



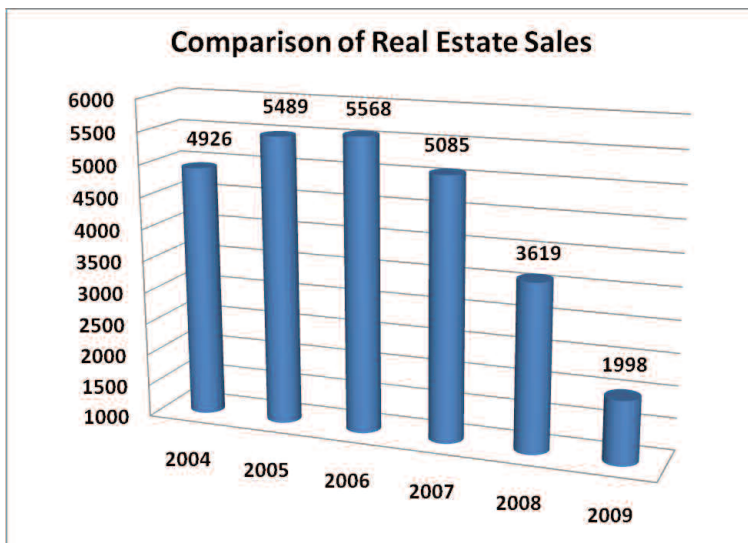
Mesa County REAL ESTATE REPORT

Third Quarter 2009
ADVANCED TITLE COMPANY

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Real estate sales continued to falter in the third quarter of this year as the recession continues to take a toll on the most important part of the average consumer's wealth. There were 772 sales during the quarter, down 35% from the 1187 sales in the same quarter of last year and down 55% from the 1698 sales in the third quarter of 2007. This year there has not been a month with over 300 sales, compared to 2006 when every month, save February, exceeded 500 sales. Year to date through September, 1998 sales have been reported, a drop of 45% from the 3619 sales in 2008.

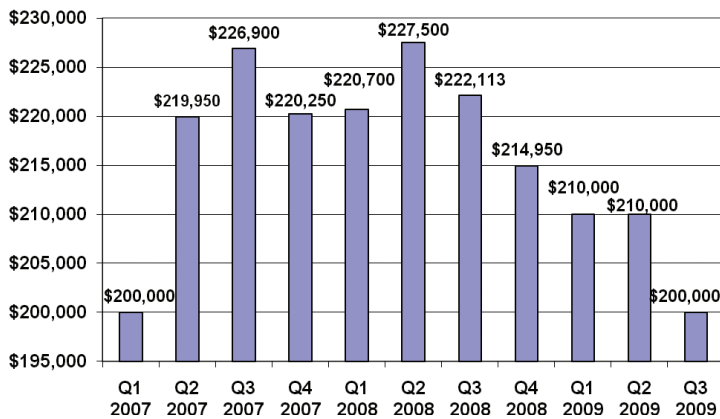


Source: Mesa County Recorder

The dollar volume of real estate sales for the quarter declined 46%, from \$339 million in 2008 to \$183 million this year. For the year through September, volume has fallen 56%; from \$1.08 billion in 2008 to \$478 million this year. Not only has the number of transaction fallen off substantially, but the number of large transactions has declined as well. The two largest sales for the quarter were: (1) the sale of the Fruita Walgreens Drug Store for \$4.46 million to a Tennessee investment company, and (2) a multi-party exchange for \$1.95 million involving properties in Whitewater, Fruita, and Grand Junction.

The median price of a house in Mesa County dipped from \$210,000 last quarter to \$200,000 in the third quarter. This is contrary to the price direction that most other Colorado counties are now experiencing. The continuance of price erosion has left first time buyers skittish, despite the allure of up to \$8,000 in available tax credits and record low interest rates. The growing level of foreclosures in Mesa County is also putting downward pressure on housing prices. Once the level of foreclosures start to decline, the market may well be postured for a stabilization of prices.

Median Price Comparison

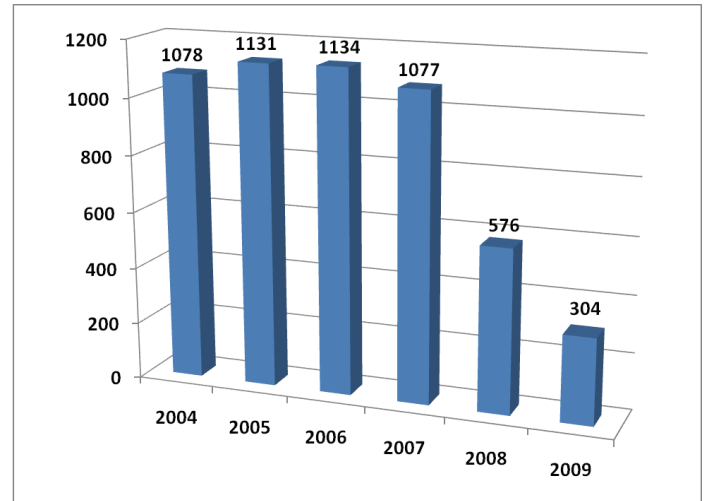


Source: GJARA MLS

Single family building permits remain a main measurement of the economic health of a community and residential construction is a primary contributor to any economic engine. In Mesa County, there were 106 single family permits issued in the 3rd quarter, down 36% from the same period in 2008. For the year 304 permits have been issued, a 47% drop from last year and 72% below 2007. Single family permits are on track to reach just under 400 this year, a far cry from the 1306 issued in 2007 or the average of 1432 permits issued for the 4 years preceding 2008. The reduction in single family construction, according to the National Association of Home Builders, amounts to a loss of 305 direct and indirect industry jobs per 100 single family homes built. Accordingly, Mesa County has witnessed a loss of approximately 3,150 high paying jobs, in the single family construction segment alone, in the last two

years as a result of the economic decline. It is not hard to understand the importance of the construction industry to a local economy.

Building Permits – 9 Month Comparison



Source: Mesa County Building Dept

So, when will this trend reverse itself and find Mesa County starting to exit the recession? The recession still appears to have a grip on our community. One measure is the level of sales tax collections by the City of Grand Junction which demonstrates, in a relatively stable population, how well consumers are spending. Spending continues to be contracted and one can expect real estate sales to continue at a slower pace until consumer confidence and spending improves. This will happen once the jobs picture improves for the community.

