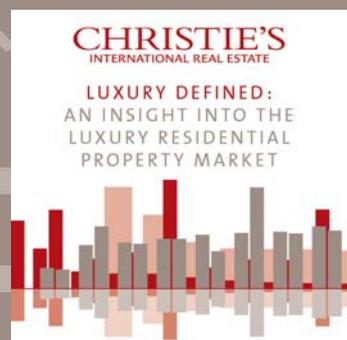


CHRISTIE'S RELEASES 2014 "LUXURY DEFINED"



London/New York/Hong Kong – The global luxury residential real estate market flourished in 2013, with exceptional increases in the volume of US\$1 million-plus market sales, according to a new report on the international prestige property market by Christie's International Real Estate

Now in its second year, *Luxury Defined: An Insight into the Luxury Residential Property Market* presents an in-depth analysis of luxury market trends and compares

10 of the world's top property markets: Cote d'Azur, Hong Kong, London, Los Angeles, Miami, New York, Paris, San Francisco, Sydney, and Toronto, using 'Christie's International Real Estate Index.'

The report by Christie's International Real Estate, the real estate arm of Christie's auction house, identified a number of key trends in each of the top markets, as well as in the broader luxury housing sector globally. Highlights of the study include:

- If 2012 was the year when the highest end of the luxury market came back to life, 2013 was the year when the rest of the luxury market flourished, with robust growth in the number of prime property market sales—41,700 sales were realized in the US\$1 million-plus market during 2013 within the 10 indexed cities, compared to 35,000 in 2012.
- Low interest rates, limited inventory, and pent-up demand drove significantly higher purchases by three prominent buyer groups: local buyers at the lower end of the luxury market, buyers from the millennial age group, and overseas buyers particularly at the top end of the luxury housing market.
- Changes to tax laws and other government market cooling measures impacted some prime property markets, but in general these laws have had little impact outside of Asia and France.
- Luxury real estate shows a strong correlation with the top end of the fine art market as opposed to the general housing market.
- The luxury home markets that have rebounded the strongest are in urban centers, although prized resort areas have begun to see some of the luxury residential market's recovery.

Please contact your TREC broker for more information, or for a copy of this report.

REAL ESTATE MARKET UPDATE: "STRONGEST SINCE 2008"

Sales in the First Quarter of 2014 Increased 47% Compared to the First Quarter of 2013

With 2013 year-end sales holding steady versus 2012, the first quarter of 2014 registered the largest dollar volume of closings in six years. The months of January, February and March demonstrated increases over those same months of 2013 by 116%, 25% and 45%, respectively. Total combined first quarter sales outpaced 2013 by 47% (\$94.2M vs. \$63.9M). As we enter the summer season, a robust first quarter bodes well for the entire year, as the summer marketplace has out-performed winter sales over the past two years.

Another strong indicator of continuing market strength: 79 properties are currently under contract with a total sales volume of \$104.4M. Assuming a majority of those transactions close in the second quarter, momentum will most certainly continue in the Telluride regional marketplace.

Of the three major market areas (Town of Telluride, Mountain Village and Remainder of County), Historic Telluride experienced the most dramatic increase in volume of 112% (\$42.7M vs. \$20.1M), followed by the "County Sales" with a percentage increase of 61% (\$14.8M vs. \$9.2M) and Mountain Village --- plus 7% (\$36.5M vs. \$34.2M).

Although a quarterly "market snapshot" as to value in a boutique real estate marketplace such as Telluride can be difficult to ascertain with a great deal of accuracy, the average home sale price of the combined TOT and TMV markets in the first quarter was \$2.8M. Year-end statistics for 2013 revealed an average of \$2.2M. The overall average price per transaction in the first quarter was \$890,000 vs. \$834,000 for the entire year of 2013. As the market continues its upward momentum, increased values and velocity of sales should follow suit, as has been witnessed in the Historic Town of Telluride market.

Note: Background statistics provided by Telluride Consulting and the Telluride MLS.

NATIONAL ASSOCIATION OF REALTORS ANNOUNCES UPTICK IN VACATION HOME PURCHASES

As Investment Purchases Wane, Vacation Home Purchases Up 29.7%

According to the National Association of Realtors (NAR), vacation home purchases recovered strongly in 2013, helping to offset some of the inevitable flagging interest in investment purchases. NAR's 2014 Investment and Vacation Home Buyers Survey shows an increase in vacation-home sales during the year of 29.7 percent. There were 553,000 such sales in 2012, an estimated 717,000 in 2013.

At the same time investment purchases retreated from the elevated levels of 2011 and 2012, falling 8.5 percent to 1.10 million in 2013 from 1.21 million in 2012. There were 1.23 million such sales in 2011.

NAR Chief Economist Lawrence Yun said the pullback in investment activity is understandable. "Investment buyers slowed their purchasing in 2013 because prices were rising quickly along with a declining availability of discounted foreclosures over the course of the year," he said.

"In 2011 and 2012, investment property was a no-brainer because home prices had sharply over corrected during the downturn in many areas, creating great bargains that could be quickly turned into profitable rentals. With a return to more normal market conditions, investors now have to evaluate their purchases more carefully and do their homework."

Yun said the improvement in the vacation home market was also anticipated. "Growth in the equity markets has greatly benefited high net-worth households, thereby providing the wherewithal and confidence to purchase recreational property. However, vacation-home sales are still about one-third below the peak activity seen in 2006."

About 13 percent of all 2013 sales were of vacation homes, up from an 11 percent share in each of the previous two years. This was the highest that recreational property share has been since 2006.

TELLURIDE AIDS BENEFIT RAISES A RECORD \$177K IN 2014

TAB's Efforts Since 1994 Have Resulted In Over \$2 Million In Donations

Since 1994, Telluride AIDS Benefit (TAB) has donated over \$2,000,000 toward HIV/AIDS education, advocacy, clinical care and NGOs.

In 2014, TAB's efforts raised over \$177,000 in donations, which will benefit HIV/AIDS charities in Colorado and Africa, including: Ethiopian Family Fund, Western Colorado AIDS Project, University of Colorado Hospital Foundation, Ubuntu Africa, Denver Children's Hospital Immunodeficiency Program, Brother Jeff's Community Health Initiative, and The Manzini Youth Care Center in Swaziland.



TAB is a nonprofit organization whose mission is to fight HIV/AIDS by heightening awareness, as well as generating financial support for educational programs and client care. By working on a regional and global level, TAB is committed to combating this worldwide pandemic that affects individuals, families, communities and countries. For more information, visit www.aidsbenefit.org.

JUNE

2-7

Wild West Fest

7-8

Balloon Festival

19-22

Telluride Bluegrass Festival

25-7/6

Telluride Musicfest

26-29

Wine Festival

29-7/5

Plein Air

JULY

3

Red, White & Blues Concert

4

Firemen's 4th of July

4

Rundola Foot Race

10-13

Yoga Festival

11-12

Hardrock 100

11-13

The Ride Festival

14-18

YPT Summer Spectacular

16-19

Americana Music Fest

18-20

Rotary Homecoming Fest

18

Ah Haa Art Auction

19-20

Art & Architecture Weekend

21-27

Playwright's Festival

30

Jimmy Cliff Live in Concert

AUGUST

1-3

Jazz Festival

7-17

Chamber Music Fest

15

Telluride Top Chef

15-19

Mushroom Festival

29-9/1

Film Festival

SEPTEMBER

6

Imogene Pass Run

9

Telluride Spelling Bee

12-14

Blues & Brews

18-21

Telluride WOW Festival

20

Mountains to Desert Ride

27

Telluride TV Video Awards

NEW LISTINGS



DRY CREEK BASIN RANCH

Dry Creek Basin Ranch consists of 3,000 +/- contiguous deeded acres and approximately 1,700 acres of BLM grazing permit. The ranch has significant water resources and includes basic improvements. OFFERED AT: \$5,400,000



SENATE WICK CONDOMINIUMS

Recently approved and scheduled for construction late summer 2014 with a projected occupancy winter 2015. Expansive decks afford sweeping views of the entire Telluride canyon. OFFERED AT: \$7,050,000

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STEAMIE'S BURGER BAR OFFERS A DOSE OF NOSTALGIA

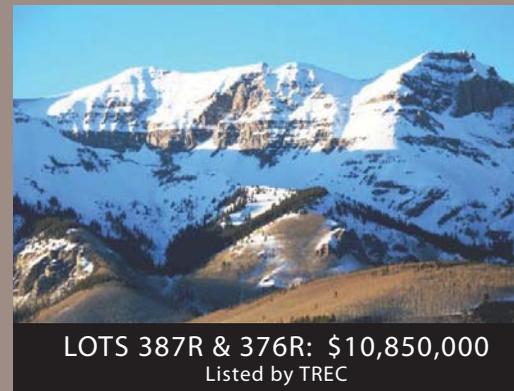


Slated to open in July, Steamie's Burger Bar is the brainchild of owners Stanya and James Gorraiz. Steamed burgers, which first popped up on the East Coast, are a flavorful blend of burger nostalgia and contemporary health-conscious eating habits.

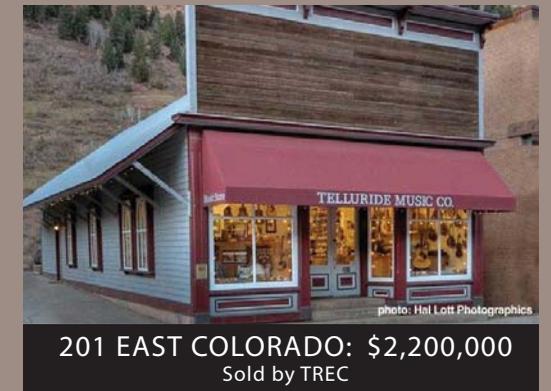
When the burgers are steamed rather than fried or broiled, their flavor is condensed, while oils, fats and other byproducts are cast aside. Along with the base burger order, customers can personalize their burger with a topping and condiment bar including sauces and spices for the ultimate burger experience.

Other options, such as macaroni and cheese, steamed hot dogs and frozen custard, will also be available.

RECENT SALES



LOTS 387R & 376R: \$10,850,000
Listed by TREC



201 EAST COLORADO: \$2,200,000
Sold by TREC



191 SAN JOAQUIN: \$4,350,000
Listed by TREC



129 VICTORIA DRIVE: \$3,200,000
Sold by TREC



468 WEST PACIFIC: \$3,185,000
Listed by TREC



LOT 1167R: \$2,350,000
Sold by TREC