

Durango's home values hold steady

Prices rise as sales decrease

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Durango real estate prices showed impressive resilience in 2008, even as sales plunged.

For in-town Durango homes, the median price actually increased 1 percent in 2008 from the previous year, outperforming the national market as the United States fell into its worst recession in decades.

The median price rose from \$389,000 in 2007 to \$392,450 in 2008. A median is the number at which an equal number of sale prices land above or below.

Sales fell 23 percent, from 163 in 2007 to 126 in 2008. Durango country homes also saw higher prices, but fewer sales.

"We are not following the national economy as far as housing prices are concerned," said Mark Donahue, president of the Durango Area Association of Realtors. "Although La Plata County has suffered in numbers of sales, due in large part to our feeder market woes, we have done well in keeping our property values steady compared to other parts of the country."

Feeder markets refer to areas from which Durango buyers move, such as Phoenix, Denver and Southern California. Many of those markets have posted double-digit-percent price declines.

The local real-estate association released the Multiple Listing Service statistics Wednesday. They include all real estate sales by agents during 2008. They do not include properties sold by their owners.

Durango homes showed the same resilience during the fourth quarter of 2008. Prices rose 2 percent, from \$374,950 during the last three months of 2007 to \$382,900 for the same period in 2008. Sales dropped from 26 in 2007 to 21 in 2008.

In-town Durango condominiums did not fare as well. Prices dropped 5.7 percent, from \$245,267 in 2007 to \$231,215 in 2008. Sales rose from 182 in 2007 to 195 in 2008. Silver Peaks Condominium Homes, a development of converted apartments near Fort Lewis College, has released a significant supply of low-priced condos onto the market.

Resort condominiums moved into more rarified air. The median price soared 45 percent, from \$195,900 in 2007 to \$285,000 in 2008. Sales dropped from 64 to 44.

In Bayfield, median prices rose 8 percent, from \$285,000 in 2007 to \$309,000 in 2008. Sales fell from 49 to 37.

Bayfield country homes saw a 9.8 percent drop in median price, from \$312,000 in 2007 to \$281,450 in 2008. Sales dropped precipitously, from 117 to 66.

It remains to be seen whether local home prices will continue to appreciate as the nation sinks deeper into recession. Even the most optimistic economists expect the recession to last until the middle of 2009, with some forecasters seeing the recession continuing through 2010.

At the Southwest Business Forum at Fort Lewis College last week, an economist said home prices nationally would decline an additional 10 to 15 percent before recovering.

"We're not really predicting a recovery in home prices until 2010," said Scott Anderson, senior economist and vice president at Wells Fargo Bank.

John Wells, broker-owner at The Wells Group in Durango, said La Plata County has some signs of strength to point to, including the gas industry and the Southern Ute Indian Tribe. At the same time, the area is likely to see fewer out-of-state buyers this year because of weak markets elsewhere, he said.

Given the national economy, "there are not a lot of things that are going to make things rosy in the immediate future," he said. Low interest rates should help, he added.

"I look to '09 being about the same as '08 in the real estate industry," Wells said.

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