

## 2nd Quarter Real Estate Sales up 33% from 2002

While first quarter real estate sales are very similar from 2002 to 2003, second quarter sales in 2003 rose \$21,353,977 or 33% from 2002, according to the Telluride Association of Realtors Multiple Listing Service. In addition, sales from July 1 through July 24, 2003 rose \$4,819,400 or 44% from 2002. These two numbers combined account for \$26,173,377 of the \$28,579,868 increase in sales to date this year.

Year	Total Dollar Volume
April 1- July 24, 2002	\$74,795,893
April 1- July 24, 2003	<b>\$100,969,270</b>

The total dollar volume of real estate sales to date in 2003 rose **21%** compared to the same time period in 2002. From January 1, 2003 through July 24, 2003, **\$166,645,519** of real estate was sold, a gross increase of **\$28,579,868** over the same time period in 2002.

Year	Type	Total Dollar Volume
2002	All	\$138,065,651
2003	All	<b>\$166,645,519</b>

The average price of a real estate transaction to date in 2003 **increased \$110,886** or **30%** over 2002.

Year	Type	Average Price
2002	All	\$372,144
2003	All	<b>\$483,030</b>

To date in 2003, land saw the largest increase in total dollar volume with a **50% increase**, while residential homes were next with a **27% increase**.

Year	Type	Total Dollar Volume
2002	Land	\$30,148,650
2003	<b>Land</b>	<b>\$45,436,400</b>
2002	Residential	\$56,757,150
2003	<b>Residential</b>	<b>\$72,190,274</b>

### April details

April is the largest month to date this year in terms of total dollar volume of real estate sales with \$30,883,890. The last time a month reached that volume was six months ago, in the fall of 2002.

Mountain Village sales account for 51% of total sales in April with 6 condos, ranging in price from \$495,000 to \$3,329,000 and totaling \$8,369,000; 6 vacant land sales, ranging in price from \$430,000 to \$2,000,000 and totaling \$5,902,000; 5 fractional sales totaling \$509,000; and

just one residential home sale at \$895,000.

Both land and residential homes sales rose in total dollar volume in April 2003, with residential home sales more than doubling in number to 18 sales. Of those, 14 could be considered affordable housing in the Norwood and Ridgway areas, ranging in price from \$25,000 to \$339,000. The largest residential home sale for this month was in Telluride for \$2,300,000.

The total dollar volume of land sold in April 2003 was \$10,546,400, a 68% increase over 2002. Land sales increased by 3 transactions, raising the average price of a land sale to \$479,381 from \$329,631. In addition to the 6 Mountain Village lots, 2 lots totaling \$2 million in Telluride were sold as well as significant sales in the Norwood area including 4 lots on Lone Cone Road and a \$1.5 million sale on County Road V44.

The average price of a real estate sale rose 44% in April 2003 to \$514,714.

### May details

May was just slightly behind April with sales totaling \$30,535,980. Of the total, 41% occurred in Mountain Village, 37% in the surrounding areas and 22% in Telluride,

Vacant land doubled in total dollar volume rising to \$9,659,400. The highest priced land sale in May 2003 was a mesa property at \$2,250,000, while 4 Mountain Village lots sold in the \$1 to \$1.5 million range. There continues to be many lot sales in the Norwood and Ridgway area, priced from \$39,000 to \$400,000, while there were no lot sales in Telluride.

The total dollar volume of residential homes remained about the same as 2002 at \$11,037,000.

One \$3,400,000 million home in Mountain Village, a \$1,045,000 Ski Ranches home, and 2 homes in Telluride totaling \$1,940,000 were sold. The remaining home sales are in the outlying areas of Ridgway and Norwood and include 18 homes totaling \$4,652,000 for an average of \$258,444 per home.

The total dollar volume of condos was down 25% from 2002, but the average price rose 10% to \$481,267. Sales in 2003 ranged from \$275,000 to \$1,555,000 while in 2002 sales ranged from \$81,000 to \$975,000. Five sales totaling \$3,270,000 were in Mountain Village and 8 sales totaling \$4,286,480 were in Telluride.

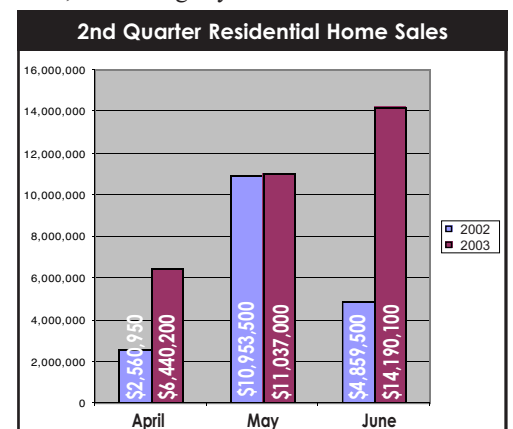
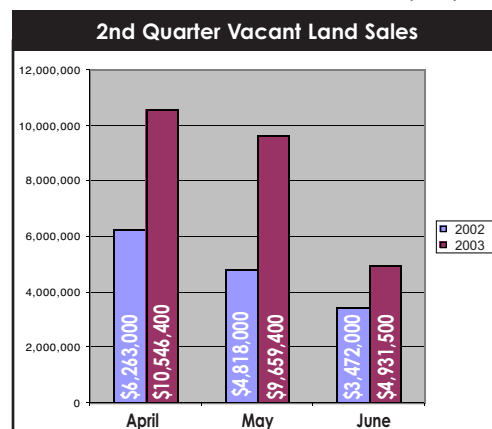
### June details

Residential homes accounted for \$14,190,100, or 60%, of the \$23,748,500 in total sales in June 2003. In 2002, there was \$4,859,500 in residential home sales and \$13,486,150 in total sales. At the same time the average price for a home rose to \$505,287 from \$323,966.

Of the \$24,748,5000 in June, 53% of sales were in the surrounding areas, 44% were in Telluride, and just 3% were in Mountain Village. As a matter of fact, only 3 properties in Mountain Village were purchased this month, 2 condos and one fractional sale for a total of \$607,500.

Notable sales include 4 homes in Telluride in the \$1 to \$1.5 million range, a \$2.6 million mesa property, a \$4 million home very close to Telluride, and 2 sales totaling \$1 million on Hastings Mesa.

Land sales grew 42% to \$4,931,500 in 2003. A mesa property sold for \$3.1 million, while all other land sales ranged from \$32,000 in Rico to \$350,000 in Ridgway.



## Telluride Ski resort seeks investment partner or buyer

After three decades under the ownership of Ron Allred and Jim Wells, and a recent stint of fresh ownership, the Telluride Ski Resort is again looking into the future of a new era.

Last spring Telski owner Hideo "Joe" Morita, who's solely owned the ski resort for a little more than two years, announced Telski was seeking an investment partner or buyer. In early June, investor interest peaked as several prospective investors surfaced seeking to purchase all or part of the ski area. Potential investors/purchasers were reported by the *Daily Planet* to include Aspen Ski Co. and former Vail Resort head Andy Daly. Ski industry speculators have also named Booth Creek Holdings and long-time owner of Vermont's Okemo Mountain, Tim Mueller as potential investors.

Although no official bids are in, Telski

Communications Director Annie Kuhles said a sale announcement is expected by summer's end. Morita, who also owns a ski area in Japan where he lives, is reportedly selling the ski resort to balance a large international portfolio.

Morita sealed the partnership deal with Telski partners Jim Wells and Ron Allred in 1999, ending an almost 30-year ownership since Wells and Allred took over a young Telluride ski area in the late 1970s. In less than two years Morita became the ski area's sole owner following an agreement between partners and a Mountain Village real estate sale dissolving Telski's precursor, the Telluride Co.

But the sale is not the only change to come Telski's way this summer. Since Morita's beginning with Telski, Johnnie Stevens a native to both Telluride and the ski area, has acted as the resort's chief operating officer alongside directors from Booth Creek Resorts, a Vail-based ski resort operator and owner. This summer Telski's head Stevens stepped down from his ski area post as chief operating officer. Stevens resigned earlier this month after three decades of commitment to the ski area beginning his career as the first director of ski patrol in Telski's first year of operation, 1971.

Currently Telski boardmember Jim Wear is serving as interim chief operating officer as well as serving on the board of directors of Mountain

Village Metro Services, the town of Mountain Village's property owners association.

Still, the sale of the ski area would not mean Morita's absence from the area. The son of the late founders of the Sony Corp., Morita owns both commercial and residential property in the Mountain Village.

Among Morita's other investments are a fishing lodge in British Columbia, a ski area in Japan and resort property in Beaver Creek.

Because Telluride Ski Resort is a privately-owned company no price has been released to the public, but ski area consultants said generally the price of a ski area is set by a formula which runs five to eight times its annual profit. The firm of Sonnenblick-Goldman was retained by Morita several months ago and is handling all current inquiries on the potential sale/partnership.

### Regional Airport Update

The Telluride Regional Airport's proposed expansion project will add 600 feet to the existing runway and two retaining walls, in an effort to attract more small, regional jets and improve safety.

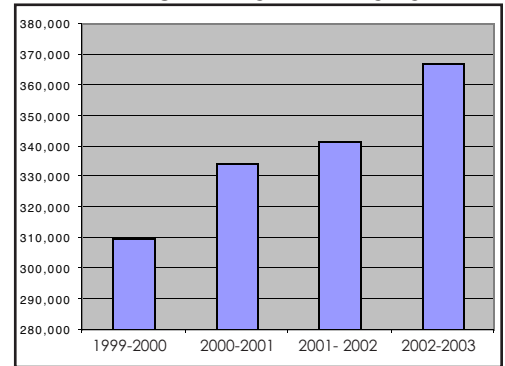
But before receiving final approval the \$55 million project, airport representatives want to make sure the public and elected officials understand project plans. With that in mind, an open house was hosted by airport manager Rich Nuttall earlier this month to discuss the expansion that will lengthen the runway toward Last Dollar subdivision in an effort to improve airport safety.

San Miguel County commissioners will discuss the airport project this fall. If approved, the project could begin as early as the fall of 2003.

Telluride Airport  
<[www.tellurideairport.com](http://www.tellurideairport.com)>

Montrose Airport  
<[www.airport.co.montrose.co.us](http://www.airport.co.montrose.co.us)>

TELLURIDE SKIER VISITS



### Mountain Village hotel site granted conceptual approval

The Mountain Village Design Review Board and the Town of Mountain Village have granted conceptual approval to the newest hotel project in the Village Core, which is expected to be the Ritz-Carlton. The project could add 100 hotel rooms to the region's bed base, as well as approximately 40 condos and various retail shops.

The hotel will be located between the Franz Klammer Lodge and the Telluride Ski

& Golf Co. offices and is on one of the last large, unimproved commercial parcels in the Village Core. The projects developer, RAL Developers, is also proposing to build a skating rink, post office, office space for the Adaptive Ski Program and a town plaza, with the possibility of a Village Core entrance and parking garage, as part of the project.

The project has not yet received final approval, which could come as early as this fall.