

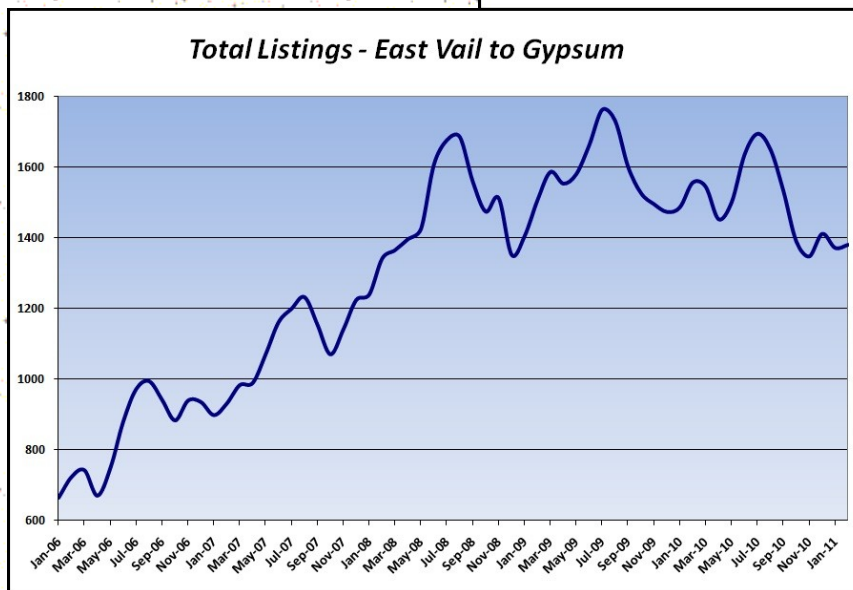
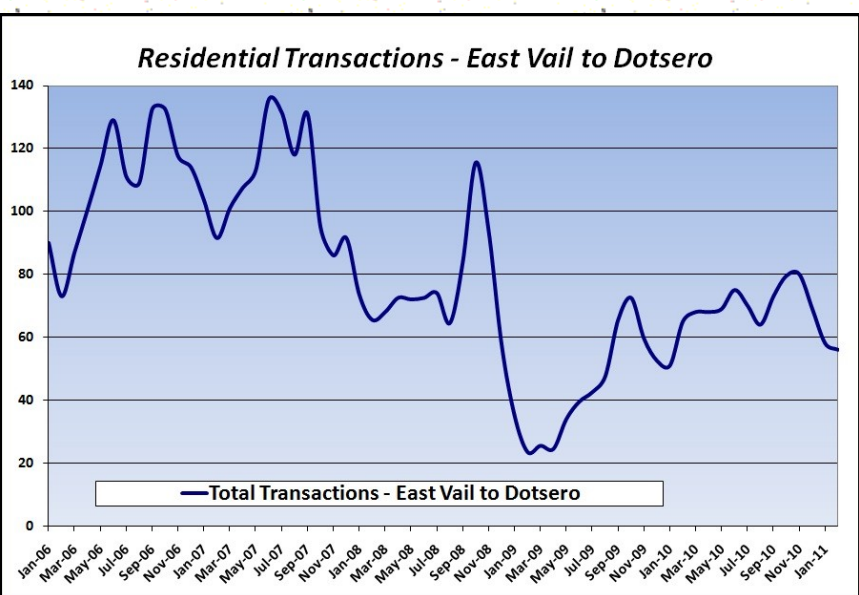
Real Estate Market Update

Real Estate Activity Leveling Off in the Valley

Welcome to your March, 2011 Real Estate Market Update. As I mentioned in the previous newsletter, our market bottomed out in 2009.

We have seen a nice recovery since then. Sales are up across most of the Valley. Prices have dropped from 15% to 50% depending on the micro-market in the Valley but now seem to be stabilizing.

Recently though, activity has leveled off. The chart to the right shows residential transactions from East Vail to Dotsero per the Vail Board of Realtors



MLS.

The growth in the number of properties going under contract has also slowed.

In addition, we haven't seen much of a drop in the total listings in the Valley according to the chart to the left. The large number of listings currently on the market continues to put downward pressure on prices, so we might see prices fall further.

What does all this mean? I think we need to see the national economy strengthen further and unemployment drop in Eagle County for sales to accelerate.

Hopefully 2011 will bring more good economic news and our local economy will respond.

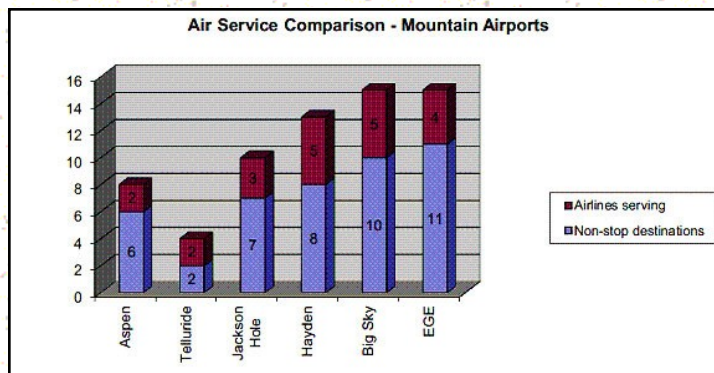
Notes from the March Vail Homeowners Association Newsletter

Vail Economy - Lodging and Retail

The pace of bookings and room rates for the winter season is modestly ahead of the past year, with bookings for March indicating a strong 13% rise. In a faceoff over average daily room rates, Aspen, in January, was \$430 - up 2.4%; while Vail's daily rate of \$379 increased 4.5% over the same month in 2010. However, the abnormal lateness of Easter vacation is putting a strain on April's performance with a negative -16.5% in occupancy forecasted. Retailers are reporting consumers are spending more than last year, but are still restrained in their purchasing. Some merchants are saying the Town of Vail's report of sales tax increases may mean that the Town's revenues are increasing but many businesses are not experiencing the same increase. Some attribute this to increased competition caused by redevelopment. The Town is reporting improvement from all of its revenue sources through February 22, 2011. Snow conditions remain superb. Spring runoff could bring abnormally high flood conditions.

Eagle County Airport

December saw a 0.5% increase over the same month in the previous year in a report by Eagle County Airport officials. The Eagle Air Alliance, a coalition of local businesses and governments, is anticipating increased participation in the subsidization of commercial passenger service to the County airport. The airport has the highest number of scheduled commercial flights of any resort airport in Colorado and is updating its master plan in expectation of increased business. Improvements to increased capacity for baggage handling are underway. Summer service is again on the rise now that runway reconstruction and expansion have been completed. In recognition of the importance of air service to the local economy, the Vail Valley Jet Center has begun a feasibility study of an estimated \$3 million project to expand terminal facilities and customs services for international commercial charter flights. It is expected at inception the most likely international destinations to be served are Canada, Mexico and Latin America. The importance of the airport is being recognized by other communities. Aspen doesn't pay anything to cover the cost of the airport, yet an unofficial estimate is that 15 - 20% of its traffic is Aspen bound. The airport could raise landing fees to cover the cost of Aspen passengers, but it would apply across the board to all travelers.



I also send this newsletter out by email and many folks have opted to go that way. Let's save a tree and all convert to email. Send me a note at Terry@TNolanProperties.com and I'll add you to my e-mail list.

If you know of anyone considering a real estate transaction, I would appreciate your referral. Thanks.

Best wishes to you and your family. Take care.

Check out my Blog at www.BeaverCreekVoice.com.

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