

# TELLURIDE DAILY PLANET

## OPINION

### An outstanding buyers' market

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There is no doubt that the global recession and economic downturn has affected real estate in and around Telluride, especially from the beginning of 2008 through Jan. 1, 2010. We are definitely not out of the woods yet. With the recent uptick in activity within the Telluride regional real estate market since the first quarter 2010, it appears we are crawling out of what has certainly been an uncomfortable period for many within the region and beyond the box canyon.

June 2010's sales numbers were virtually on pace with June 2009's numbers (which were nearly double June 2008's). According to Telluride Consulting, for the month of June, there were 26 transactions, and the dollar volume was down by only 4 percent. Out of the 26 transactions, eight were bank-owned sales, and a couple of others were short sales. This is the highest number of bank-owned sales in any month over the last two years.

July 2010 is charging along extremely well. In the town of Telluride there are two homes and four condominiums with asking prices ranging from a \$449,000 condominium up to a \$3.5 million home. All are scheduled to close in the coming weeks. Another four residences in Mountain Village are under contract with asking prices ranging from \$1.35 to \$5.77 million. Obviously, these are asking prices and the mutually agreed upon sales prices are not publicly available. The sales prices will most likely be discounted for the purchase. This is certainly a continuance of momentum in our market.

So far this year, 15 free market homes have sold in Mountain Village ranging from \$1.86 million to more than \$10 million. Having recent sales and the above mentioned properties in Mountain Village that are under contract is quite impressive when comparing to 2009, when the market only saw 10 home sales the entire year.

One factor that is driving the uptick in sales is discounted sales prices. It is not rare to see a reduction of 20 to 30 percent below the market highs of 2007. These sellers are not necessarily in dire need to sell but are often times willing accept lower offers in an attempt to restructure their portfolios. This represents a fantastic buyer opportunity across the Telluride real estate market.

Currently Telluride is in the midst of one of the most outstanding buyers markets within its history. There are fantastic opportunities within all price and property tiers. The current buyers market along with other motivations has buyers flocking to the region in search of their Telluride lifestyle. Also, with the banks and financial markets offering with less certainty, lower returns and higher perceived risk, the affluent are increasingly looking for tangible assets in which to invest their cash.

People with affluence are now looking for lifestyle investments that they and their families enjoy for generations. Is there a better time than now to acquire this lifestyle when prices are coming down and there is an increased motivation from sellers to sell? Certainly no one is calling a bottom as there is no crystal ball. We are not out of the woods yet, but the recent increased activity shows that the buyers who were on the fence before are now refocused in their pursuit of that special piece of Telluride.

Another encouraging sign is the increased activity in commercial real estate and new businesses opening in the town of Telluride. Since December 2009, there have been three commercial real estate sales within Telluride's main street commercial core totaling over 10,000 square feet and trading at \$4.17 million. These sales, in addition to a new restaurant on the east end of the commercial core and two recent sales/improvements of existing businesses only increase the optimism that surrounds Telluride's market and where we go from here. Commercial real estate has been hit extremely hard in the past few years and is typically the most illiquid sector in most markets around the country. Reflecting upon these facts appears to inject additional welcomed enthusiasm into an already resurging market.

With this encouraging information along with the incredibly high quality of life, sheer beauty and endless activities that accompany living here — it is pretty exciting to see the path that we are heading. As an unknown author once said "Opportunities are never lost; someone will take the one you miss."

— Aric Maloy is secretary for the Telluride Association of Realtors.

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