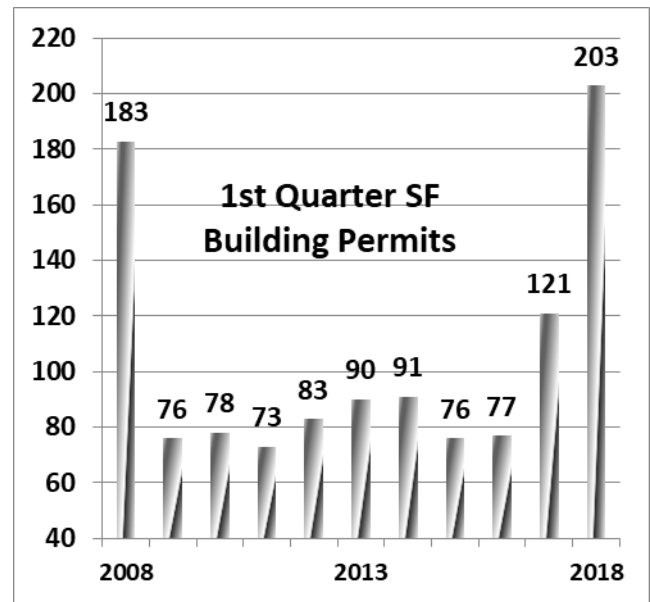




## TOP STORY

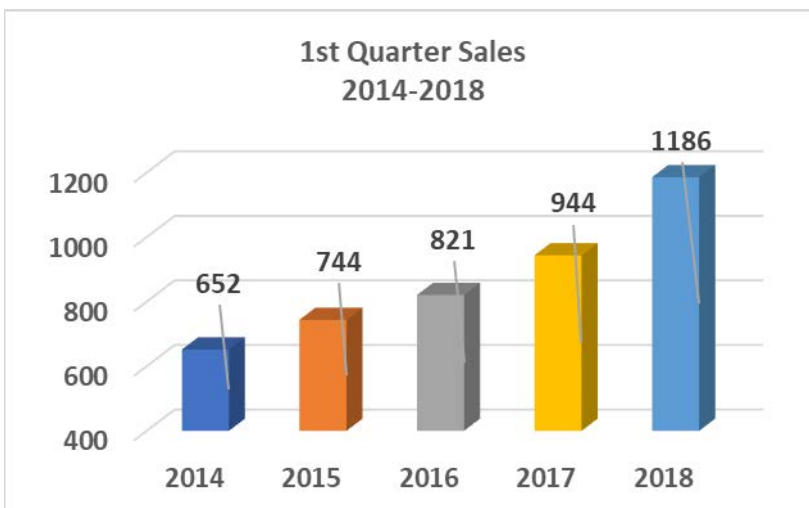
### Home Building Soars *(Source: Mesa County Building Department)*

Single family construction is 68% ahead of last year for the quarter. Permits pulled in the first quarter numbered 203, up from 121 permits in the first quarter of 2017. The clear majority (120) of permits were issued for Grand Junction followed by unincorporated Mesa County (51), Fruita (31) and DeBeque (1). Bringing new housing product to the market at affordable prices has been a substantial force in the market in the past three years when affordable resale product was declining. It will be a challenge to home builders to continue to bring affordable new product to the market while land, labor and material costs increase. In the past two years, based on first quarter stats, single family construction alone has accounted for an additional 378 good paying jobs in Mesa County and most of the money spent on housing stays in the area creating a very positive economic multiplier effect. If one wants a simple snapshot of the recovery in this county, the graph to the right shows it succinctly.



## WHAT'S HAPPENING

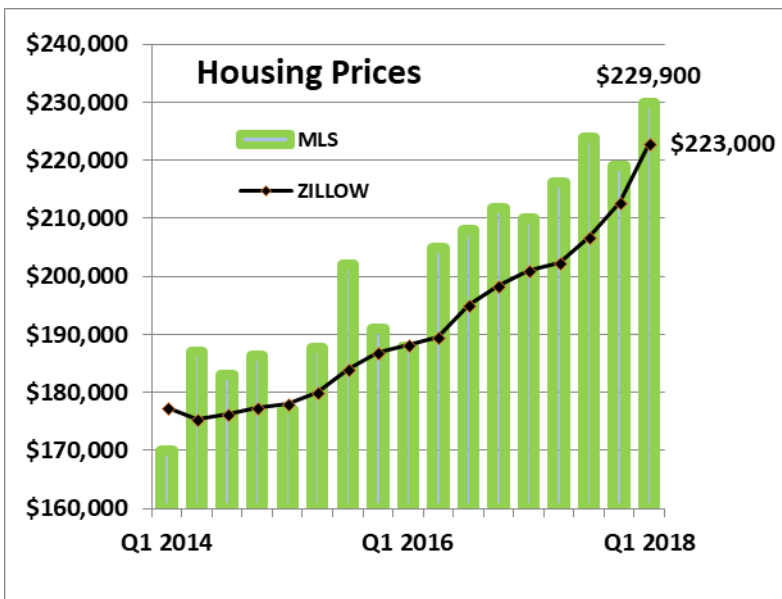
### Sales Expanding *(Source: Mesa County Clerk and Recorder; Zillow)*



Real estate sales jumped a full 25% in the first quarter over the first quarter of 2017. There were a total of 1186 sales in the first 3 months of 2018, compared to 944 in 2017. The combination of HUD, Veterans Administration and GSE sales for the quarter amounted to less than 1% of the total and less than .5% in dollar volume. If this trend continues, we may stop counting the number of government and GSE sales for our report except on an annual basis. There were just 2 sales each by FNMA and Freddie Mac in the first quarter. The peak year of market penetration by government and GSE entities occurred in 2011 when they represented 25% of all sales. The dollar amount of sales in the first quarter amounted to \$293

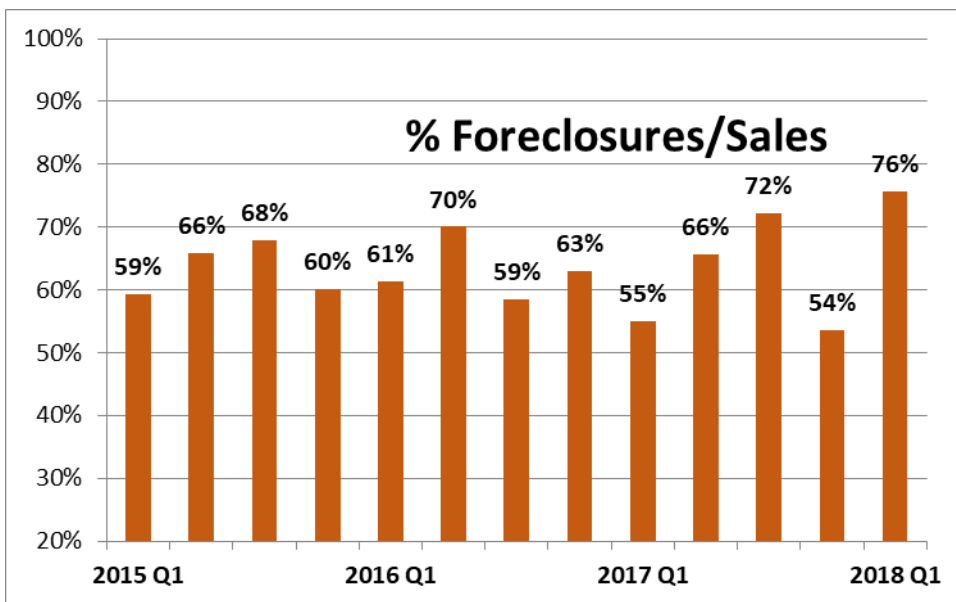
million, a substantial 31% above last year's first quarter total of \$223 million. Real estate conditions have improved dramatically, and the market is again normalized in Mesa County.

Housing prices in the Grand Valley are rising, as are personal incomes and interest rates. When wages keep pace with increases in housing costs, that generally is a manageable circumstance. The bogey in the equation are mortgage interest rates. When they rise to certain levels, it tamps down a buyer's borrowing power and therefore the ability to purchase a house. Every market has a ceiling based on affordability. The median price of a home in Mesa County stood at \$229,900 for the quarter and that eclipsed the highest median price recorded in the county. The previous high was \$227,500 in the second quarter of 2008. Wages are increasing for people in Mesa County and city and county coffers are again improving to pay for public services and capital projects. We will look at the affordability index for Mesa County housing in our next report to get a better picture of the depth of the real estate market.



### Foreclosures Drop (Source: Mesa County Public Trustee)

Foreclosure activity continues to decline and is now also normalized for a community this size. There were 74 foreclosures opened in the Office of the Public Trustee in the first 3 months of 2018 with 56 foreclosure sales in that period. That is a 37% decline, quarter to quarter, from last year in the number of foreclosures opened. We expect to see 20-30 foreclosures opened per month when the economy is purring. The only caveat is that foreclosures proceeding to sale was at 75% in the first quarter, somewhat higher than historical levels in good economy.



### Advanced Title Company

Bob Reece  
 618 Rood Avenue  
 970.255.7677  
 Website: [www.advancetitleco.com](http://www.advancetitleco.com)



**stewart**  
 Vetted and verified.