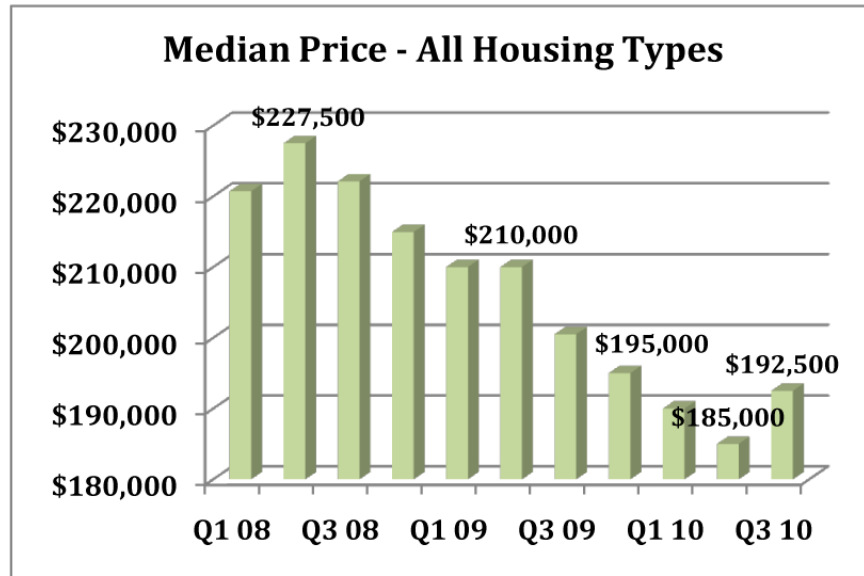


mesa county
Real Estate
 REPORT



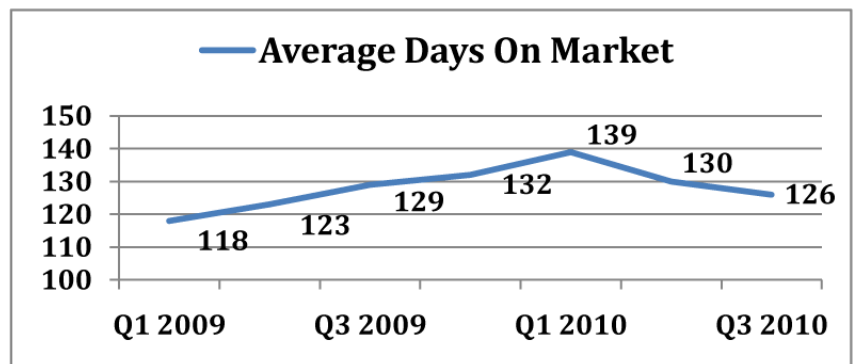
3rd Quarter 2010

Median Price Increases For First Time In Nine Quarters



Despite historically low real estate sales and a stagnant economy, Mesa County witnessed the first increase in the median price of housing since the second quarter of 2008. It may be premature to declare a "bottom" to the market, but this is the first hint that prices may be

firming. Real estate sales slumped to a total of 602 sales in the quarter, down from 752 sales in the second quarter of this year and off 22% from the 772 sales reported in the 3rd quarter a year ago. The modest increase of real estate sales in the second quarter of the year was not continued in the third quarter as the federal tax credit for first home buyers expired on April 30th for contracts and June 30th for closings under this program. There have been 1896 sales of all property types in Mesa County year to date through September. This represents a drop of 5% from the 1998 sales that occurred for the first three quarters of 2009 and approximates the number of sales experienced in 1985. Promising news is that the median price of all housing in the county rose 4%, from \$185,000 in the second quarter to \$192,500 this quarter. The average days on the market for housing has also improved throughout the year.



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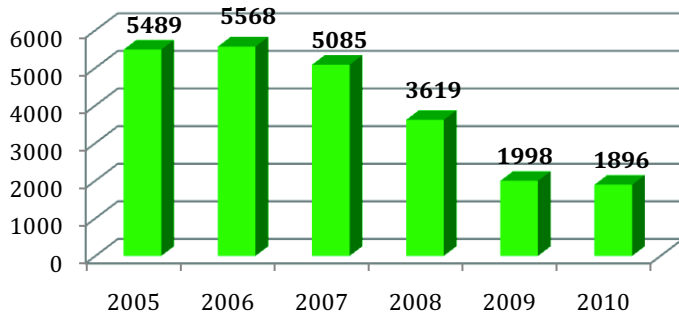
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Bob Reece
 President



Real Estate Sales Through September



The dollar volume of sales for the quarter measured \$143 million, down 22% from \$183 million in the same quarter last year. Year to date, total sales equaled \$448 million compared to \$479 million, a 6.5% decline. At the current pace, sales for the year should be just under \$600 million or 35% of the peak of \$1.728 billion in sales in 2006. Two notable sales were the purchase by CAM-Colorado, a coal company, of a site near the former Gary Refinery for \$4.5 million; and the sale of a commercial building at

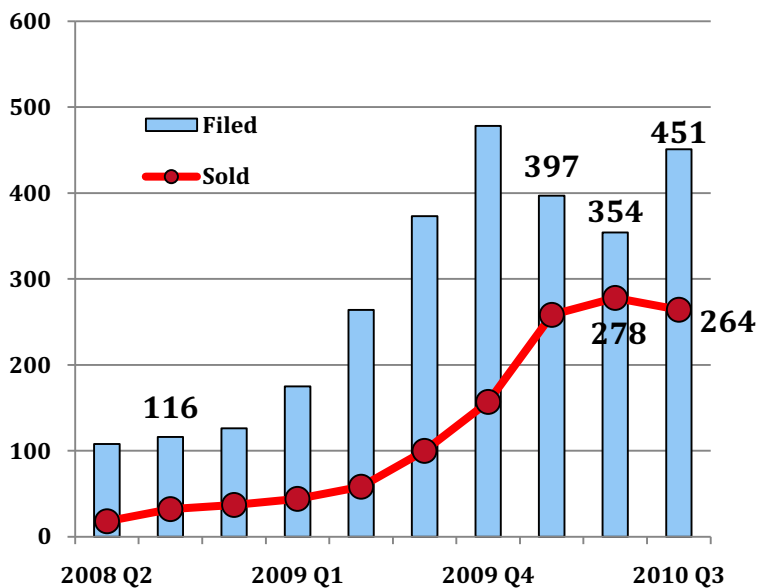
the northwest corner of Corner Square, located at Patterson and 1st Street, to an investor for \$4.0 million.

Single family home building remains sluggish amidst the struggling economy and despite record low mortgage interest rates. There were 84 single family permits pulled in the quarter, a 20% reduction for the 106 permits issued in the third quarter of 2009; and for the year, there have been a total of 277 permits issued, down 9% from the 302 issued for the first nine months of 2009.

Foreclosures remain a bane for the local economy in general and home ownership in particular. For the third quarter, 451 new foreclosure were initiated. This is 5 times the number of foreclosures one would expect to see filed in ordinary economic times and with current population levels. For the quarter, for every 4 real estate sales, there were 3 new foreclosures filed. For the year, there have been 1202 foreclosures filed, up 43% from the 841 filed last year through the third quarter. There is an emerging trend of a higher percentage of foreclosures proceeding all the way to sale.

While a large part of the market wants to know when the Grand Valley will hit "bottom" in pricing for housing, others are asking when the jobless rate may improve and what business climate would have to exist for substantial jobs creation to occur. With the election cycle upon us, there are few prospects that anything meaningful can happen this year.

Foreclosures - Filed v. Sold



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