

## Colorado

# Another positive year for Western Slope real estate

It has been another positive year for markets throughout Colorado's Western Slope. Commercial and residential sales and leases were up in most markets and vacancies were extremely low, which has helped fuel apartment and condominium activity. We interviewed each of our partners and have the following to report:

**Aspen/Snowmass.** Activity has not only rebounded from the recession but also has already surpassed many valuations and sales volumes when the market last peaked in 2007. Apartment vacancy rates are less than 2 percent, while retail and office vacancy rates from Aspen/Snowmass to Carbondale average 7 percent and 10 percent, respectively, and are expected to lessen. Cap rates are running from 3 percent to 6 percent. Unemployment is virtually nonexistent and a tremendous construction surge is anticipated in the spring of 2015. — Craig Rathbun, CCIM

**Buena Vista/Salida.** 2014 brought a slight increase in commercial sales, however, due to store closings by national franchises, there are vacancies of prime commercial property on the U.S. Highway 50 corridor. There are very few available commercial spaces in the downtown Salida area and a few spaces in downtown Buena Vista. The construction industry has enjoyed a busy 2014. Tourism is up by 18 percent over 2013. A steady increase in all commercial markets is expected for 2015. — Jeff Post, GRI

**Breckenridge/Frisco/Silverthorne.** Whole Foods and the Rio Grande opened in Frisco, indicating the Summit County economy is back. A new Frisco retail development has started construction, including a signature Starbucks store. Lodging, retail and restaurant sales are surpassing prerecession levels.



**John Renfrow**  
President, Rocky Mountain Commercial Brokers, Basalt

Jack Wolfe

**Durango/Cortez.** The commercial market is just now starting to react to the improved business and economic climate. Two new hotels announced plans to build. Discount Tire is building in the Durango Walmart Center and Tractor Supply recently opened. Additional good news is that there are currently 19 commercial properties under contract totaling over \$11 million. Volume was down slightly from \$24.9 million to \$18.7 million.

Commercial land sales declined in number and volume of sales. — Don Ricedorff, CCIM

**Glenwood Springs.** All of the remaining recession commercial properties were sold in 2014. Fourteen commercial properties sold at an average of \$122 per square foot. Lease rates dramatically rose in 2014, finishing at around \$16 per sf. Currently, there is less than 5 percent vacancy. The residential market is on fire, and with the lack of inventory, speculative builders are very active. New retailers are entering the market, which will continue the rise in lease rates, and at least two apartment projects will break ground in 2015. — Scott Dillard

**Grand Junction.** The annual gross sales volume in Mesa County for 2014 was \$719.47 million vs. \$687.11 million in



**Scott Dillard**  
Vice president, Rocky Mountain Commercial Brokers, Basalt

2013. Commercial sales had a slight rise with 71 transactions in 2014 with an average of \$83.57 per sf vs. 67 transactions in 2013 with an average of \$93.43 per sf. The median price of homes in 2014 was \$190,000 vs. \$180,000 in 2013. A total of 2,429 homes sold in 2014 with an average of 121 days on the market, compared with 2,407 homes in 2013 with 119 average days on the market. — Ben Hill

**Gunnison/Crested Butte.** Commercial activity rebounded in 2014. Transactions were up 79 percent and volume more than doubled. The number of sales was the highest since 2007. Prices increased, sales tax revenue was up significantly and building permits increased.

For 2015, we expect new construction to come back stronger and demand for commercial properties to increase. Commercial land sales also should increase. The local economy should continue its strong recovery with our new wave of tourism. — Jim MacAllister, GRI

**Monte Vista/Alamosa.** Commercial sales transactions were up 50 percent in 2014. Prices have stabilized, but lease prices are still low. The availability of vacant land, especially on the west end of Alamosa along the Highway 285 corridor, is nearly nonexistent. The fourth quarter saw an increased amount of investor/developer activity. Many of these are franchisees looking to expand into Alamosa or the surrounding San Luis Valley, a good indicator that 2015 will see continued commercial sales activity and

improved lease prices. — Preston Porter and Mike Porter

**Montrose/Delta.** Montrose County was up in 2014 with 55 sales, compared with 48 in 2013. Commercial property saw activity on the lower price points. Currently, there is less inventory on all improved properties. Vacant land is flat. Delta County is mixed and saw signs of improvement but is now seeing impacts from area mine and dairy closings. Buyers were either end users who have a definite need for a particular property or investors looking for a steal. The 2015 forecast for Montrose County is up and the forecast for Delta County is down. — John Renfrow

**New Castle/Silt/Rifle/Parachute.** Commercial sales volume jumped in 2014, though the number of transactions decreased from the prior year. There were 16 transactions totaling \$19.7 million. Commercial leasing activity also picked up during 2014 with an accelerated absorption of warehouse, retail and office space in western Garfield County, most notably in Rifle. The outlook for 2015 remains mixed with increased absorption and declining supply as a result of the improving economy overall. — Joe Carpenter

**Pagosa Springs.** Real estate sales volume was up 12 percent from 2013 with an increase in commercial transactions and new developments entering the pipeline. Single-family sales were up 5 percent. 2015 should bring continuing improvements to the commercial sector as homebuilding activities continue to grow and additional improvements at Wolf Creek Ski Area are completed. Pagosa Springs is improving infrastructure, supporting new geothermal projects and recruiting new businesses to the community. — Mike Heraty, GRI

**Steamboat Springs/Craig**

2014 was a great year compared with the last five. Availability of commercial was low and it's only going to get tougher. Office vacancies were low and retail was active. Industrial warehouse units are hard to find, especially those priced under \$400,000. Rentals are nonexistent. Residential speculative homes are coming out of the ground again. The 2015 forecast for the Steamboat Springs market is that all activity is definitely going to continue, making 2015 another outstanding year. — Ron Wendler, GRI

**Telluride.** The commercial market in Telluride has continued at the rapid pace set in 2013. As a result, inventory is shrinking. A favorable review by the planning commission of the Hotel Ajax on east Main Street will bring balance to six blocks by having the historic Sheridan Hotel on one end and Hotel Ajax on the other end. We wish the owner/developers the best of luck, as this will be a huge asset to Telluride. Overall, the market is very positive, which is a welcome relief from the 2009-2012 down period. — Dirk de Pagter

**Vail/Avon/Beaver Creek.** 2014 had an increase in infrastructure and public improvements that helped spark retail and restaurant traffic. Vail had a 98 percent occupancy rate with strong tax income from increased bookings and lease rates on a steady rise. Residential sales also strengthened and global business was up considerably. Down-valley remained ripe for expansion with attractive light-industrial rental rates due to its desirable location near the Eagle County Regional Airport. This activity should continue in 2015. — Onie Bulduc, CCIM▲

# So many ways to connect.



[www.crej.com](http://www.crej.com)