

Durango home prices slide in 2007

U.S. slowdown hits West hardest

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The median sale price of an in-town Durango home dropped in 2007 for the first time in a decade, reflecting fallout from a nationwide slowdown in the real-estate market.

The median price of a Durango home dropped 8 percent in 2007 to \$389,000, down from a record high of \$422,892 in 2006. Data from the Durango Area Association of Realtors included Jan. 1 - Dec. 31 and covered all sales of homes through the Multiple Listing Service. The data does not include for-sale-by-owner transactions.

Total sales stagnated in 2007. Sales volume was \$72.5 million in 2007, essentially unchanged from 2006.

Still, the market showed some signs of resilience. A total of 163 properties sold, up from 153 in 2006. Average days on market actually dropped 5 percent, from 156 to 148. Typically, homes that sell quickly show strong demand.

Nationally, the median sale price of an existing home dropped 3.3 percent through November. The West was hit hardest, with a 6.8 percent drop. The nation had a 10.3-month supply, the National Association of Realtors reported.

"We're not immune to conditions that exist nationwide," said Bob Allen, a Durango real-estate appraiser. "I think that we're going to go through a slow time, and we will eventually come out of it."

Overall, 2007 was hardly a crash for the local real-estate market, but it fell well short of the 2004-05 boom. More than 200 properties sold in each of those years. Volume reached an impressive \$88 million in Durango in 2005, and \$230 million for homes in the unincorporated parts of La Plata County.

Don Ricedorff, a Realtor at The Wells Group in Durango, said the worst may be over. "I see our market finally bottoming out," he said.

Ricedorff predicted that the first half of 2008 would continue to show softness before picking up later in the year. "I think the second half is going to come back pretty strong," he said.

Ricedorff said the market should benefit by late 2008 from economic stimulus packages now under consideration and interest-rate cuts.

The long-term trend still shows substantial appreciation in Durango home prices. The median price of an in-town home has increased 159 percent in the last decade, from \$150,000 to \$389,000, reflecting not only the appreciation of existing homes but also entry into the market of newer, larger and more luxurious properties.

"Median price is a function of the product that's available to some degree," said Allen.

In other portions of the data released by DAAR:

- The price of in-town Durango homes during the fourth quarter of 2007 dropped 9.4 percent from the same period the previous year to \$374,950, down from \$413,875.
- The median price for country homes throughout La Plata County rose 8 percent to \$375,000 in 2007, but volume dropped 20 percent to \$181 million. Average time on market was essentially unchanged at 168 days. The priciest property sold was \$2.4 million, the lowest since at least 2003.
- Durango condos and townhomes followed the same trends as in-town homes in 2007. The median price dropped 17 percent to \$245,269, down from \$294,163 in 2006.

Real-estate agents attributed some of that drop to Silver Peaks Condominium Homes, which are entry-level condos that were converted from Hillcrest Apartment units. Thirty-two Silver Peaks condos sold in 2007, making Silver Peaks 18 percent of the condo-townhome market even though those units didn't go on sale until August.

Silver Peaks influence on the overall market was clear in the fourth quarter. Jaime Suzanne Marquez, general manager of Silver Peaks, said 12 condos sold for a median price of \$198,957. The 22 non-Silver Peaks condos and townhomes that sold in the fourth quarter went for an average price of \$304,650.

- Volume was essentially unchanged in the condo market at nearly \$51 million in 2007. The number of units sold rose 11 percent to 182 and average time on market dropped 13 percent to 183 days.

Durango sold its first \$1 million property in the condo-townhome category in 2007.

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