

# MARKET UPDATE

APRIL 2011 ■ ■ ■ TELLURIDE, COLORADO

## Local Real Estate Market on the Road to Recovery

According to data compiled by the Telluride Association of Realtors®, total dollar volume for regional real estate sales\*\* in 2010 finished off at \$365 million, 64% ahead of the \$222 million in 2009. This is a sizable increase, but it also helps to define 2009 as the year the market hit “rock bottom” and 2010 as the year it embarked on the road to recovery. The 2010 figure was also 18% higher than 2008’s \$310 million (the year the market began taking a downward turn). Sales numbers were also up in 2010, a sign that more people are spending money. There were 351 total sales, compared to 281 in 2009 and 283 in 2008.

Yet while the 2010 totals are reassuring, they don’t detract from the fact that the market has a long way to go in terms of regaining strength and momentum. Back in 2001, total dollar volume reached \$310 million. Things then slowed in 2002, but picked up again in 2003 (\$356 million), climbing furiously until 2007, the all-time high at \$710 million. Experts can

only speculate as to whether things will ever rebound to such outstanding levels, but there is no question that people are starting to invest in resort communities again...and that is encouraging. Another positive note, is that 2010 came back stronger from the slump of 2009 than 2003 did from the slump of 2002. Total dollar volume in 2003 was 27% higher than that of 2002, while total dollar volume in 2010 was 64% higher than that of 2009.

### IN THE SAME BOAT

On a national level, 2010 market trends are also being compared to those from 2003. According to an article published by *Shimons Market Watch* on January 28, 2011, “Standard & Poor’s S&P/Case-Shiller Home Price Indices show that as of November 2010, home prices in the country were at 2003 levels.” More specifically, the Telluride market follows a similar pat-

tern to other resort markets around the country, particularly ski resorts. In a December 30, 2010 *Aspen Times* article, reporter Scott Condon wrote, “The mountain resort real estate markets in Aspen, Vail and Breckenridge bounced back in 2010 after bottoming out in 2009, but they aren’t close yet to returning to their glory years.” Condon noted the glory years of 2006 and 2007 and stated, “Real estate activity was slow in 2002, picked up steam in 2003, and reached a frenzy by the middle of the decade. Pitkin County’s market exploded to a record in 2006 and followed it up with an equally big year in 2007.”

### EFFECT ON AVERAGE PRICES

What might come as a surprise to

**What might come as a surprise to many is that average prices for property in the Telluride region remain strong, despite the heavy hits endured by the market.**

many is that average prices for property in the Telluride region remain strong, despite the heavy hits endured by the market. While individual property prices have fallen in many instances (providing favorable opportunities for certain buyers), average prices for property types such as single-family residential homes and condominiums have maintained their overall value. In 2010, the average price for a single-family residential home was \$1.5 million\*\*\*, actually 7% higher than in 2007 when it was \$1.4 million, and 85% higher than in 2003 when it was \$812,000. The average price for a condominium in 2010 was \$902,000, 22% lower than the \$1.1 million in 2007, and 69% higher than

### AVERAGE PRICE COMPARISON

Year	Single-Family Res.	Condominium
2003	\$812,000	\$535,000
2004	\$955,000	\$631,000
2005	\$833,000	\$791,000
2006	\$1,100,000	\$979,000
2007	\$1,400,000	\$1,100,000
2008	\$1,500,000	\$1,200,000
2009	\$1,200,000	\$882,000
2010	\$1,500,000	\$902,000

Continued on page 2

# MARKET UPDATE

APRIL 2011 ■ ■ ■ TELLURIDE, COLORADO

## Future Looks Bright, Confidence Returning

Continued from page 1

the \$535,000 in 2003. On page one is a graph showing the average price pattern for single-family residential homes and condominiums from 2003 to 2010.

### FOURTH QUARTER

The fourth quarter wasn't particularly strong in 2010, but the 74 total transactions were consistent sales, several of which were in the \$1 to \$2 million range. Again, this demonstrates that more people are feeling comfortable investing in real estate.

Total dollar volume for the fourth quarter's 74 transactions was \$50 million.

This was notably lower than the rest of the year, which brought in \$89 million distributed over 84 transactions for the first quarter, \$144 million distributed over 92 transactions (which includes a \$47 million transaction in

April) for the second quarter, and \$80 million distributed over 101 transactions for the third quarter.

Breakdowns for the 2010 fourth quarter months were \$21 million in October with 23 transactions, \$13 million in November and 24 transactions, and \$17 million in December with 27 transactions.

Although the fourth quarter of 2009 was significantly more lucrative than that of 2010 (60% higher with 88 million), some might argue that as more of an anomaly. Considering the first quarter of

2010 boasted similar figures (\$89 million), it's possible that an air of confidence might have finally started to emerge in late 2009 and early 2010 after a rather disappointing first nine months of 2009. Furthermore, the 2010 fourth quarter figures shouldn't be considered too unusual, as fourth quarters are notorious for producing weaker numbers due to the holidays and people holding off on big expenses. Even in 2006 and 2007, the fourth quarter totals were the lowest quarters of their respective years. In 2006, total dollar volume totaled \$216 million in the first quarter, \$153 million in the second quarter, \$174 million in the third quarter and \$127 million in the fourth quarter. In 2007, total dollar volume totaled \$175 million in the first quarter, \$182 million in the second quarter, \$204 million in the third quarter, and \$149 million in the fourth quarter.

"Who knows what the future might hold," says TAR President, Kip Smith, "but based on the current numbers, it looks as if it can only continue to get brighter."

*\*Data compiled by TAR is deemed accurate, but not guaranteed.*

*\*\*TAR data includes transactions from San Miguel and other neighboring counties.*

*\*\*\*The \$1.5 million average price for single-family residential homes was calculated after removing the \$47.5 million sale in April. Including this sale drastically skewed the results to \$1.9 million.*

©Telluride Association of Realtors

***'Who knows what the future might hold, but based on the current numbers, it looks as if it can only continue to get brighter.'***

**TAR President Kip Smith**

## SUMMER 2011 FESTIVAL SCHEDULE

**MAY 27-30**  
MOUNTAINFILM

**JUNE 3-5**  
TELLURIDE BALLOON RALLY

**JUNE 6-10**  
WILD WEST FEST

**JUNE 11-12**  
HERITAGE FEST

**JUNE 16-19**  
TELLURIDE BLUEGRASS

**JUNE 23-26**  
WINE FESTIVAL

**JUNE 28 - JULY 4**  
TELLURIDE PLEIN-AIR

**JULY 2-4**  
RED, WHITE & BLUES SHOW  
FIREMAN'S FOURTH

**JULY 14-17**  
YOGA FESTIVAL

**AUGUST 5-7**  
JAZZ CELEBRATION

**AUGUST 11-20**  
CHAMBER MUSIC FESTIVAL

**AUGUST 12-14**  
FESTIVAL OF THE ARTS

**AUGUST 18-21**  
MUSHROOM FESTIVAL

**SEPTEMBER 2-5**  
FILM FESTIVAL

**SEPTEMBER 16-18**  
BLUES & BREWS FESTIVAL

**SEPTEMBER 10-25**  
TELLURIDE PHOTO FESTIVAL

[WWW.VISITTELLURIDE.COM](http://WWW.VISITTELLURIDE.COM)  
FOR MORE INFORMATION