

WELLS GROUP

— REAL ESTATE —

REAL ESTATE **FORECAST**

MARCH 2022



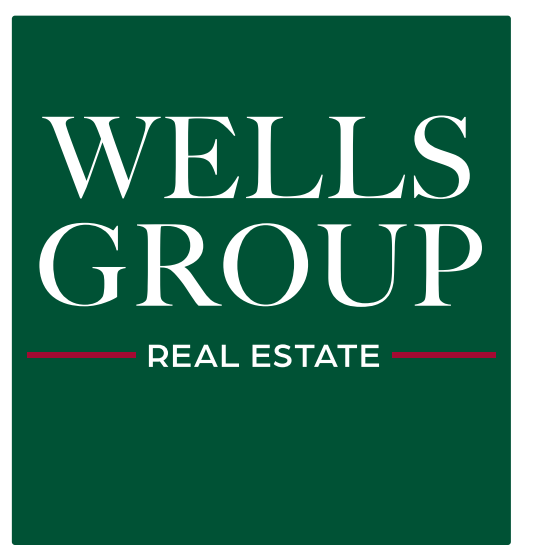
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COMPANIES
OF THE WORLD®

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JACK LLEWELLYN

CEO
DURANGO CHAMBER
OF COMMERCE



JOHN WELLS

OWNER / BROKER
THE WELLS GROUP



BOB ALLEN

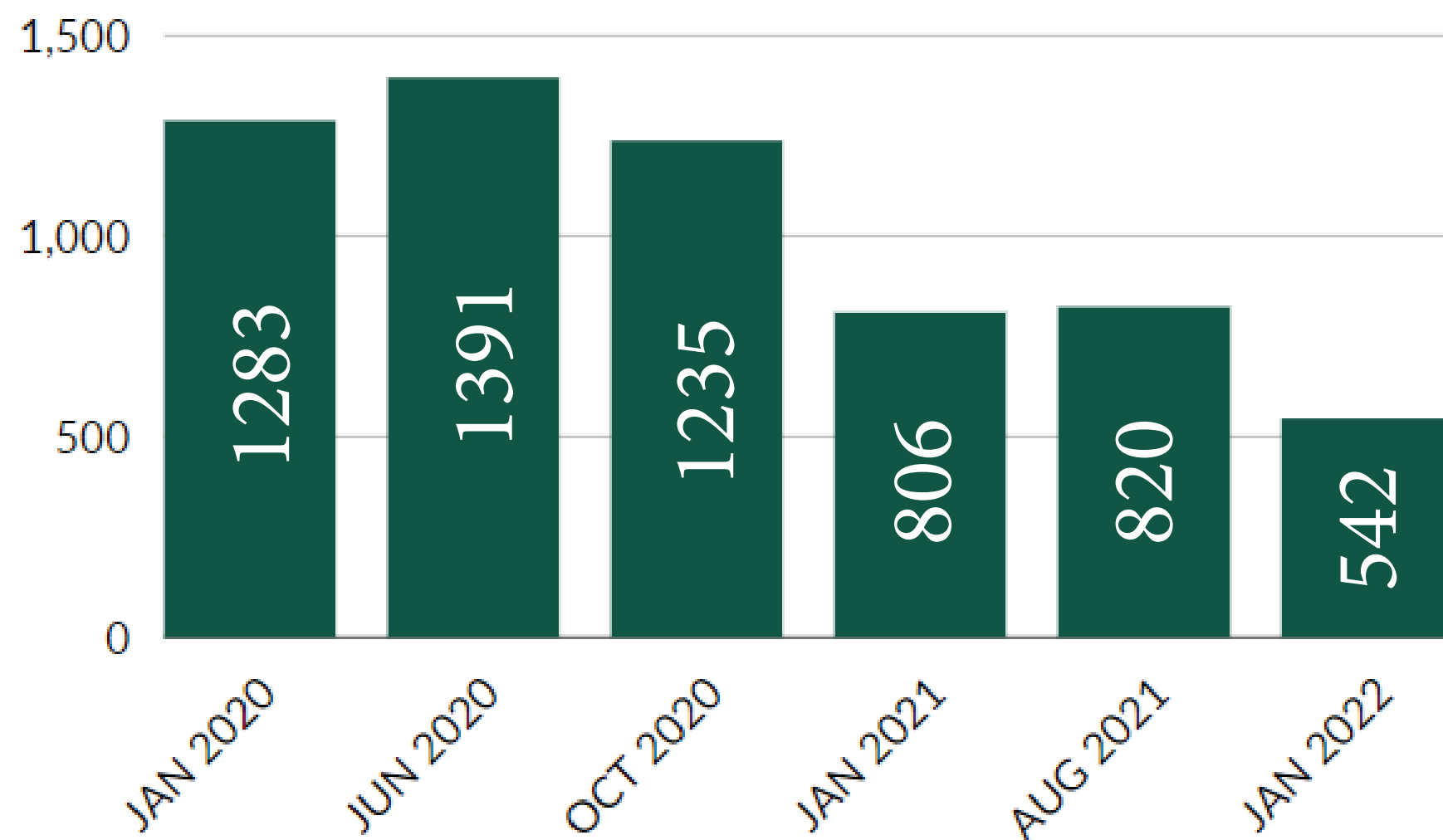
ALLEN &
ASSOCIATES

LA PLATA COUNTY 2021 REAL ESTATE ACTIVITY

SUPPLY & DEMAND

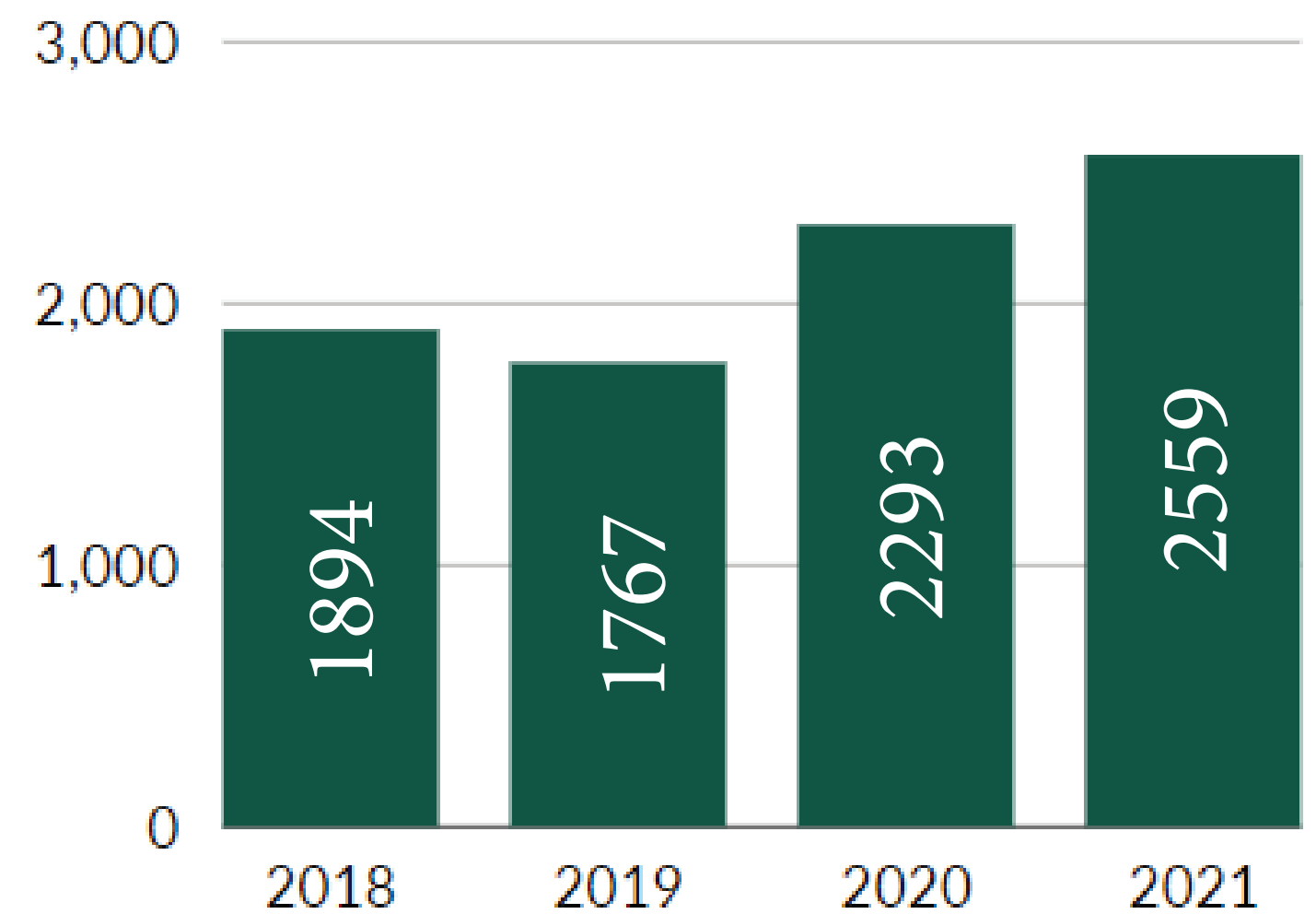
LA PLATA COUNTY

Supply
All Real Estate For Sale



-33% from January 2021
-61% from recent peak June 2020

Demand
All La Plata County Real Estate Sale Transactions



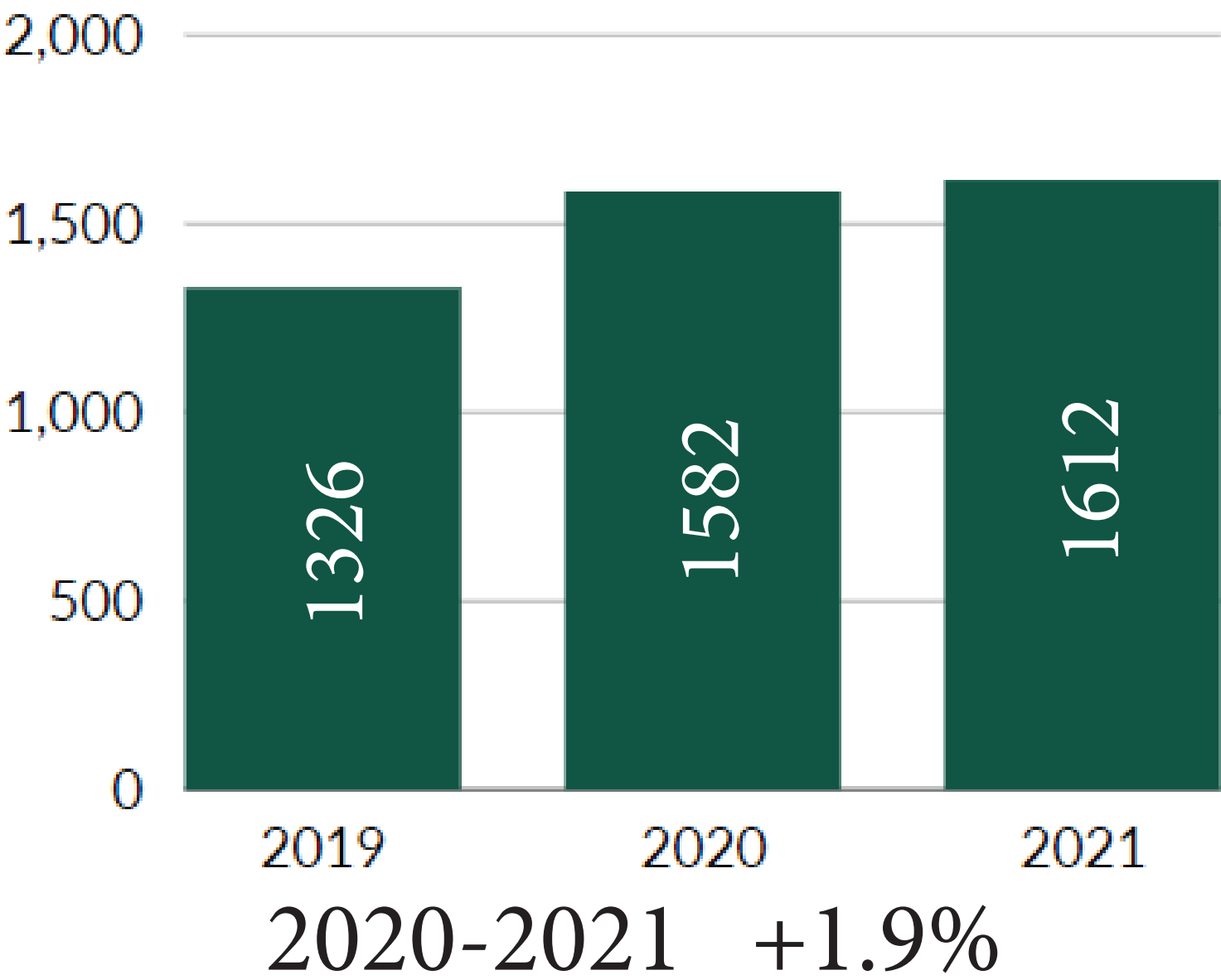
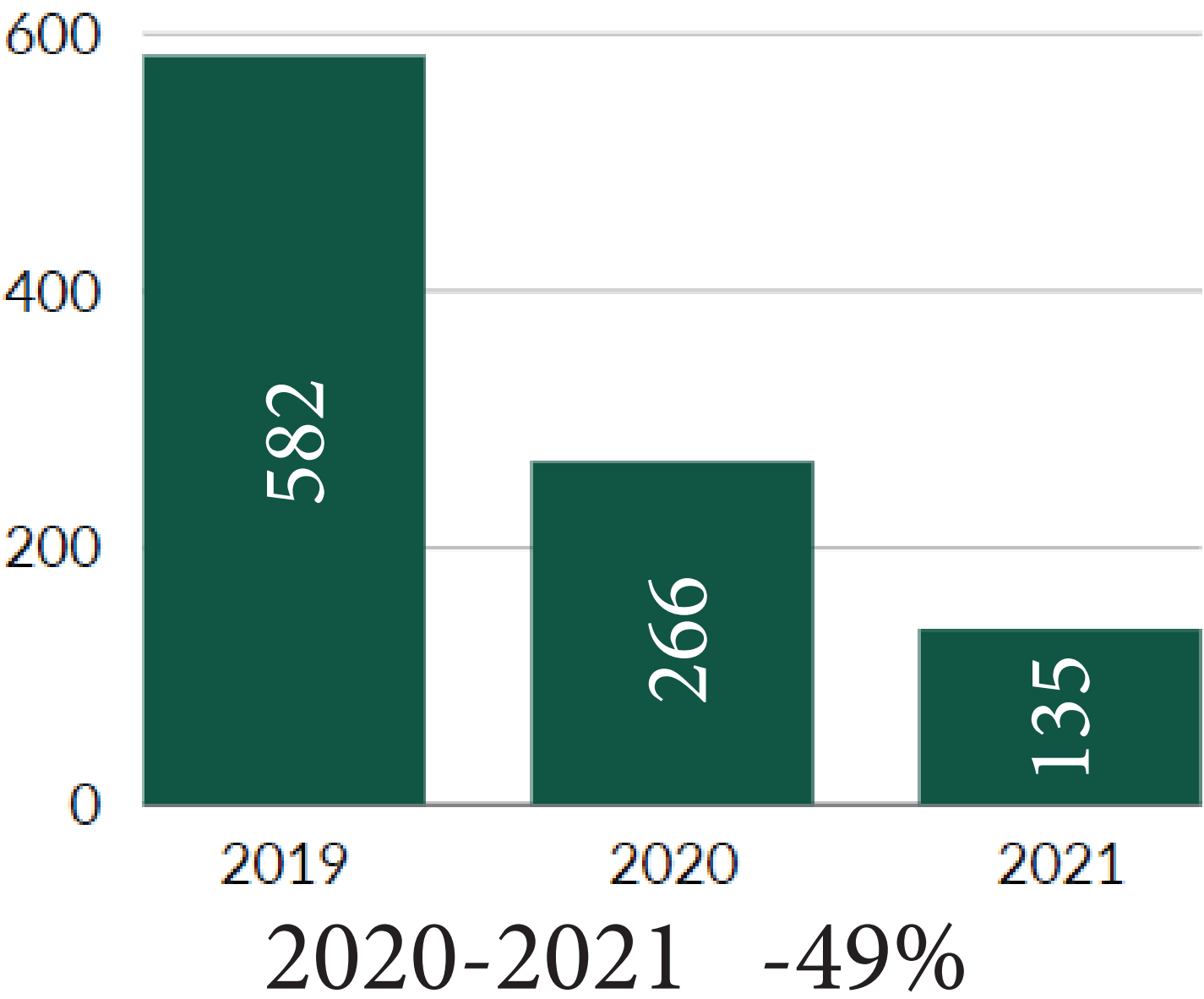
2020-2021 +12%

HOUSING SUPPLY & DEMAND

LA PLATA COUNTY

Supply
Residential Units (SF, Condos, THs)
For Sale - December

Demand
Residential Units (SF, Condos, THs)
Sold

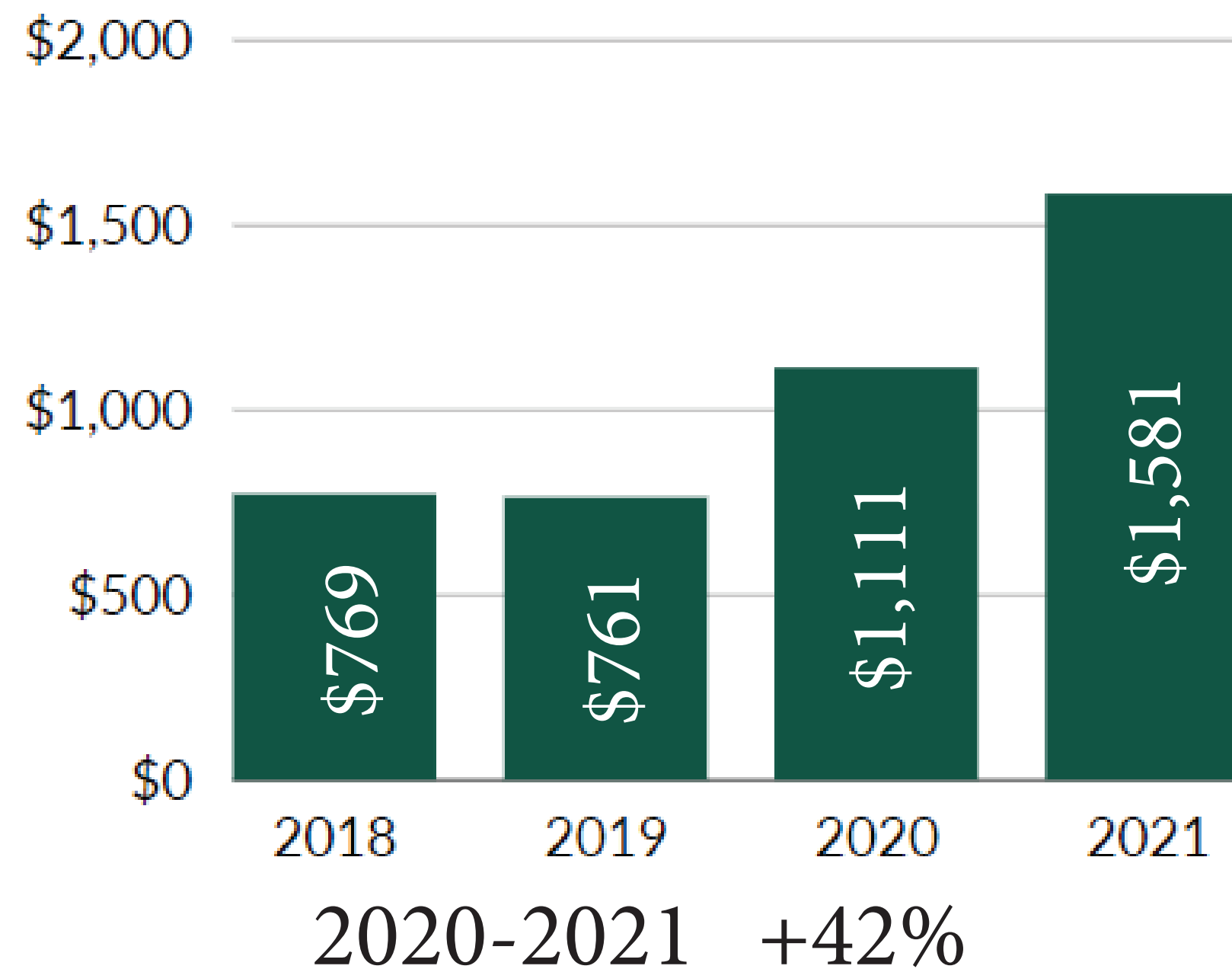


SOURCE: COLORADO ASSOCIATION OF REALTORS (CREN) - ALLEN & ASSOCIATES PROPRIETARY DATA



ALL LA PLATA COUNTY

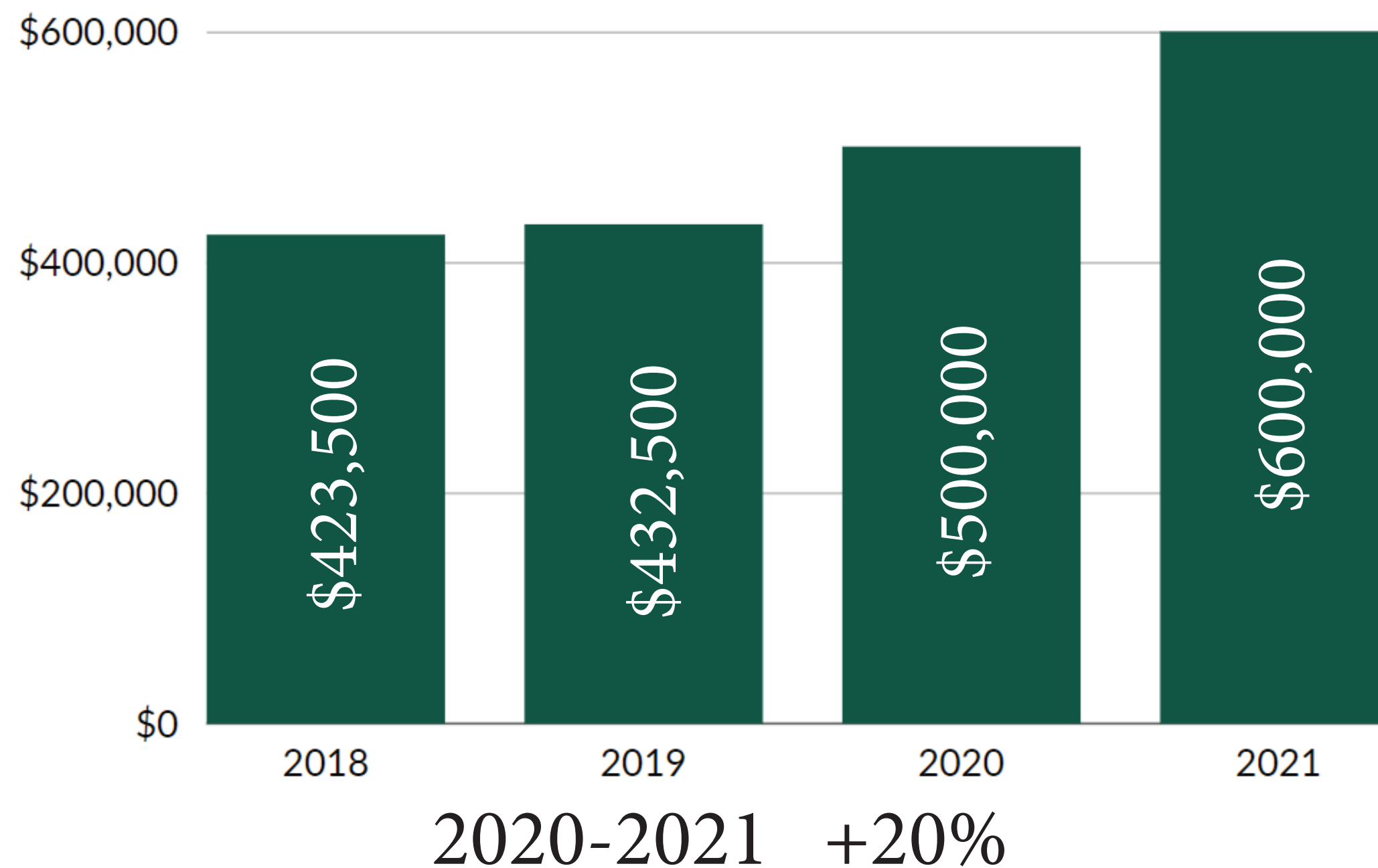
Total Sale Dollar Volume
(millions)



SOURCE: DURANGO AREA ASSOCIATION OF REALTORS (DAAR) &
BOB ALLEN - ALLEN & ASSOCIATES PROPRIETARY DATA

MEDIAN SINGLE FAMILY PRICE RURAL LA PLATA COUNTY

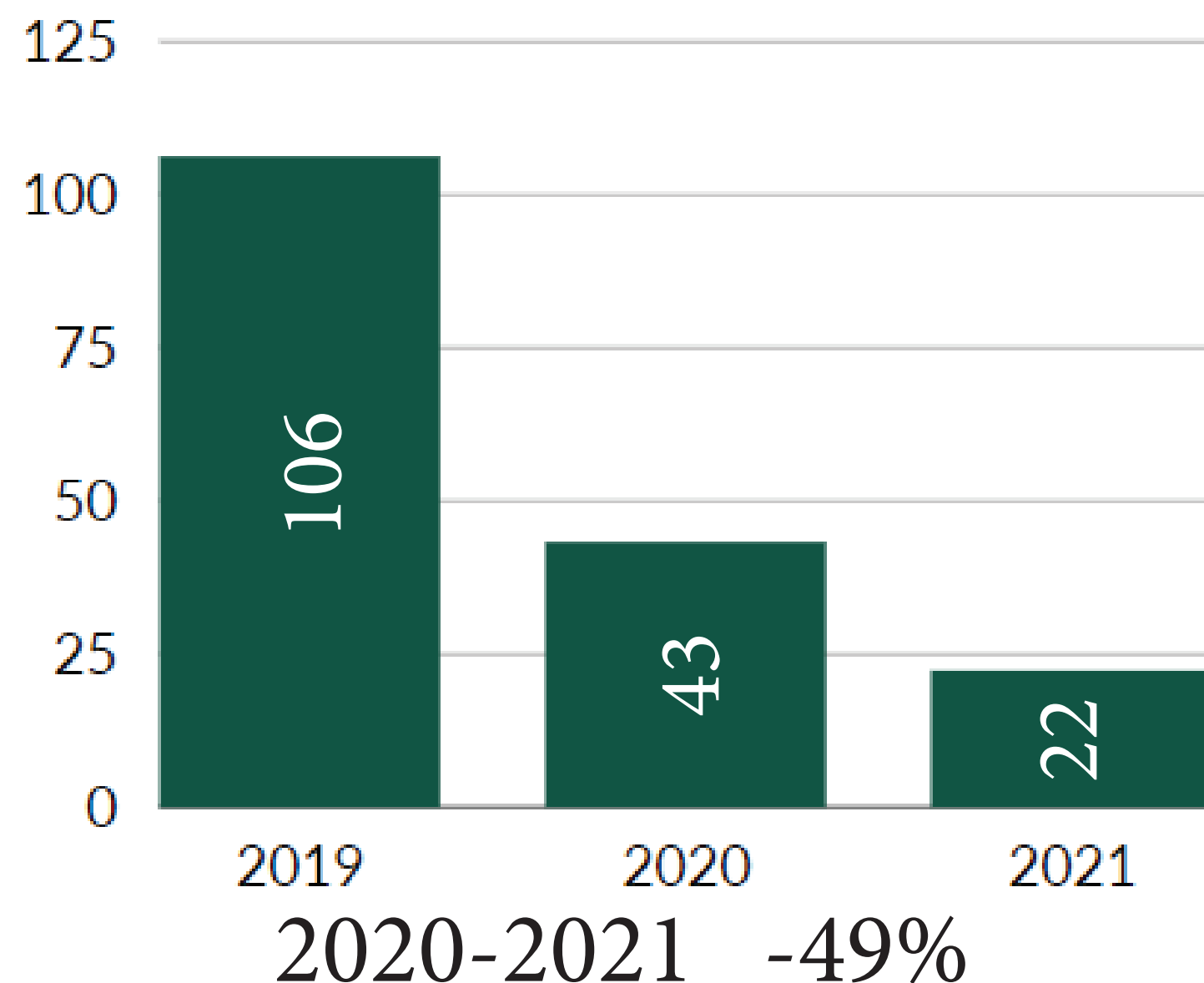
Median Single Family Home Price



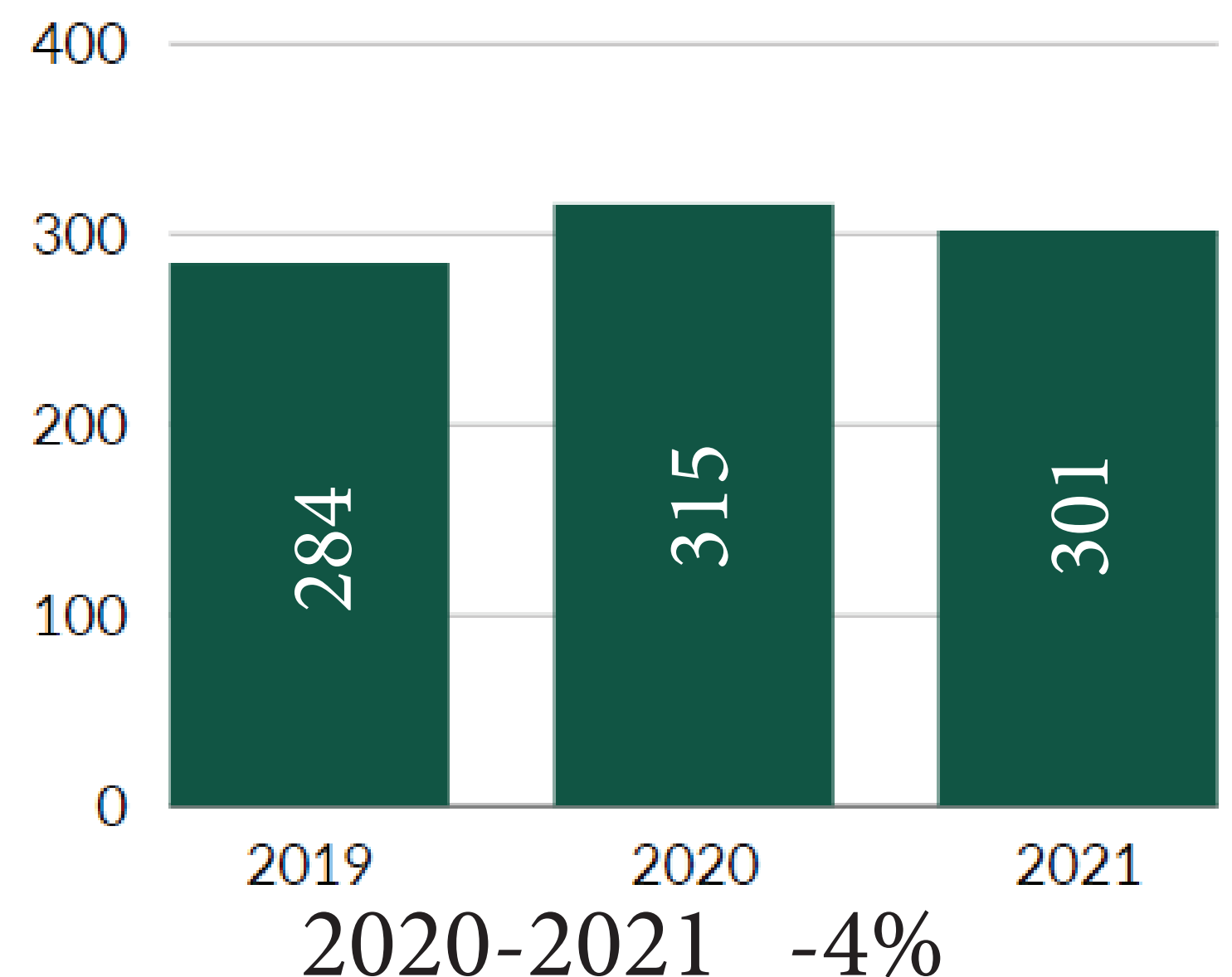
RESIDENTIAL SUPPLY & DEMAND

CITY OF DURANGO

Supply
Single Family Homes
For Sale - December



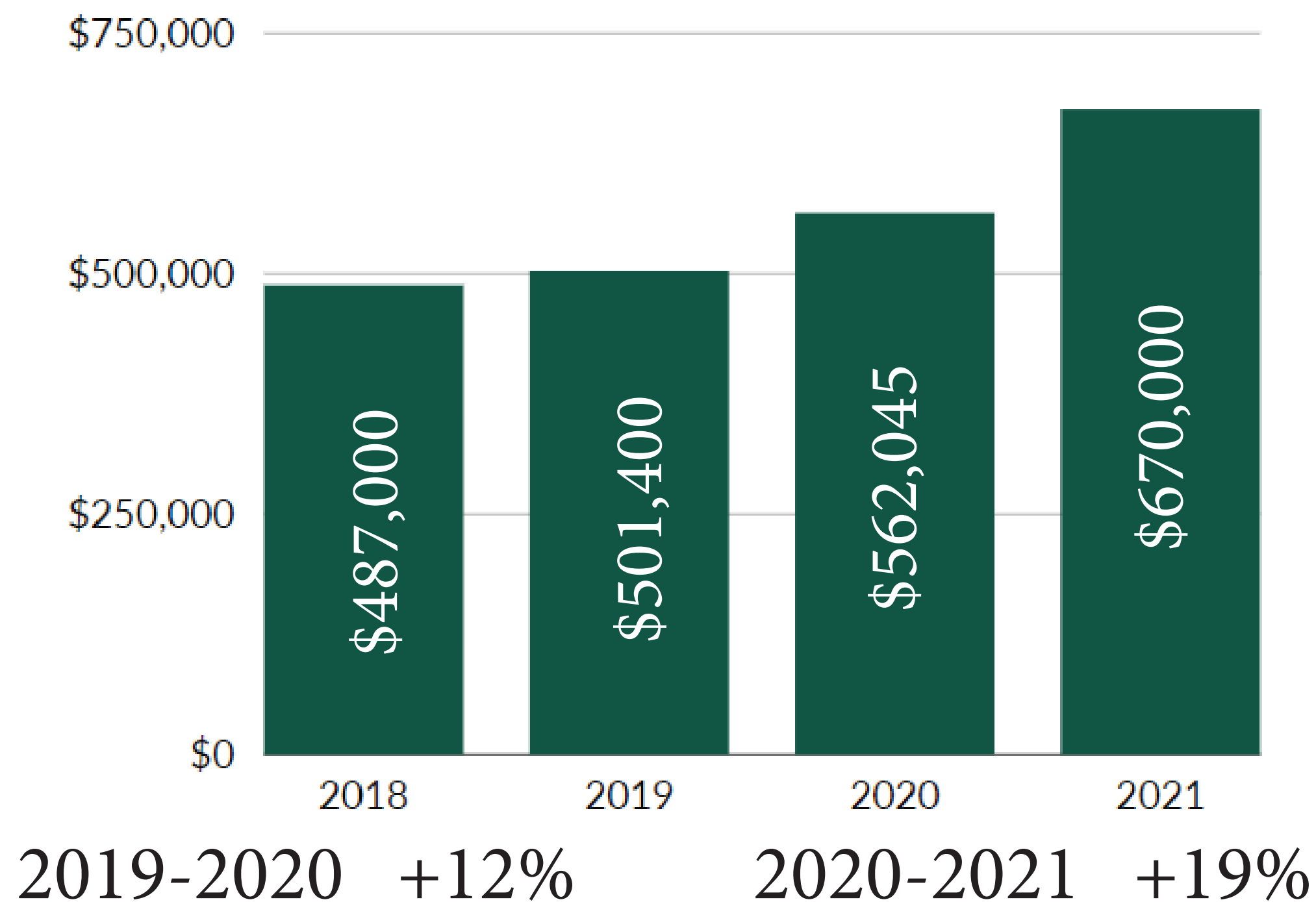
Demand
Single Family Homes Sold
Annual



MEDIAN HOME SALE PRICE

CITY OF DURANGO

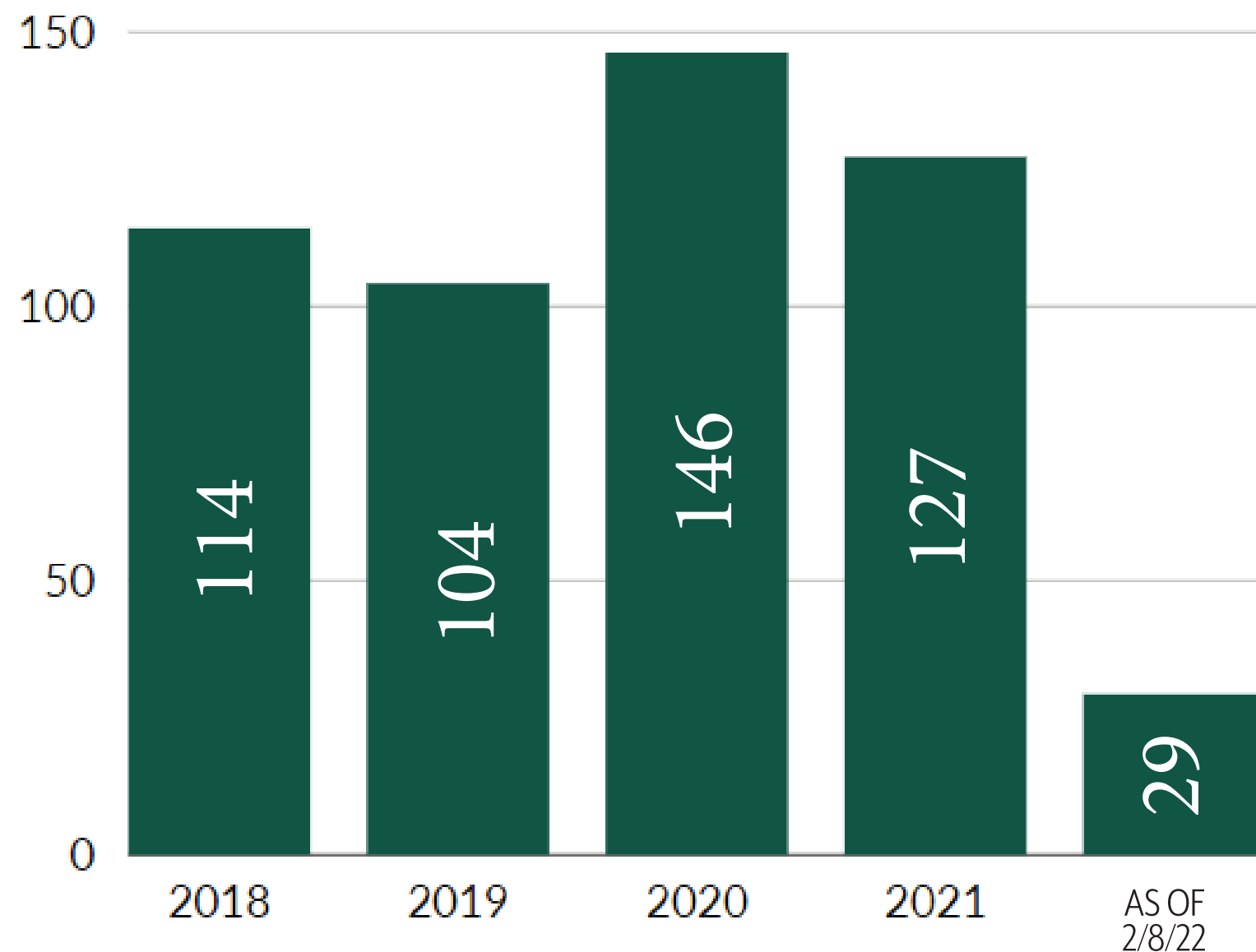
Single Family Homes



TOWNHOME SALE ACTIVITY

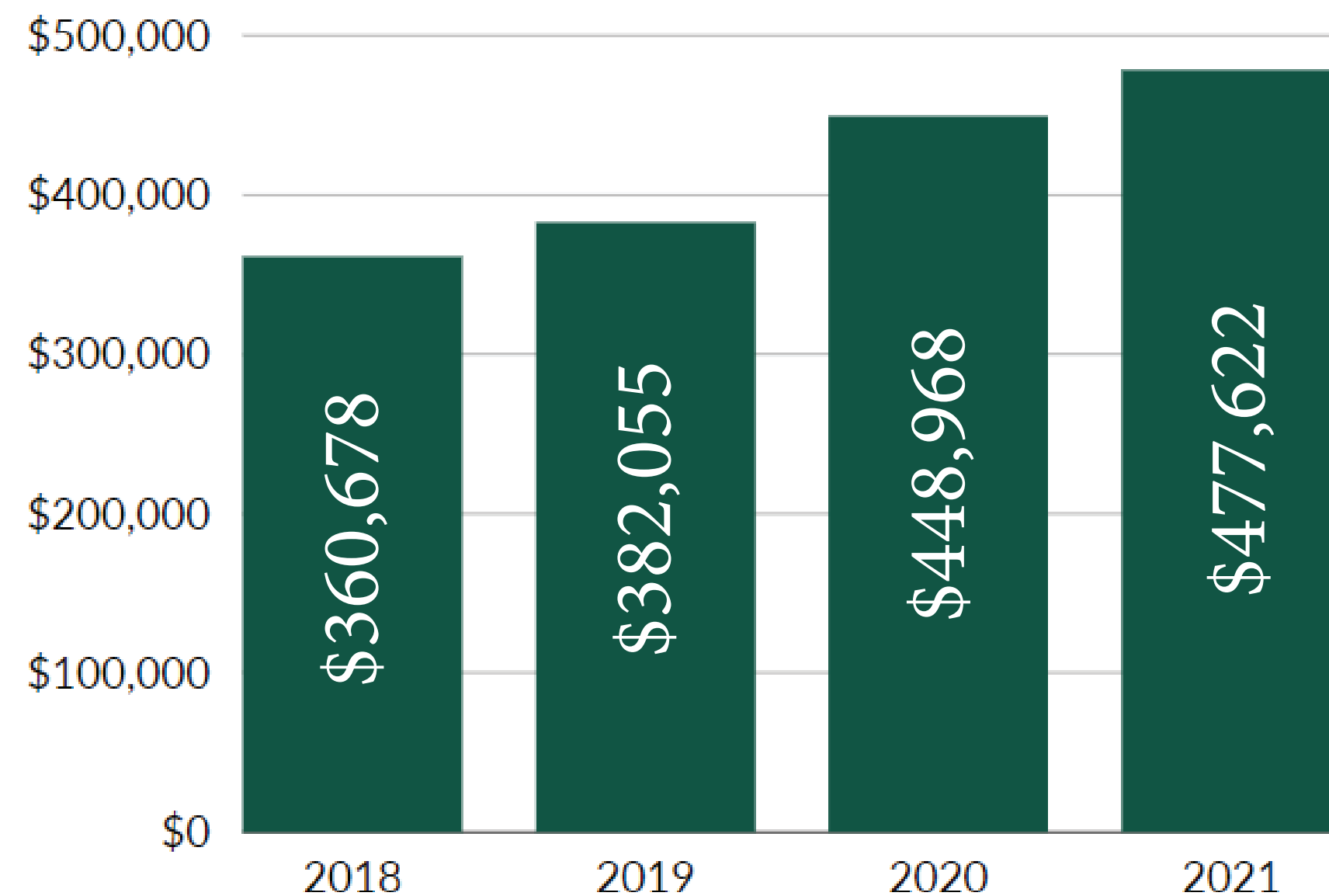
CITY OF DURANGO

Townhome Sales



25 of 29 were under contract on 2/8/22

Median Sale Price
Townhomes

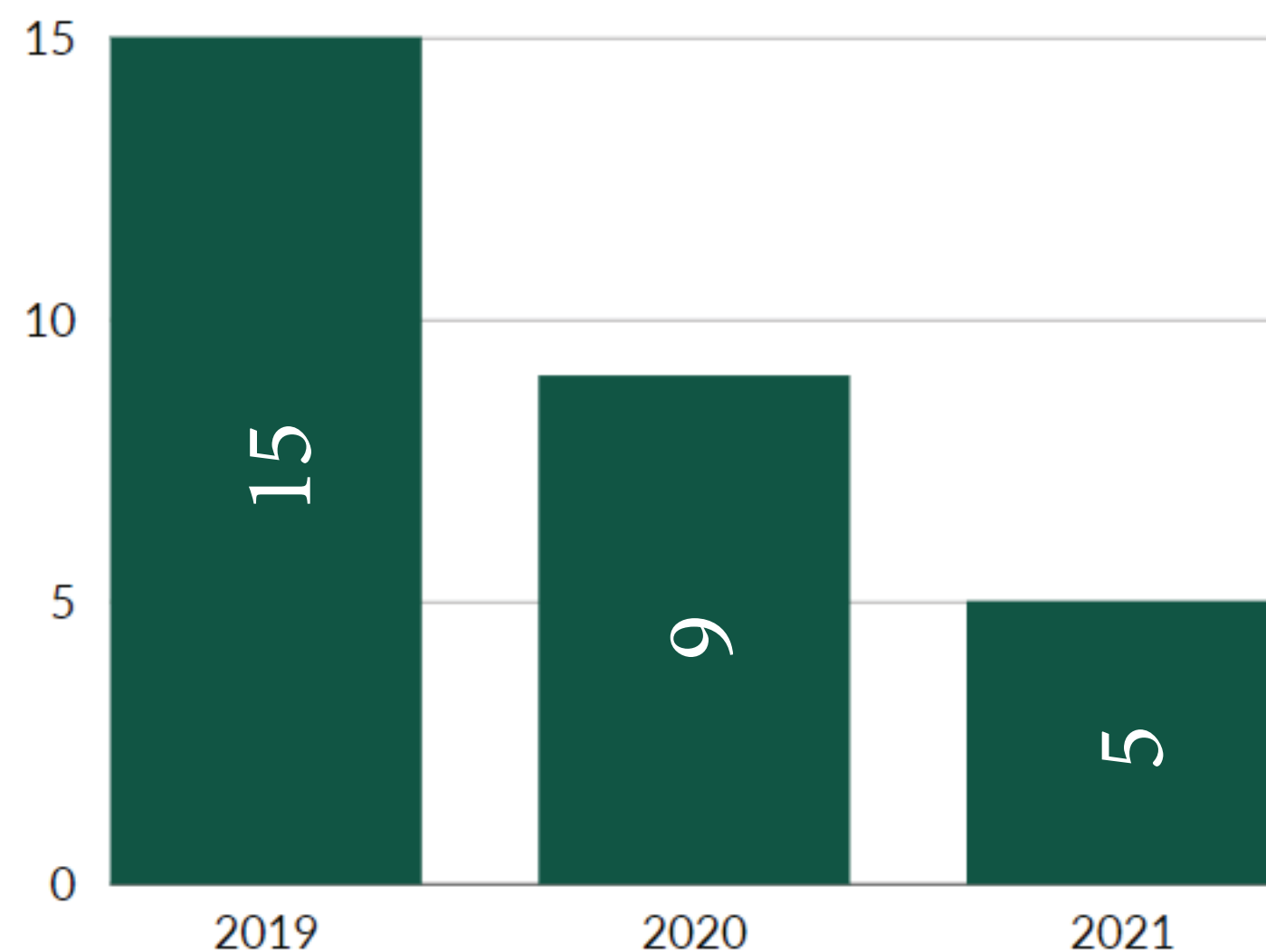


2020-2021 +6.5%

RESIDENTIAL SUPPLY & DEMAND

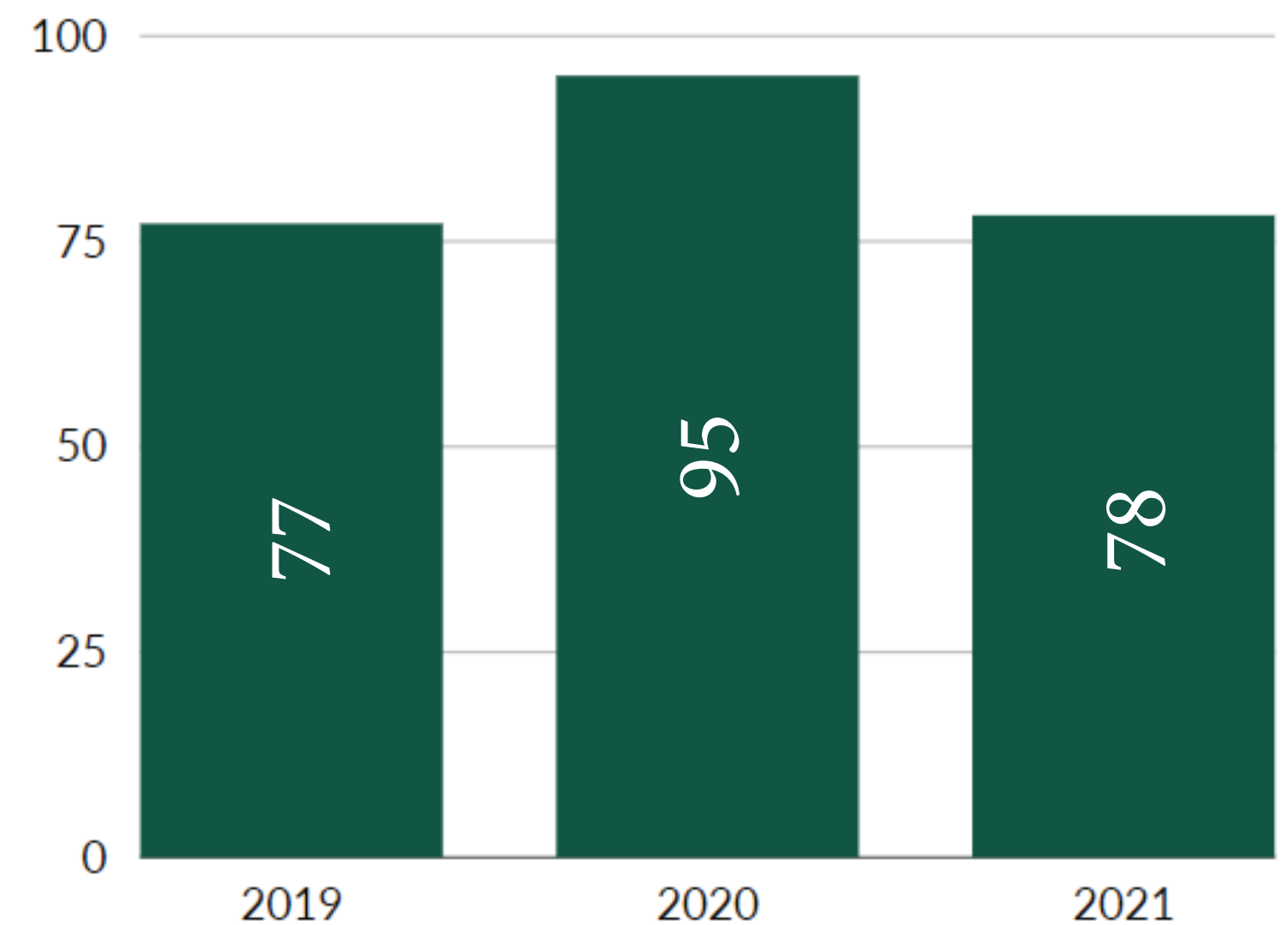
TOWN OF BAYFIELD

Supply
Single Family Homes
For Sale - December



2020-2021 -44%

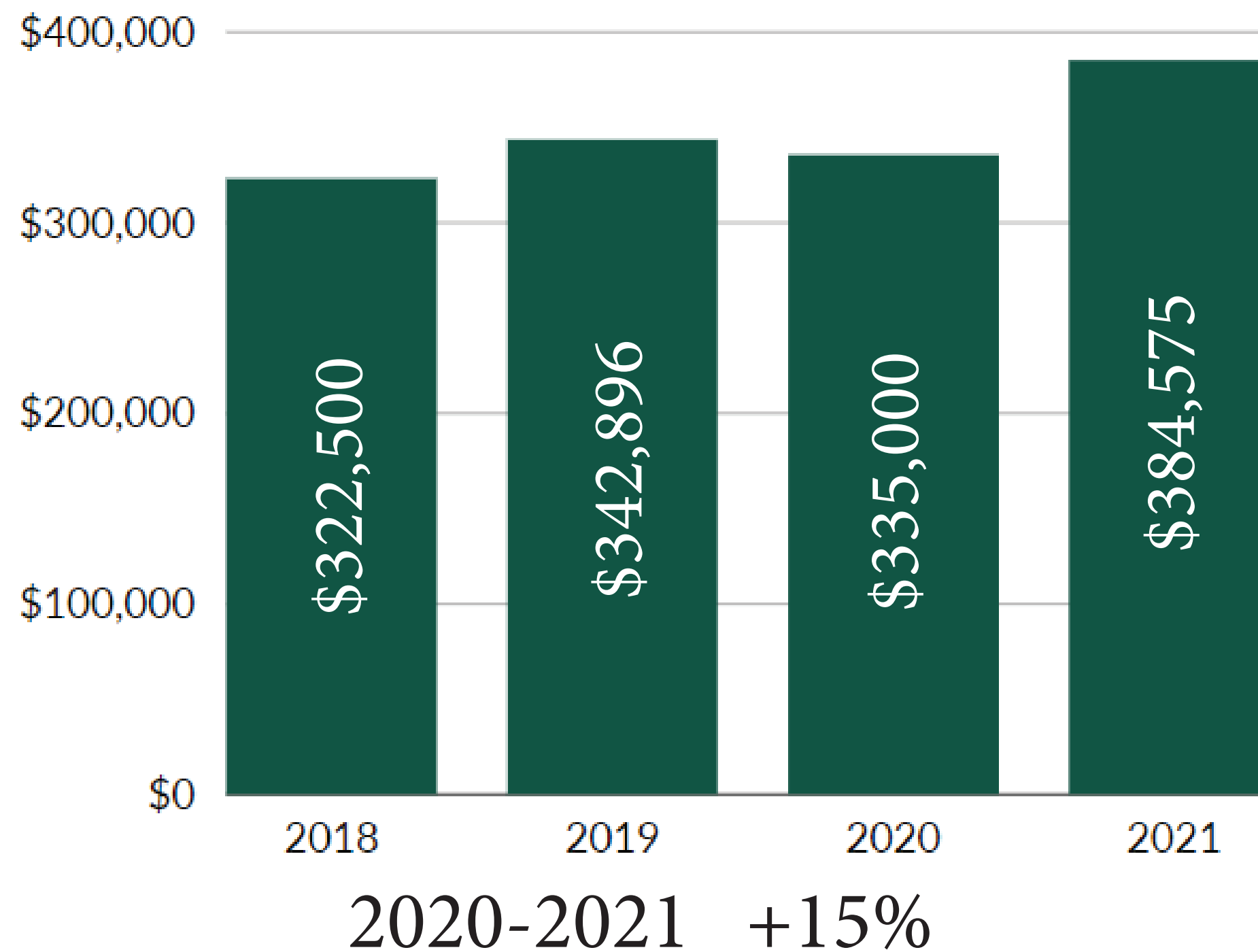
Demand
Single Family Homes Sold



2020-2021 -18%

MEDIAN HOME SALE PRICE TOWN OF BAYFIELD

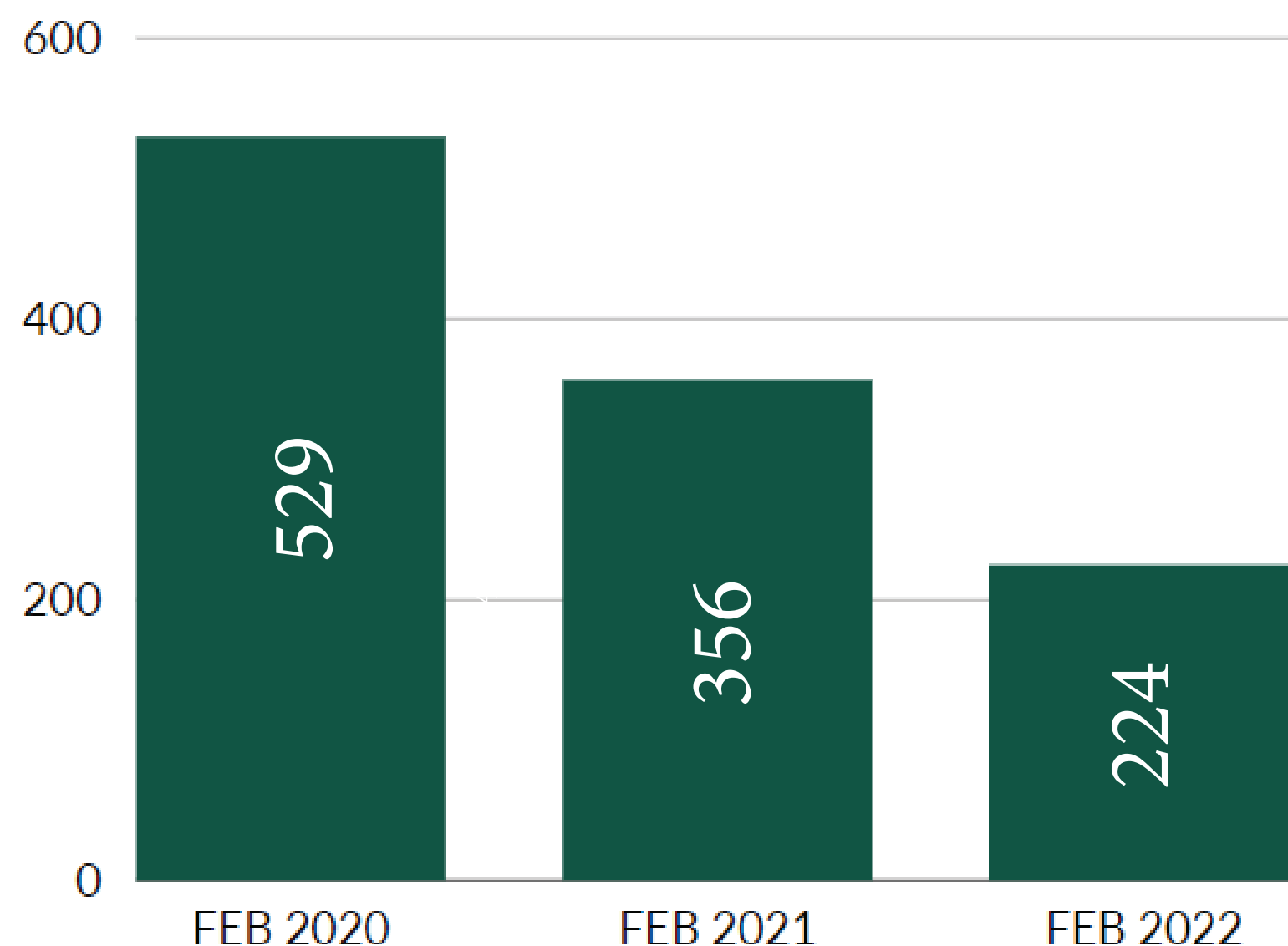
Single Family Homes



SUPPLY & DEMAND

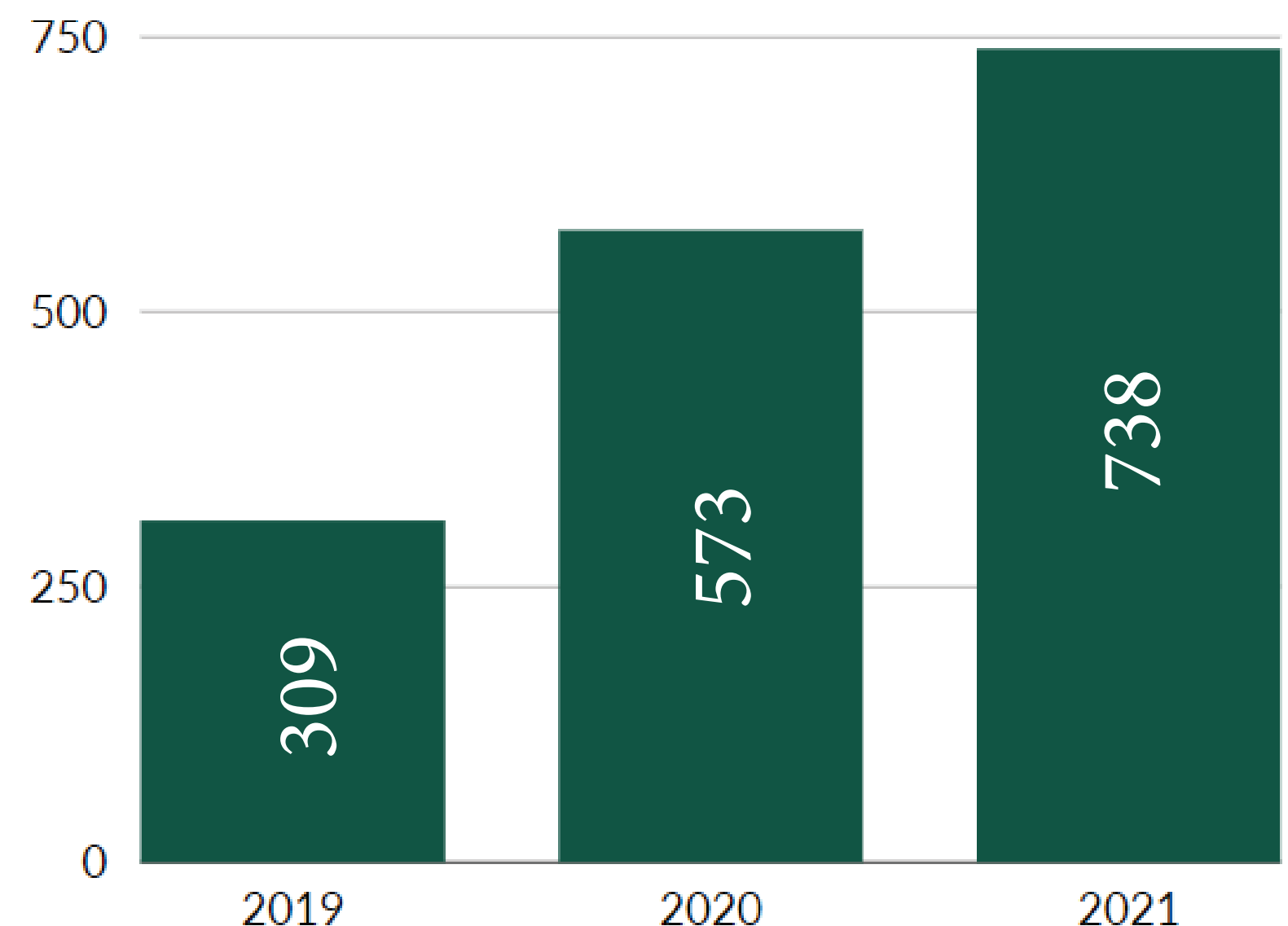
LA PLATA COUNTY LAND SALES

Supply
Vacant Land For Sale - February



2020-2021 -37%

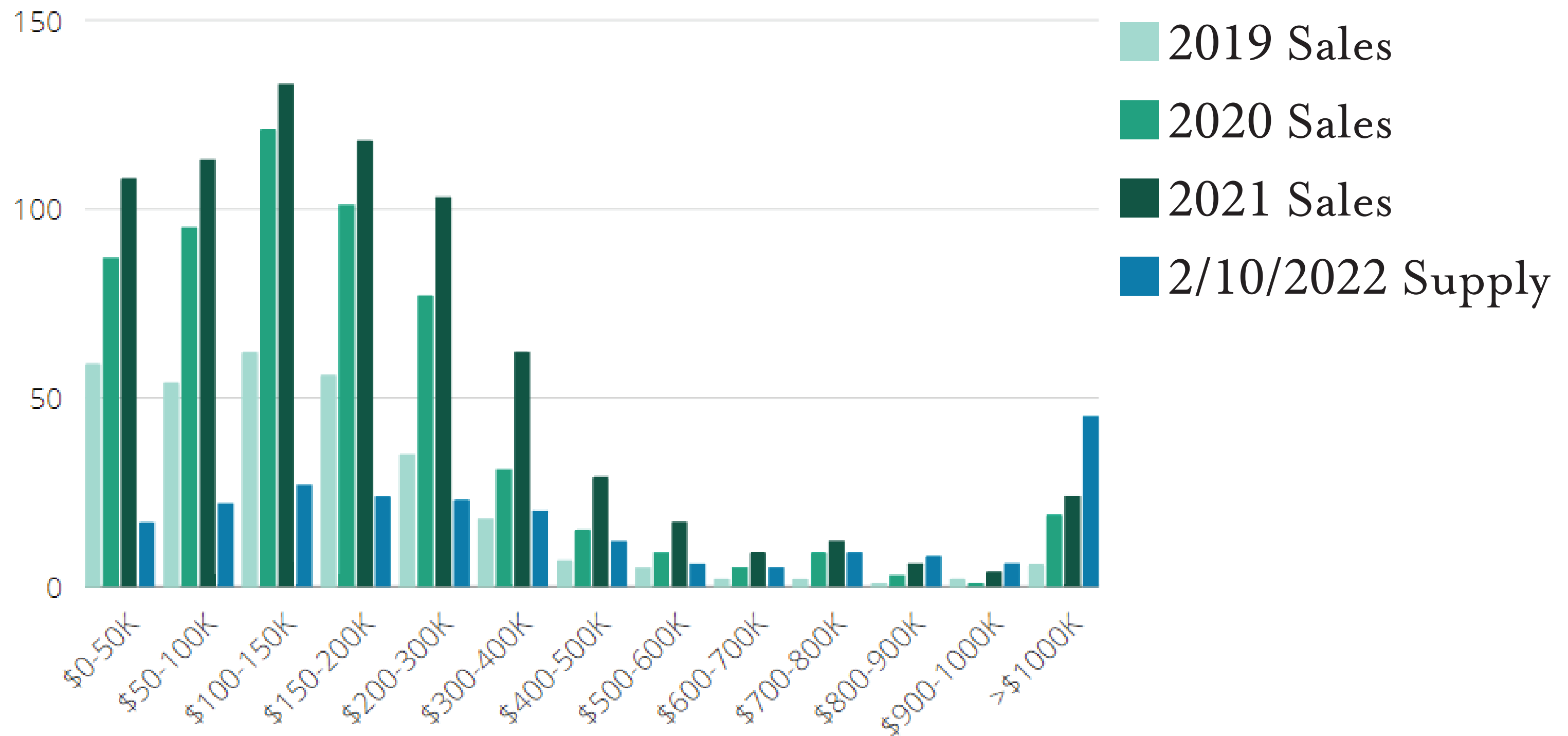
Demand
Total Vacant Land Sales



2020-2021 +29%

ALL LA PLATA COUNTY

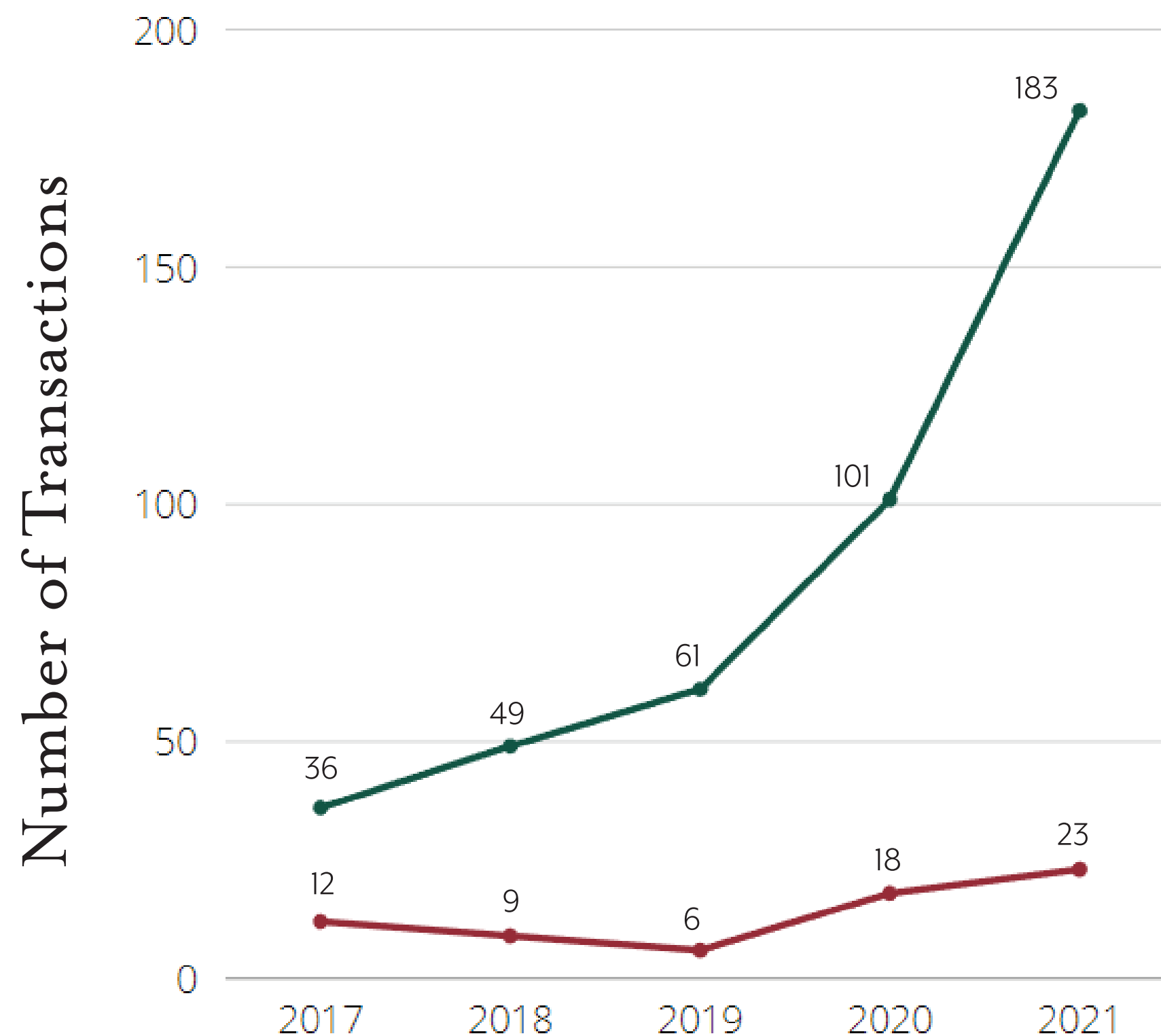
Vacant Land Sale Price Distribution and Current Supply



LUXURY REAL ESTATE MARKET

LA PLATA COUNTY

Real Estate Sales Above \$1,000,000



■ SF Residential

■ Vacant Land

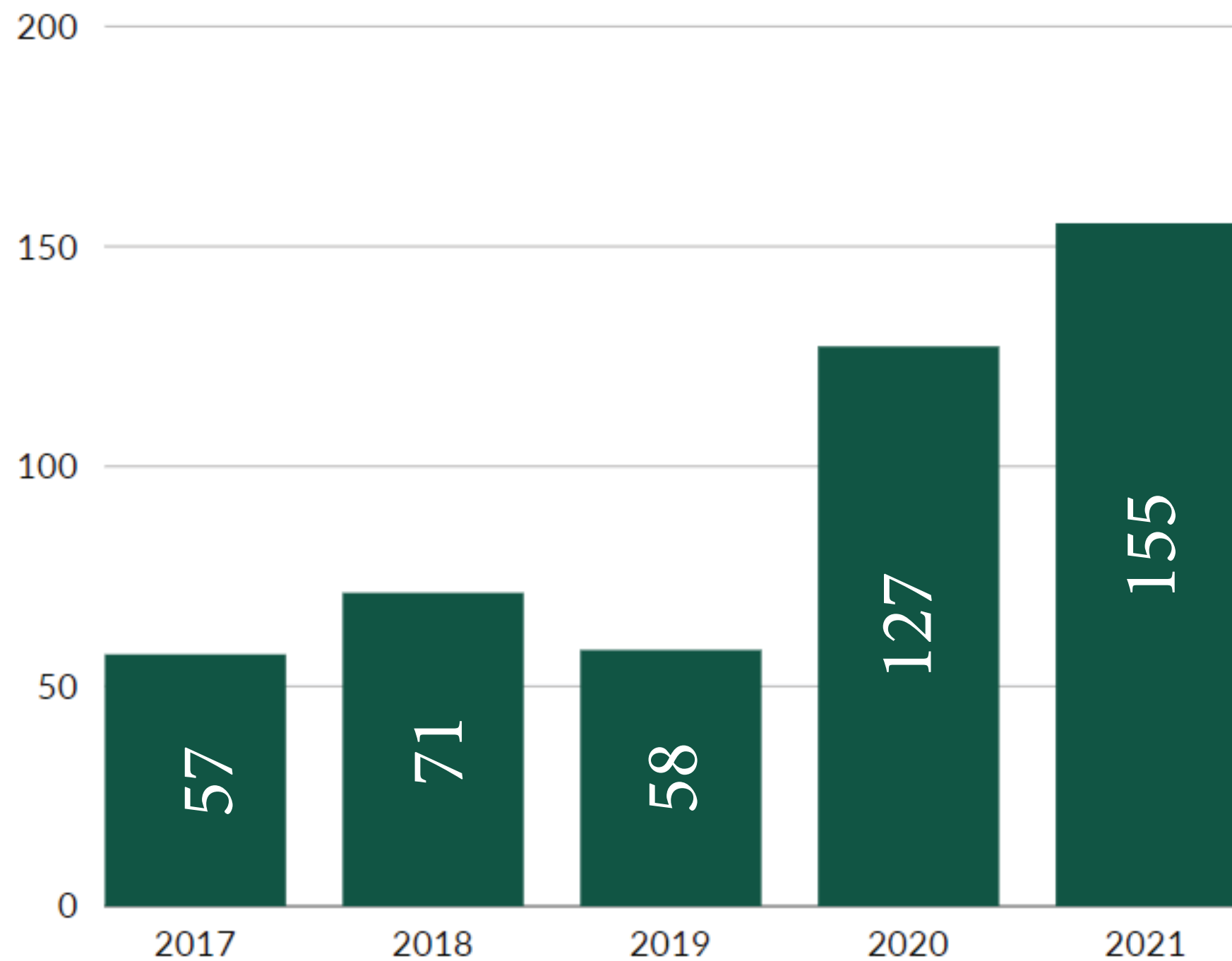
Residential
2020-2021 +81%
(In 2021 48%
were cash sales)

Vacant Land
2020-2021 +28%

PURGATORY AREA

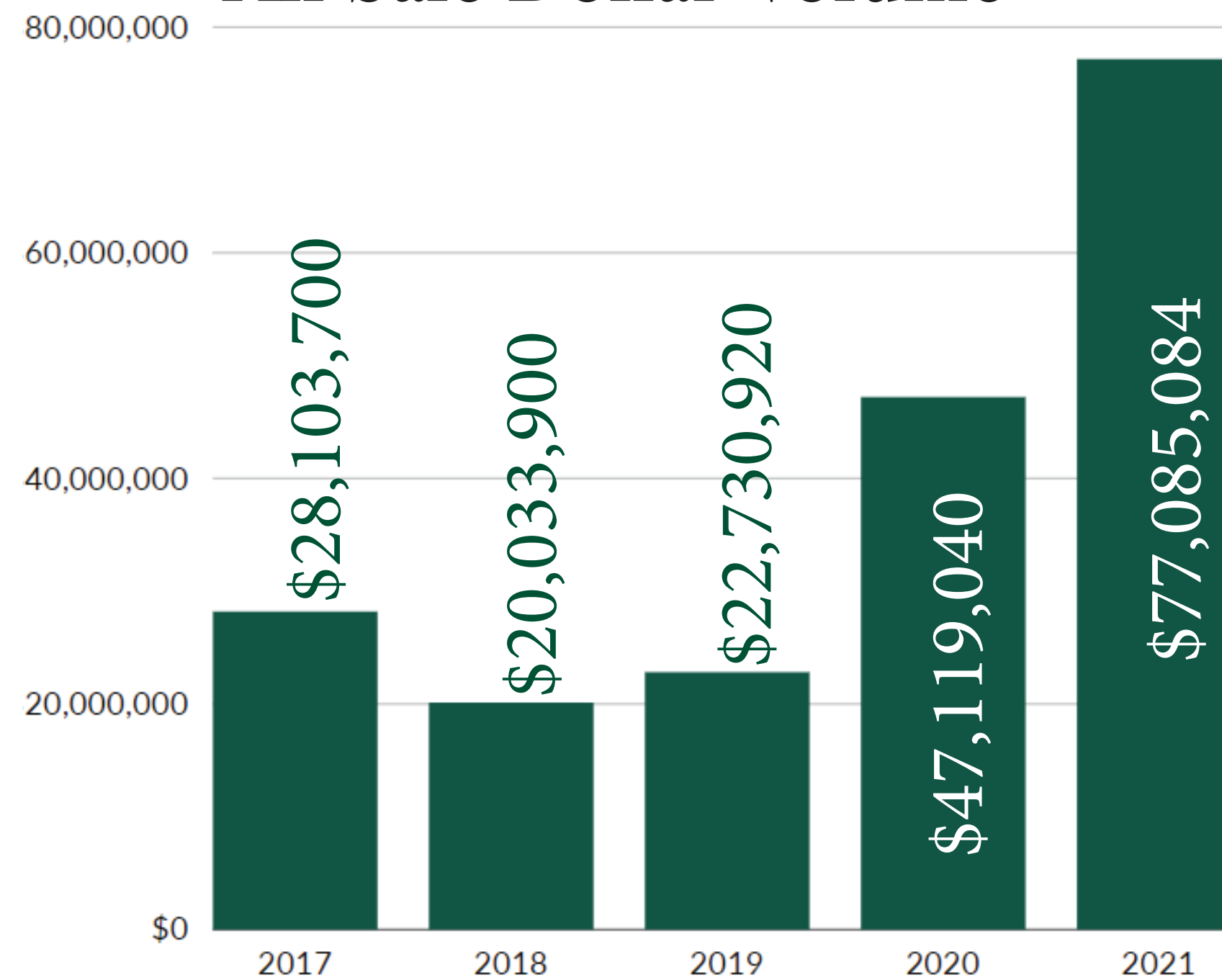
REAL ESTATE MARKET - RECORD YEAR APN (5089*)

All Sale Transactions



Vacant Land 2020-2021 +33%
Single Family Residential 2020-2021 +67%

All Sale Dollar Volume

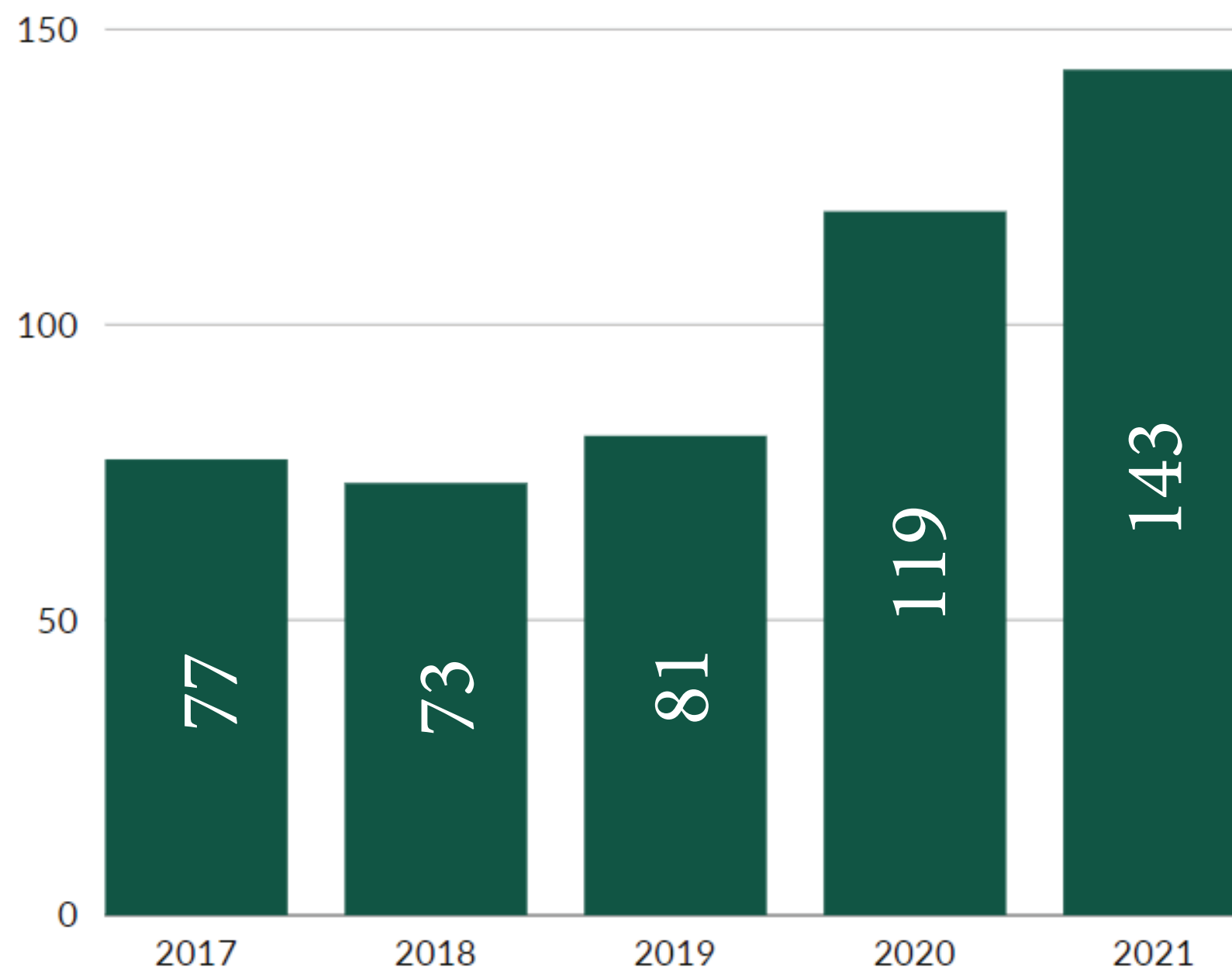


Vacant Land 2020-2021 +107%
Single Family Residential 2020-2021 +115%

GLACIER CLUB/TAMARRON AREA

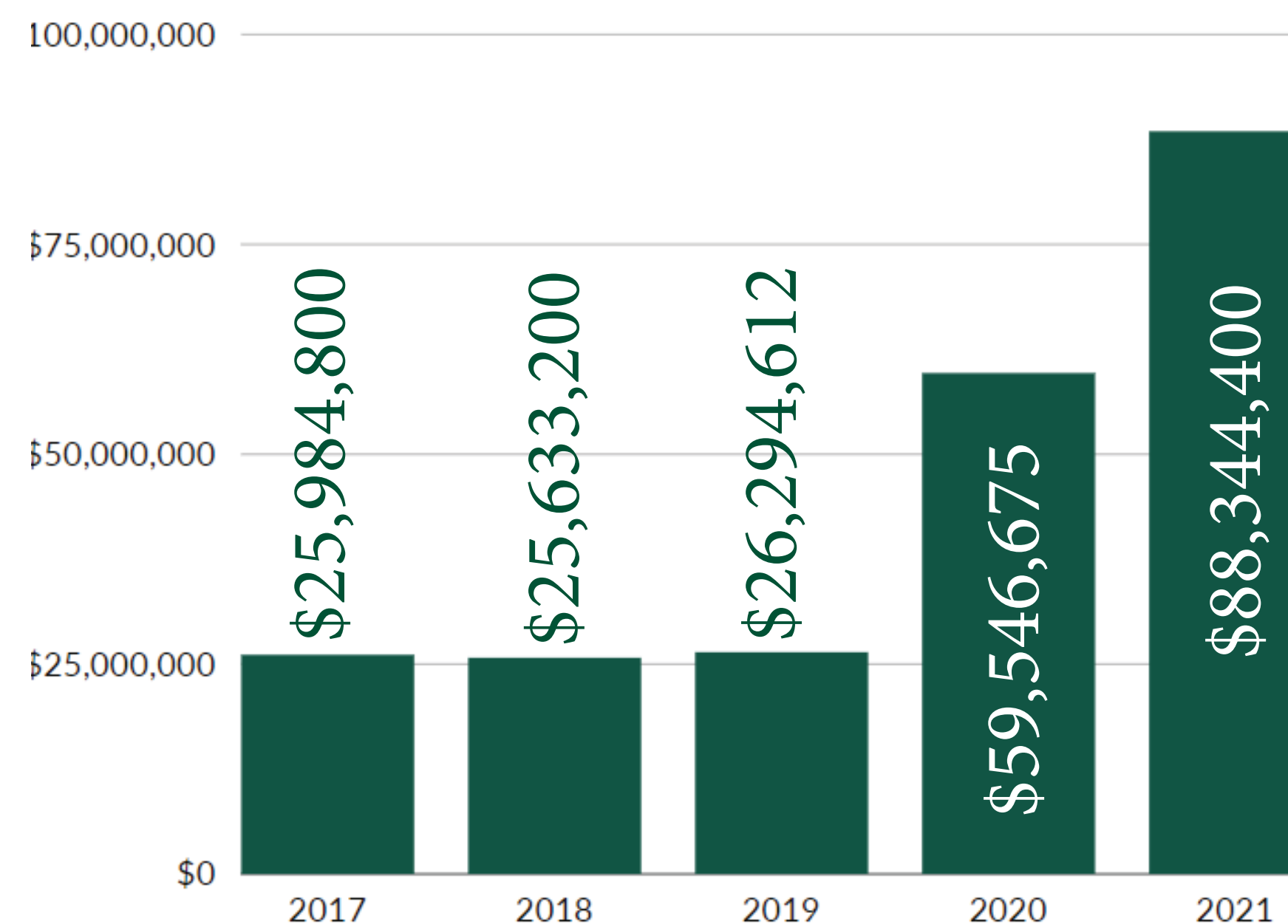
REAL ESTATE MARKET - RECORD YEAR APN (5371*)

All Sale Transactions



Vacant Land 2020-2021 +123%
Single Family Residential 2020-2021 +25%

Total Sale Dollar Volume



Vacant Land 2020-2021 +161%
Single Family Residential 2020-2021 +49%

BASIC ECONOMIC FORCES DRIVE REAL ESTATE DEMAND

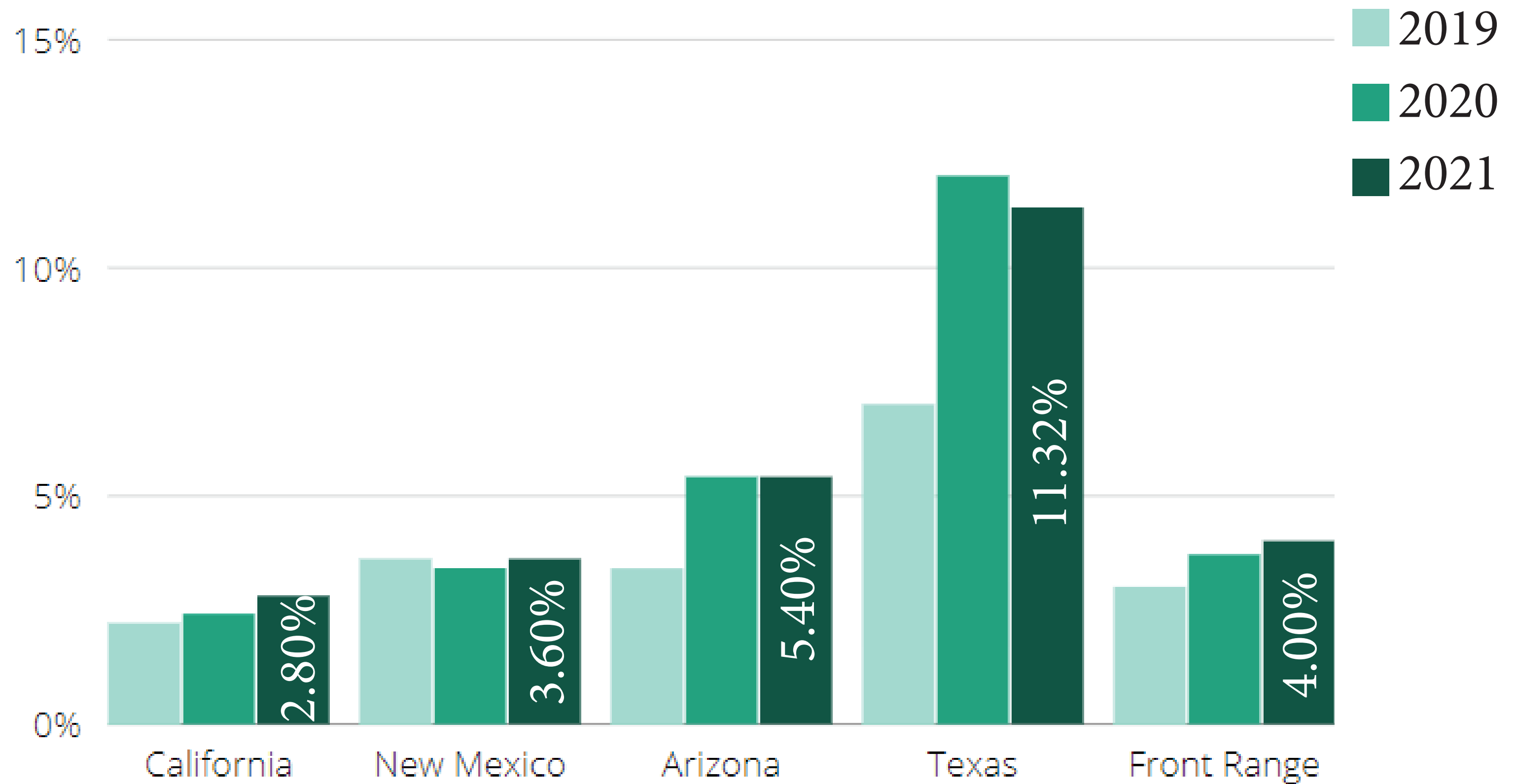
POPULATION GROWTH

Year	City of Durango	Town of Bayfield	Town of Ignacio	Unincorporated Area	La Plata County Total
2010	16,889	2,357	699	31,496	51,441
2020	19,078	2,839	852	32,882	55,651
2010-2020 Annual % Change	1.22%	1.87%	2.00%	0.43%	0.79%

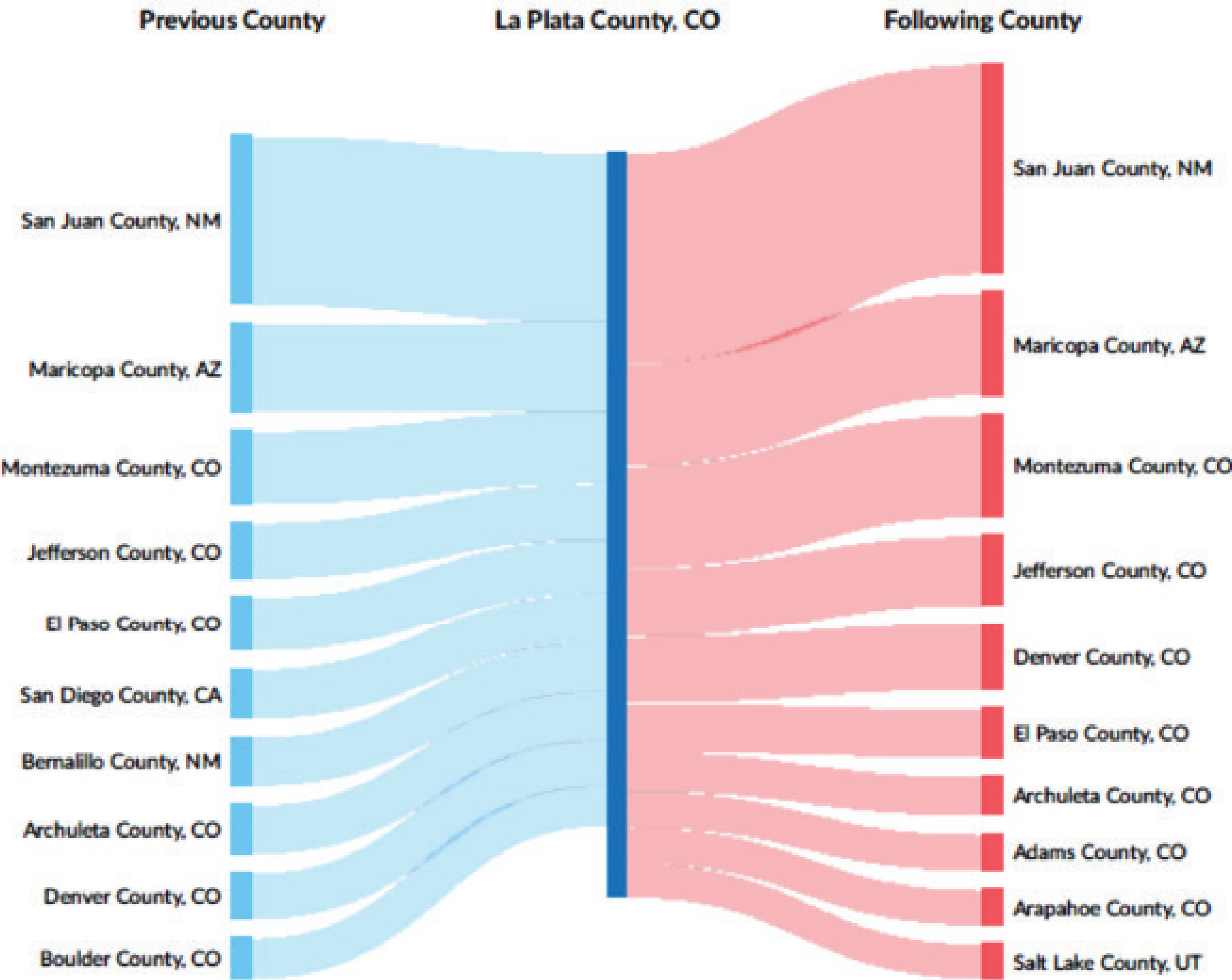
Population growth choked by lack of available housing.
If we build it, they will come.

FEEDER MARKETS

PROPERTY BUYER PROFILE



INBOUND & OUTBOUND MIGRATION



The table analyzes past and current residents of La Plata County, CO. The left column shows residents of other counties migrating to La Plata County, CO. The right column shows residents migrating from La Plata County, CO to other counties.

As of 2019, **195** people have migrated from San Juan County, NM to La Plata County, CO. In the same year, **242** people left La Plata County, CO migrating to San Juan County, NM. The total Net Migration for La Plata County, CO in 2019 was **26**.

SOURCE: COLORADO WIDE - WORKFORCE AND INTELLIGENCE DATA EXPERTS - COLORADO STATE DEMOGRAPHER



MEDIAN VALUES

County	Median Price
La Plata County	\$522,000
Montezuma County	\$300,000
San Juan County New Mexico	\$206,000

12 month data.

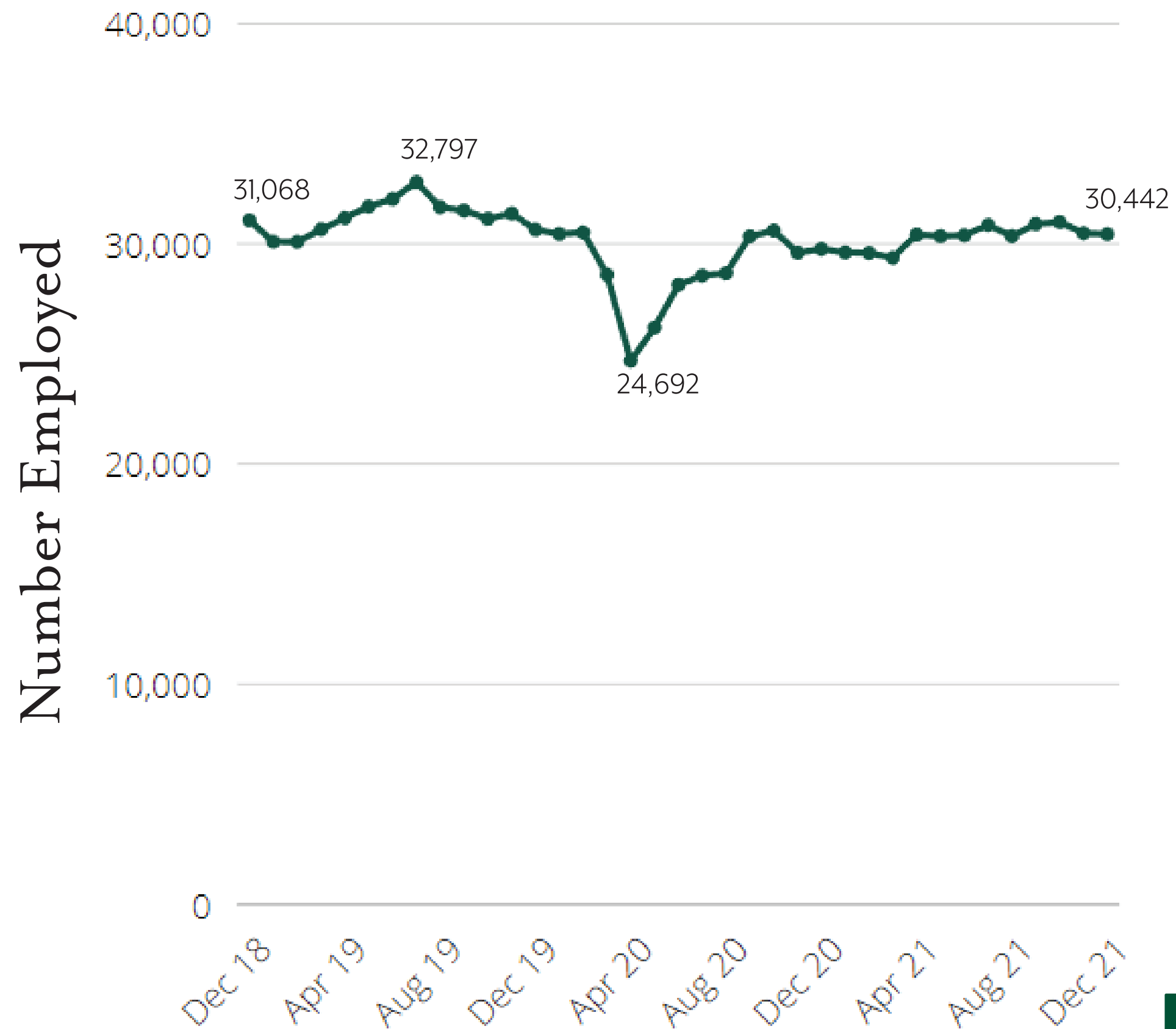
SOURCE: DURANGO AREA ASSOCIATION OF REALTORS (DAAR) &
SAN JUAN COUNTY BOARD OF REALTORS (SJCBR)



EMPLOYMENT

LA PLATA COUNTY

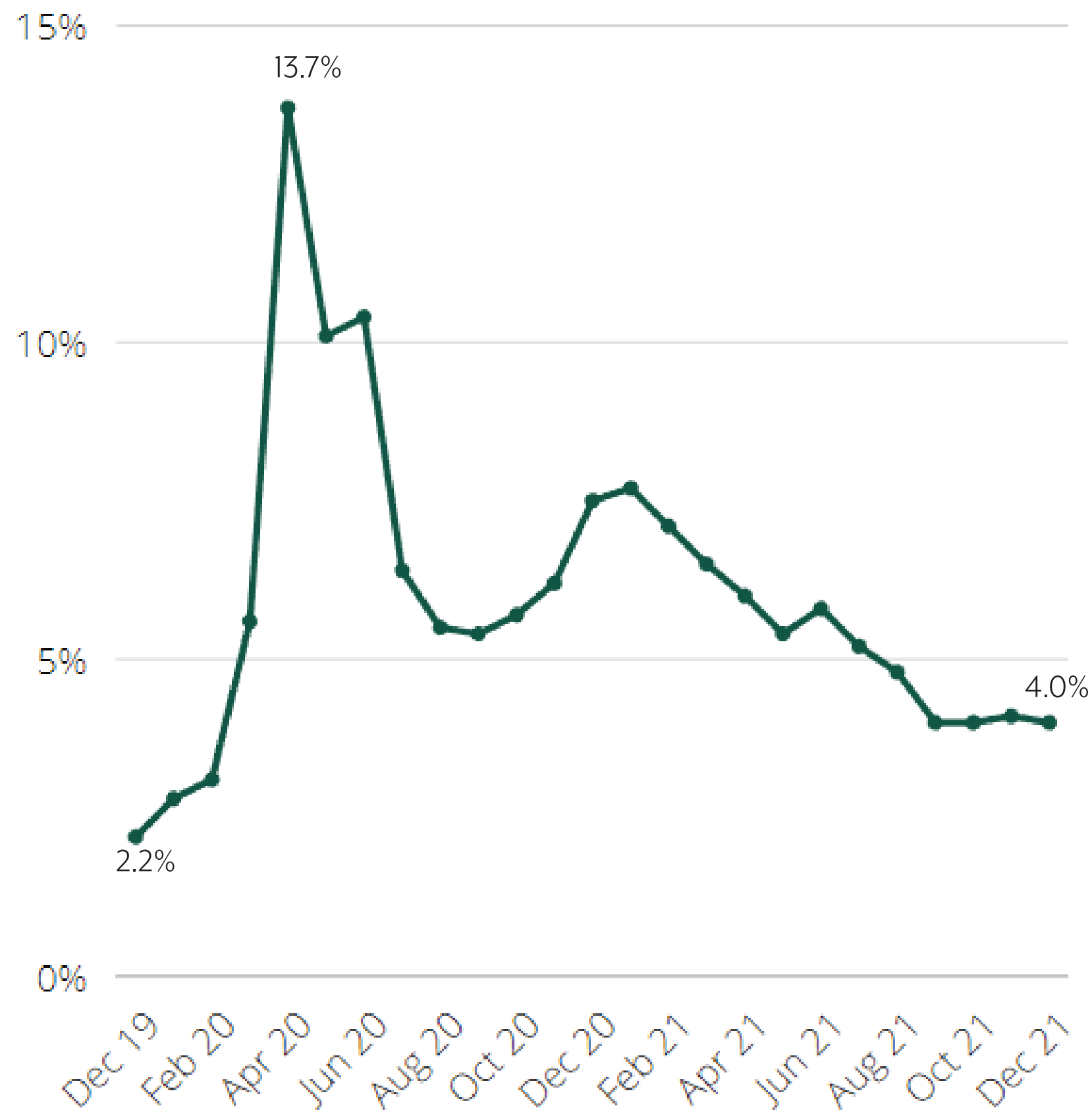
Total employment appears to have leveled off, and is currently stuck lower than 2018-2019 peaks.



UNEMPLOYMENT RATE

LA PLATA COUNTY DECEMBER 2019 - DECEMBER 2021

Stable and low unemployment rate in late 2021.



EMPLOYERS BY NUMBER OF JOB OPENINGS

Strong
demand for
employees

Where will
employees
live?

The table shows the employers with the highest number of job openings advertised online in La Plata County, CO on January 30, 2022.

Rank	Employer Name	Job Openings
1	Centura Health	109
2	Durango School District 9-R	51
3	Southern Ute Indian Tribe	44
4	La Plata County	43
5	Fort Lewis College	42
6	SavaSeniorCare	13
7	Healthcare Services Group, Inc.	11
8	Sky Ute Casino Resort	11
9	Wendy's International, Inc.	11
10	The Home Depot, Inc	10

Source: Online advertised jobs data - State of Colorado
Labor Market Information Gateway
Downloaded: 01/31/2022 5:04 PM

JOB GROWTH

<u>DIRECT BASIC JOBS</u>	<u>2010</u>	<u>2020</u>	<u>2025</u>	<u>2010-2020</u> <u>Annual %</u> <u>Change</u>	<u>Forecast</u> <u>2020 - 2025</u> <u>Annual %</u> <u>Change</u>
TRADITIONAL INDUSTRIAL BASIC JOBS	4,374	4,024	4,182	-0.83%	0.77%
REGIONAL & NATIONAL SERVICES	3,702	3,760	4,499	0.16%	3.65%
TOURISM	5,449	4,875	5,927	-1.11%	3.99%
COMMUTING JOBS	-230	-230	-230	0.00%	0.00%
RETIREE GENERATED JOBS	1,965	4,233	5,048	7.98%	3.58%
PUBLIC ASST. GENERATED JOBS	551	785	801	3.60%	0.41%
INVESTMENT INCOME & WEALTH	1,409	1,675	1,747	1.74%	0.85%
TOTAL DIRECT BASIC JOBS	17,220	19,122	21,973	1.05%	2.82%
CIVILIAN JOBS (DEMAND)	31,373	32,388	36,431	0.32%	2.38%
CIVILIAN JOBS HELD (SUPPLY)	27,838	34,752	36,847	2.24%	1.18%
COMMUTING (+ = IN)	-1,570	1,683	1,885		
LABOR FORCE (RESIDENTS)	29,109	30,188	31,856	0.36%	1.08%
Labor Force Participation Rate	71.5%	67.4%	64.6%		
"True" Population	51,441	55,651	60,052	0.79%	1.53%

CONSTRUCTION

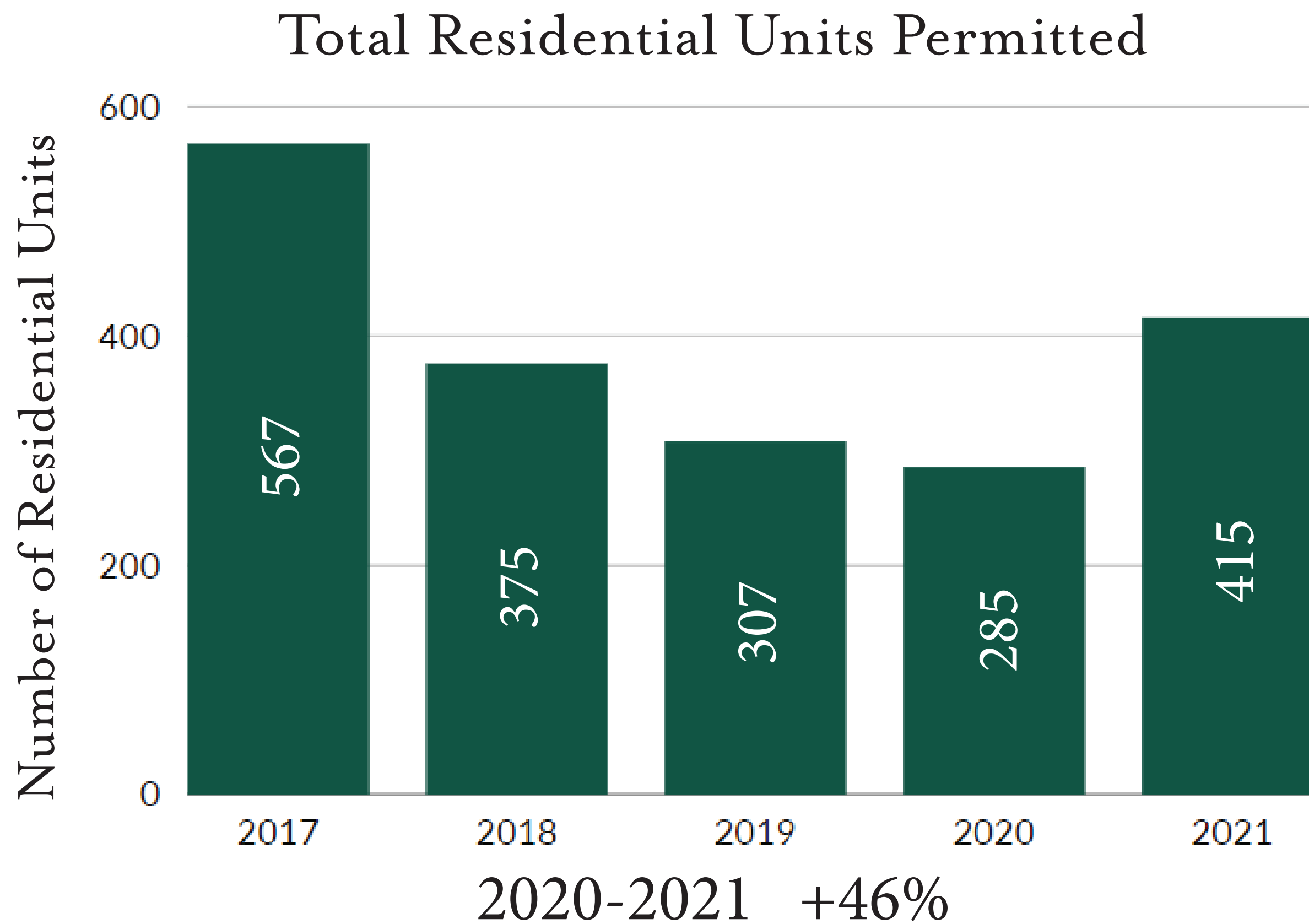
CONSTRUCTION COSTS

Random Lengths Framing Lumber
January 1, 2021 - February 1, 2022



Lumber prices remain volatile but generally high.

ALL LA PLATA COUNTY

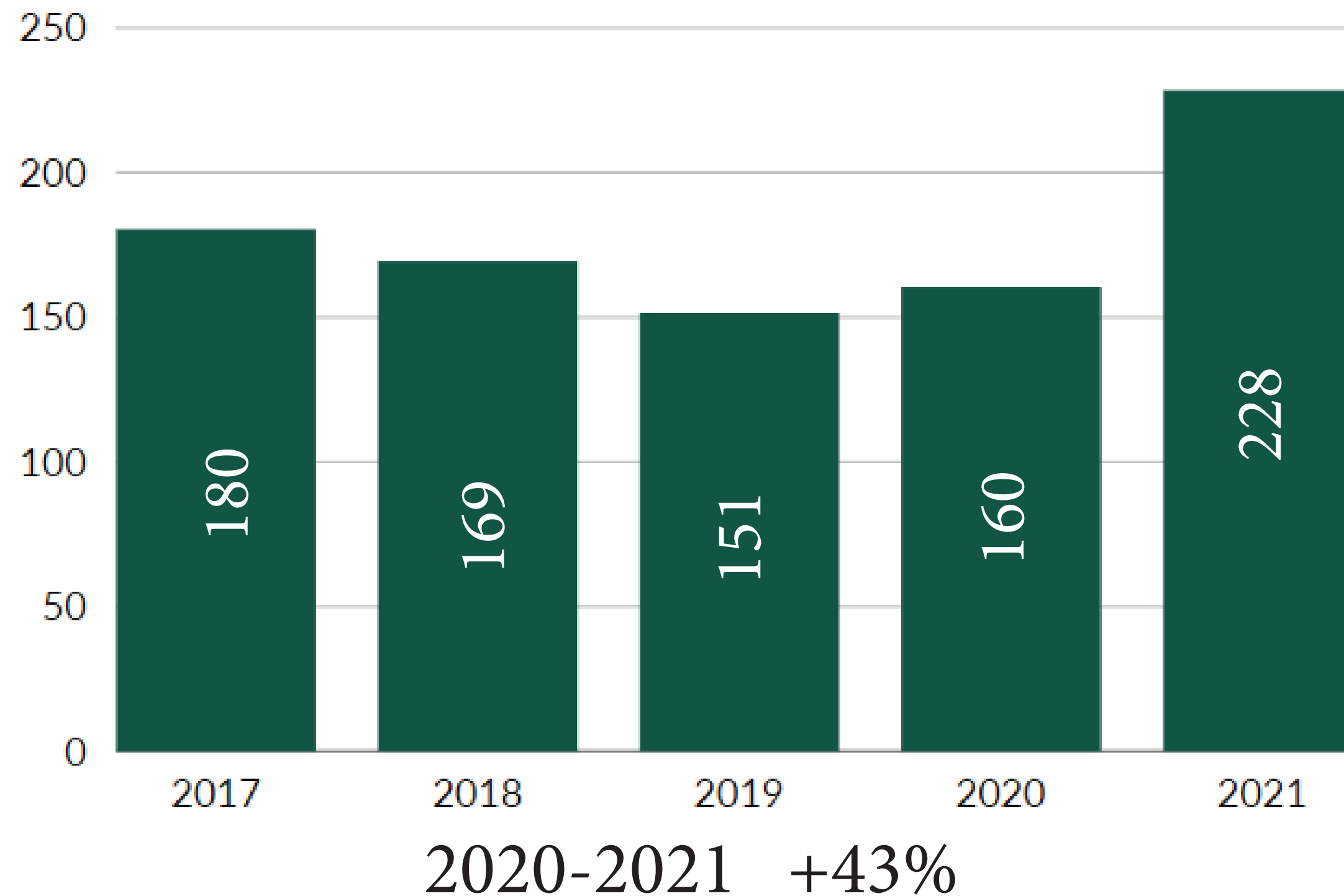


SOURCE: TOWN OF IGNACIO, TOWN OF BAYFIELD, CITY OF DURANGO, & LA PLATA COUNTY BUILDING DEPARTMENTS

RESIDENTIAL BUILDING PERMITS

RURAL LA PLATA COUNTY

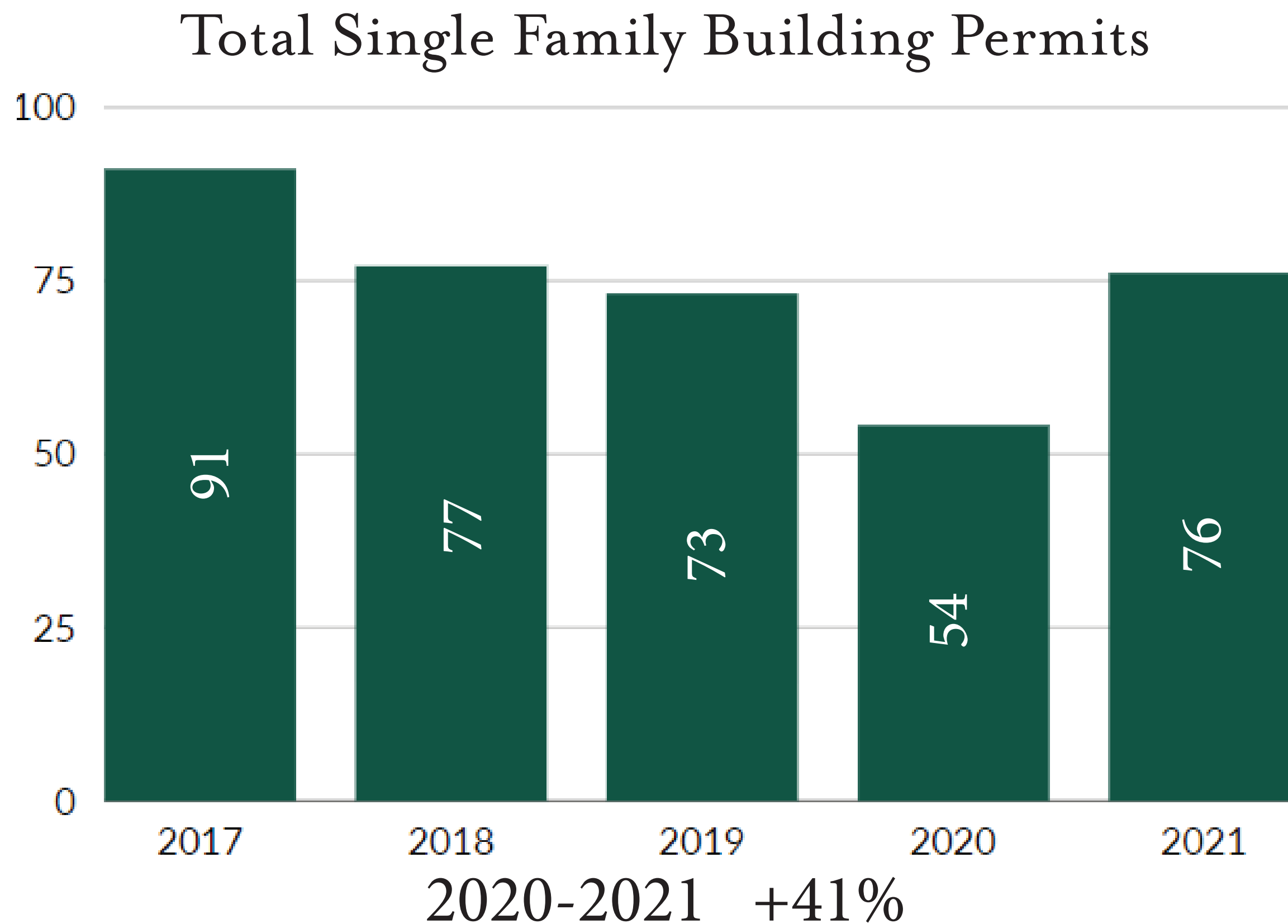
Single Family Building Permits
Not Including Mobiles or Modulares



SOURCE: LA PLATA COUNTY BUILDING DEPARTMENT

RESIDENTIAL BUILDING PERMITS

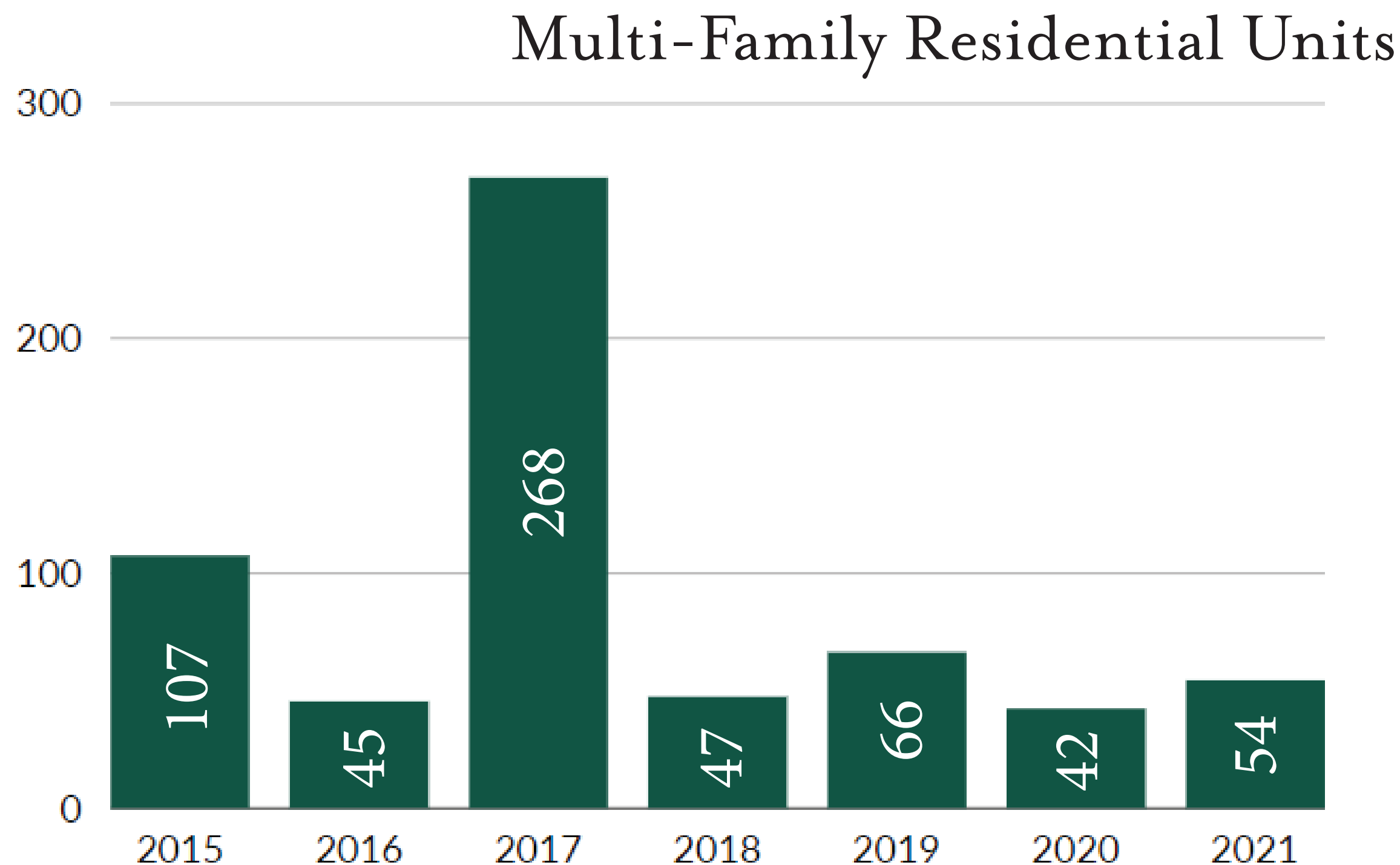
CITY OF DURANGO



SOURCE: CITY OF DURANGO - ALLEN & ASSOCIATES PROPRIETARY DATABASE

MULTI-FAMILY RESIDENTIAL CONSTRUCTION

CITY OF DURANGO



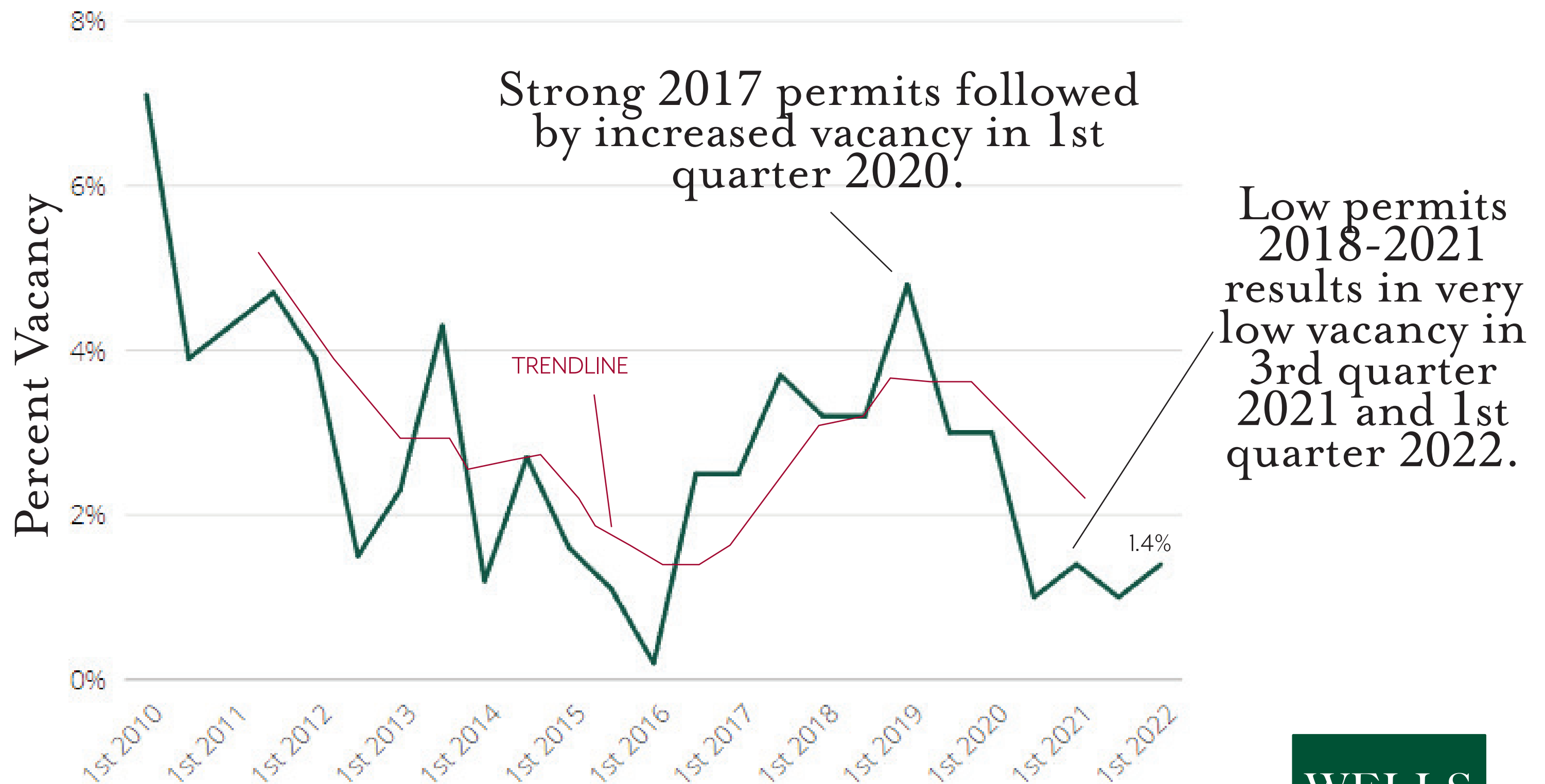
New MF
construction
remains low.

But many MF units
in the entitlement
and development
pipeline.

APARTMENT RENTAL MARKET

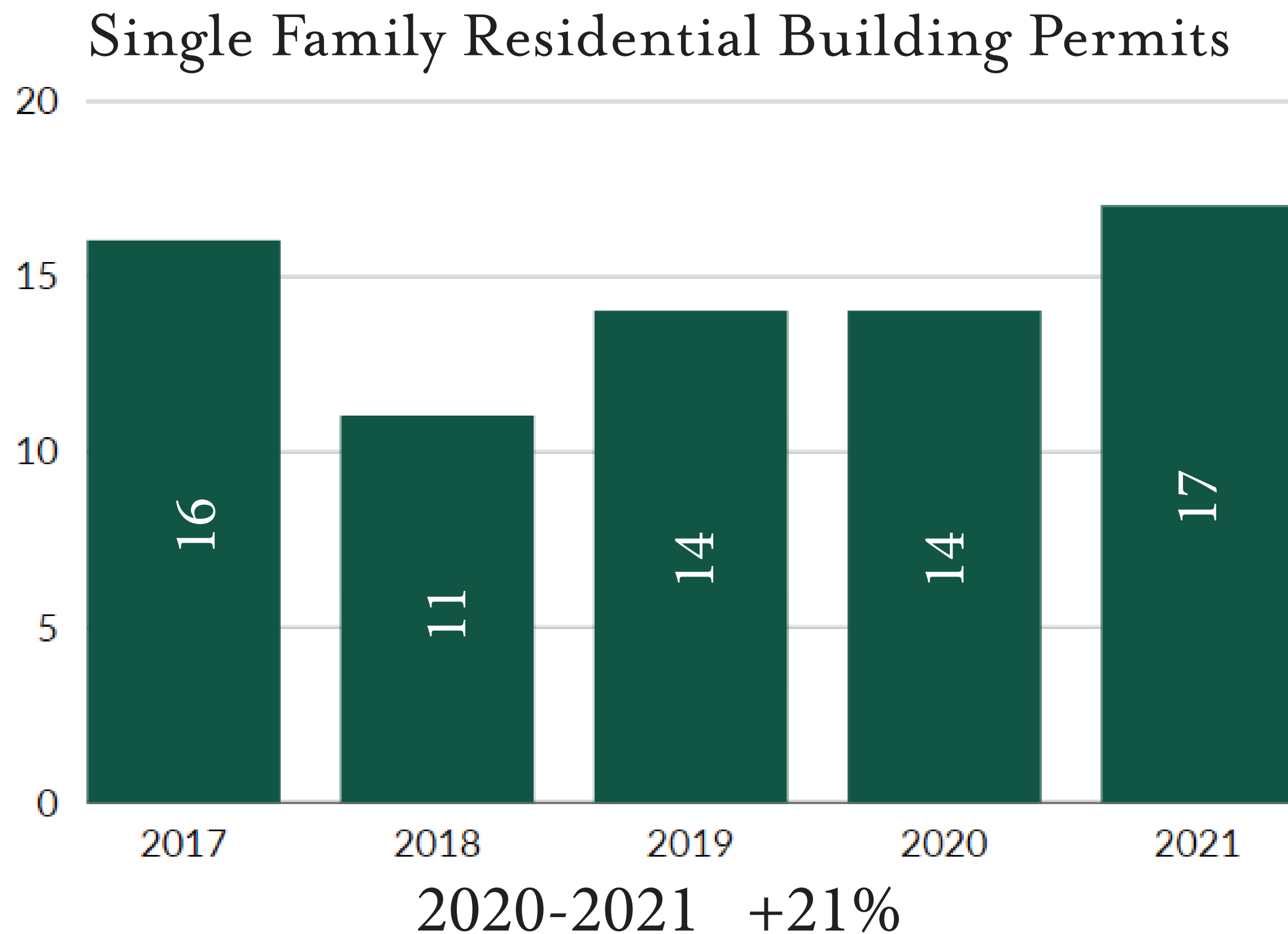
CITY OF DURANGO

Durango Residential Apartment Vacancy Rate



RESIDENTIAL BUILDING PERMITS

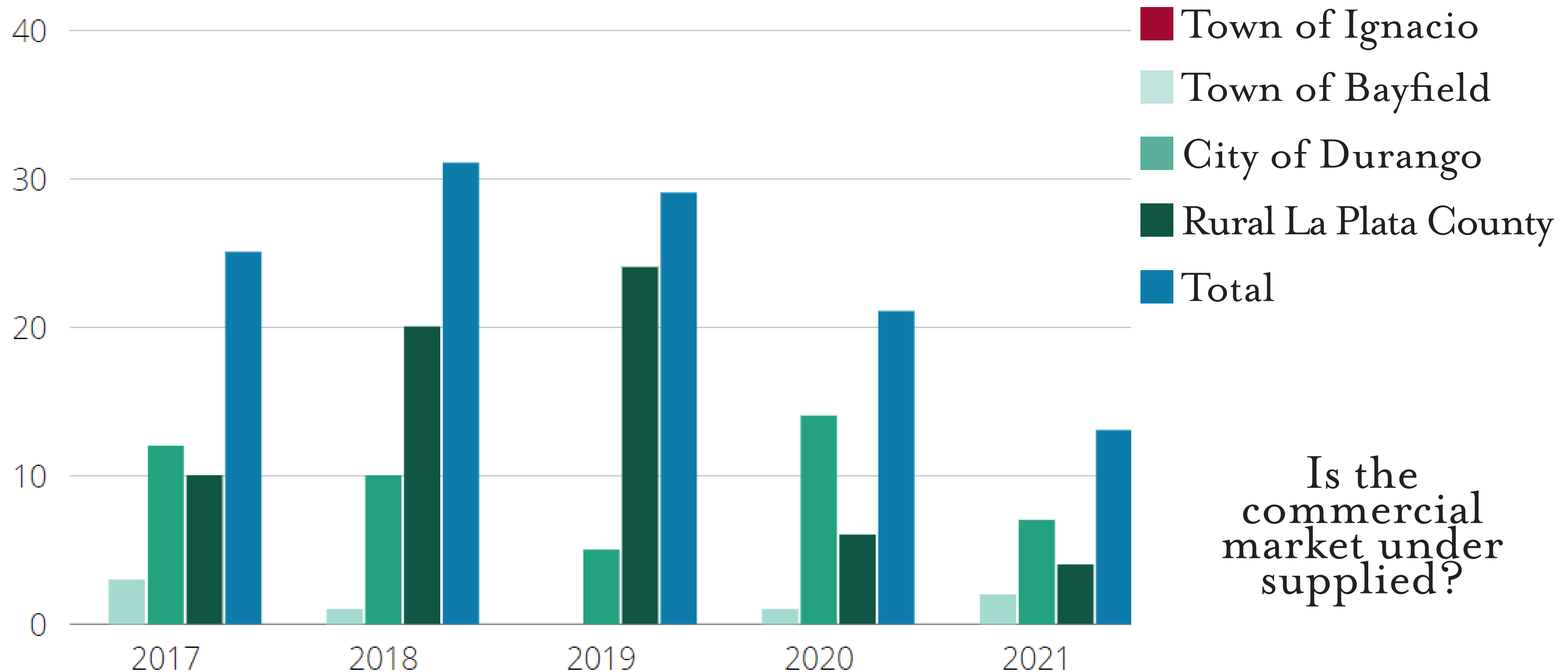
TOWN OF BAYFIELD



SOURCE: TOWN OF BAYFIELD

COMMERCIAL CONSTRUCTION

ALL LA PLATA COUNTY



Is the
commercial
market under
supplied?

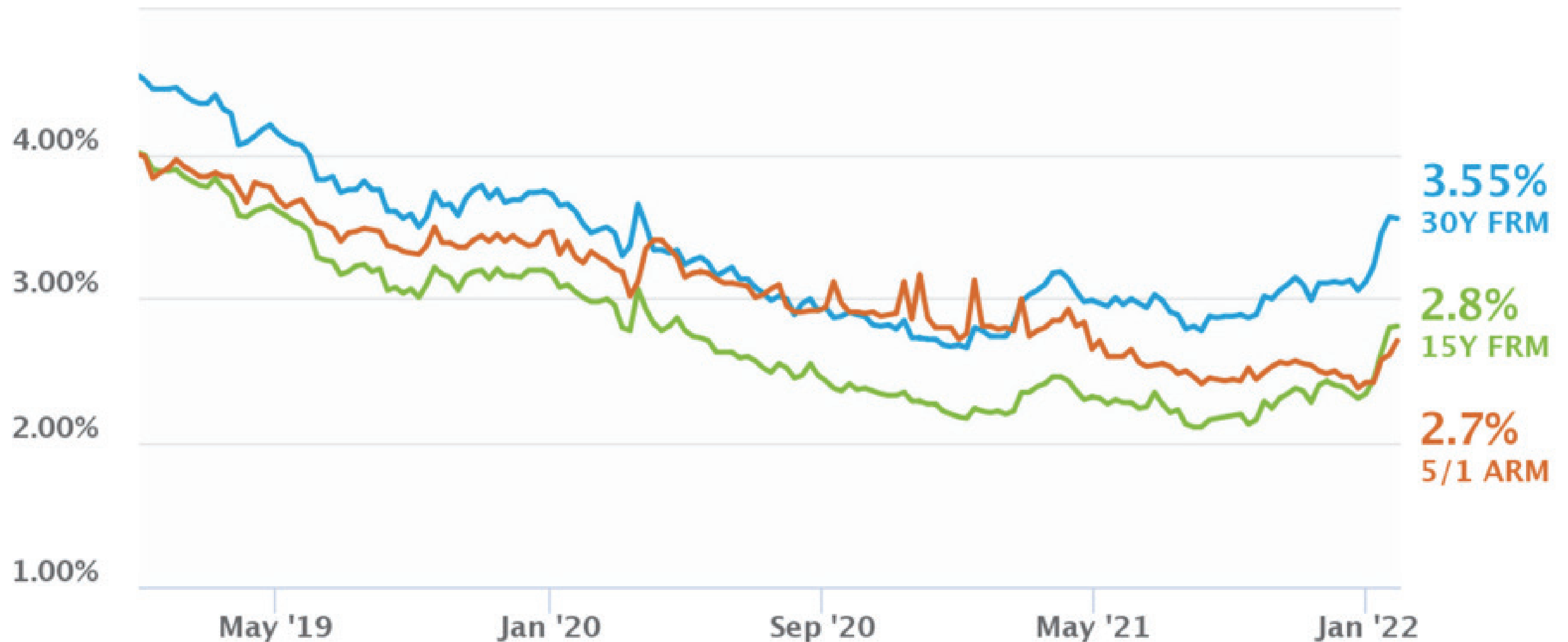
SOURCE: TOWN OF IGNACIO, TOWN OF BAYFIELD, CITY OF DURANGO, & LA PLATA COUNTY BUILDING DEPARTMENTS

OTHER IMPORTANT LOCAL INFLUENCES

MORTGAGE INTEREST RATES

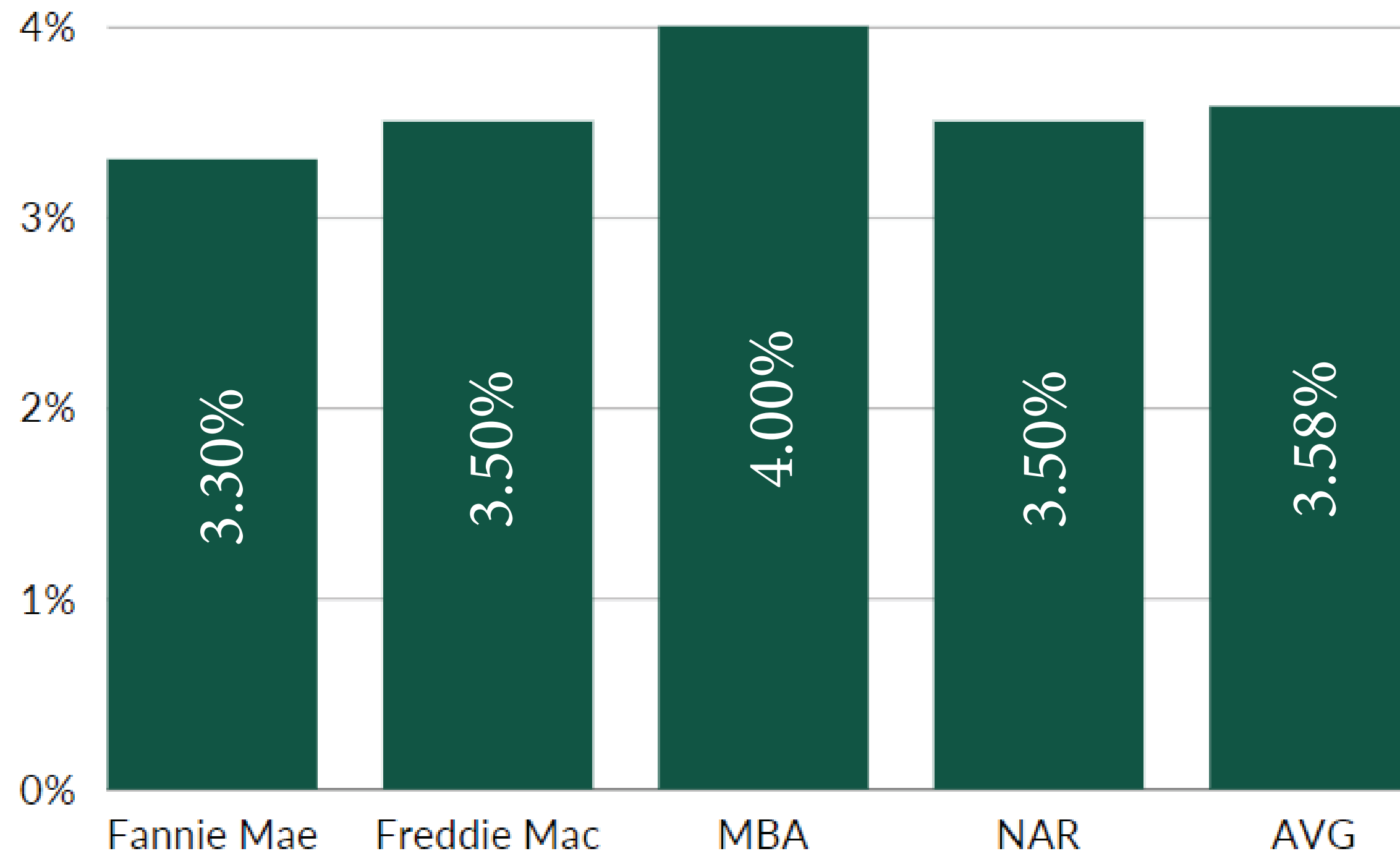


Primary Mortgage Market Survey®
U.S. weekly average mortgage rates as of 01/27/2022



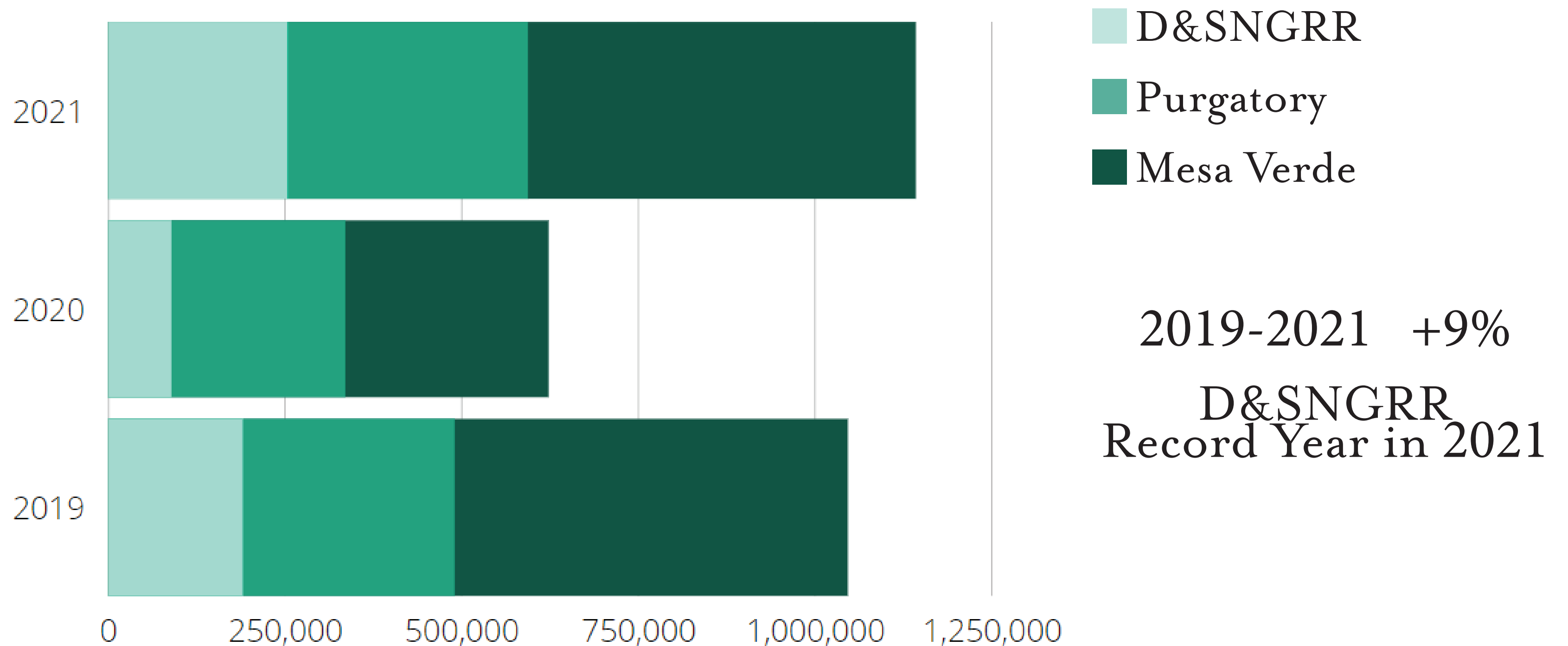
MORTGAGE INTEREST RATES FORECAST

2022 Mortgage Interest Rate Forecast



MAJOR FOUR CORNERS TOURIST ATTRACTIONS

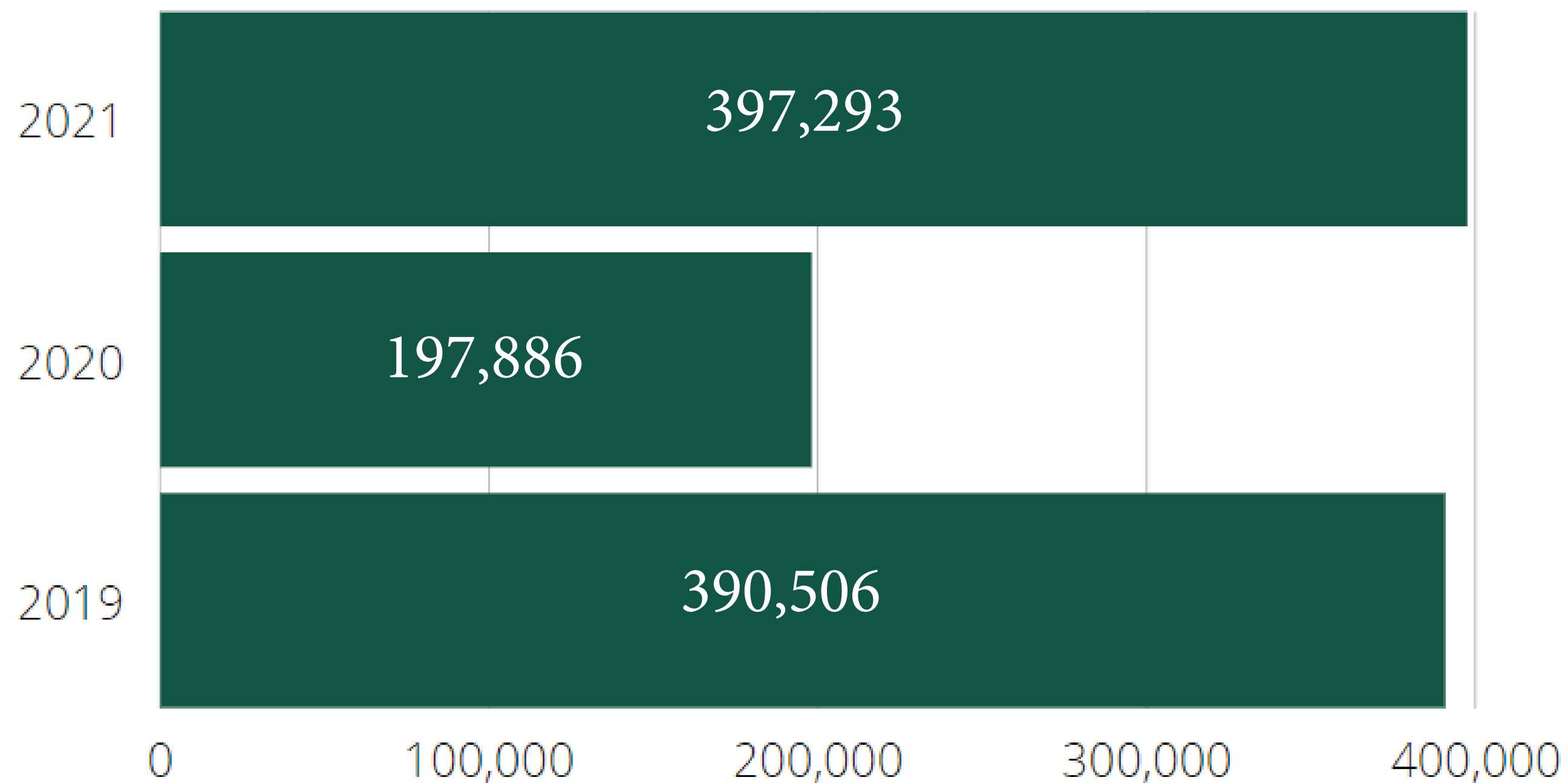
Total Visitors



SOURCE: INDIVIDUAL AGENCIES

DURANGO - LA PLATA COUNTY

AIRPORT PASSENGERS



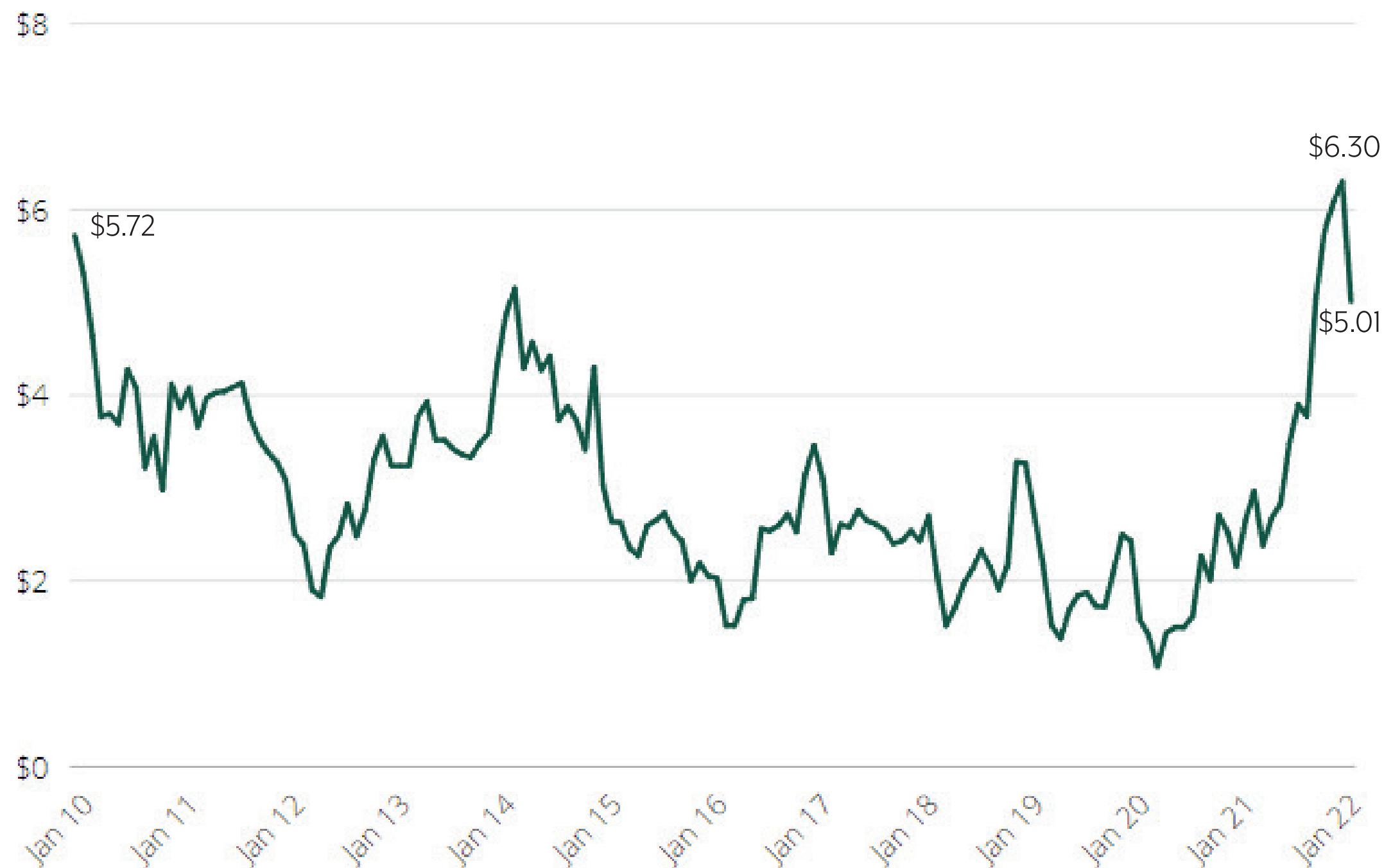
2019-2021 +1.74%
Record Year in 2021

ENERGY INDUSTRY

LA PLATA COUNTY

El Paso San Juan Basin Natural Gas Monthly Price Index January 2010 - January 2022

More than
10% of La
Plata County
residents
receive royalty
income from
mineral
interest in La
Plata County.



Top 4 real
estate tax-
payers in La
Plata County
are energy
industry
companies.

2022 PREDICTIONS

1. Inventory will be a challenge all year long in all price ranges
2. Attainable housing, both rental and for ownership, will drive more workers to commute from out of the county
3. An exponential increase in the number of second and vacation home buyers will occur.

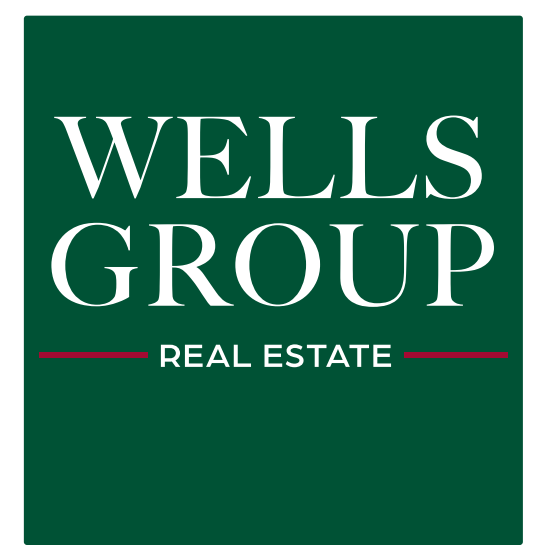
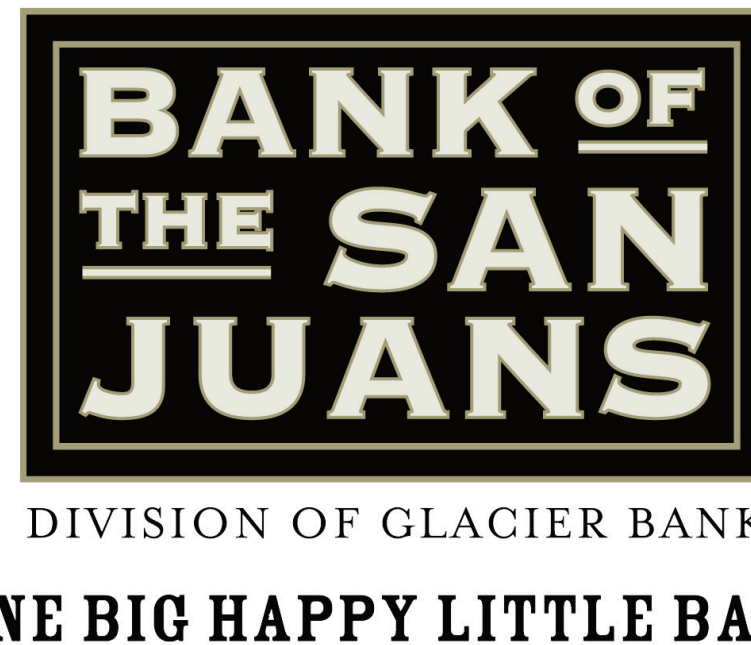
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Jack Llewellyn
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Shauna
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Sherry
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Sierra
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Stuart
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Zane
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