

Annual Report for the Durango Area Association of REALTORS® Service Area

RESIDENTIAL REAL ESTATE ACTIVITY IN LA PLATA AND SAN JUAN COUNTIES



2018

While the 2017 housing market was marked by renewed optimism fueled by stock market strength, higher wages and a competitive environment for home sales, 2018 delivered a more seasoned prudence toward residential real estate. Home buyers, now steeped in several years of rising prices and low inventory, became more selective in their purchase choices as housing affordability achieved a ten-year low.

Yet the appetite for home buying remained strong enough to drive prices upward in virtually all markets across the country. In fact, national home prices have risen 53 percent from February 2012 to September 2018. That mark is a less dramatic but still sizable 40 percent increase when inflation is factored in.

The national median household income was last reported with a year-over-year increase of 1.8 percent, while home prices have gone up 5.5 percent in roughly the same amount of time. That kind of gap can't be sustained indefinitely, but prices are still expected to rise in most areas, albeit at a much slower pace.

Sales: Pending sales increased 0.6 percent, closing 2018 at 1,172. Closed sales were down 3.2 percent to finish the year at 1,164. A booming economy would seem to indicate more sales, but fewer homes to choose from coupled with lower affordability made it tougher for buyers in 2018.

Listings: Year-over-year, the number of homes available for sale increased by 0.6 percent. There were 541 active listings at the end of 2018. New listings decreased by 1.9 percent to finish the year at 1,778.

Showings: Demand began to taper in 2018. There were 17,151 total showings in the region, culminating in a median of 8 showings before pending, which was down by 11.1 percent compared to 2017.

Prices: Home prices were up compared to last year. The overall median sales price increased 6.4 percent to \$385,000 for the year. Single-Family home prices were up 7.7 percent compared to last year, and Condo home prices were flat.

List Price Received: Sellers received, on average, 95.4 percent of their original list price at sale, a year-over-year decrease of 0.1 percent. If demand shrinks in 2019, original list price received at sale could drop as well.

Consumer optimism has been tested by four interest rate hikes by the Federal Reserve in 2018. Meanwhile, GDP growth was at 4.2 percent in Q2 2018, dropped to 3.4 percent in Q3 2018 and is expected to be about 2.9 percent in Q4 2018 when figures are released.

Looking strictly at market fundamentals, recent Fed and GDP changes will not cause a dramatic shift away from the current state of the housing market. The booming sales at increased prices over the last several years may not be the same thrill ride to observe in 2019, but a long-awaited increase in inventory is something positive to consider, even if it arrives in the form of shrinking demand amidst rising mortgage rates.

The biggest potential problem for residential real estate in 2019 might be human psychology. A fear of buying at the height of the market could create home purchase delays by a large pool of potential first-time buyers, thus creating an environment of declining sales.

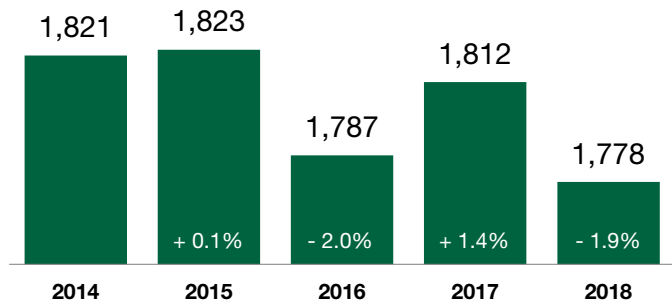
If the truth of a positive economic outlook coupled with responsible lending practices and more available homes for sale captures the collective American psyche, the most likely outcome for 2019 is market balance.

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Quick Facts

New Listings



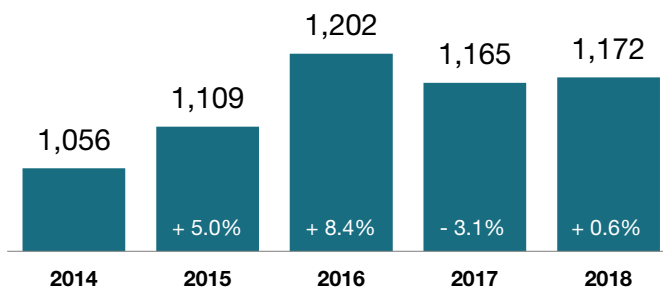
Top 5 Areas: Change in New Listings from 2017

Ignacio In Town	+ 100.0%
Durango In Town	+ 11.3%
San Juan County	+ 3.9%
Bayfield Rural	- 0.5%
La Plata County	- 2.0%

Bottom 5 Areas: Change in New Listings from 2017

Durango Rural	- 7.2%
Durango Mountain Area	- 8.0%
Silverton	- 9.1%
Vallecito	- 15.8%
Bayfield In Town	- 16.3%

Pending Sales



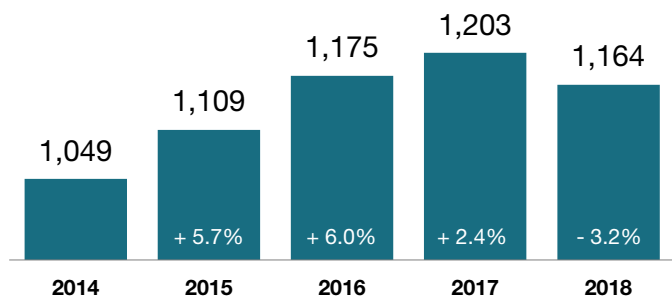
Top 5 Areas: Change in Pending Sales from 2017

Ignacio In Town	+ 133.3%
Durango Mountain Area	+ 15.7%
Ignacio Rural	+ 12.5%
Durango In Town	+ 7.3%
La Plata County	+ 0.8%

Bottom 5 Areas: Change in Pending Sales from 2017

Vallecito	- 6.5%
Bayfield Rural	- 6.7%
San Juan County	- 6.7%
Silverton	- 12.5%
Bayfield In Town	- 34.7%

Closed Sales



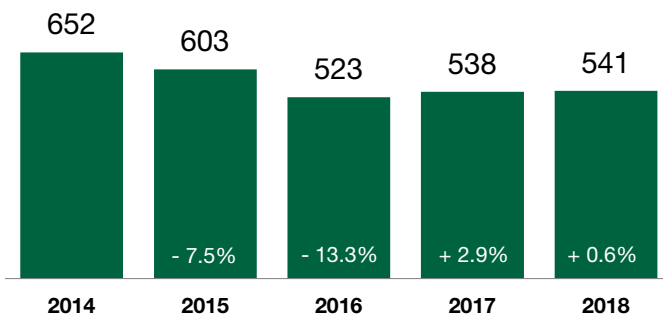
Top 5 Areas: Change in Closed Sales from 2017

Ignacio In Town	+ 100.0%
Ignacio Rural	+ 28.6%
Durango Mountain Area	+ 11.0%
Bayfield Rural	0.0%
Durango In Town	- 0.5%

Bottom 5 Areas: Change in Closed Sales from 2017

Durango Rural	- 5.0%
Vallecito	- 9.1%
San Juan County	- 23.5%
Silverton	- 33.3%
Bayfield In Town	- 41.3%

Inventory of Homes for Sale



Top 5 Areas: Change in Homes for Sale from 2017

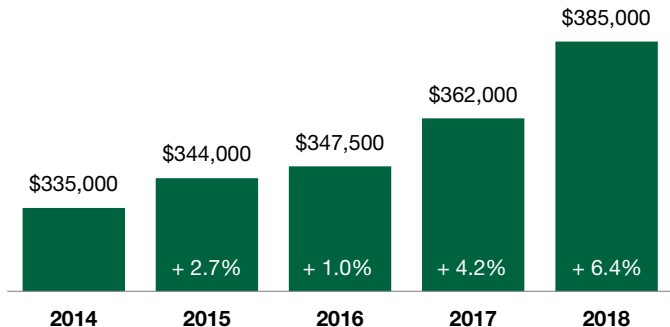
Bayfield In Town	+ 80.0%
Ignacio In Town	+ 50.0%
Durango In Town	+ 22.4%
Silverton	+ 9.1%
San Juan County	+ 6.9%

Bottom 5 Areas: Change in Homes for Sale from 2017

La Plata County	+ 0.2%
Durango Rural	- 6.6%
Durango Mountain Area	- 9.6%
Ignacio Rural	- 15.4%
Vallecito	- 29.4%

Quick Facts

Median Sales Price



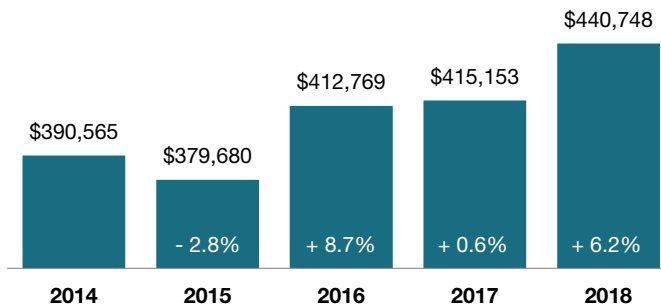
Top 5 Areas: Change in Median Sales Price from 2017

San Juan County	+ 16.6%
Durango Rural	+ 9.3%
Vallecito	+ 8.0%
Bayfield In Town	+ 6.9%
La Plata County	+ 5.5%

Bottom 5 Areas: Change in Median Sales Price from 2017

Durango In Town	+ 3.9%
Silverton	- 0.9%
Durango Mountain Area	- 2.3%
Ignacio Rural	- 3.3%
Ignacio In Town	- 17.2%

Average Sales Price



Top 5 Areas: Change in Avg. Sales Price from 2017

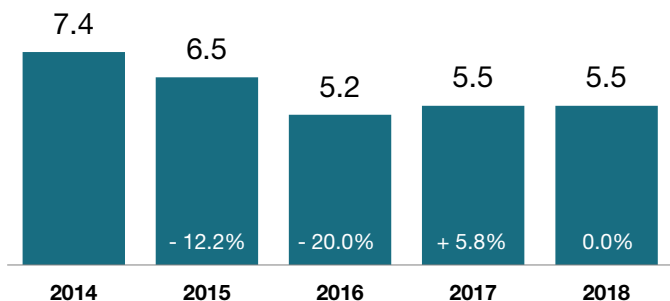
Vallecito	+ 15.5%
Ignacio Rural	+ 13.3%
Durango Mountain Area	+ 10.1%
San Juan County	+ 8.3%
Bayfield In Town	+ 8.1%

Bottom 5 Areas: Change in Avg. Sales Price from 2017

La Plata County	+ 5.9%
Durango In Town	+ 3.1%
Bayfield Rural	+ 2.0%
Silverton	+ 1.5%
Ignacio In Town	- 20.2%

Months Supply of Inventory

At the end of the year.



Top 5 Areas: Change in Months Supply from 2017

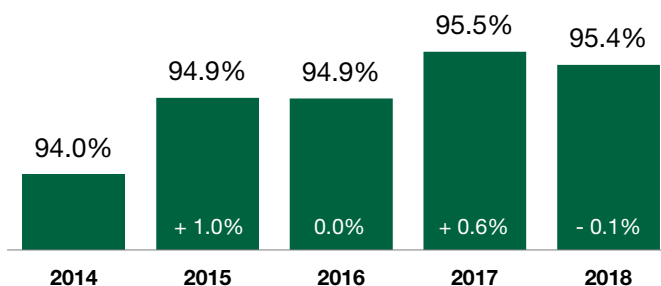
Bayfield In Town	+ 147.1%
Silverton	+ 40.0%
Ignacio In Town	+ 30.0%
Durango In Town	+ 13.9%
Bayfield Rural	+ 9.4%

Bottom 5 Areas: Change in Months Supply from 2017

La Plata County	- 1.9%
Durango Rural	- 5.3%
Vallecito	- 16.3%
Ignacio Rural	- 16.7%
Durango Mountain Area	- 21.4%

Percent of Original List Price Received

At the end of the year.



Top 5 Areas: Change in Pct. of Orig. Price Received from 2017

Silverton	+ 4.6%
San Juan County	+ 3.6%
Bayfield Rural	+ 1.2%
Bayfield In Town	+ 1.0%
Durango Mountain Area	+ 0.9%

Bottom 5 Areas: Change in Pct. of Orig. Price Received from 2017

La Plata County	- 0.3%
Durango In Town	- 0.5%
Ignacio Rural	- 0.5%
Ignacio In Town	- 3.7%
Vallecito	- 4.9%

Property Type Review

130

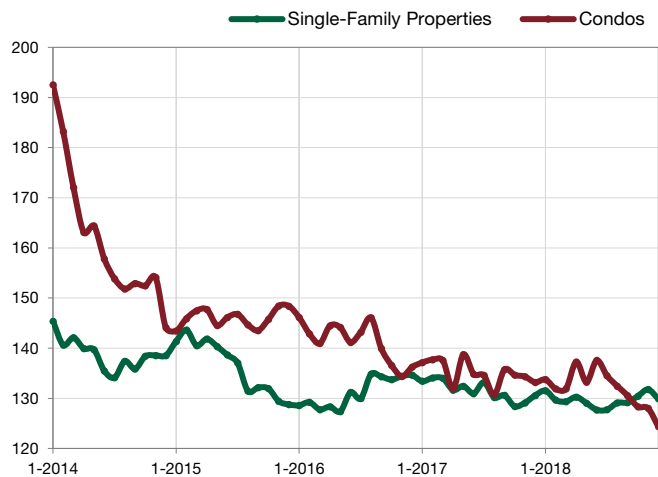
Average Days on Market
Single-Family Properties

124

Average Days on Market
Condo Properties

Days on Market Until Sale

This chart uses a rolling 12-month average for each data point.



Top Areas: Condo Properties Market Share in 2018

Durango Mountain Area	80.2%
Durango In Town	50.8%
San Juan County	38.5%
La Plata County	29.3%
Durango Rural	11.2%
Bayfield In Town	6.8%
Bayfield Rural	0.0%
Ignacio In Town	0.0%
Ignacio Rural	0.0%
Silverton	0.0%
Vallecito	0.0%

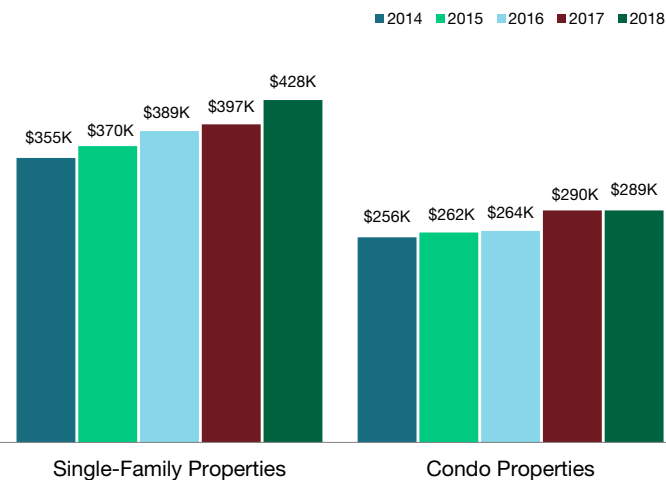
+ 7.7%

One-Year Change in Price
Single-Family Properties

0.0%

One-Year Change in Price
Condo Properties

Median Sales Price



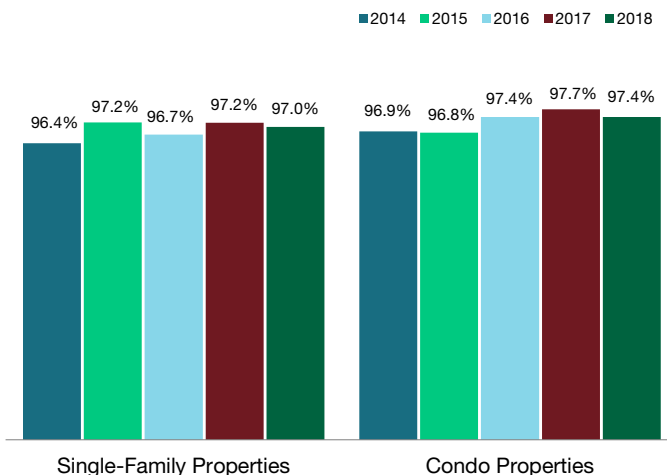
97.0%

Pct. of Orig. Price Received
Single-Family Properties

97.4%

Pct. of Orig. Price Received
Condo Properties

Percent of Original List Price Received



Price Range Review

\$250,001 to \$350,000

Price Range with Shortest Average Days on Market

\$350,001 and Above

Price Range with Longest Average Days on Market

2.8%

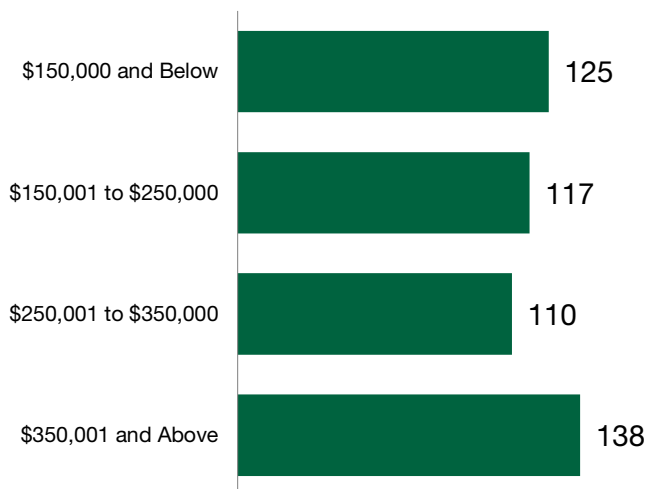
of Homes for Sale at Year End Priced \$150,000 and Below

- 25.0%

One-Year Change in Homes for Sale Priced \$150,000 and Below

Days on Market Until Sale by Price Range

Share of Homes for Sale \$150,000 and Below



\$350,001 and Above

Price Range with the Most Closed Sales

+ 7.3%

Price Range with Strongest One-Year Change in Sales: \$350,001 and Above

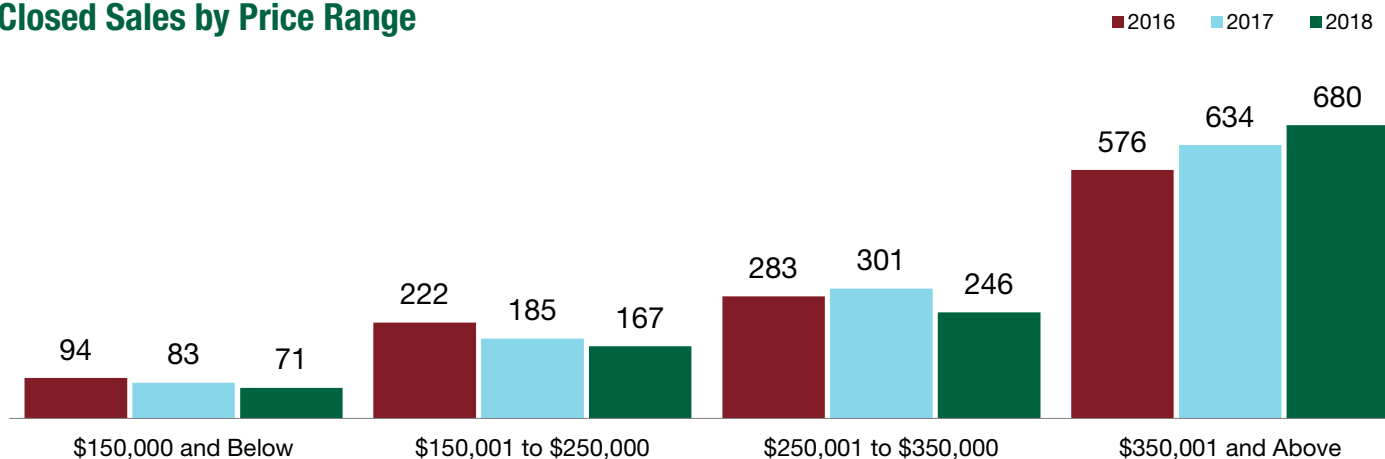
\$150,000 and Below

Price Range with the Fewest Closed Sales

- 18.3%

Price Range with Weakest One-Year Change in Sales: \$250,001 to \$350,000

Closed Sales by Price Range



Square Foot Range Review

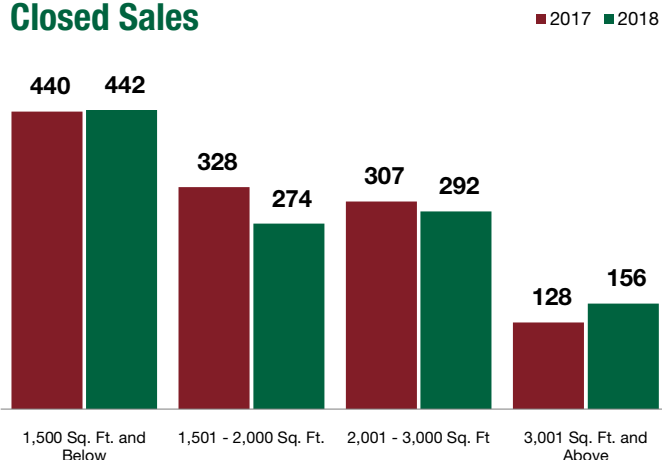
+ 0.5%

Growth in Closed Sales
1500 Sq Ft or Less

- 16.5%

Reduction in Closed Sales
1,501 to 2,000 Sq Ft

Closed Sales



Top Areas: 1,500 Sq Ft. or Below Market Share in 2018

Ignacio In Town	83.3%
Silverton	66.7%
Durango Mountain Area	66.4%
San Juan County	53.8%
Durango In Town	50.0%
Bayfield In Town	38.6%
La Plata County	37.6%
Vallecito	33.3%
Bayfield Rural	31.3%
Ignacio Rural	29.6%
Durango Rural	19.4%

97.4%

Percent of List Price
Received in 2018 for
1,500 Sq. Ft. and Below

97.9%

Percent of List Price
Received in 2018 for
1,501 - 2,000 Sq. Ft.

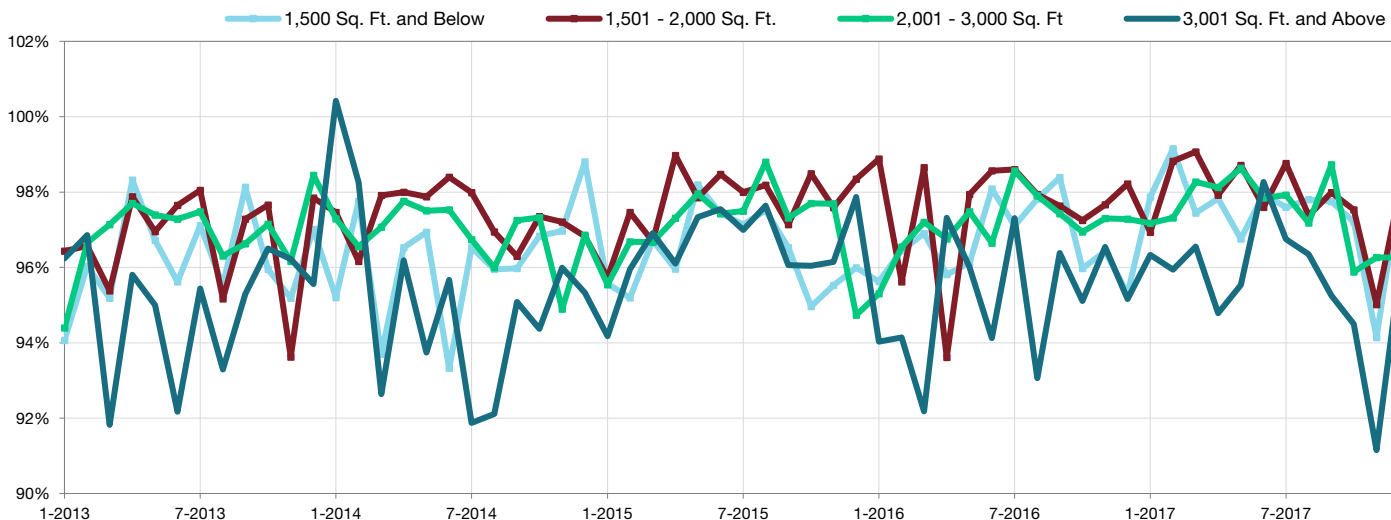
97.5%

Percent of List Price
Received in 2018 for
2,001 - 3,000 Sq. Ft.

95.5%

Percent of List Price
Received in 2018 for
3,001 Sq. Ft. and Above

Percent of List Price Received



Showings Review

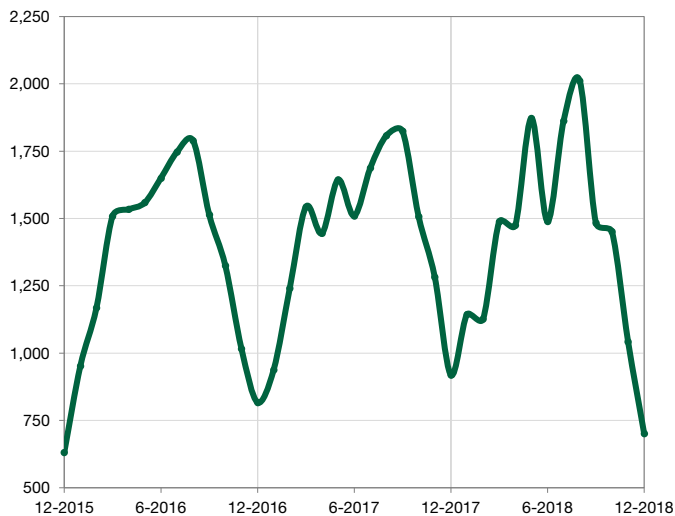
8

Median Number of Showings Before Pending

- 11.1%

One-Year Change in Median Showings Before Pending

Monthly Number of Showings



Top 10 Areas: Number of Showings

La Plata County	17,051
Durango Rural	6,858
Durango In Town	5,251
Bayfield Rural	1,996
Durango Mountain Area	1,833
Bayfield In Town	441
Vallecito	382
Ignacio Rural	294
San Juan County	98
Ignacio In Town	61

Top 10 Areas: Number of Showings per Listing

Durango Rural	11.0
Durango In Town	10.8
La Plata County	10.2
Bayfield Rural	9.8
Vallecito	9.1
Durango Mountain Area	9.1
Bayfield In Town	6.3
San Juan County	5.5
Ignacio In Town	5.2
Ignacio Rural	5.0

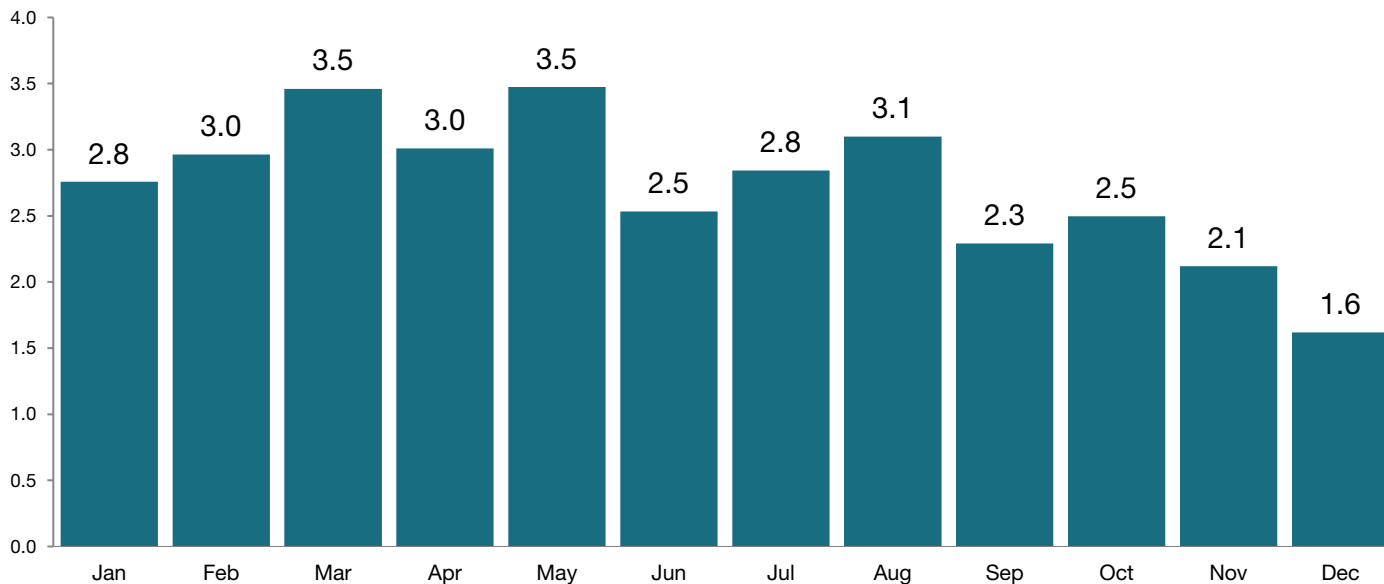
17,151

Total Showings in 2018

May '18

Peak Showing Activity Month

2018 Monthly Showings per Listing



Area Overviews

	Closed Sales	Change from 2017	Percent Single-Family	Percent Townhouse-Condo	Showings per Listing	New Listings	Months Supply	Homes for Sale
Bayfield In Town	44	-41.3%	93.2%	6.8%	6.3	77	4.2	18
Bayfield Rural	134	0.0%	100.0%	0.0%	9.8	205	5.8	61
Durango In Town	376	-0.5%	49.2%	50.8%	10.8	530	4.1	131
Durango Mountain Area	131	+11.0%	19.8%	80.2%	9.1	184	7.7	85
Durango Rural	403	-5.0%	88.8%	11.2%	11.0	635	5.4	183
Ignacio In Town	6	+100.0%	100.0%	0.0%	5.2	10	2.6	3
Ignacio Rural	27	+28.6%	100.0%	0.0%	5.0	52	9.0	22
La Plata County	1,138	-2.7%	70.7%	29.3%	10.2	1,725	5.3	510
San Juan County	26	-23.5%	61.5%	38.5%	5.5	53	12.2	31
Silverton	12	-33.3%	100.0%	0.0%	3.7	30	15.4	24
Valecito	30	-9.1%	100.0%	0.0%	9.1	48	4.1	12

Area Historical Median Prices

	2014	2015	2016	2017	2018	Change From 2017	Change From 2014
Bayfield In Town	\$249,000	\$269,500	\$289,900	\$295,000	\$315,500	+ 6.9%	+ 26.7%
Bayfield Rural	\$263,500	\$265,000	\$296,175	\$300,000	\$316,250	+ 5.4%	+ 20.0%
Durango In Town	\$349,450	\$360,950	\$382,500	\$385,000	\$400,000	+ 3.9%	+ 14.5%
Durango Mountain Area	\$315,000	\$199,000	\$225,000	\$230,250	\$225,000	- 2.3%	- 28.6%
Durango Rural	\$400,000	\$399,900	\$435,000	\$439,250	\$480,000	+ 9.3%	+ 20.0%
Ignacio In Town	\$127,500	\$188,500	\$155,000	\$244,000	\$202,000	- 17.2%	+ 58.4%
Ignacio Rural	\$213,000	\$250,000	\$240,000	\$299,000	\$289,000	- 3.3%	+ 35.7%
La Plata County	\$337,500	\$347,000	\$355,000	\$369,000	\$389,464	+ 5.5%	+ 15.4%
San Juan County	\$177,000	\$179,500	\$205,000	\$214,500	\$250,000	+ 16.6%	+ 41.2%
Silverton	\$212,000	\$217,500	\$215,000	\$229,500	\$227,500	- 0.9%	+ 7.3%
Vallecito	\$208,500	\$219,900	\$251,750	\$276,900	\$299,000	+ 8.0%	+ 43.4%