

GRAND VALLEY BUSINESS TIMES

Real estate activity still slowing

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Real estate activity slowed in Mesa County during November compared to both the previous month as well as the same month last year.

Nonetheless, one industry observer said some pockets of the market remain busy and he's optimistic 2011 will be a better year.

According to numbers compiled by Annette Miller, senior vice president of Heritage Title Co. in Grand Junction, the number and dollar volume of real estate transactions in Mesa County declined in November with 179 transactions worth a combined \$32.9 million reported.

The number of transactions was down about 14 percent from the 209 transactions reported for October and 33 percent from the 268 transactions reported for November 2009.

The collective dollar volume of real estate transactions during November 2010 was down almost 32 percent from the \$48.1 million in transactions reported for October and down nearly 46 percent from the \$60.9 million in transactions reported for November 2009.

Through the first 11 months of 2010, a total of 2,282 real estate transactions have been reported in Mesa County. That's down almost 10 percent from the 2,525 transactions reported for the same span last year.

At the current pace of 207 real estate transactions a month, there'll be about 2,500 transactions for all of 2010. For all of 2009, there were 2,737 transactions. By comparison, activity peaked in Mesa County in 2005 and 2006 with nearly 7,200 transactions.

The combined dollar volume of real estate transactions through the first 11 months of 2010 totaled \$528.5 million. That's down about 12 percent from the \$601.2 million in transactions reported for the same period in 2009.

Miller said comparisons between November 2010 and November 2009 are skewed by what was a marked increase in real estate activity at this time last year related to a federal income tax credit for home buyers.

The latest numbers reflect a market that's not influenced by the tax credit — along with what's typically seasonal slowing related to the onset of the holiday season and winter weather, Miller said.

A measure of uncertainty continues to affect the market as well, she said. That includes uncertainty over Bush-era tax cuts scheduled to expire at the end of this year as well as the fate of the income tax deduction on mortgage interest.

Joe Reed, public relations chairman for the Grand Junction Area Realtors Association, agreed the Mesa County real estate market has slowed considerably, especially in comparison to the run up to the peak years of 2005 and 2006.

Now that the market has dropped in the aftermath of slowdowns in the energy sector and overall economy, it's difficult to determine what a normal market is supposed to look like, he said. "We haven't had one for a long time."

Nonetheless, Reed said activity in some pockets of the real estate market remain brisk and anecdotal reports he's heard suggest the numbers could be better for December.

A combination of an ample inventory, lower home prices and historically low interest rates make Mesa County a buyer's market, he said. But more demand from buyers also enables sellers to move their properties and, in some cases, move up themselves to larger homes.

As buyers become more confident — as well as more educated about what's going on in the market — activity will pick up, Reed said. "I'm really optimistic 2011 will be better than 2010."