

# Year End Market Report 2005

**As predicted, 2005 will break all records with the sold volume eclipsing \$2 billion**

To put this in perspective, **\$2 billion** represents approximately **11%** of the total real estate volume of **\$18,824,337,220.00** in Pitkin County, as my research with the Pitkin County Assessor shows.

**This 11% of 2005 compares to 9% for 2004 and 6% in 2003.**

Now, let's compare the relative absorption rates of the past years. Absorption rate being the sold dollar volume by year, divided by the total for sale dollar volume for the same year. Our absorption rate for **2005 is currently under 2 years compared to 5 years in 2003.**

In summary, as long as our inventory continues to decrease the market will remain a sellers market. However, seller beware, there is a limit to price increases before Buyer resistance slows the market. I expect to see the above effect and the limited amount of inventory having a dampening effect on the market in 2006.

If you want to **sell in 2006, be very sophisticated** in your pricing.

Rich Wagar

P.S. **The Wagar Index.** A simple rule for buyers and sellers is the Wagar Index. Count the number of Gulf Streams at the airport. If there are more this year than last – BUY. If there are fewer planes than last year – SELL. To make it even easier, count the number of large wings and divide by 2.