



2018

QUARTER 3



TEDDY
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Telluride

Sotheby's
INTERNATIONAL REALTY

TELLURIDE REAL ESTATE MARKET REPORT

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MARKET HIGHLIGHTS

2018 VS 2017

QUARTER 3



YEAR TO DATE (SEPTEMBER 30)



2018 QUARTER 3 HIGHLIGHTS

28

TRANSACTIONS
BETWEEN
\$1-\$3 MILLION

10

TRANSACTIONS
OVER \$3 MILLION

\$8.15M

HIGHEST SALE IN
SAN MIGUEL COUNTY

2018 QUARTER 3 MAJOR TELLURIDE SUBMARKET STATISTICS

SEPTEMBER 2018

TELLURIDE SINGLE FAMILY

ABSORPTION RATE	13 MONTHS
AVERAGE LIST PRICE/SALE PRICE	\$3,525,828/\$2,665,000
AVERAGE DAYS ON MARKET	211

TELLURIDE CONDOMINIUM

ABSORPTION RATE	6 MONTHS
AVERAGE LIST PRICE/SALE PRICE	\$2,137,985/\$1,512,191
AVERAGE DAYS ON MARKET	400

MOUNTAIN VILLAGE SINGLE FAMILY

ABSORPTION RATE	35 MONTHS
AVERAGE LIST PRICE/SALE PRICE	\$5,168,393/\$3,697,500
AVERAGE DAYS ON MARKET	337

MOUNTAIN VILLAGE CONDOMINIUM

ABSORPTION RATE	9 MONTHS
AVERAGE LIST PRICE/SALE PRICE	\$1,706,195/\$766,333
AVERAGE DAYS ON MARKET	160

QUARTER 3 2018 SUMMARY

Not much has changed since my last report. The 2018 Real Estate Season continues to lag behind the 2017 Real Estate Season. Even though the Telluride region is down almost \$75 million in dollar volume, 2018's midway point is still significantly up from the dollar volume of every other year since 2008. We are still a very healthy market. Keep in mind 2018 is on pace to be the third best year since pre-recession.

WHAT LED TO THE YEAR TO DATE (SEPTEMBER 2018) DIP?

The numbers are off for a few reasons. First and foremost, lackluster ski conditions do not get Buyers in the mood and that effected five months of closings. Our ski resort was about 40% below average in annual total snowfall. (About 170 inches of snow vs 300 inches.) Early national forest closings and fires in Colorado are not good for business either. The new tax law did not help. Lastly, and probably most important is that the smaller inventories with a rising price point will slow down any market, even Manhattan. Why will Telluride prevail in the long run? The best summertime resort in the Rocky Mountains? Bigger Festivals? Unmatched charm and small size? Living the unique Telluride lifestyle now? Word of mouth in spheres of influence? A continued strong US Economy? A fabulous school system that led to forty new families calling Telluride home? The Ski Resort planning upgrades and changes? Each of these reasons pooled together probably led the charge of the real estate market of 2017 in the Telluride Region. It is busier than ever this summer and the market should pick up in Quarter Four.

FALL/WINTER 2018 FORECAST

How will the Fall real estate season progress? Despite the feeling that the summer was going to be strong, numbers stayed slightly down. Is the lack of inventory keeping us down? **But consider this, right now there is \$125 million in contracts in the Telluride MLS.** The buzz on Telluride remains. There is a



continued awareness from Buyers that the market is on fire, especially in the town of Telluride, driving urgency up. We see Mountain Village and other segments continuing to gain traction. Newer wealthy market arrivals from California, Charlotte and increased awareness from smaller Texas markets such as Austin and San Antonio certainly help. Some early October snow gets Buyers fired up too!

WHERE ARE THE BEST VALUES?

A Buyer has to hunt harder than pre-recession and maybe even harder than ever. There are a few segments that offer excellent values and have not hit the appreciation to eclipse pre-recession prices. One value segment that evaporated this past winter and spring was three-bedroom condominiums in the town of Telluride. In fact, there is almost no inventory in the one, two and three-bedroom condominiums priced below \$1.5 million in the town. But where should your money be spent? If you love the town of Telluride and the lifestyle fits, don't hesitate to buy as long as you are in it for the long haul. And if you are willing to rent short term? The revenue returns have never been higher, both with property management firms and Airbnb. Why can't closing prices in the long run slowly head towards markets like Aspen and Vail in overall price and price per square foot? But if you want bargains? **Look at Land.** Despite the average cost to build luxury product fast approaching \$625 per square foot, there remains some dynamite lots on the market, especially in Aldasoro and Mountain Village. For an end user, the math works to design and build and you get a brand new residence with current finishes. There just is not a lot of room for spec builders to dive in, so new finished product is not easy to find. **Look at Mesa Homes.** The choices are minimal, but you can still be on a larger parcel and get a home for less than \$250 per square foot. You'll be 30 minutes to Telluride, but that pricing is so far below replacement cost, it will be tough to beat over the course of time. And it will be very private.

TEDDY ERRICO'S TELLURIDE MARKET REPORT

The office of Broker Associate Teddy Errico utilizes local data sources in addition to his experience as a Local Broker since 1999 to develop a more dynamic and easy to read report that sheds light on the current trends that shape Telluride's dynamic marketplace.

Use this experience with the success of Telluride Sotheby's International Realty, plus the Global resources the Sotheby's brand offers, and you have an ideal balance of local knowledge with a powerful worldwide reach. Please do not hesitate to contact Teddy for a personal market analysis or additional real estate information.



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TELLURIDE SOTHEBY'S INTERNATIONAL REALTY

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Locally, Telluride Sotheby's International has the Telluride Real Estate Market covered with over 35 Agents and support staff in ten office locations throughout Mountain Village, Downtown Telluride and the majority of Luxury Hotels.

* This report is intended to offer an overview of general market conditions, not a detailed analysis.

* All information is deemed reliable, but not guaranteed.

* Market data provided by the Telluride Multiple Listing Service and Telluride Consulting

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