

The Telluride Foreclosure Market

We are constantly hearing about foreclosures during any news report and reading about them in the local newspapers. It is not difficult to find an impending list of foreclosures and when they will go to the “courthouse steps” for a hopeful cheap and easy sale. The Telluride Association of Realtors® Board of Directors would therefore like to shed some light on this topic.

First and foremost, any foreclosure is an unfortunate event, but necessary in our current marketplace to begin the healing process. Each case is a different story. As we look at the current list in early August there are a total of 44 properties in the foreclosure process in San Miguel County. These range from local deed-restricted properties to large ski in/ski homes and everything in between. The first myth we’d like to dispel is that these are amazing deals. There are a few on the list that if go to auction, will represent a good value. The majorities however, have been financially leveraged by the Seller or purchased at the height of the Real Estate market and is now worth less than what is owed. That frankly is a major reason why the list is so long; because the market value is lower than what is owed to the Bank/Lender. The Banks/Lenders also think there is a better chance for a return on their money in the Telluride Market and therefore they are less motivated to wheel and deal.

Also, with the overall number of properties in San Miguel County at about 10,000, the number of foreclosures is less than one-half of one percent of all properties which is not high compared to most other markets. This reflects positively on San Miguel County and illustrates that our market is still healthy.

As a Buyer of a foreclosure or short sale property in which the Bank/Lender agrees to take less money than what they are owed, please be advised that this process from start to finish could last as much as 6 months and can be somewhat frustrating. Feel free to contact your local Realtor® for more information.

Teddy Errico, President-Elect for the Telluride Association of REALTORS®