



1st Quarter 2007 Report for Mesa County

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Real Estate Sales

2007 Real Estate activity in Mesa County experienced decreases during the first quarter when compared to the same period last year. February rallied strong with a 12% increase in transactions compared to last February, however the overall quarter remained slightly less than 2006.

There were 1485 total real estate sales in the first quarter of this year, a decrease of 6.9% from the 1595 sales reported in 2006. Table 1 shows a comparison of sales for various price segments over the last three years. Table 2 shows a comparison of first quarter sales for the last five years.

The total dollar volume for the first quarter of 2007 was \$343.3 million, nearly matching the \$343.7 million reported a year earlier. There were 22 sales \$1.0 million or above compared to 21 in the first quarter of 2006. The over one million sales accounted for \$32.7 million in sales first quarter, compared to the \$45.8 million in the same period of 2006.

The highest sales for the quarter were: (1) the top sale was approximately 30 acres of vacant land known as Canyon View North located northeast of F1/2 and 24 Roads for \$3.75 million purchased by a Kansas limited liability company. (2) IPS Clifton AZ Investors sold divided interests in 3.5 acres of vacant commercial property on the southwest corner of I-70 Business Loop and 32 Road for \$2.24 million. (3) Rocky Mountain HMO Inc. purchased vacant commercial land at 2725 H Road for nearly \$1.9 million. (4) The property occupied by Pantuso's Restaurant on Horizon Drive sold for \$1.7 million in February.

Home Building

There were 328 single-family permits issued in the first quarter of this year, a 15% decrease over the 387 permits issued in the same period of 2006. First quarter permits for higher cost homes over \$250,000 captured 14% of the total compared to 8% for 2006 and 8% of 2005. Note: the permit value does not include the cost of the land.

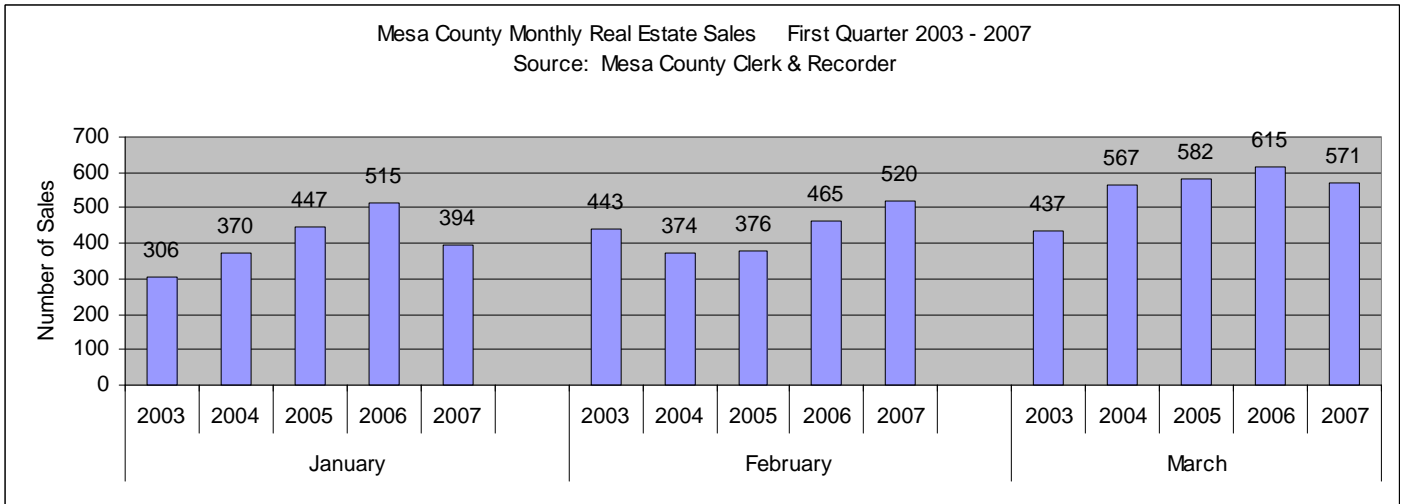
22 permits for commercial buildings were pulled in the first quarter, including 2 commercial office buildings, a 50,000 square foot manufacturing plant and an equestrian center.

TABLE 1
Mesa County Sales Comparison
First Quarter 2005-2007

RANGE OF SALES PRICE	2005 SALES	2006 SALES	2007 SALES
0-20,000	21	12	16
20-40,000	33	24	13
40-50,000	43	40	13
50-60,000	47	36	39
60-70,000	34	45	40
70-80,000	37	66	33
80-90,000	49	37	45
90-100,000	43	52	34
100-120,000	111	106	81
120-150,000	272	247	131
150-200,000	355	368	365
200-250,000	136	255	271
250-300,000	72	108	146
300-500,000	106	125	176
500-1.0 MIL	36	53	60
OVER 1.0 MIL	10	21	22
TOTALS	1405	1595	1485

Source: Mesa County Clerk & Recorder

TABLE 2



Short Notes

- More than 40 subprime lenders have halted operations, gone out of business, or filed for bankruptcy during the first quarter of 2007 amid rising borrower default rates, according to Bloomberg News.
- Development costs increase as utility providers face upgrades and expansion requirements. Persigo Wastewater Treatment Plant plans to increase hookup fees by 60% to fund these improvements. Increases of this type directly impact new home prices.
- Mortgage interest rates move in relation to many factors, and saw gradual decrease during the first quarter from around 6.3% to 6% on 30 year fixed rate mortgages.
- The number of real estate secured loans filed in Mesa County for the first quarter of 2007 numbered 3819, slightly less than the 3870 for the same period of 2006.
- Foreclosures in Mesa County decreased in the first quarter, from 112 foreclosures in 2006 to 102 in 2007.
- Affordable housing priced under \$200,000 is a very tight market in the Grand Valley with little inventory and large demand. Many homebuyers in that market are forced into a higher priced bracket.
- Rental rates are on the rise as the vacancy rate in Grand Junction apartments shrinks to 2.7% at the end of 2006 according to the Colorado Division of Housing.

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