

# TheRealTelluride

Telluride Realty's Monthly e-Newsletter – January 2012

On Tap: January

## January Calendar of Events

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14-15 **2nd Annual Lifesavers Ball**

*Telluride EMS and San Miguel Search and Rescue 2nd Annual Lifesavers Ball Non-Profit Fundraiser with live music, DJ, entertainment, food, libations and more.*

28 **KOTO Lip Sync**

*KOTO presents the annual KOTO Lip Sync at the Historic Sheridan Opera House! Tickets are sold through KOTO- call them at 970-728-4334 for more information.*

[Click here for a full list of current Festivals & Events](#)

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## Signs of Economic Hope as 2011 Draws to a Close

*Article compliments of the Telluride Watch newspaper.*

For a regional economy that for nearly two decades prior to 2008 was flourishing thanks primarily to real estate development and sales, the Great Recession – triggered in large part by a burst real estate bubble – posed an immense challenge.

The Watch reported plenty of other news in 2011, but all of it took place under the dark cloud of what was still a rough economy, profoundly affecting lives and livelihoods across the region.

But now, as 2011 draws to a close, there is evidence, some of it admittedly still tentative – but including one of the highest priced single properties to go under contract in Mountain Village in years as this issue of The Watch goes to press – that the Telluride real estate market could be ready to spark a broader recovery, or at least the start of one.

Or perhaps, as veteran broker Erik Fallenius, owner of Nevasca Realty, put it, realtors are “inherently seasonal optimists.” After a pause, he added: “But at the same time, a little nervous.”

Another veteran broker, Sally Puff Courtney of Peaks Real Estate, reported this week that Christmas week was the busiest it's been for her in four years. The reason, she believes, is that sellers have become realistic and prices have dropped to the point that buyers recognize the value in the market.

“Two-thousand-eleven was much improved for my little office over 2010,” Courtney said, “and I'm incredibly excited about 2012. People are starting to see that if they want to be in Telluride, values have never been better. Nobody has a crystal ball and can say we are at the bottom, but I don't believe prices can go much lower.”

Out on the mesas, hit particularly hard by the Great Recession, broker Ed Andrews, who specializes in mesa properties, has been breaking snowmobile trails so he can show off-the-grid cabins to clients who will be visiting in the next few weeks, something he hasn't had to do in a few years, he says.

“Showing is not the same as selling,” Andrews cautions, “but this is the best time to buy a cabin or land on the mesas in the past twenty years” because “sellers finally listened to their brokers and adjusted their prices and as a result we're getting activity.”



As for the big potential sale this week that just might not be an anomaly but instead a harbinger of things to come: it was a \$14.5 million Mountain Village home that had been on the market for about a year. Of course, the property will have to close early next year for it to count as a sale.

“A sale like that would be significant because it would provide confidence, not only to the buying community but to the brokerage community, that Telluride is attractive to buyers at that level,” said Nels Cary of Peaks Real Estate, “especially coming after a period of very little activity in that market segment, and especially since we’ve seen that high-end properties are selling in our competing resort markets, like Aspen and Vail.”

And yet, despite the optimism from some of the Telluride real estate brokers who have historically laid the foundation of the regional economy, for much of the region 2011 will go down in the history books as another rough year, the fourth rough year in a row. The persistence of the Great Recession through 2011, tempered, hopefully, by the possibility that it is finally easing its grip, starting with a recovery in Telluride real estate, is The Watch’s top news story of 2011.

The story in 2011 was one of mixed signals. While the value of Telluride real estate that was sold in 2011 through November compared to the same period in 2010 was down 24 percent, the number of transactions during that same period was up by 15 percent. Properties in the \$3 million to \$10 million range were the most off saleswise in 2011 that they’ve been in years.H

By now, we all know that the Great Recession has become the biggest news story not just of the last four years, or even of the decade, but it is the defining story of several generations; it is a big story not just locally or even nationally, but globally. When we look back on it, the Great Recession will be far more than the central issue of the 2012 national election; it will be the story of our times. We who have endured it will be forever seared by the experience, just as our grandparents and great grandparents never really got over the Great Depression.

Precise economic data is not easy to come by in a sparsely populated, remote region like the Western San Juans, making our understanding of how our economy works a matter less of research than observation. We have long observed that Telluride real estate and related construction activity generally set the tempo not just for the overall Telluride economy, but for Ouray County and the Montrose area as well.

Yes, Telluride and the region remain highly attractive to visitors. Forbes magazine this month ranked Telluride as the third best ski resort in the United States, behind only Jackson Hole and Alta/Snowbird, citing in particular the resort’s recent expansion into terrain for the adventurous skier on Gold Hill and Palmyra Peak. The region received another boost at year-end by being chosen to host segments of the 2012 USA Pro Cycling Challenge next summer. Hotel occupancy statistics produced by the Telluride Tourism Board, and sales tax revenues in Telluride, offer evidence that in prime summer and winter seasons, tourism never fell off that much and tourists continue to visit the region. But Telluride is small, which is both its glory as a rarely crowded big-mountain destination for visitors and its economic reality for year-round residents, including those who live in nearby communities that rely on Telluride as an economic engine. Visitation to Telluride, by itself, absent the foundation of the real estate economy, has never been enough to sustain the community, much less the region.

Meanwhile, real estate, which has been the community’s sustenance, remains vulnerable to national and global economic shocks, and that effects not just local residents directly involved in real estate sales and development; construction and construction financing and mortgages; and design and home furnishing; but services and restaurants and retail businesses as well. That’s because when real estate is down, the large number of local residents who work in the industry and related businesses don’t have as much to spend. The economic pain has been widespread and palpable, from Delta to Montrose and from Mountain Village to Rico and beyond.

## **A Basis for Optimism**

But on the flip side, and the fundamental basis for optimism: news could be deemed as not just good but excellent for prospective buyers of real estate.

Simply put: “A lot of sellers are dropping prices,” says Lars Carlson, a broker with Peaks Real Estate. “There are a lot of great values out there, and that will continue to drive the market in the next year.”

Cary, who lists the Peaks condos, offers a simple explanation: “This is the right product at the right price at the right time,” he says. “We’re offering a condo in a fabulously renovated Telluride icon, at a price that doesn’t break the bank and is aligned properly with the market.”

Value is not necessarily a low sales price. As Brian O’Neill of Telluride Properties observes, “the best values are in upper end homes and condominiums.” There may well be an increase in 2012 in the sale of those properties, he suggests,

because “the people who are buying have a lot of money and they want the best product.” In 2011, one of the strongest markets was in upper end homes and condominiums in Telluride, said O’Neill, who sold both a high-end home (at Aldasoro) and a high-end condo (for \$5 million in the town of Telluride) last year. Next year, he predicts there will be more activity in ski-in, ski-out Mountain Village homes, because “people will recognize that there a lot of great opportunities there.”

Thus, after four years of battering, there is understandable nervousness but also optimism about 2012. Perhaps it is borne of the changing of the calendar or only the good cheer that accompanies holiday visitors to Telluride’s slopes. Or maybe it’s that inherent seasonal optimism among real estate brokers that Fallenius noted. But it feels a lot better than gloom and doom.

Begging the real question for 2012 and beyond for most of us: If Telluride real estate does recover, can the rest of the region be far behind?

## Featured Properties

### See Forever Village, Unit 128, Mountain Village

You call it See Forever because of this vista.  
And it is just as lovely everywhere inside...



**Our elegant three bedroom/4 bath offering is custom furnished in a contemporary motif. Finished superbly throughout in mahogany...with rich, reclaimed chestnut flooring which underpin Telluride Gold stone wall accents at the your dining and kitchen.**

**Amenities and management are provided by The Peaks Resort and Spa.**

**MLS # 27103**

**[Click here for a virtual tour](#)**

**NOW offered at  
\$3,200,000  
3 bedrooms & 4 baths**

**Contact Mick at 970-729-0110  
for additional information**

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## Blue Mesa Condos, Unit 3, Mountain Village

Superbly located steps from the Meadows Chairlift, this well-appointed penthouse is in pristine condition... never rented. It provides a deeded garage parking space. And a roof-top hot tub overlooking our mountains.



**From THIS Pristine Penthouse  
You Walk to the Heart of ALL  
the Mountain Village Offers**

**MLS # 26891**

**Offered at \$1,485,000  
3 bedrooms & 3.5 baths**

**Contact Mick at 970-729-0110  
for additional information**

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## Shadow Lane in Pleasant Valley

Spectacular Panoramic Views, Mature Trees, And Easy Year-round Access, This Very Private 3 Parcel Subdivision Offers A Rare Subdivision Opportunity At Pleasant Valley. SELLER IS OFFERING A 90% FINANCING POSSIBILITY at FAVORABLE TERMS!!!

**This will be your view from your  
Shadow Lane Home. Nestled in the  
pinions & Oaks.  
A quick 5 minute drive to Ridgway.**

**Offered at \$750,000  
42.38 acres**

**MLS # 27069**

*or*

**Lot 1 @ \$325K  
Lot 2 @ \$375K  
Lot 3 @ \$375K**

**Contact Mick at 970-729-0110  
for additional information**



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