

Bachelor Gulch Report



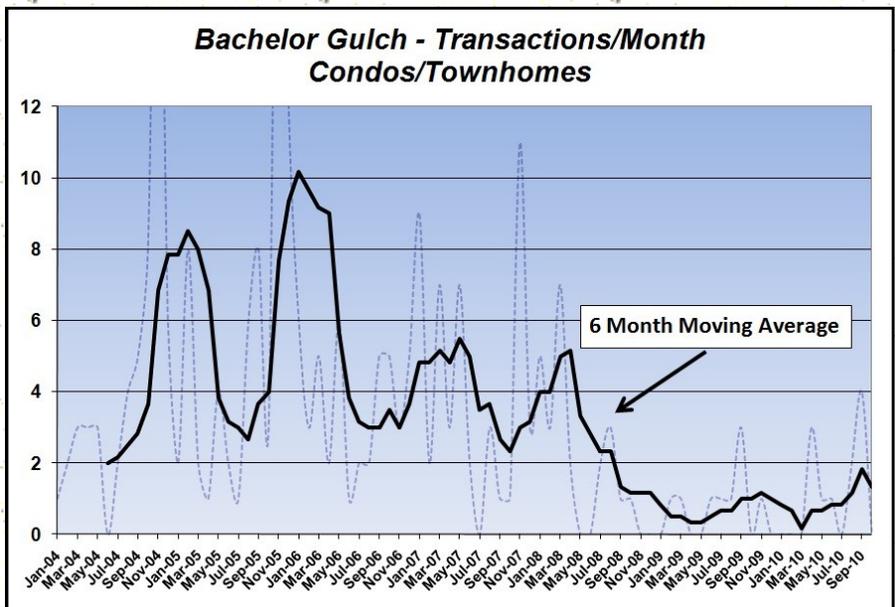
Real Estate Sales Still Slow in Bachelor Gulch

Welcome to your November Bachelor Gulch Market Update. We are seeing real estate sales improve across the Vail Valley but not as much in Bachelor Gulch.

Sales are up over 60% in the Valley compared to 2009. However, in Bachelor Gulch, sales are up only a little over 40%, from 9 sales in 2009 to 13 sales in 2010. For comparison, we had 36 sales in 2007 and 24 sales in 2008.

The graph to the right shows transactions per month for Bachelor Gulch.

Sales are being stalled by persistent high prices. Buyers are looking for bargains and



we haven't seen list prices drop significantly in Bachelor Gulch.

There is still a large gap between list prices and sales prices. Average list price is \$1,082/SF and our average sales price is \$789/SF, a 27% difference. Many buyers just aren't willing to make an offer when prices remain high.

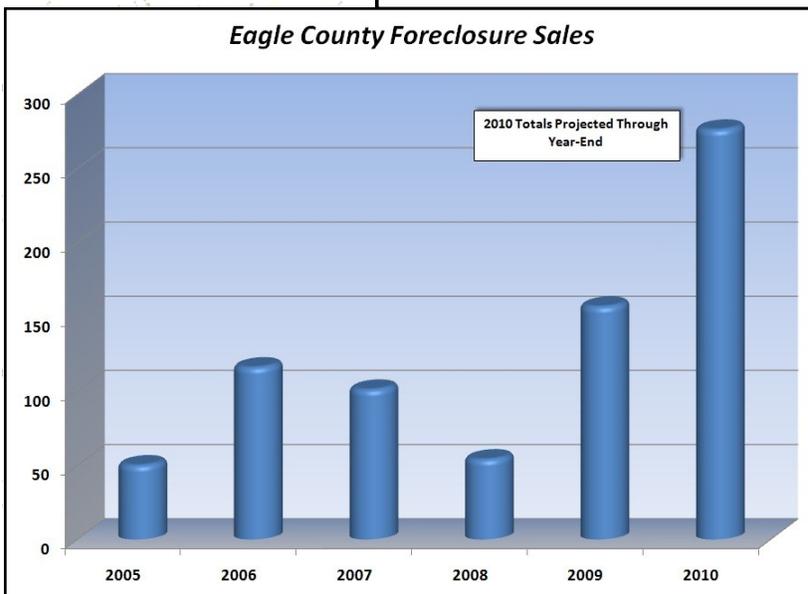
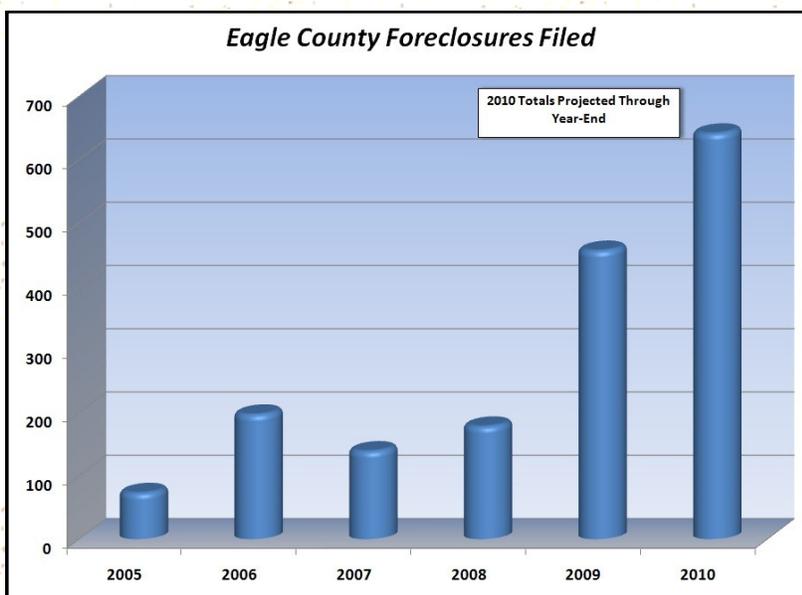
Those sellers who do choose to negotiate are still deeply discounting their prices. The graph to the left shows the difference between **final** list price and sales price. Discounts are still in the 12% range. The good news is that the number of listings is at a 5 year low.

Foreclosure Activity Depressing

Foreclosure activity has definitely picked up in Eagle County. The chart to the right shows foreclosure filings in Eagle County since 2005.

I've taken the liberty to project 2010 totals to the end of the year based on the total filings YTD.

Clearly more homeowners are having difficulty meeting their mortgage payments. Lenders will start the foreclosure process after several



months of missed mortgage payments.

Not all properties that go into the foreclosure process are actually sold. The percentage varies but typically less than 1/2 of the properties in foreclosure are sold (refer to the chart to the left). Most are "cured" by homeowners making up the payments and pulling the property out of foreclosure.

The actual percentage of foreclosures versus homeowners in Eagle County is still very low compared to other parts of the country.

Regardless, these trends tell me there are many people who have lost their jobs or their ability to pay their mortgages, forcing them into difficult situations. It is a very tough time for many folks in the Vail Valley.

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. All referrals receive my immediate attention.

Best wishes to you and your family. Take care.

Check out my Blog at www.BeaverCreekVoice.com.

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