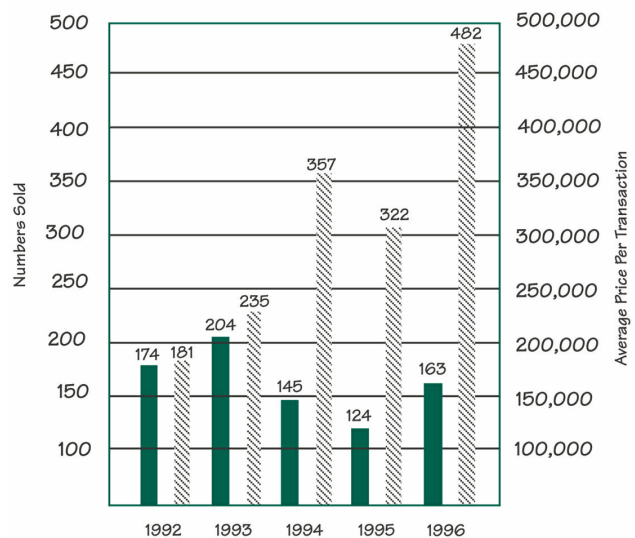


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Residential Lot Sales



Residential vacant lots - Land values are still on the rise, again due in part to the million dollar sales. Taking out these sales, the average price only rose 2% to \$277,000; however, we still had 24% more transactions.

The introduction of two inexpensive, smaller lot subdivisions in 1995 is still contributing to the decline of lot sales in the 200k - 300k price range. Note: Once this inventory has been depleted, look for prices to increase.

The strongest segment was what we call "Dream Property" - Trees, Teton views, waterways or all three combined. There were 17 such properties that sold for more than \$1 million this year, totaling more than \$38 million.

Only a few more active listings at years end, compared to 1995. Note: Listings took 33% longer on the average to sell.

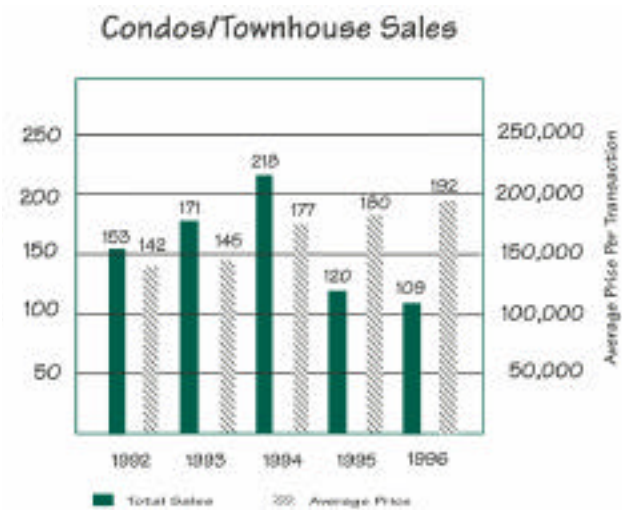


Crystal Ball Corner

I feel the market is going to remain slow in the less than \$500,000 range. Condos and Townhomes in the resort districts should do well this year. Lot sales over 3 acres should be very brisk. I feel the hot spots will be specialty properties with river access, Teton views, privacy or all three. Also, look for the number of million dollar + transactions to increase over the record of 1996.

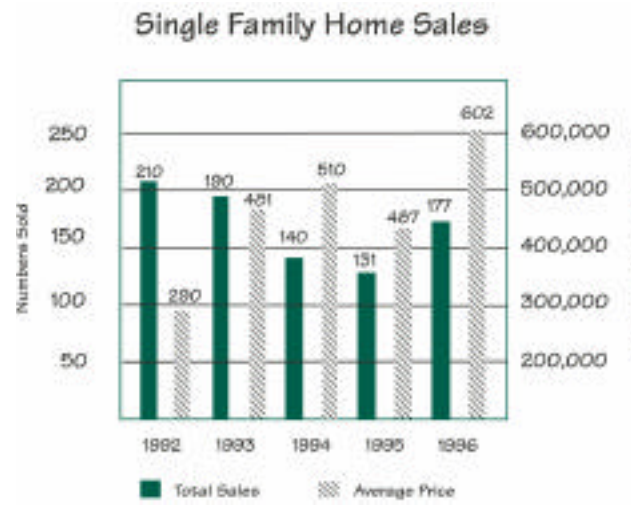
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Condo/Townhomes - This segment of the market saw the smallest growth in 1996. Two of the factors were, 11% more available properties on the market and an excess of newly built in-town units left over from the building boom of 1994. The longer these condos remained unsold, the lower the market went. Overall prices ended up 7% higher on the average. This was due in part to a great year at The Aspens (Racquet Club).

Racquet Club prices on the average were up 29% and volume was up 43%. Teton Village saw a slight increase in units sold and prices were down only slightly. Note: Teton Village is finally on track with the mountain improvements and we expect to see prices increase.



Single Family Homes - For the first time in four years, the number of home sales is on the rise, up 35%, and with the exception of 1995, the average sales price is still climbing. Again these figures are skewed because of the 24 transactions that sold for more than a million dollars. Note: Until seven years ago a home selling for a million dollars was an anomaly. Taking out these sales we actually had a decline in the average sales price of 7%.

The Town of Jackson saw a slight increase in the number of home sales but the average price dropped 7% to \$241,000. This was due in part to the increased number of homes sold for under \$200,000 - up 18% over last year.



Hot Spots in 1996

1. **John Dodge Homestead** - 22 million in sales (5 homes and 5 homesites). An +800-acre subdivision on the west bank of the Snake River offering an abundance of wildlife, trees, creeks, ponds and Teton views. Homesites range in size from 3 to 9 acres and all have private access to the Snake River.
2. **Teton Pines** - 12 million in sales (9 homes and 18 homesites). A 360-acre gated resort community offering a championship Arnold Palmer golf course, year-round tennis, swimming, cross country skiing, clubhouse/restaurant and much more.
3. **West Gros Ventre Butte** - 10 million in sales (6 homes and 5 homesites). A butte stretching 4-1/2 miles north/south, encompassing 3,500 acres and rising 1,100 feet from the valley floor. This elevation affords stunning views of the Tetons, Snake River and an 1,800-acre cattle ranch protected by a conservation easement. Homesites range in size from 3 to 17 acres.