



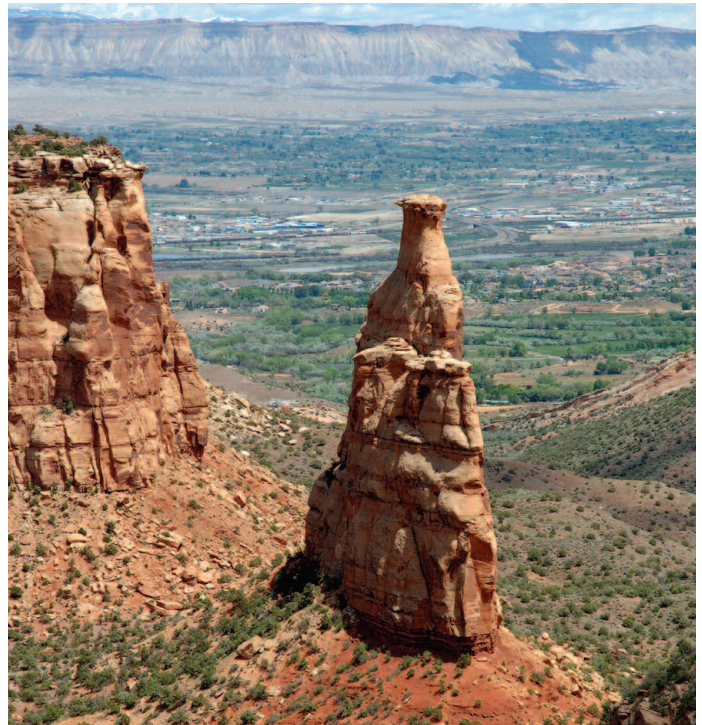
Mesa County REAL ESTATE REPORT

Second Quarter 2009
ADVANCED TITLE COMPANY

970-255-7677 • Email: atc@advancedtitleco.com
521 Rood Avenue, Suite C • Grand Junction, CO 81501

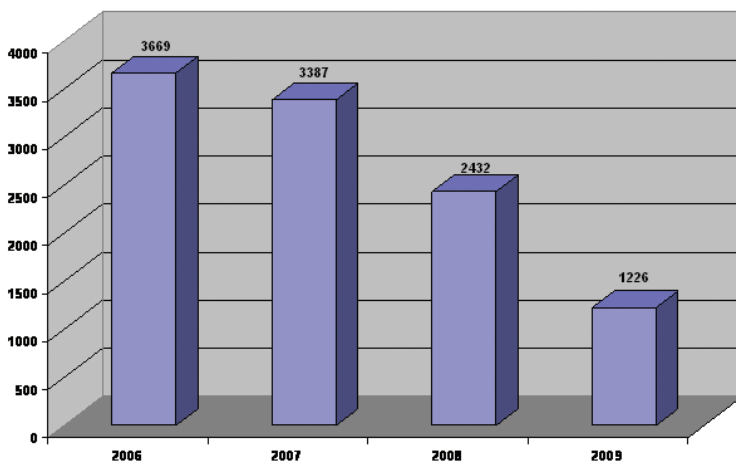


Real estate sales improved in the second quarter of this year, when compared to the first quarter, but fared no better after making a seasonal adjustment. There were 717 sales in the second quarter, compared to 509 sales in the first quarter, a 41% increase. More importantly, there were 1378 sales in the second quarter of last year, resulting in a 48% decline in this year's performance when compared quarter to quarter. Year to date through June, Mesa County has registered a total of 1226 sales, down 49.6% from the 2432 sales for the first half of 2008. A first half comparison is given in the graph below. It is worth noting that the number of real estate sales has declined 64% in the last two years.

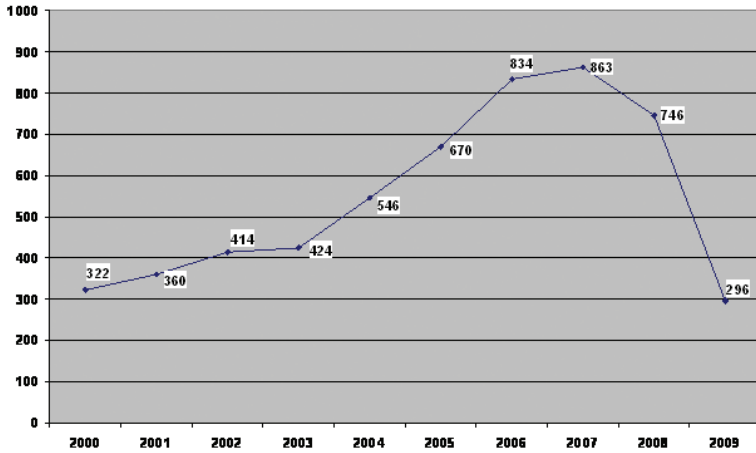


The dollar volume of real estate sales dropped 61% this quarter from the same quarter in 2008 and year to date the dollar volume is down 60%. The graph below shows a year to year comparison for the first six months from 2000. Some of the more notable sales in the quarter were: (1) a commercial strip center at the northwest corner of First Street and North Avenue to a local investment group for \$2,109,100; (2) an apartment purchased by the Grand Junction Housing Authority at 2910 Bunting for \$1,820,000; (3) property at 57704 Highway 330 in Collbran purchased by Collbran Development, Inc. for \$1,075,000; and (4) a Redlands Mesa residence for \$1,050,000.

January - June Real Estate Sales



1st Half Dollar Volume of Real Estate Sales (\$millions)



Single-family permits experienced some seasonal improvement from the first quarter but still lagged 46% from the second quarter of 2008. There were 122 permits pulled in the quarter, compared to 227 permits in the second quarter of the previous year. For the year, there have been a total of 198 single-family permits issued, a 51.7% drop from the 410 issued during the first six months of the year and a 75% decline from the leading year of 2006.

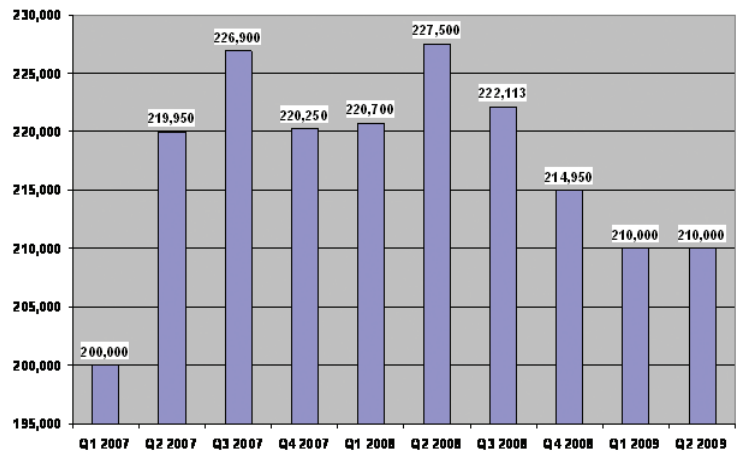
Foreclosures through the office of the Public Trustee continue to rise, causing further downward pressure on pricing for houses and land. There were 263 foreclosures filed in the second quarter resulting in a



year to date figure of 438. This is near last year's annual number of 469 and exceeds the 2007 annual amount of 394.

According to the Multiple Listing Service of the local board of Realtors, the median sales price for all types of housing remained steady at \$210,000 in the second quarter when compared to the first quarter of this year. Any change in affordability from the first quarter is marginal based on steady prices and interest rates and little change in income. This may portend a pricing floor for the market but until foreclosures level off, it is too early to determine if another round of price adjustment may be forthcoming.

Median Price Comparison



For the second half of the year, we expect to see foreclosures at the current pace which will continue to soften prices for most houses and vacant land. It appears that both state and federal governments are not about to lower the tax and fee burden on the average Colorado resident, so personal spending will fare no better than it is now and perhaps decline further. The loss of jobs and the reduction of wage and salary levels will continue to place downward pressure on real estate prices, although at a much slower pace.