



Telluride continues to surpass 2009 by 90% for year to date dollar volume and almost equals 2008's volume, which enjoyed decent volume due to 2007 carryover sales. Notable this year is the fact that while Mountain Village remains the stronger performing market, it's advantage over the Town of Telluride dropped from 79% in 2009 to 39% in 2010 and the Town's average transaction amount more than doubled this year over last. This is due to buyers beginning to focus on the upper end of the market. In fact, in the entire region there have been 29 sales over \$2m with 15 over \$4m, 3 between \$8-10.1m and another under contract with an asking price of \$10.5m. In 2009 during this same period, we only had 13 sales over \$2m.

Today, our market continues to be active with buyers testing sellers to see what kind of values they will offer. Many of the more motivated sellers have already sold, so some buyers are choosing to wait in the hopes of better values. As time marches on and the Fall off-season approaches, some sellers may consider reducing prices in response to current economic conditions and a quieting market. At that time, we will expect to see a flurry of activity as the cycle changes and buyers continue to enjoy strong value. Buyers seem to understand that our small, unique market can change rapidly as economic conditions change.

Reduced values have been in the 20-50% range over 2007's values with the highest quality properties maintaining more of their value. These sellers in the upper end of the market are savvy, sophisticated business leaders who hold more firmly on their pricing and remain patient. This affects our market by creating sluggishness in activity yet strength in values in the upper end of the market. The low hanging fruit continues to sell first, but buyers have realized there are very real values happening in the high quality category as these astute sellers recognize some price concession is necessary to move their property. Telluride will always be a resilient market due to its beauty, high quality product and resort amenities, limited inventory and architectural control mechanisms that protect everyone's lifestyle, as well as financial, investment.

Telluride continues to be a value play in comparison to other markets when you look at recent sales of the top 5 single family transactions in other markets:

Aspen/Snowmass: \$1,720/sf

Whistler: \$1,255/sf

Jackson Hole/Teton Village: \$915/sf

Telluride/Mountain Village: \$844/sf

The following link is to some of the best values in today's market: [Click to view listing\(s\)](#) . If you would like me to setup a personal market monitoring system for you, please email me your search criteria.

A quick update as to what the ski area is doing for their 180 improvements to benefit their guests this season can be found here: <http://blog.tellurideskiresort.com/blogs/davesblog/default.aspx> . A few noteworthy items include doubling snowmaking capacity in Lifts 4, 5 & 6 areas, more gladed runs in Lifts 5, 9 & 12 and improvements to chairlifts to reduce down time.

Also, season passes and discount cards are now on sale at: <http://tellurideskiresort.com/TellSki/info/lift-tickets-passes.aspx> .

Sincerely,

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