

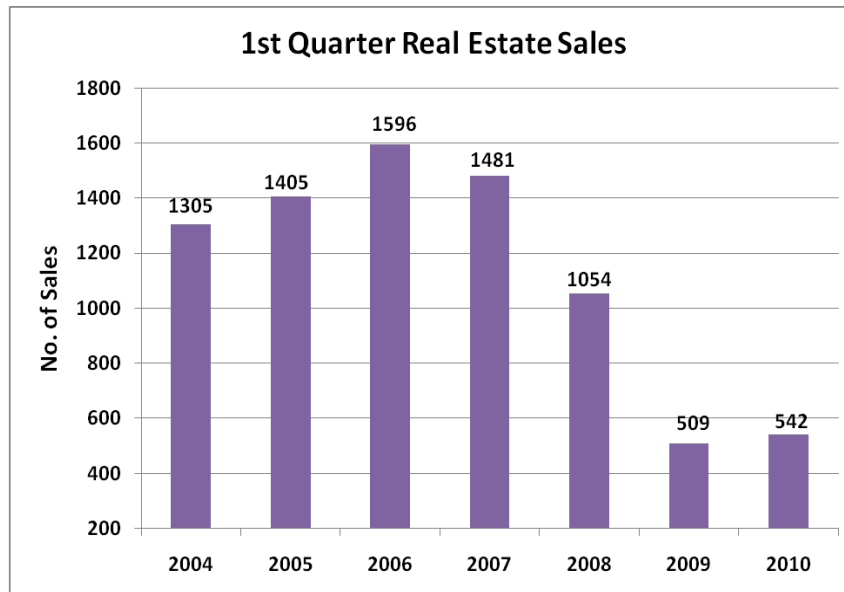
# Real Estate REPORT



1st Quarter  
2010

## First Improvement in Over Two Years

First quarter sales rose 6.5% with nearly the entire increase attributed to March. There were 542 sales in the first three months of the year, compared with 509 sales in the same quarter a year ago. This is still a far cry from the highest first quarter recorded, in 2006, but it does represent the first quarter to quarter increase in the last 13 quarters and may portend a reversal in real estate sales trends.



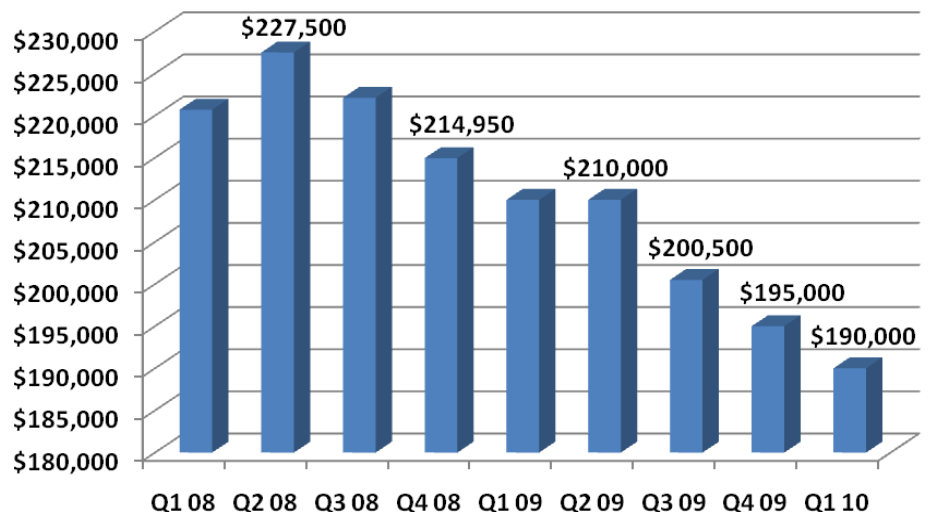
The dollar volume of sales for the quarter improved slightly from \$128.6 million in the first quarter of 2009 to \$135.4 million this quarter, a 5.3% increase. There were no particularly large sales to skew the aggregate dollar amount, but the most notable were:  
(1) Sale of the FEDEX building on Justice Court near the airport for \$4,995,000 to a

Source: Mesa County Recorder

California company; (2) Sale of the Horizon Complex building at 715 Horizon Drive for \$3,100,000 to a local firm, HealthCare Management, Ltd.; (3) Sale of the Custom Wheels property on River Road for \$2,875,000; and (4) the purchase by American Furniture Warehouse of a vacant parcel near Gold's Gym for \$2,100,000.

Property values continue their downward trend. The median price for all housing types, as reported by the Multiple Listing Service of the local Board of Realtors, dropped to \$190,000 in the first quarter compared to \$195,000 in the last quarter of 2009.

## Median Price - All Housing Types



Source: GJARA MLS



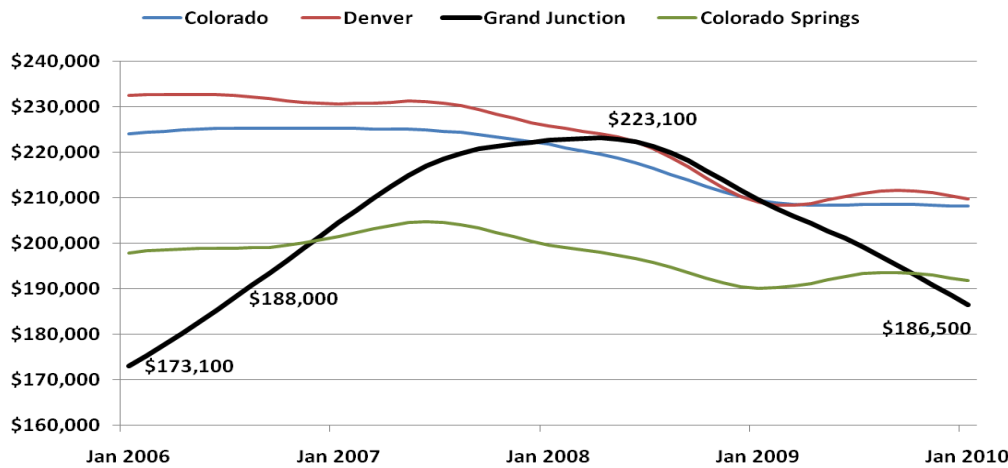
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### Zillow Home Value Index



Source: Zillow.com

Zillow's Home Value Index, somewhat analogous to the median price, was reported at \$186,500 at the end of the quarter. A comparison of Grand Junction's Home Value Index with other Colorado communities discloses the rapid change of relative housing prices between communities. Permits for single family housing in the first quarter of 2010 was on par with last year. There

were 78 single family permits issued in the quarter, three more than the 76 issued in the same period last year and 35 of the total were issued in March alone. Despite this upward blip for March, we do not expect to see much, if any, increase in this sector for the rest of the year. Sales velocity will have to increase before builders are willing to take the risk with speculative home building, and custom home building continues to be slowed as a result of the difficulty of current home owners selling their current house.

Quarter to quarter, foreclosures were up 127% from the first quarter of 2009; from 175 in 2009, to 397 this year. There was slight decrease in the level of foreclosures filed with the Public Trustee in the month of March. Since July of 2009, new filings have averaged 142 per month and March of this year reported 109. There would be a big benefit to the local economy and the personal lives of its

Source: Mesa County Public Trustee

residents if this was the beginning of a downward trend in foreclosures. Until foreclosures begin to level off at a much lower level, we expect to see downward pressure on prices for all property types. One benefit of the price decline has been an improvement of the housing affordability index, making the Grand Junction area one of the most affordable communities in Colorado for housing.

### Quarterly Foreclosure Counts

