

# TELLURIDE REPORT

Labor Day 2010

Exclusive Affiliate of  
**CHRISTIE'S**  
GREAT ESTATES

**TELLURIDE**  
REAL ESTATE  
CORPORATION

## TELLURIDE TO HOST LG FIS SNOWBOARDING WORLD CUP FOR THE SECOND YEAR IN A ROW

The 2011 LG FIS Snowboarding World Cup will visit Telluride again this December 15-18, featuring Olympic medal-winning athletes competing in Parallel Giant Slalom and Snowboardercross events.

Telluride will once again be the only US stop on the World Cup tour, mingling with other amazing venues such as Stockholm, Saas-Fee in the Alps, Moscow, Calgary and Bardonecchia.

For more information, visit  
[www.tellurideworldcup.com](http://www.tellurideworldcup.com) or  
[www.fissnowboard.com](http://www.fissnowboard.com).

**TELLURIDE**  
REAL ESTATE  
CORPORATION

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## SKI AREA NEWS

An Update From Dave Riley's Blog: Telski Preparing for the 2010/2011 Ski Season with Numerous Improvements

For several years, Telski has focused on large capital improvements to enhance the ski area, by expanding both terrain and dining options (such as Revelation Bowl, the stairway to the Gold Hill Chutes, Alpino Vino, and the Hop Garden). For the upcoming season, the staff members and management group at Telluride Ski and Golf are busy working to improve the on-mountain experience. Below are some of these projects:

- \* Upgraded online sales systems and email systems
- \* Allred's is getting new custom carpet this fall, as well as four large new elk antler chandeliers in the main dining room and a new flat screen TV in the bar area
- \* Alpino Vino is getting new outdoor electric radiant heaters for the deck
- \* The Hop Garden is getting new outdoor electric radiant heaters for the patio, additional outdoor furniture, and new beer lines which will be run underground from the Plaza building to the outdoor bar so they can offer 8 varieties on tap outside
- \* Numerous projects are being completed on the chairlifts to reduce down-time
- \* A new 12-person heated and enclosed snowcat "people hauler" trailer has been purchased, to use for periodic dinners at Alpino Vino

- \* Significant brush-cutting is happening this fall on the north side slopes
- \* New gladed ski runs are being developed. Below is a list of areas Telski hopes to complete before the weather turns:
  - A. Skier's left of Silver Tip (5)
  - B. Skier's right of Henry's Run (5)
  - C. Lower Terminal Role (12)
  - D. Skier's right of Stella (12)
  - E. Skier's right of Upper Sandia (12)
  - F. Skier's right of Log Pile (9)
  - G. Skier's left of Joint Point (9)

- \* Telski will have several new features/jibs for terrain parks
- \* Pumping capacity is being doubled in the Misty Maiden pumphouse, which will enhance the speed of snowmaking in chair 4, 5 and 6 pods
- \* A new women's boutique called "The Swanky Buckle" will open in Mountain Village
- \* A new print gallery called "Gold Hill Gallery" will open in Mountain Village
- \* New Nastar buildings for the top and bottom of the race course are being constructed.



**2010/2011 SKI SEASON PASSES ARE ON SALE UNTIL OCTOBER 29!**

Take advantage of huge discounts at 2007 prices:

Adult: \$1,298 | 4-Pass\*: \$998  
Junior: \$225 | Child: \$175  
College: \$349 | Senior: \$599

Frequency Passes:  
6-day: \$450 | 10-day: \$650  
T-Card (20% discount on lift tickets): \$80

For more details go to  
<http://tellurideskiresort.com/TellSki/info/season-passes.aspx>  
or phone 970-728-7517.

\*Requires a group of 4 people to purchase; for details, call the number above, or your TREC broker

## NEW MANAGING DIRECTOR OF CHRISTIE'S GREAT ESTATES AMERICAS APPOINTED

Chief Executive Officer of Christie's Great Estates Neil Palmer has just announced the appointment of Zachary Wright as Managing Director of CGE Americas with immediate effect. In order for Christie's Great Estates to enhance its position as a pre-eminent global service provider to the luxury residential market, it is important to further expand the senior management team.

Reporting to Neil as Chief Executive Officer CGE, Zack will work in close partnership with Kay Coughlin, President, to broaden and strengthen the service delivery of Christie's to the Affiliate network in the Americas; drive development project marketing capability in the US; focus on delivering referrals and bespoke projects and further enhance the CGE global brand. Zack will be based in the newly expanded CGE New York offices in Rockefeller Plaza.

Zack brings with him a wealth of knowledge and experience in the global luxury property sector. He previously held the position of Executive Vice President and Partner at Synthesis Realty Group, one of the leading advisors to the luxury residential resort development community. Prior to this, Zack was Director Real Estate for the CCA Group, a leading developer of luxury golf-based resorts in Asia and Europe. Previous to that, Zack was Senior Vice President and Western Regional Manager of Sotheby's International Realty.

## MARKET UPDATE

The Telluride Real Estate marketplace has experienced a bit of a rebound in the first half of 2010. Year to date, gross dollar sales have increased 89% over that same period in 2009. Numbers of regional transactions also increased at the rate of 45%. Currently, dollar volume of sales is 55% of sales achieved in 2007, our last good real estate year pre-recession. This represents an increase of 26% when one compares 2009 sales to 2007. Sales in the Telluride region appear to be tracking better than those in Aspen where that resort's sales have increased 22% during the same time period.

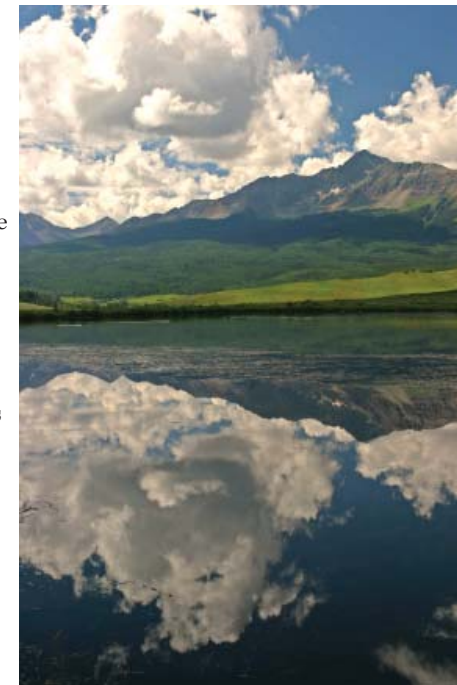
A total of 51 sales transpired in the Town of Telluride representing total gross dollars of \$54.9M YTD. A total of 72 sales occurred in the Town of Mountain Village with gross dollars of \$94.6M. The remainder of San Miguel County experienced 38 sales totaling \$39.7M. It appears as though the upper end of the market is garnering considerable interest. There have been a total of 29 sales in the Telluride region above \$2M with 15 sales above \$4M and three transactions between \$8M - \$10.1M YTD. Another Mountain Village home with an asking price of \$10.5M is currently under contract. These high end sales show a dramatic improvement as during the same period in 2009, there were only 13 sales above \$2M.

While we do not anticipate a boom cycle on the near horizon, this data seems to indicate a strong renewed interest in investment in the Telluride lifestyle with its limited, high quality inventory. The catalyst for stronger sales has been a willingness by some sellers to accept price levels 20% - 30% below the market highs of 2007. Those sellers are not necessarily in

"must sell" situations, but are oftentimes seeking liquidity for alternative investments. Investors are gravitating to discounted "Grade A" properties and seem to be avoiding a limited number of problematic foreclosure and short sale scenarios.

With the velocity of sales increasing, it is likely that a "bottom" has been reached and sellers will over time resist these deeper discounts and the market will respond with gentle appreciation.

Those sellers who have held firm with price structure must remain patient, but oddly have contributed to "setting the bottom" and will influence the rise in future values. Premium properties at significantly higher pricing will likely lead the market to a gentle appreciation cycle. With 12 homes transacted in the past 120 days at \$800 PSF - \$1,075 PSF, this cycle is likely in motion.



PLEASE CONTACT YOUR TREC AGENT FOR A COPY OF THE SEPTEMBER 2010 HOT PICKS LIST!

## TELLURIDE AND MONTROSE REGIONAL AIRPORT UPDATE

**It Just Keeps Getting Better!**

Good news for our visitors and owners who fly into the Telluride/Montrose area: Despite an economy that cooled over the last couple of years, significant dollars and new service continue to improve air travel to the region.

We've told you in the past about the expansion and improvements to Telluride's airport (TEX). Over \$40 million has been spent in the last three years at North America's highest commercial airport. What does that translate into? A longer runway (a level runway!), all-new runway lighting, greatly expanded safety areas on all aspects, and the final result of an important increase in the airport's overall FAA rating. This allows the airport and regional air organizations to now fully pursue larger regional aircraft - a goal that many have held since the airport's very inception. Regardless of that timetable, TEX is now considered one of the top mountain airports in the country.

Not to be outdone, the Montrose airport (MTJ) has also had its share of good news of late. A terminal expansion plan for the Montrose facility just received the necessary final FAA funding this August - plans are now able to go forward. This expansion will increase the airport's passenger capacity, particularly during peak travel periods when congestion has become an issue. For those of you who fly through Denver into MTJ, you'll notice that service on United is now largely via jet aircraft. We are also pleased to announce that Delta has new daily jet service from Atlanta starting this ski season. Delta has pulled back service from several other resorts, so we are pleased to see this increase

in service from the world's busiest link.

Air service into this beautiful though remote part of the country is a critical component to our sustainability. We're pleased to see our two airports not only thriving today, but wisely planning for the future.



## A REDUCTION IN DENSITY

**Increasing Demand by Reducing Supply**

We often hear the question "what drives the real estate market here in Telluride?" One possible answer is the idea of supply and demand which is the functional foundation of the housing market; especially in this quaint little town we call Telluride, where supply usually is less than demand.

Imagine the Telluride region with lots of supply and no demand. Imagine the Telluride region containing 22,000+/- residents; Lawson Hill with close to 1,000 people, The Valley Floor with 1,770 people, West Meadows with 2,400 people,

Aldasoro with 1,664 people, Sunnyside with 500 people, Mountain Village with 8,000 people and the Town of Telluride with 6,000 people. These are the numbers that at one time were part of the Telluride region platted population (revised 4/12/93). Some of the ideas and plans included mini-alpine villages with dense pedestrian cores connected to the town of Telluride and Mountain Village via a ski rail, gondola and light rail. If you have ever looked at old plat maps of Lawson Hill and Aldasoro you would find gondola easements. At one point, a British planning firm specializing in urban development, had planned for the Valley Floor to contain upwards of 3,000 people. One developer wanted more than 2,000 "real people" (working class) to live in West Meadows, complete with chickens and goats, bowling alleys and t-shirt shops.

Thankfully, in the late 1980s and 1990s people's mindsets changed. Mountain homes became more sought after than the higher density, core areas. Acreage, sun and views became more important than proximity to the slopes, restaurants and bars. In the 2000s we started to see second homes becoming primary homes. With advances in technology and telecommunications people were able to work at home and office from tiny towns like Telluride.

As the Telluride Region slowly emerges from what has been an economic downturn of historic proportions, the supply/demand curve returns to relevance. The areas of the country that will continue to languish for several years in the wake of this cycle were simply overbuilt and without supply-constraints. Over time, those unique areas that offer the rare combination of dramatic scenery, rich history, dynamic cultural opportunities, and supply-constrained real estate markets prove to be the most stable places for enjoyment and investment. We are all truly fortunate to call this special place home.

CALENDAR OF EVENTS

### SEPTEMBER

- 3-6 Telluride Film Festival
- 6 Labor Day
- 11 Imogene Pass Run
- 13-17 Black Bear Awareness Week
- 16 Bob Miller Memorial Golf Classic
- 16 Historic Pub Crawl
- 16 Nathen McEuen Duo at the Sheridan Opera House
- 17-19 Telluride Blues & Brews Festival
- 25 Open House at Bridal Veil
- 20-26 Telluride Photo Festival

### OCTOBER

- 1-2 Telluride Tech Festival
- 3 Telluride Golf Club Closes for the Season
- 15-17 Telluride Horror Show
- 18 Gondola Closes for Off-Season
- 31 Halloween

### NOVEMBER

- 19 Gondola Reopens
- 25 Thanksgiving / Ski Area Opening Day