

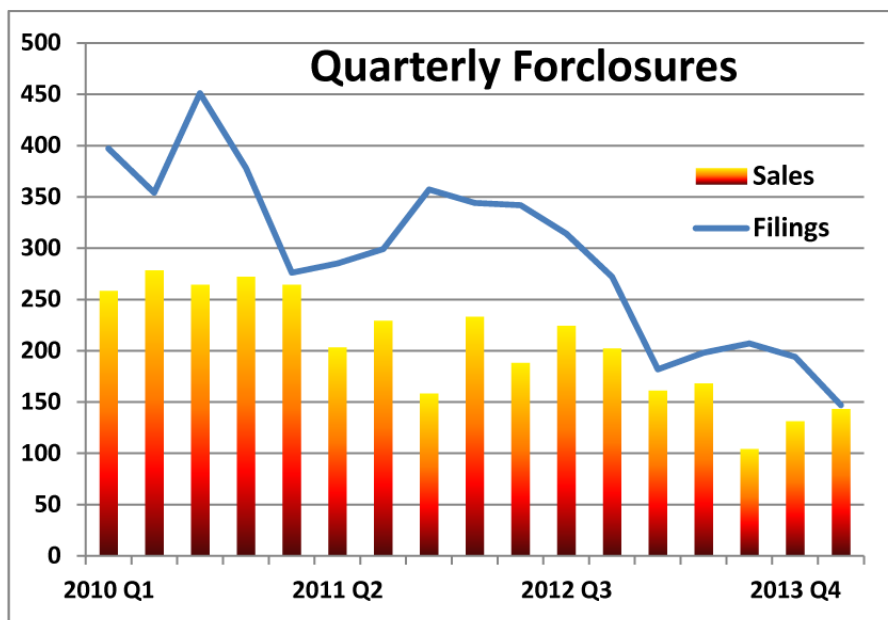
Real Estate REPORT



Foreclosures Continue Decline

Q1 2014

A very good trend continues in Mesa County. Foreclosure filings continue to decline; year over year and quarter over quarter. And foreclosure sales continue in a similar trend. Although not yet at pre-recession levels,



it is apparent that troubled loans in the Grand Valley have stabilized and are, in fact, improving with regard to the rate of defaults. However, this resiliency has come at a cost with many property owners either using their liquidity or cutting expenditures, or both, in order to remain current with loan obligations. One result is that retail purchases have moderated and local governments

are witnessing soft tax collections in the last year; and projections for 2014 are at cautious levels.



advanced title company

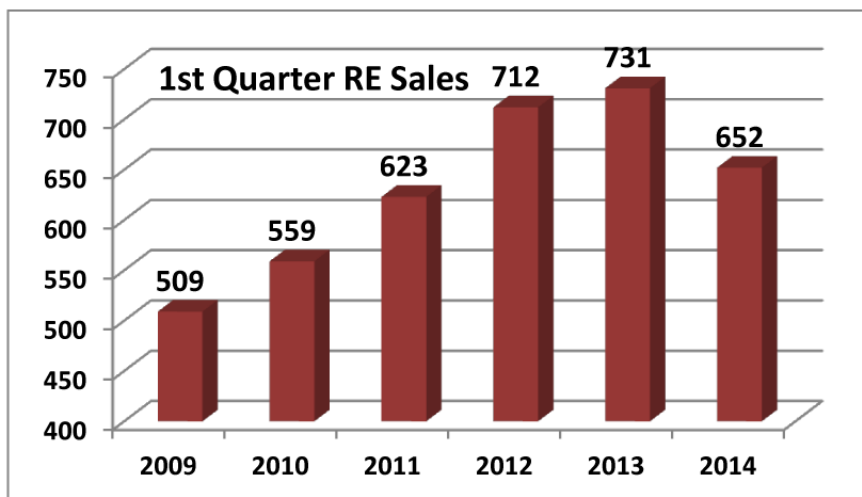
622 Rood Avenue
Grand Junction, CO 81501
970.255.7677 p
970.255.6491 f
www.advancetitleco.com
atc@advancetitleco.com



Bob Reece
President

Sales Hit Bump

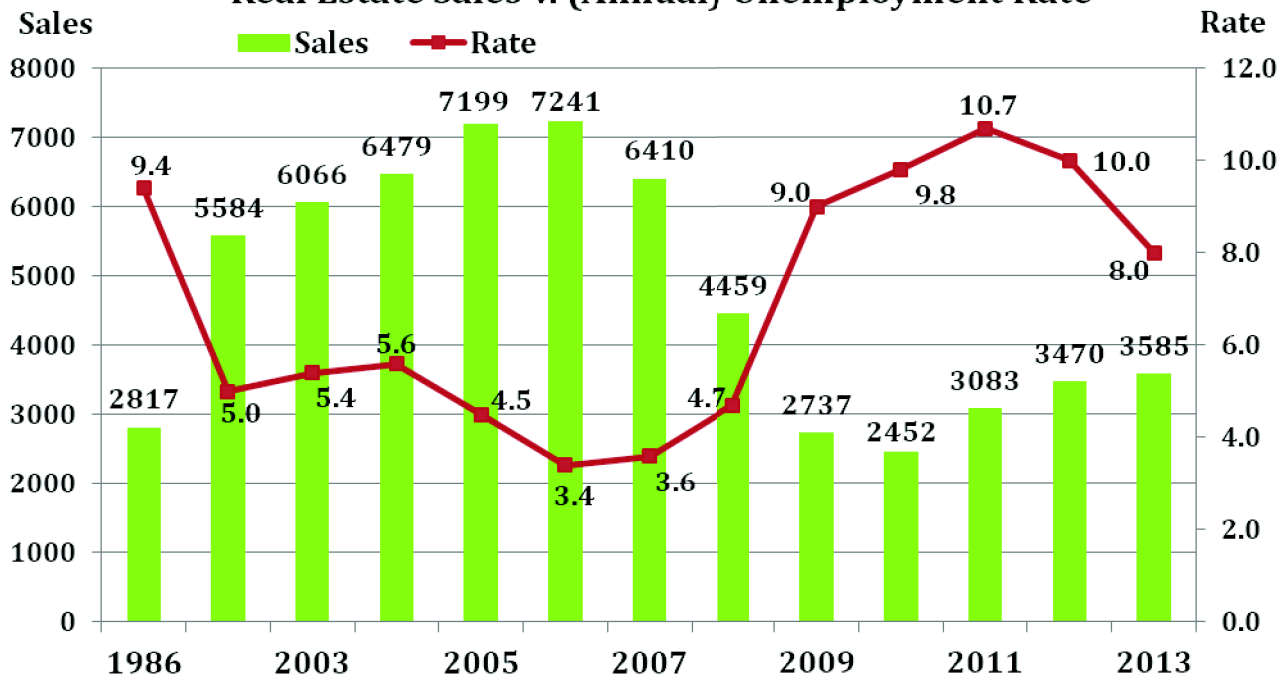
First quarter real estate sales have improved each year from the recent low in 2009 until this year. There were 652 sales in the quarter a drop of 11% from the 731 sales posted in 2013. Real estate volume reported a similar result. There was an 8.6% decline in the dollar amount of transactions, from \$146



million in the first quarter of 2013 to \$133 million this year. The main throttle for a buoyant real estate market in Mesa County remains the diminished level of employed in the valley. There are approximately 3000 fewer people employed in the construction trades and related industries and 9000 total fewer employed people in the valley since the peak in 2008. The graph on the next page demonstrates the pernicious effect on real estate of continued high unemployment rates.



Real Estate Sales v. (Annual) Unemployment Rate



Real Estates Prices Take a Hit – Home Building On Pace – Lending Lags

After a steady rise in housing prices for nine quarters since the low in the 4th quarter of 2011, the median price of housing in Mesa County fell 3% from last quarter to \$172,500, but is still 3% ahead of the median price reported in the 1st quarter of 2013. Zillow reports similar results as shown on the accompanying graph with its Home Index falling 3% from \$175,000 in the 4th quarter of 2013 to \$170,000 this quarter. Notable sales for the quarter were (1) the Pioneer Wireline facility on River Avenue for \$4,025,000 to an Arizona individual; (2) Clifton Automotive Center for \$1.4 million to a trust; and (3) The Doctors Clinic at Orchard and College Place to Colorado Mesa University for \$1,846,000.

There were 91 single family permits issued in the first quarter of 2014, one more than the first quarter of 2013. There were two multi-family permits pulled; one for a 6-unit apartment on Belford, and the other for 10 units of employee housing on Highway 141 in Gateway.

Lending in Mesa County declined by 45% for the quarter when compared to the same quarter a year earlier. There were 1134 loans recorded in the first quarter of 2014 versus 2080 loans in the same period last year.

COMMENT: The current economic condition for the Grand Valley is a stark reminder that the energy sector is a bonus to the economy of our community, but solid advancement will rely on fundamentals such as an inviting community and business creation in association with higher education. Fortunately, Colorado Mesa University is poised for that role; and other economic development partners are pressing for results in their own efforts.

