



July 2021 Market View® Commentary

Residential Overview

Let's start off this month's commentary focusing on the actual facts related to widespread reports of housing shortages. Consider this: As of July 2019 month-end, the Aspen-Glenwood MLS was reporting **1,221** available (fee simple) residential properties between Aspen and Parachute/Battlement Mesa. By July of 2020, that number declined to 1,060 and to just **773** as of July 2021, a **two-year decline of 58%**. This comes at a time when sales volume has remained exceeding strong. YTD sales are at 1,188 units compared to 807 at this time last year (+47%) yet YTD listings are relatively unchanged at 1,205 vs. 1,181 through July of last year (+9.5%). Supply has been cut in half while sales have increased nearly 50%. That has most certainly created a shortage and is driving prices up.

It's been a while since year-over-year sales actually declined in number from the prior year for any given month; 12 consecutive prior months to be more precise with 190 sold in July of this year compared to 219 in 2020. It's unlikely that this or any decline is the result of reduced demand but more likely attributable to a lack of available homes on the market as so clearly indicated in the above statistics. A similar situation occurred in 2007 causing some people (though not many) lately to speculate on the possibility of another housing bubble. That's not likely, at least right now. Here's why. There were 3 significant issues that jointly contributed to the 2008 housing collapse. They were (1) a decline in relative value, meaning less home for the money to the point where what was available was simply not acceptable in relation to the asking price for an increasing number of buyers and sales began to decline; (2) The existence of very liberal loan underwriting including a prevalence of home loans for which no verification of income or assets was required (what could go wrong?); and (3) the ultimate trigger being the collapse of the mortgage securities market as investors began to understand what they didn't previously about the quality (or lack thereof) in the loans comprising the securities they were invested in. Massive selling of mortgage securities soon followed causing mark-to-market write downs on *trillions* of assets being held by investment bankers, banks, and life insurance companies. When liabilities exceeded the value of assets held, bankruptcies soon followed. The event underscores the importance of the secondary mortgage market without which, home lending as we know it would cease, there would be few cash buyers, and values would plummet, just as they did in 2008 and 2009.

There are major differences in the fundamentals today compared to 2008 though some buyers might rightfully argue that relative values are, in fact, declining. Of the 3 causes listed above for the prior collapse, this is certainly the least impactful. Underwriting standards have improved significantly as a result of lessons learned which helps assure better loan quality providing comfort to investors of mortgage securities. And with historically low interest rates continuing to persist (good for buyers, bad for banks), mortgages are an attractive alternative to that of other fixed-income investments. Let the good times roll...

Commercial

While the transaction counts are considerably lower than residential, much the same phenomena are occurring with commercial properties with respect to demand and available inventory, and for much the same reason. There is a shortage of inventory relative to demand. Notice the parallel. 180 available units in July of 2019 declined to 169 in July of last year to a current count of 120 (-50%). And that figure includes improved properties as well vacant commercial land. According to MLS stats, there have been 82 commercial transactions YTD compared to 36 last year



(+128%). It's the same story; declining inventory and increasing sales. While demand for retail and office are only moderate, multi-family, warehouse and flex space remain in strong demand with extremely few properties of this nature currently available. The predictable result is increased demand for available land.

Summary

Despite material shortages, rising labor costs (and even closed interstates!), an uptick in new construction is emerging as evidenced by a considerable number of additional Loft apartments being built near Glenwood Meadows, plans being finalized for apartments near the West Glenwood Mall, and a sprinkling of new residential projects filling in the empty lots in many local subdivisions. It's a welcome sight from the perspective of market supply but nowhere near where it needs to be to keep pace with increasing demand. We remain well behind the curve in that regard. Some local municipalities are limited by topography and the availability of land for development, most notably in the Roaring Fork Valley. Because of this, some may ultimately put restrictions on growth for the sake of capacity and quality of life for existing residents. This is propelling growth and demand along the I-70 corridor and the Colorado River Valley if for no reason other than sheer availability and enhanced affordability. A considerable amount of undeveloped residential and commercial land exists west of Glenwood Springs where, all other things remaining equal, those areas are likely to see the greatest amount of growth and development in the years ahead.

Best Regards,

Joe Carpenter

Joe Carpenter

markettrends@earthlink.net

The information and ideas presented are for informational purposes only and are not to be construed as legal or investment advice. Listing and sales data based on the Aspen-Glenwood MLS. All ideas and opinions expressed are those of the author and Market Trends, LLC. Market View® is the exclusive property of Market Trends, LLC. All rights reserved. © 2021. The information provided *may* be reproduced and redistributed provided that no fees are charged, and no changes are made to the content. Please credit the source as Market Trends, LLC.



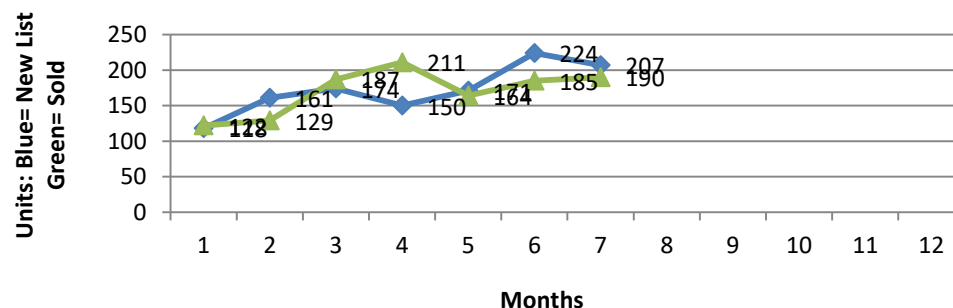
2021 Market Metrics - ALL RESIDENTIAL PROPERTIES (Includes municipalities from Aspen to Parachute)

(Excludes Out of Area properties, fractional interests and modular's)

	New Inventory		Sold		Balance Ratio New Listings to Sold		Total Month-end Inventory		Total Inventory under \$400,000		Absorption Rate (in Mo's)	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Jan	118	123	122	96	0.97:1	1.28:1	663	917	95	130	5.43	9.55
Feb	161	113	129	88	1.25:1	1.28:1	709	916	99	129	5.50	10.41
Mar	174	131	187	112	0.93:1	1.17:1	704	884	99	143	3.76	7.89
Apr	150	95	211	97	0.71:1	0.98:1	667	834	90	151	3.16	8.60
May	171	181	164	48	1.04:1	3.77:1	666	925	87	173	4.06	19.27
June	224	260	185	147	1.21:1	1.77:1	714	984	71	175	3.86	6.69
July	207	288	190	219	1.09:1	1.32:1	773	1060	79	168	4.07	4.84
Aug		280		262		1.07:1		1060		170		4.05
Sept		177		269		0.66:1		977		155		3.63
Oct		185		262		0.71:1		873		140		3.33
Nov		151		189		0.80:1		799		149		4.23
Dec		114		187		0.61:1		723		124		3.87
YTD Avg	172	170	170	115	1.01:1	1.48:1	699	931	89	153	4.26	9.61
YTD Sum	1205	1191	1188	807								

July	Listings	Sold
1-7	58	56
8-14	58	35
15-22	45	47
23-31	46	52
Total	207	190
Balance Ratio:		1.09

Residential Supply & Demand



For informational purposes only. Accuracy of data is believed to be reliable but is not guaranteed. Source: AGSMLS.

All rights reserved. 2021 Market Trends, LLC® .

MARKET VIEW®

Sponsored by:



Alpine Bank

Peter Smith, Mortgage Loan Originator

(970) 870-7445

<https://www.alpinebank.com/mortgage.htm>

2021 Market Metrics - Residential properties in ASPEN, OLD SNOWMASS SNOWMASS, SNOWMASS VILLAGE , WOODY CREEK

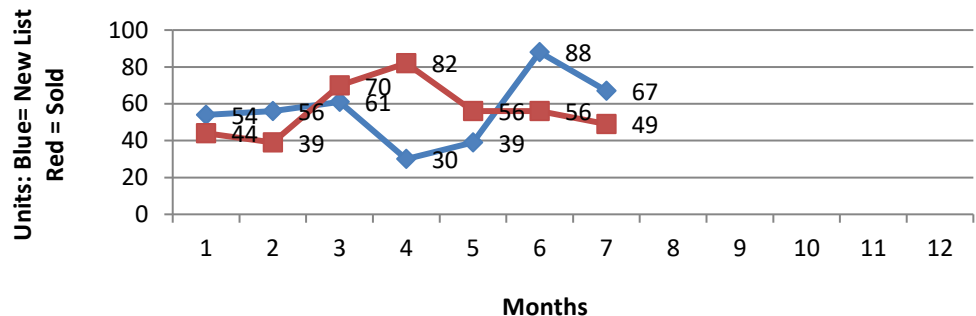
(Excludes Out of Area properties, fractional interests and modular's)

	New Inventory		Sold		Balance Ratio New Listings to Sold		Total Month-end Inventory		Total Inventory under \$10,000,000		Absorption Rate (in Mo's)	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Jan	54	35	44	35	1.23:1	1.00:1	364	494	51	390	8.27	14.11
Feb	56	26	39	19	1.44:1	1.37:1	377	493	298	394	9.67	25.95
Mar	61	24	70	29	0.87:1	0.83:1	369	446	289	363	5.27	15.38
Apr	30	18	82	17	0.37:1	1.06:1	322	410	254	331	3.93	24.12
May	39	46	56	7	0.70:1	6.57:1	305	435	239	353	5.45	62.14
June	88	93	56	22	1.57:1	4.23:1	347	474	271	379	6.20	21.55
July	67	132	49	47	1.37:1	2.81:1	366	554	282	437	7.47	11.79
Aug		115		97		1.19:1		564		442		5.81
Sept		69		117		0.59:1		516		404		4.41
Oct		61		98		0.62:1		449		354		4.58
Nov		46		82		0.56:1		408		322		4.98
Dec		51		79		0.65:1		370		285		4.68
YTD Avg	56	53	57	25	0.98:1	2.12:1	350	472	241	378	6.61	25.01
YTD Sum	395	374	396	176								

July

Sub-Area	Listings	Sales	Balance Ratio
Aspen	34	23	1.48:1
Old Snowmass	4	1	4.00:1
Snowmass Vill.	24	23	1.04:1
Woody Creek	5	2	2.50:1
Aspen Total:	67	49	1.37

Residential Supply & Demand



For informational purposes only. Accuracy of data is believed to be reliable but is not guaranteed. Source: Aspen/Glenwood Springs MLS.

All rights reserved. 2021 Market Trends, LLC® .

MARKET VIEW®

Sponsored by:



Alpine Bank

Peter Smith, Mortgage Loan Originator

(970) 870-7445

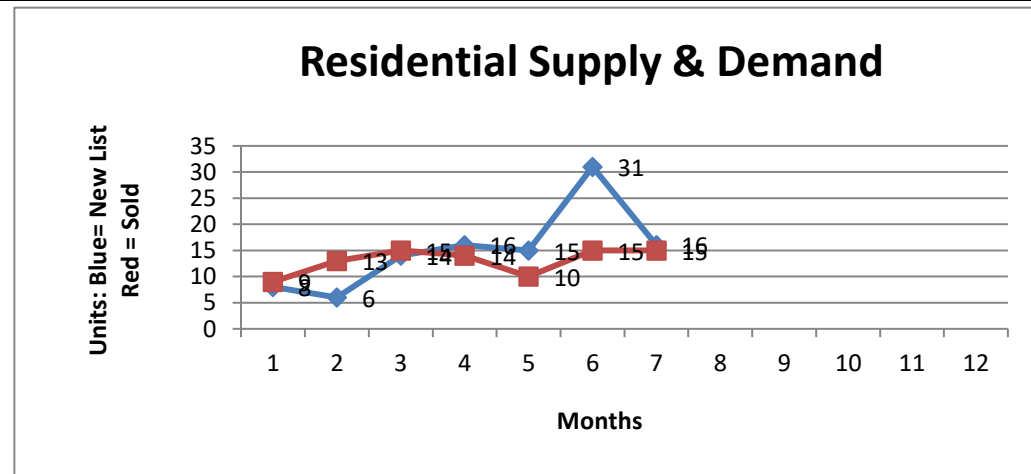
<https://www.alpinebank.com/mortgage.htm>

2021 Market Metrics - Residential properties in **BASALT**

(Excludes Out of Area properties, fractional interests and modular's)

	New Inventory		Sold		Balance Ratio New Listings to Sold		Total Month-end Inventory		Total Inventory under \$400,000		Absorption Rate (in Mo's)	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Jan	8	17	9	12	0.89:1	1.42:1	38	103	2	1	4.22	8.58
Feb	6	3	13	9	0.46:1	1.33:1	38	104	1	2	2.92	11.56
Mar	14	8	15	10	0.93:1	0.80:1	40	103	0	2	2.67	10.30
Apr	16	7	14	10	1.14:1	.070:1	47	96	0	1	3.36	9.60
May	15	24	10	5	1.50:1	4.80:1	48	108	1	2	4.80	21.60
June	31	26	15	19	2.07:1	1.37:1	64	110	2	3	4.27	5.79
July	16	23	15	19	1.07:1	1.21:1	74	112	0	4	4.93	5.89
Aug		21		19		1.11:1		113		3		5.95
Sept		19		35		0.54:1		101		2		2.89
Oct		6		42		0.14:1		64		2		1.52
Nov		8		17		0.47:1		51		1		3.00
Dec		6		15		0.40:1		44		2		2.93
YTD Avg	15	15	13	12	1.15:1	1.25:1	50	105	1	2	3.88	10.47
YTD Sum	106	108	91	84								

July	Listings		Sold
1-7	4		7
8-14	3		2
15-22	5		3
23-31	4		3
Total	16		15
Balance ratio:			1.07



For informational purposes only. Accuracy of data is believed to be reliable but is not guaranteed. Source: AGSMLS.

All rights reserved. 2021 Market Trends, LLC®.

MARKET VIEW®

Sponsored by:



Alpine Bank

(970) 384-3205

<https://www.alpinebank.com/mortgage.htm>

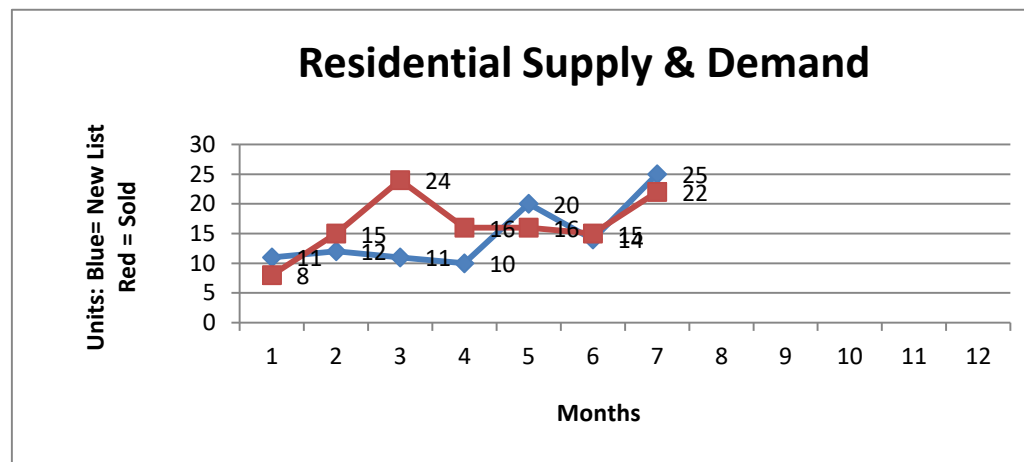
2021 Market Metrics - Residential properties in **CARBONDALE**

(Excludes Out of Area properties, fractional interests and modular's)

	New Inventory		Sold		Balance Ratio New Listings to Sold		Total Month-end Inventory		Total Inventory under \$400,000		Absorption Rate (in Mo's)	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Jan	11	9	8	4	1.38:1	2.25:1	73	95	4	5	9.13	23.75
Feb	12	9	15	13	0.80:1	0.69:1	69	93	4	5	4.60	7.15
Mar	11	15	24	13	0.46:1	1.15:1	58	87	1	2	2.42	6.69
Apr	10	8	16	6	0.63:1	1.33:1	55	79	0	6	3.44	13.17
May	20	26	16	11	1.25:1	2.36:1	62	95	0	8	3.88	8.64
June	14	17	15	26	0.93:1	0.65:1	63	89	0	6	4.20	3.42
July	25	22	22	29	1.14:1	0.76:1	69	88	0	3	3.14	3.03
Aug		28		24		1.17:1		94		6		3.92
Sept		14		23		0.61:1		81		5		3.52
Oct		25		21		1.19:1		90		4		4.29
Nov		11		22		0.50:1		72		4		3.27
Dec		13		14		0.93:1		74		4		5.29
YTD Avg	15	15	17	15	0.88:1	1.00:1	64	89	1	5	4.40	9.41
YTD Sum	103	106	116	102								

July	Listings	Sold
1-7	9	9
8-14	4	6
15-22	6	3
23-31	6	4
Total	25	22
Balance Ratio:		1.14

For informational purposes only. Accuracy of data is believed to be reliable but is not guaranteed. Source: Aspen/Glenwood Springs MLS.
All rights reserved. 2021 Market Trends, LLC® .



MARKET VIEW®

Sponsored by:



Alpine Bank

(970) 945-2424

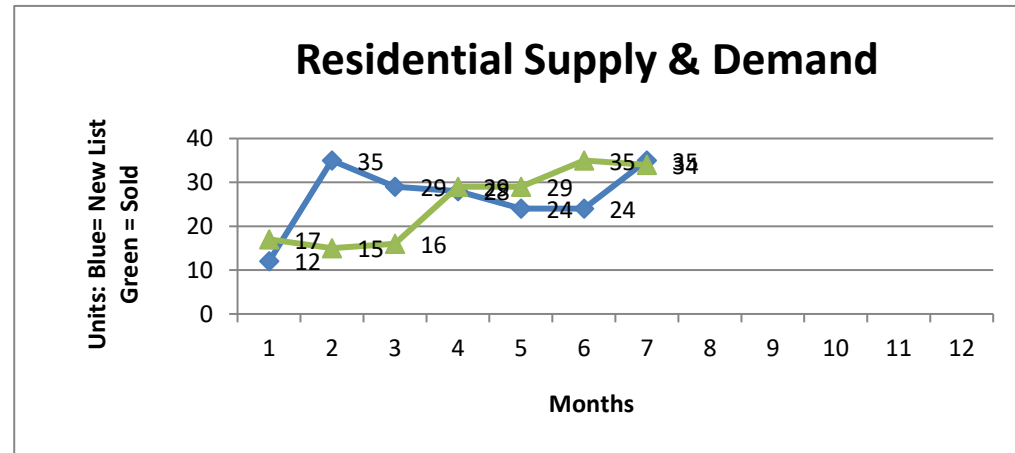
<https://www.alpinebank.com/mortgage.htm>

2021 Market Metrics - Residential properties in City of GLENWOOD SPRINGS

(Excludes Out of Area properties, fractional interests and modular's)

	New Inventory		Sold		Balance Ratio New Listings to Sold		Total Month-end Inventory		Total Inventory under \$400,000		Absorption Rate (in Mo's)	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Jan	12	21	17	18	0.71:1	1.17:1	53	68	7	15	3.12	3.78
Feb	35	23	15	18	2.33:1	1.28:1	80	69	7	15	5.33	3.83
Mar	29	23	16	16	1.81:1	1.44:1	85	73	8	15	5.31	4.56
Apr	28	11	29	17	0.97:1	0.65:1	89	75	8	13	3.07	4.41
May	24	31	29	14	0.83:1	2.21:1	89	89	6	20	3.07	6.36
June	24	39	35	23	0.69:1	1.70:1	67	96	4	18	1.91	4.17
July	35	31	34	43	1.03:1	0.72:1	87	91	11	15	2.56	2.12
August		41		37		1.11:1		89		18		2.41
Sept		21		32		0.66:1		81		15		2.53
Oct		36		32		1.13:1		88		15		2.75
Nov		13		28		0.46:1		66		9		2.36
Dec		13		27		0.48:1		56		6		2.07
YTD Avg	27	26	25	21	1.08:1	1.04:1	79	80	7	16	3.48	4.18
YTD Sum	187	179	175	149								

July	Listings		Sold
1-7	5		9
8-14	16		5
15-22	4		7
23-31	10		13
Total	35		34
Balance Ratio:			1.03



For informational purposes only. Accuracy of data is believed to be reliable but is not guaranteed. Source: AGSMLS beginning May 2012.

All rights reserved. 2021 Market Trends, LLC®.

MARKET VIEW®

Sponsored by:



Alpine Bank

(970) 625-9610

<https://www.alpinebank.com/mortgage.htm>

2021 Market Metrics - Residential properties in **COLORADO RIVER VALLEY** Includes the municipalities of New Castle/Silt/Rifle/Parachute/Battlement Mesa

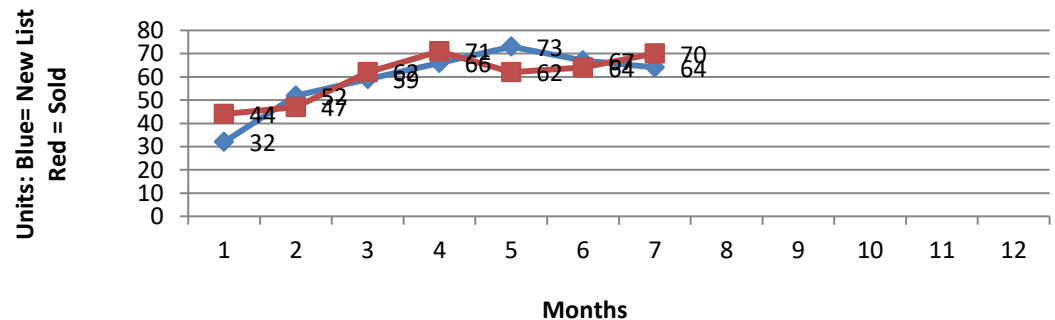
(Excludes Out of Area, fractional interests and modular's)

	New Inventory		Sold		Balance Ratio New Listings to Sold		Total Month-end Inventory		Total Inventory under \$400,000		Absorption Rate (in Mo's)	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Jan	32	41	44	28	0.73:1	1.46:1	139	155	66	92	3.16	5.54
Feb	52	44	47	29	1.11:1	1.52:1	145	157	74	95	3.09	5.41
Mar	59	61	62	44	0.95:1	1.39:1	151	175	79	110	2.44	3.98
Apr	66	56	71	47	0.93:1	1.19:1	152	177	71	118	2.14	3.77
May	73	55	62	38	1.18:1	1.45:1	162	213	71	133	2.61	5.61
June	67	85	64	57	1.05:1	1.49:1	167	215	56	130	2.61	3.77
July	64	80	70	81	0.91:1	0.99:1	177	215	60	127	2.53	2.65
Aug		75		85		0.88:1		200		120		2.35
Sept		54		62		0.87:1		198		112		3.19
Oct		57		69		0.83:1		182		99		2.64
Nov		73		41		1.78:1		199		117		4.85
Dec		30		52		0.58:1		175		95		3.37
YTD Avg	59	60	60	46	0.98:1	1.30:1	156	187	68	115	2.65	4.39
YTD Sum	413	422	420	324								

July

Sub-Area	Listings	Sales	List:Sold Ratio
New Castle	9	23	0.39:1
Silt	18	9	2.00:1
Rifle	27	27	1.00:1
Parachute/BM	10	11	0.91:1
Totals:	64	70	0.91

Residential Supply & Demand



For informational purposes only. Accuracy of data is believed to be reliable but is not guaranteed. Source: AGSMLS.

All rights reserved. 2021 Market Trends, LLC® .

MARKET VIEW®

Sponsored by:



Alpine Bank

(970) 384-3205

<https://www.alpinebank.com/mortgage.htm>

2021

COMMERCIAL PROPERTY SALES

Includes improved and unimproved

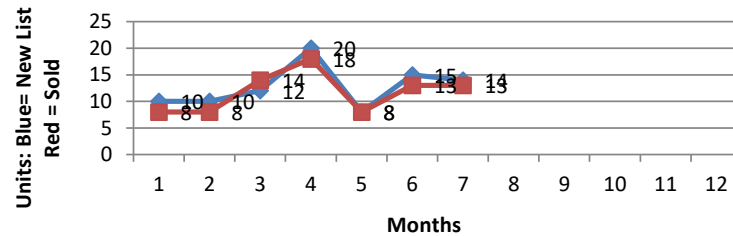
Excludes Out of Area, fractional interests, leaseholds

	New Inventory		Sales		Balance Ratio New Listings to Sold		Total Month-end Inventory		Absorption Rate Mo's	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Jan	10	8	8	6	1.25:1	1.33:1	143	146	17.88	24.33
Feb	10	19	8	7	1.25:1	2.71:1	150	158	18.75	22.57
Mar	12	14	14	5	0.86:1	2.80:1	140	169	10.00	33.80
Apr	20	5	18	8	1.11:1	0.63:1	139	150	7.72	18.75
May	8	13	8	2	1.00:1	6.50:1	128	150	16.00	75.00
June	15	20	13	4	1.15:1	5.00:1	126	156	9.69	39.00
July	14	23	13	4	1.08:1	5.75:1	120	169	9.23	42.25
Aug		10		8		1.25:1		166		20.75
Sept		15		9		1.67:1		165		18.33
Oct		13		5		2.60:1		159		31.80
Nov		12		10		1.20:1		159		15.9
Dec		8		16		0.50:1		143		8.94
YTD Avg	13	15	12	5	1.08:1	3.00:1	135	157	12.75	36.53
YTD Sum	89	102	82	36						

July

Sub-Area	Listings	Sales	List:Sold Ratio
Aspen		3	
Basalt	1		
Carbondale	1	3	
Glenwood	1	1	
New Castle	4		
Silt	3	1	
Rifle	4	5	
Parachute/B.M.			
Totals:	14	13	1.08

Commercial Supply & Demand



For informational purposes only. Accuracy of data is believed to be reliable but is not guaranteed. Source: AGSMLS.

All rights reserved. 2021 Market Trends, LLC®.