

## Local million-dollar homes sit unsold

**Durango sees glut in high-end housing market**

by Chuck Slothower  
*Herald Staff Writer*

Article Last Updated; Wednesday, October 07, 2009 12:01AM

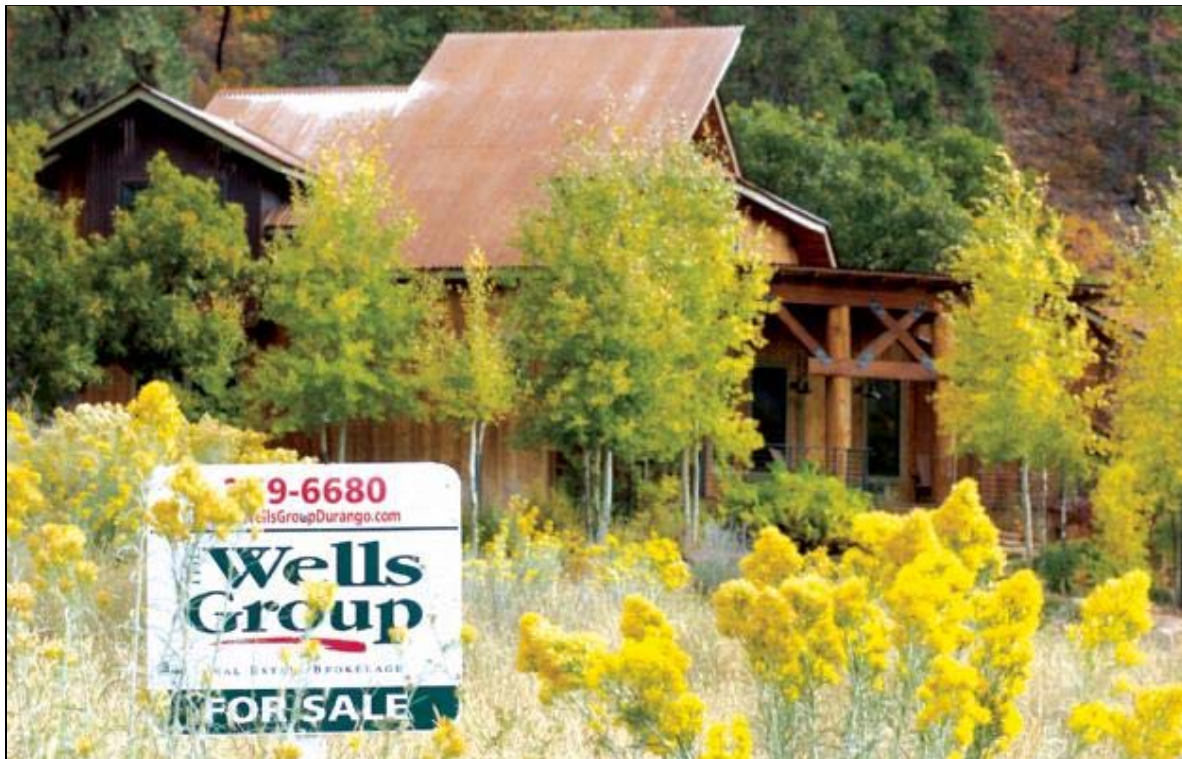


Photo by STEVE LEWIS/Herald

This house on East Animas Road (County Road 250) is listed for \$1,495,000. It's a buyer's market for million-dollar-plus homes in La Plata County, with about 100 on the market. Sales have softened for high-end homes, particularly in city limits, where none above \$1 million has sold in 2009.

---

It's a buyer's market for million-dollar homes in La Plata County, and particularly in Durango.

Year to date, 10 homes have sold for at least \$1 million in the county, but about 100 remain on the market. Million-dollar home sales have slid for three consecutive years. Fifteen homes sold for at least \$1 million in La Plata County in 2008, down from 21 in 2007 and 35 in 2006.

At the current rate of sales of about one million-dollar home per month, it would take about eight years to reduce the market inventory to zero. The market is soft in all price ranges, but the imbalance is particularly acute among the high-end properties.

As many high-income investors have watched investments tank since last fall, and experienced difficulties selling their own homes, buyers have been few and far between for high-dollar properties.

"A lot of million-dollar buyers are second-home, vacation homebuyers," said John Wells, broker-owner at The Wells Group in Durango. "A lot of those folks still have a desire to be here, but they're waiting, based on  
Contents copyright ©, the Durango Herald. All rights reserved.

their own real estate economy. Some of those buyers might have been impacted substantially by the securities market or the real estate market.”

For all of La Plata County, in-town million-dollar properties have perhaps suffered most. None in Durango has sold in 2009, despite 14 active listings. The flipside of the high inventory: it gives buyers significant leverage “because there is so much product on the market,” Wells said.

Some sellers have reacted to the slower market by cutting prices. The Jakway House, at 1073 East Third Ave., is listed at \$1.5 million, down from \$2.25 million when it was first listed in January 2004. Built in the 1890s, the 6,600-square foot home features a carriage house and wine cellar.

North of Durango at The Glacier Club, a private golf resort, there are 19 million-dollar properties listed for sale.

“There’s a glut of that kind of price point,” said Annie Simonson, director of sales and marketing at The Glacier Club.

Simonson said interest for those properties has picked up, especially after a round of advertising during televised golf tournaments in markets such as Phoenix, Oklahoma City and Texas.

“We’re encouraged by it,” she said. “We really are.”

Gina Piccoli, owner-broker at Coldwell Banker Heritage House Realtors, said activity in the million-dollar market has increased in August and September. Banks are increasingly making available “jumbo” loans, big mortgages that buyers often need to secure million-dollar homes, after months of tightened lending. In the Durango area, federal guidelines consider any mortgage loan for more than \$417,000 to be a “jumbo” loan.

Interest rates on those mortgages sometimes exceeded 7 percent, Piccoli said. But banks have lately been advertising jumbo loans with interest rates around 6 percent.

“The credit so-called crisis is a little bit less of a concern,” Piccoli said.

Durango’s market for million-dollar homes should improve as the national economy recovers, real estate agents said.

“When recovery comes, I think we’re going to recover much faster than the urban areas,” said Geof Schlittgen, broker-owner of Horizon Properties in Durango. “I remain forever optimistic about our Durango market. The demand for our area, our lifestyle will be increasing. It’s just a question of when.”

[chuck@durangoherald.com](mailto:chuck@durangoherald.com)