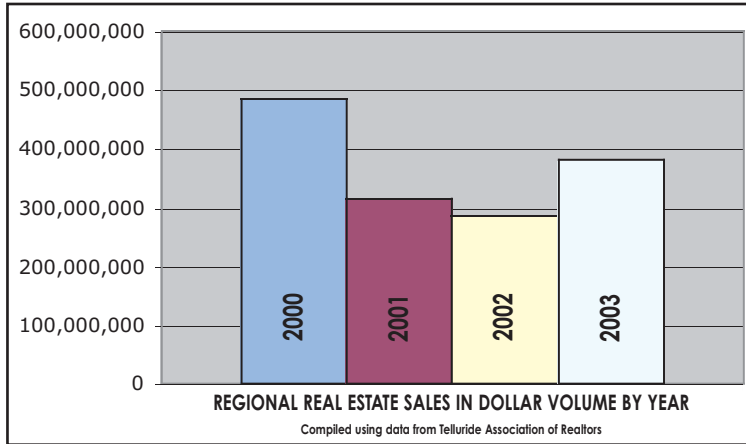


## A strong performance for 2003 real estate market

Telluride region real estate sales totaled \$381.5 million for 2003, second only to the region's spike year of 2000 when sales totaled \$486.5 million, according to data compiled by Telluride Association of Realtors.

When comparing 2003 to the previous year, the total dollar volume of sales was up 32% compared to \$287.7 million in sales in 2002 while the number of sales was up 19% to 800 from 2002's 672 sales.

Mountain Village sales made up for 40% of sales for 2003 totaling \$155.5 million. The total dollar volume increased 60% from 2002, while the number of sales was up 43%. Single-family homes were on an upward trend with 21 home sales totaling approximately \$63 million dollars for an average price of \$3 million per home compared to 2002's average price of \$2.7 million per home.



"The rebound of the Mountain Village market demonstrates how resilient the market is in the region, and in Mountain Village in particular," said Buzz Fedorka of Telluride Real Estate Corporation.

The Town of Telluride increased 16% in total dollar volume but decreased 12% in the number of sales. According to the *Telluride*

*Daily Planet* newspaper, the Town of Telluride collected the second largest amount of Real Estate Transfer Tax in its' history, topped only by the banner year of 2000. With new inventory dwindling, the limited supply of real estate available in the Town of Telluride is causing a reduction in the number of sales but an increase in the dol-

lar volume of those sales.

Single family homes, land and condominiums increased between 28%-40% in total dollar volume from the previous year, however commercial/industrial property increased 90% with about a half dozen multi-million dollar sales occurring in the Town of Telluride.

According to monthly data compiled by Telluride Association of Realtors, September 2003 showed the largest total dollar volume of the year with \$64.1 million, a 72% increase over September 2002.

October showed the second highest total dollar volume of the year with \$46.5 million, a 47% increase over October 2002.

December of 2003 showed the largest increase over the same month from the previous year, with a 170% increase in total dollar volume over December 2002.

"The regional real estate market saw a tremendous resurgence in the third and fourth quarters," said Bill Fandel of Telluride Properties. "The combination of strengthening in the national economy, increased corporate spending and continued low interest rates, bolstered consumer confidence and helped increase the level of discretionary purchases of luxury real estate."

## Now official: ski area's new partnership

In December of 2003 Chuck and Chad Horning, a father-son team from California, closed on the real estate portion of their new financial partnership with Joe Morita of Telluride Ski & Golf Company. The sale, which included all remaining undeveloped and developed property in Mountain

Village currently held by Telluride Ski & Golf, as well as 2 houses at the top of the ski area, reportedly totaled just over \$23 million.

The ski area portion of the sale, which is set to close in early February, will give the Hornings a majority stake in the ski area as well as control over day-to-day

operations. One of the biggest changes the new ownership team plans is the installation of a Chief Operating Officer to manage mountain operations on site. No immediate changes in day-to-day operations are expected.

### Airline Guarantee Program receives funding

On the November ballot voters agreed to create a permanent fund for the Airline Guarantee Program through taxation. The Airline Guarantee Program keeps flights coming into regional airports on schedule regardless of how many seats are sold. The measure asked for a 2% lodging tax and a 2% restaurant tax increase which went into effect on January 1, 2004.

In addition to taxation, a majority of realtors in the region have committed to funding the Airline Guarantee Program through real estate closings. In most cases, one half of one percent of commissions on real estate sales will now go directly to the Airline Guarantee Program.

### Record-setting day for Telluride Ski Resort

Telluride Ski Resort reported its busiest day of the ski area's history with 7,459 skiers on the mountain on December 31, 2003. It was an increase of 458 skiers over the previous record of 7,001 skiers during the 1998-99 when Telluride hosted the USASA Nationals.

Ski area officials credit improvements in air service and early season snowfall for the record-breaking holiday season which attracted both destination and regional skiers to the area. Telski sold 30 percent more airline seats this season and also laid the groundwork for new negotiations with the airlines to allow additional holiday flights. Ski area officials agree the additional holiday flying time was key to the season's success and hope to use negotiations with the airlines again in the future to bring more guests to the region.