

Estin Report

Aspen Real Estate Market Intelligence

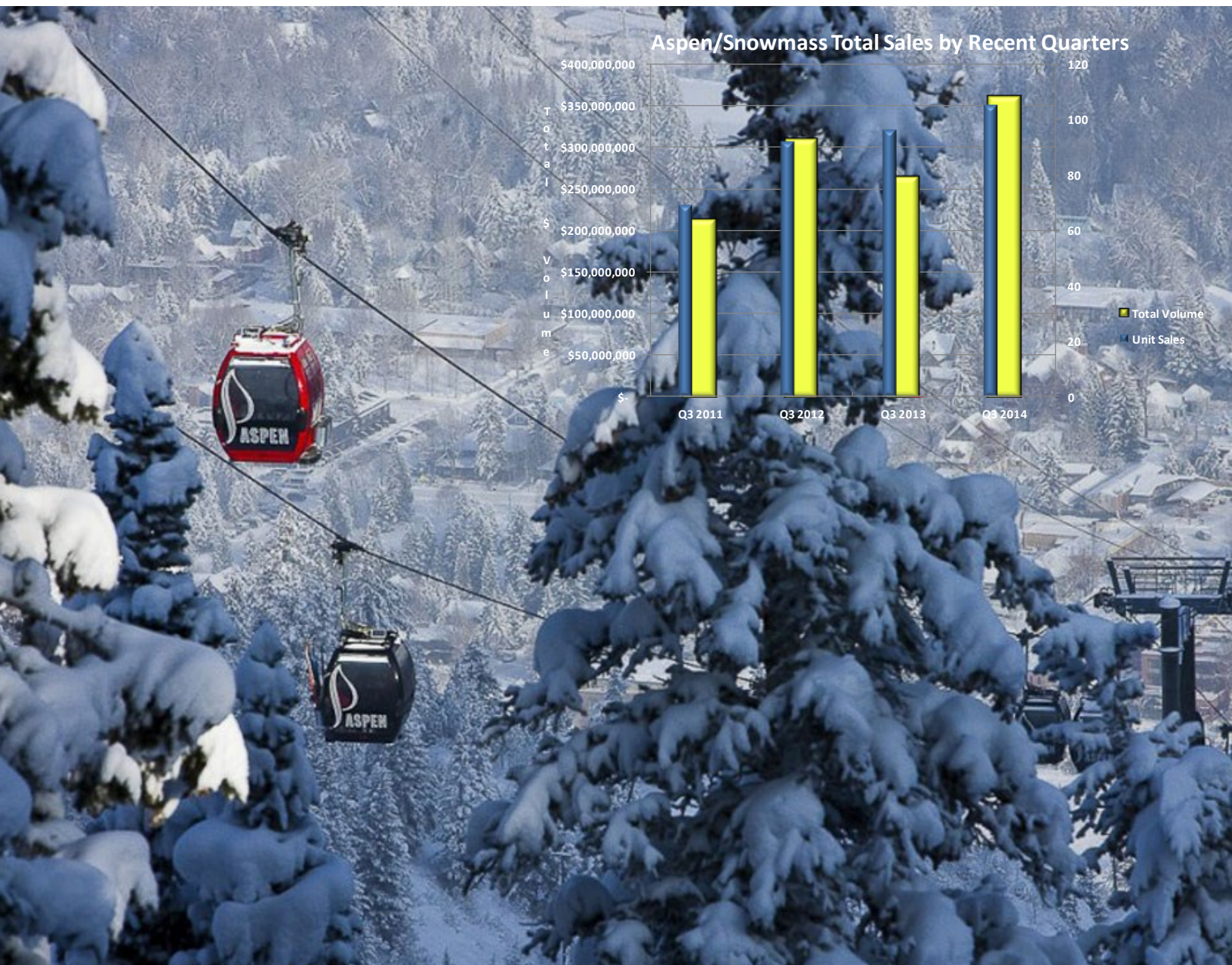


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Early Winter: 3RD QTR & YTD 2014 Aspen Snowmass Real Estate



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Q1-Q3 2014 (YTD) Aspen Snowmass Real Estate

This report documents residential real estate sales activity for the 3rd Quarter 2014 (Jul 1 — Sep 30, 2014) and YTD 2014 (Jan 1—Sep 30, 2014) in the upper Roaring Fork Valley: Aspen, Snowmass Village, Brush Creek, Woody Creek and Old Snowmass. The properties included are single family homes, condos, town-homes, duplexes and residential vacant land sold over \$250,000. Fractionals are not included. The report compares Q3 2014 to Q3 2013 year over year results and, where indicated, to historical data since 2005. There are three sections: 1) Aspen/Snowmass total combined market; 2) Aspen market (includes Aspen, Woody Creek, Brush Cr. Village and Old Snowmass areas); 3) Snowmass Village market (the ski resort). The source data is from the Aspen MLS. Abbreviations are: Aspen (ASP), Woody Creek (WC), Brush Cr. Village (BCV), Old Snowmass (OSM) and Snowmass Village (SMV).

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3rd Quarter and YTD 2014

(Q3: Jul 1—Sep 30* 2014 and Year-to-Date Jan 1– Sep 30, 2014)

2014 versus 2013

In 2014 Year to Date (YTD) through the 3rd Quarter, (Jan 1—Sep 30, 2014), the number of units sold for the total Aspen Snowmass combined market is even at (326) unit sales with the same period last year. Dollar sales, however, increased 23% from \$740M in YTD 2013 to \$910M H1 2014. For the Aspen market alone, which is 83% of the total market dollars, Aspen units sales were up 6%, from (203) in 2013 YTD to (215) in YTD 2014 and dollar sales, were up 40%, from \$579M in YTD 2013 to \$756M in YTD 2014.

3rd Quarter Prior Year Comparisons

Q3 2014

- \$360M (+37%)
- 105 unit sales (+9%)

Q3 2013

- \$264M dollar sales (-15%)
- 96 unit sales (+4%)

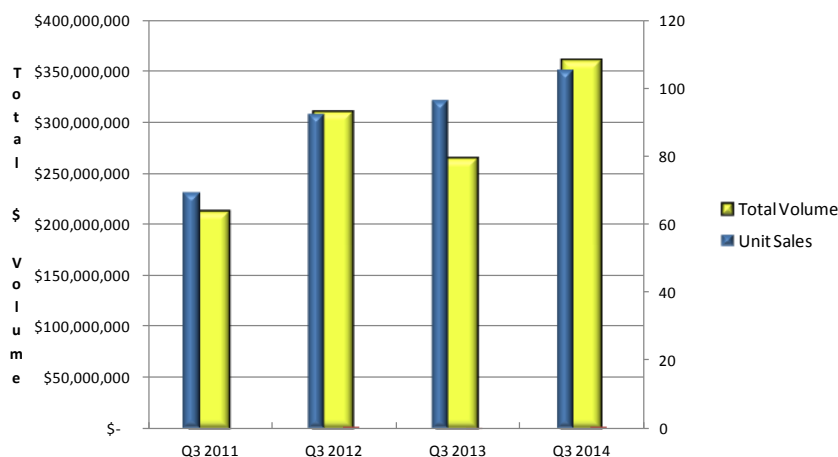
Q3 2012

- \$309M dollar sales (+46%)
- 92 unit sales (+33%)

Q3 2011

- \$213M dollar sales
- 69 unit sales

Aspen/Snowmass Total Sales by 3rd Qtrs.



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*Figures are for the Upper Roaring Fork Valley which includes Aspen, Snowmass Village, Brush Creek, Woody Creek. Old Snowmass all residential properties and vacant land over \$250,000. Fractional sales are not included.

Executive Summary

The sales momentum for 2014 continues through the 3rd Quarter (Sep 30th) making it the best performing year so far in the past seven years since 2007.

In the prior 2nd Quarter / 1st Half 2014 report, I wrote:

"The Aspen real estate market appears to be at lift-off stage... the 2nd Quarter and 1st Half 2014 Year is a decidedly improved market over the same period last year, and it is the second best year of the past six, post financial crisis. Only H1 2011 sales were better, but the market was swelling with 25% more inventory of properties for sale then and buyers with resources were swooping in picking off the seller carnage."

Much is similar in the 3rd Quarter 2014 with the earlier part of the year...Inventory of listings for



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for sale is down 37% since peaking in 2009, and it is the lowest since 2007. A rapidly falling inventory of Aspen properties for sale combined with greater demand from more confident and eager buyers is pressuring prices, particularly in specific market segments and neighborhoods.

The relevant question to ask is not "How's the market doing?", rather it is ... "What part of the market do you mean?" Our market is made up of various segments and sub groups - neighborhoods, property types, new built, remodels, locational amenities, design aesthetic and more. Each has its own unique market forces at work.

Demand for high quality, new or newly remodeled contemporary offerings is particularly strong. As these newer properties sell off at higher prices, the average price metrics will rise over time creating upward pressure across the market. The rising tide lifts all boats, eventually.

The market is closer to what the *Estin Report* believes is "normal" than it has been in the past 10 years. Why? We are beyond boom and bust. Properties are trading well, sales data is reliable and we have a far better sense of valuations now than during the dark days of the recession. Aspen's recovery has been slow and cautious with new spec building moving forward with more restraint than the mid-2000's, improving the likelihood for a sustained redevelopment cycle barring unforeseen macro events.

Buyers appear to recognize that the 'best deals' are gone, and their expectations and negotiations are more realistic; sellers have greater confidence in comparable sales, and in spite of wishful thinking, should have a fairly good sense of what their property is worth.

Our market is not on fire like certain areas on the east and west coasts, but those are urban markets driven by different considerations. Aspen is a 2nd home destination mountain resort market - with an unmatched world class sports, art and culture infrastructure - offering historically solid appreciation, investment security and an intangible one does not get with a stock, oil and gas, futures, or art investment...a quality of life investment: use it for years and enjoy it with your family. Let the rest take care of itself. As such, the Aspen real estate market is in good and improving sailing waters.

Some reasons for the improving Aspen market are listed below.

Favorable Macro Trends

- **Wall Street at Record Highs** – Historically, as the stock market goes so goes Aspen. In spite of a dramatic fall-off in October due to global economic slow-down concerns, the DJIA reached a new record at the end of October.
- **Strength of the Regional Economy** – Colorado is growing faster than the national economy. According to the Denver Business Journal, Colorado GDP was up 3.8 % in 2013, the sixth highest in the nation "led by energy extraction as well as the real estate and construction sectors", versus of 3% in 2012 and 1.5% in 2011.
- **Colorado's Housing Market** - Colorado real estate is slowly but surely showing signs of improvement and remains on an upward trajectory according to a Wells Fargo "Colorado 2014 Economic Outlook" report. The state has outpaced the nation in terms of real GDP growth and employment growth, which along with its natural outdoor amenities has made it an even more attractive place for in-migration. Colorado posted the 5th largest population gain in the country in 2013, with a net gain of 78,909 new residents. Strong population growth has been critical in maintaining the viability of the state's housing market.



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- **Asset Bubbles Benefit Aspen** - According to a NY Times article last summer "Welcome to the Everything Boom, or Maybe the Everything Bubble", an over-supply of asset classes experiencing bubble-like run ups is causing investors to seek a wider net of undervalued non-financial brand name assets. They are searching beyond investment returns alone and thinking strategically about safe harbor, inflation hedges and portfolio diversification as well. In prior economic down cycles, Aspen was typically the last into recessions, the first out. This time, it's been different. Aspen has taken longer to recover and therein lies the silver lining. Relative to other asset classes, Aspen is maybe 8-12 months into its market upturn, early in the upcycle, and as an asset class 'laggard', there's the opportunity.
- **Aspen Prices vs. Other High Flyers** - "Aspen real estate is relatively "cheap"... when compared to other high flying asset classes. A new or like-new remodeled Aspen core condo at \$2,000 - \$2,500 sq ft or a Red Mountain home at \$1,400 sq ft (Willoughby Way home 1987/remodel 2005) - \$2,400 sq ft (new 2014 built contemporary) seems like a bargain when compared to Manhattan's soaring \$6,000-\$6,500 sq ft luxury apartments or London at \$3,700 sq ft according to The Real Deal stats.
- **Consumer Confidence** - The Thomson Reuters/University of Michigan's final reading on the overall index of consumer sentiment was at 86.9 in October 2014, compared with a preliminary reading of 86.4 and 84.6 in September. Consumer sentiment rose for the third consecutive month to its highest since July of 2007.
- **US Economy** - The U.S. economy grew more rapidly than expected in the third quarter, foreshadowing a projected pickup in the recovery next year. Gross domestic product expanded at a seasonally adjusted annual rate of 3.5% in the three months ended Sept. 30, the Commerce Department said at the end of Oct. Economists expected 3% growth, according to the median forecast from Action Economics' survey.
- **Oil prices down** - The dramatic fall in energy prices is a boon to the US consumer, like an unexpected tax rebate windfall, but as Texas is a primary Aspen market, the consequences for Aspen may be a mixed bag. Property owners are likely to feel less wealthy and may be more motivated sellers, and buyers not as flush with cash and less eager.

Positive Aspen Real Estate Indicators

- **Aspen Real Estate Dollar Sales** - They are the highest since 2007. In Q1-Q3 2014, dollar sales were \$756M versus \$579M same time last year, up 30% year over year. For perspective, at the market peak Q1-Q3 2007, Aspen dollar sales were \$979M. In dollars, we are -23% off that peak.
- **Aspen Real Estate Unit Sales** - They are the highest since 2007. There were 215 sales in 2014 YTD versus 203 the same time last year, up 6% year over year. For perspective, there were 285 sales in H1 2007, the end of the mid-2000's boom period. For unit sales, generally regarded as a more meaningful metric than dollar sales in measuring market activity, we are -25% off the market peak.
- **Inventory of Available Listings** - The inventory level of 873 Aspen properties for sale in Q1 - Q3 2014 is down -37% since peaking at 1,383 listings for sale in Q1 - Q3 2009. The current inventory is lower than the healthy market period of Q1-Q3 2007 with 1,008 active listings. In certain neighborhoods, buyer competition for properties is increasing. For example, anecdotally over the summer, in the Historic West End there were multiple bids for at least two specific properties: 308 N First and 301 Lake Ave, both A+ locations with significant redevelopment prospects. In another indicator of market change, in the past year the we have witnessed a handful of condominium owners



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exercise their right of first refusal in assuming the purchase contract of the non-HOA buyer by matching the same dates and price terms. This hasn't happened since late 2008. It is an incredible disappointment for a buyer.

- **Real Estate Transfer Tax revenues** – Properties sold within the City of Aspen are subject to a 1.5% transfer tax at closing payable by the buyer. The tax is made up of approximately 1% for the Aspen Housing Real Estate Transfer Tax (HRETT) and .05% for the Wheeler Opera House (WRETT). In Q3 2014, collections for the HRETT were up 59% and WRETT up 14% year over year. For YTD 2014 through Sep 30th, Aspen housing transfer tax collections are up 43% from the same time in 2013 and Wheeler collections are up 39%.
- **Building Permits** - According to the head City of Aspen planning officer, Chris Bendon, in a Nov. 1st Aspen Times article, "Construction activity this year, in terms of total permit valuation, is outpacing 2013 by 60% - 70%."
- **Building Trends and Considerations** - The word on the street is that everyone in the trades is getting very busy - designers, architects, high quality contractors, subs. The bullet points: • labor prices and cost of materials are starting to rise, and, importantly, because so many tradespeople left the industry post crisis in the past 5 years, a labor shortage is predicted • the City building permit application process now takes 4-6 mos. versus 1-2 mos. in 2010 - 2013 • design trends are focused on clean lines, contemporary, housing art collections (new Aspen Art Museum's influence) • timber homes are out • buyers continue to look for value and, when considering scrapers and remodels, to seek ways to capture additional sq. footage to add value and improve exit options • plan strategically - plan now, lock in your project • the consensus - we are about 8-12 months into a new cycle, not a boom, but a protracted redevelopment cycle • it's going to get busier.
- **Aspen Infrastructure and Commercial Building Improvements** - While residential Aspen was sleeping during the recession, there have been huge infrastructure and commercial building investments in Aspen: the Aspen Valley Hospital expansion, the Aspen/Pitkin County Airport Pedestrian Tunnel, the new Aspen Art Museum which opened in August 2014 and a number of new downtown commercial buildings. It seems like they have all come to completion at the same time, opening for business as a way of informing the public that a new Aspen real estate era has begun. To add confidence to the market, or perhaps craziness, according to an Aspen Times article this past summer, Chicago investor Mark Hunt "has amassed at least 10 downtown Aspen commercial buildings valued at \$70M in acquisitions since 2012".

Aspen Market Segments

- **Aspen Single Family Homes** —The significant increase of unit sales of Aspen homes in the \$5M - \$15M range accounts for the big 40% spike in single family home dollar sales year to date: unit sales of homes \$5-7.499M increased 42%, \$7.5-9.99M increased 233%, \$10M-14.99 up 44% and \$20M+ sales are up 200%. Average and median single family home prices are up double digits due to larger, newer and more expensive homes selling well.
- **Aspen Condos**— Condo average and median prices are up significantly as new and/or newly remodeled units continue strong sales pushing up the average \$/sq ft as these trade more expensively. This helps to explain the spike in condo dollar sales while unit sales are about even with last year. But condo inventory of properties for sale continues to decline. Well located units with high walkability scores - those very near the Gondola, those with Aspen Mountain views and those directly on the river are selling especially well.



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- **What areas are selling?** - Aspen home unit sales in Q3 were lead by the West Aspen area, the largest Aspen MLS area geographically and the most disparate — it includes Aspen Highlands, Five Trees, Maroon Creek, Meadowood, Cemetery Ln and Brush Creek Village. The areas generating the highest avg. \$/per sq ft were Red Mt at \$1,680 sq ft - dominated by three Willoughby Way sales - and the Aspen Core where a single Oklahoma Flats contemporary river front home skewed the averages higher. Without that sale, the Core avg. \$/sq ft was \$1,457 sq ft.
- **Snowmass Village** - SMV Unit sales have largely recovered to 2007 and 2008 levels, but prices continue to be way off, down an average 40-55% from the mid-2000's. Last year the bright light for the resort was Viceroy Hotel Condo sales selling at ~60% off pre-construction prices of 2006-2007; this year, SMV vacant lot sales in 2014 YTD have picked up considerably with (10) sales - seven under \$1.5M - as spec builders and end users look for values hard to find in the upper Roaring Fork Valley. As mentioned numerous times herein, and in prior reports, the best Aspen area purchase opportunities are presently in Snowmass provided the Related Co's, owner of SMV Base Village, resolve a myriad of development issues with the Town of Snowmass as appears to be the case in fall 2014. Below: As an indicator of just how relatively stagnant SMV property values have been, the average price \$/sq ft for single family homes and condos remains largely unchanged for the past three years.
- **Price gap between new - or like new - and everything else** - There's an imbalance in the market. Newer and, therefore, more expensive homes and condo units are realizing price premiums which is driving the overall average, median prices and price per sq ft upwards but this does not apply to older, dated, more average product. More 'regular', average or common, condos do not sell at premiums: as example, there have been just two 2-bdrm sales at the Gant in 2014 YTD at an avg. \$1,000 sf but there are nine 2-bdrm units currently listed at an avg. \$1,245 sf ask, 25% above the comps. There is a significant price disparity between new or like new product and all the rest.

Conclusion

While the market is improving, it is still not a runaway sprint or slam dunk.

The selling environment continues to be very competitive and price sensitive as buyers still have a number of options to choose from in many cases. Unless priced well, it remains challenging to sell most 'average' properties.

There are specific market segments – by neighborhood, location, type, quality, and particularly newness of product – where pockets of scarcity exist causing prices in those segments to be on the rise.

The market is not behaving similarly across all segments, and the differences are explained by supply and demand and the desirability and uniqueness of the property.

Buyers continue to be focused on value, conservatism and caution as carryover from the scars of the recession.

Sellers should be priced to today's market rather than heightened expectations if they are to be considered serious sellers with the intention of selling within a reasonable amount of time.

A fast market run-up with over-eager, unrealistic price hikes could turn off buyer interest prematurely - killing the golden goose - before a sustained recovery ever really gets going.

Slow and steady is the healthy mantra; fast and furious may end things early.



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Q1-Q3 2014 Aspen Snowmass Matrix

Q3 2014 ASPEN SNOWMASS MATRIX								
TOTAL MARKET*		YTD Comparisons**		Quarterly Comparisons to Current Quarter				
	2014	vs	2013	Q2 2014	vs	Q3 2014	vs	Q3 2013
Detail	Current Yr \$	% Chg	Prior Yr \$	Prior Qtr \$	% Chg	Current Qtr \$	% Chg	Prior Yr Qtr \$
Avg Sales Price	2,792,222	23%	2,270,827	3,016,057	4%	3,134,769	16%	2,694,263
Median Sales Price	1,750,000	38%	1,272,500	1,874,500	-20%	1,500,000	15%	1,300,000
Avg \$/Sq Ft	967	12%	864	970	6%	1,029	16%	886
Listing Inventory (# of units)	1,311	-11%	1,466	924	-1%	916	-7%	980
# of Sales (units)	326	0%	326	120	-4%	115	-9%	126
Total \$ Volume	910,264,419	23%	740,289,736	361,926,855	0%	360,498,422	6%	339,477,152
SINGLE FAMILY HOMES								
Detail	Current Yr \$	% Chg	Prior Yr \$	Prior Qtr \$	% Chg	Current Qtr \$	% Chg	Prior Yr Qtr \$
Avg Sales Price	4,738,990	4%	4,578,217	4,995,498	4%	5,201,985	-3%	5,360,908
Median Sales Price	3,345,000	12%	2,987,500	3,350,000	22%	4,075,000	24%	3,290,000
Avg \$/Sq Ft	953	3%	928	965	4%	1,003	9%	921
Listing Inventory (# of units)	504	-7%	540	358	2%	366	-5%	384
# of Sales (units)	120	25%	96	41	17%	48	26%	38
Total \$ Volume	568,678,786	29%	439,508,826	204,815,400	22%	249,695,269	23%	203,714,500
CONDOS/THS								
Detail	Current Yr \$	% Chg	Prior Yr \$	Prior Qtr \$	% Chg	Current Qtr \$	% Chg	Prior Yr Qtr \$
Avg Sales Price	1,603,548	31%	1,224,521	1,977,094	-21%	1,557,098	9%	1,429,054
Median Sales Price	1,039,500	32%	786,900	1,225,000	-15%	1,037,163	13%	920,000
Avg \$/Sq Ft	976	17%	834	973	8%	1,050	21%	869
Listing Inventory (# of units)	645	-12%	729	450	-4%	430	-4%	448
# of Sales (units)	179	-14%	208	69	-17%	57	-26%	77
Total \$ Volume	287,035,043	13%	254,700,410	136,419,455	-35%	88,754,563	-19%	110,037,152
VACANT LAND***								
Detail	Current Yr \$	% Chg	Prior Yr \$	Prior Qtr \$	% Chg	Current Qtr \$	% Chg	Prior Yr Qtr \$
Avg Sales Price	2,020,392	-4%	2,094,568	2,069,200	7%	2,204,859	-6%	2,338,682
Median Sales Price	1,725,000	-13%	1,975,000	1,397,500	47%	2,050,000	-2%	2,100,000
Listing Inventory (# of units)	162	-18%	197	116	3%	120	-19%	148
# of Sales (units)	27	23%	22	10	0%	10	-9%	11
Total \$ Volume	54,550,590	18%	46,080,500	20,692,000	7%	22,048,590	-14%	25,725,500

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NOTE: Starting Sep 27, 2013, the Aspen MLS changed the accounting method for Duplexes: Duplexes are now combined with Condos and Townhomes.

*Total Market includes: Aspen with Woody Creek (WC), Brush Creek Village (BCV), and Old Snowmass (OSM) combined with Snowmass Village (SMV), single family homes, condos/townhomes, duplexes and residential vacant land. All sold properties over \$250,000; fractionals are not included.

**YTD is Jan 1 of stated year to Sep 30 of that year.

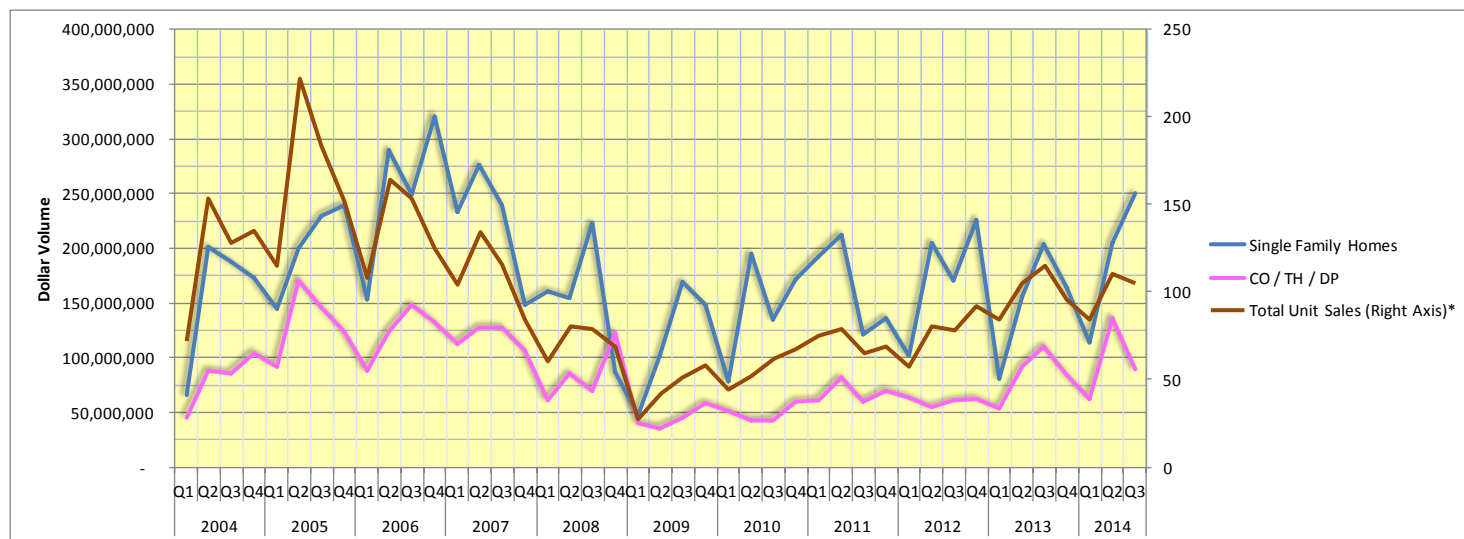
***Residential vacant land includes single & multi-family lots but no farm/ranch parcels.



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The Estin Report: Market Direction For Aspen/Snowmass

TOTAL MARKET QUARTERLY \$ VOLUME AND UNIT SALES OVER TIME
All lines represent \$ volume by property type (left axis) except total unit sales (the right axis).



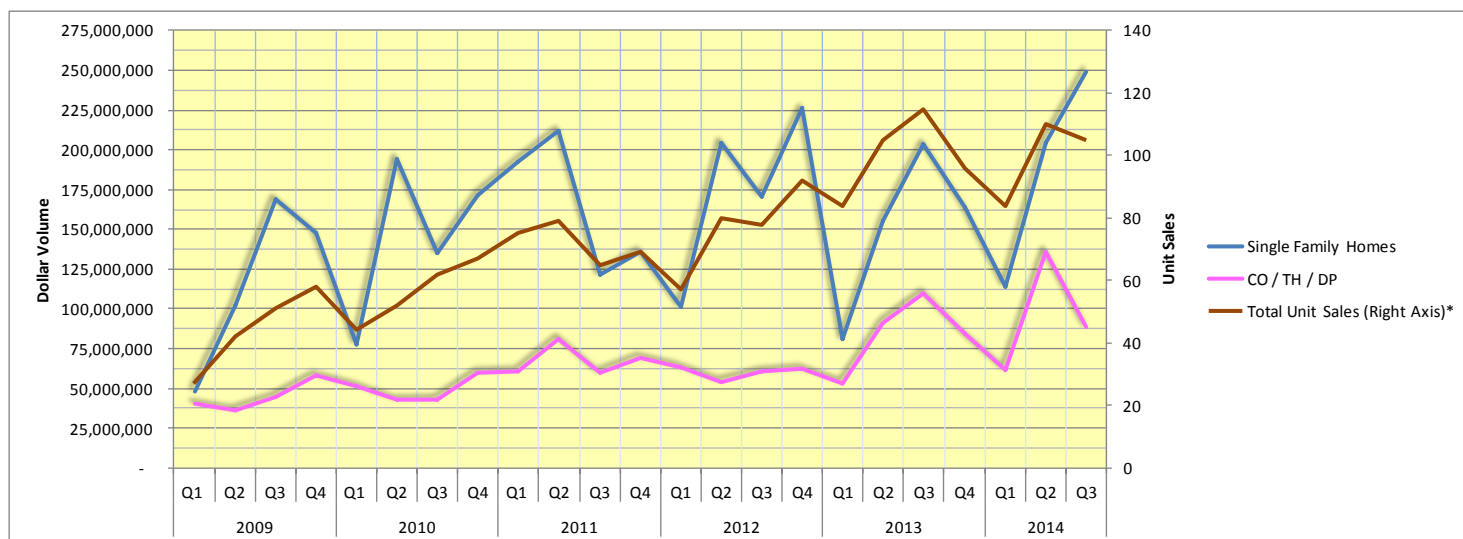
NOTE: Duplexes are now included in the Condo and Townhome category.

*Total Unit Sales refer to all residential w/improvements: excludes vacant land.

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The Estin Report: Market Direction For Aspen/Snowmass

TOTAL MARKET QUARTERLY \$ VOLUME AND UNIT SALES SINCE 2009
All lines represent \$ volume by property type (left axis) except total unit sales (the right axis)



NOTE: Duplexes are now included in the Condo and Townhome category.

*Total Unit Sales refer to all residential w/improvements, excludes vacant land.

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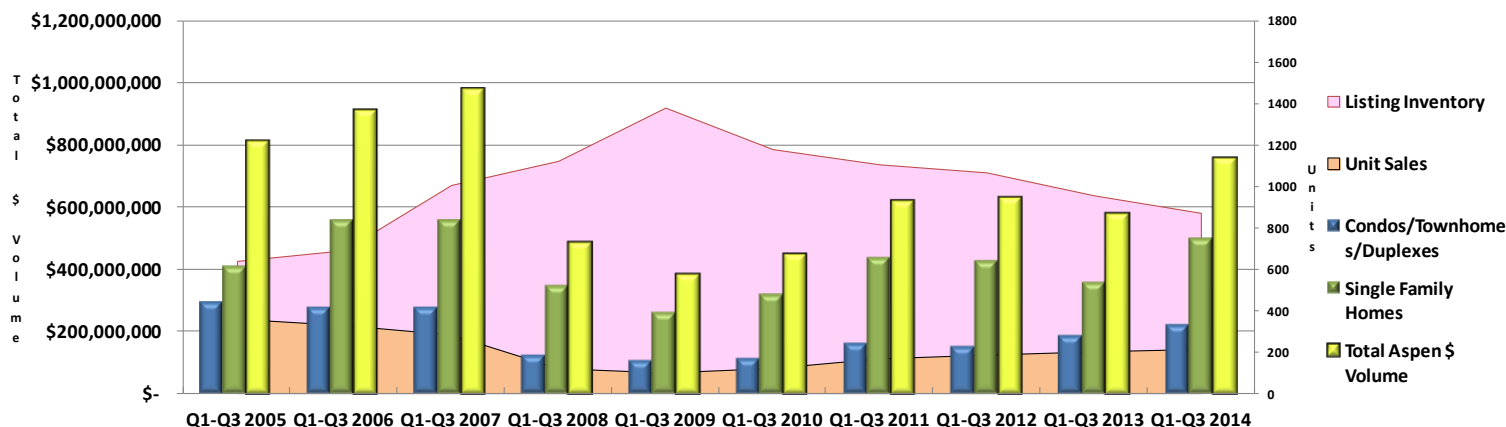


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Aspen Historical Comparisons

Q1-Q3 2014 ASPEN SALES COMPARISONS

Bars represent \$ volume by property type (left axis) and shaded areas represent unit sales/listing inventory (right axis)



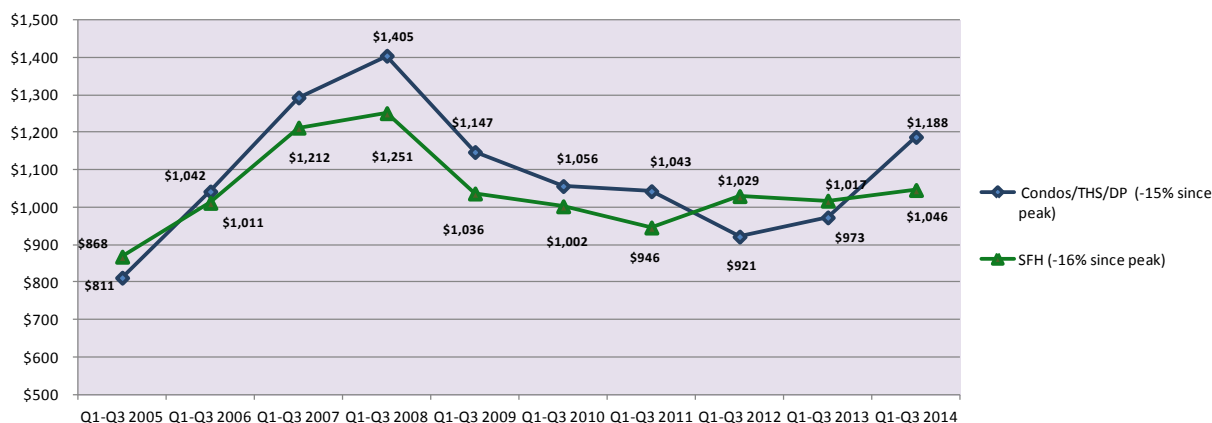
Aspen Full Year	Q1-Q3 2005	% Chg	Q1-Q3 2006	% Chg	Q1-Q3 2007	% Chg	Q1-Q3 2008	% Chg	Q1-Q3 2009	% Chg	Q1-Q3 2010	% Chg	Q1-Q3 2011	% Chg	Q1-Q3 2012	% Chg	Q1-Q3 2013	% Chg	Q1-Q3 2014
SFH	\$407,965,763	36%	\$554,543,819	0%	\$554,839,167	-38%	\$346,717,315	-25%	\$259,011,711	23%	\$317,294,500	37%	\$434,691,500	-3%	\$422,473,432	-16%	\$353,650,826	40%	\$496,230,786
CO/THS	\$289,643,846	-6%	\$271,708,442	0%	\$272,936,225	-55%	\$121,758,687	-14%	\$104,737,701	7%	\$111,770,053	45%	\$161,963,704	-8%	\$149,738,924	23%	\$184,366,902	19%	\$219,843,826
Land	\$112,963,800	-26%	\$83,230,257	81%	\$150,829,642	-88%	\$17,959,285	7%	\$19,127,144	7%	\$20,400,000	9%	\$22,224,500	164%	\$58,615,666	-30%	\$41,310,500	-4%	\$39,684,590
Total \$ Volume	\$810,573,409	12%	\$909,482,518	8%	\$978,605,034	-50%	\$486,435,287	-21%	\$382,876,556	17%	\$449,464,553	38%	\$618,879,704	2%	\$630,828,022	-8%	\$579,328,228	30%	\$755,759,202
Unit Sales	362	-9%	331	-14%	285	-58%	121	-17%	100	22%	122	39%	169	11%	187	9%	203	6%	215
Listing Inv.	640	8%	692	46%	1,008	12%	1,125	23%	1,383	-15%	1,182	-6%	1,108	-4%	1,069	-10%	958	-9%	873

NOTE: Starting Sep 27, 2013, the Aspen MLS changed the accounting method for Duplexes; Duplexes are now combined with Condos and Townhomes. *Includes Aspen, Woody Creek, Brush Creek Village and Old Snowmass, not Snowmass Village. Vacant land excluded for scale reasons. © The Estin Report: Q3 2014: www.EstinAspen.com

Dollar sales volume has increased 30% through Sept 30th but unit sales remain almost even with last year. The considerable increase in dollar volume is indicative of higher priced homes are selling (See p. 13 "Sales by Price").

The avg. condo price per sq ft is up +22% from a year ago skewed disproportionately upwards due to strong sales of the few new or newly remodeled condos Aspen has to offer selling in the range of \$1535 - \$2,345 sq ft. Specifically, rare new condos at 625 E. Main and Der Berghof complexes sold at \$1,600 - \$2,700 sf and select remodel flip jobs closed YTD at Chateau Eau Claire (riverfront \$1,600 sf), Chateau Snow (\$1,535 sf) and Aspen West (\$2,345 sf). Condos without a high end remodel or various elements of uniqueness do not sell at premium price.

Aspen Yearly Avg Sold Price Per Sq. Ft. Comparisons



NOTE: Starting Sep 27, 2013, the Aspen MLS changed the accounting method for Duplexes; Duplexes are now combined with Condos and Townhomes. *Includes Aspen, Woody Creek, Brush Creek Village and Old Snowmass, not Snowmass Village.

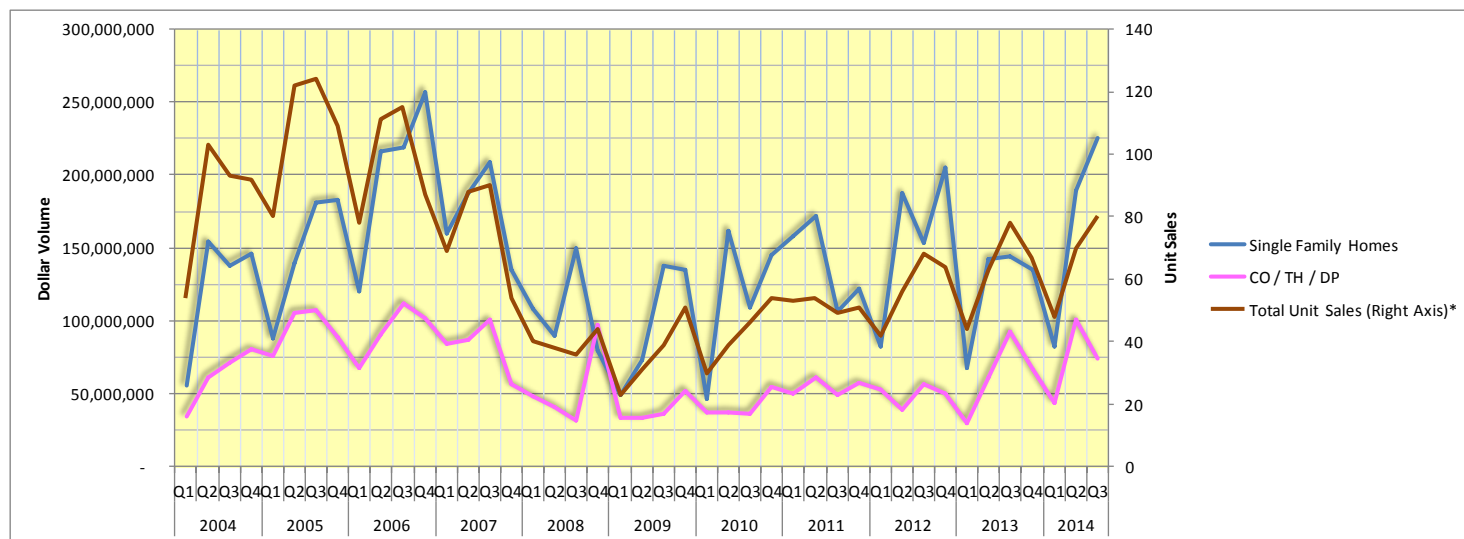


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The Estin Report: Market Direction For Aspen

ASPEN QUARTERLY \$ VOLUME AND UNIT SALES OVER TIME

All lines represent \$ volume by property type (left axis) except total unit sales (the right axis)



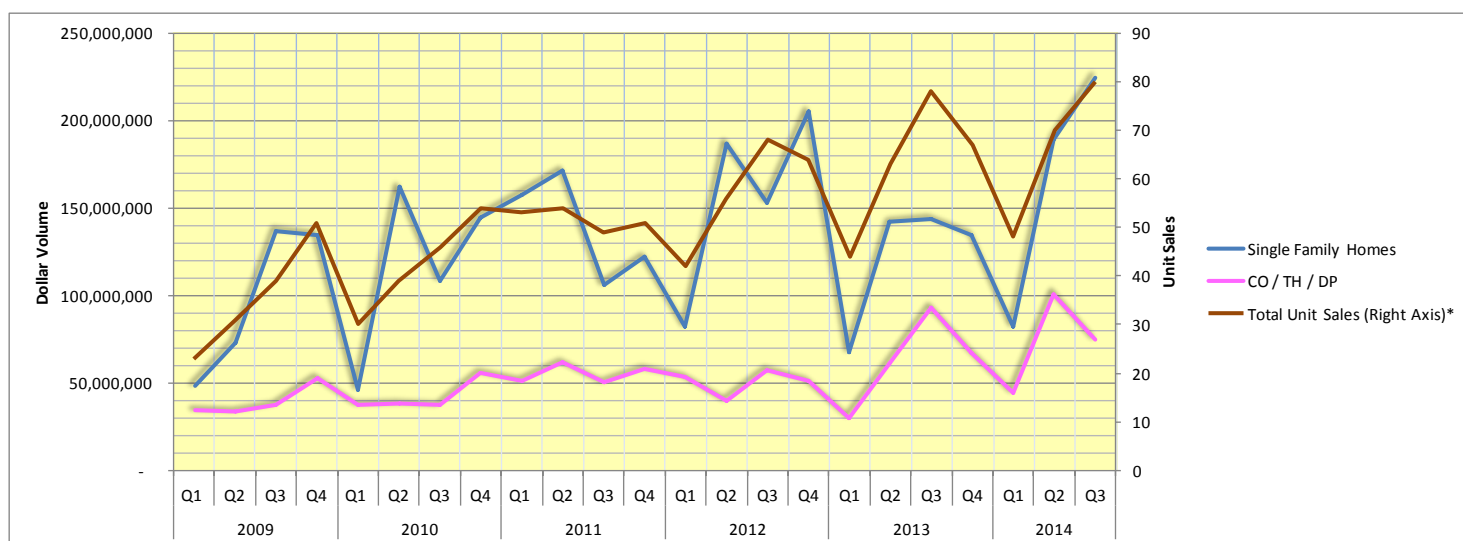
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*Total Unit Sales refer to all Res w/ Improvement; excludes Vacant Land

The Estin Report: Market Direction For Aspen

ASPEN QUARTERLY \$ VOLUME AND UNIT SALES SINCE 2009

All lines represent \$ volume by property type (left axis) except total unit sales (the right axis)



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*Total Unit Sales refer to all Residential w/ Improvement, excludes vacant land.



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Aspen* by Property Type: Q1-Q3 2014 vs Q1-Q3 2013

ASPEN 2014 v. 2013	Avg LvHt Sf	Average Sale Price	Median Sale Price	Avg Price per Sf	Avg Days On Mkt	Sold % Ask	Sold % Orig	Total Dollar Volume	Number of Sales	Listing Inventory
SINGLE FAMILY HOMES										
Q1-Q3 2014	4,879	5,453,086	4,000,000	1,046	341	91%	87%	496,230,786	91	504
Change	10%	14%	23%	3%	-17%	4%	15%	40%	23%	-7%
Q1-Q3 2013	4,451	4,779,065	3,262,500	1,017	409	87%	76%	353,650,826	74	540
CONDOMINIUMS, TOWNHOMES & DUPLEXES										
Q1-Q3 2014	1,675	2,054,615	1,250,000	1,188	251	92%	90%	219,843,826	107	645
Change	1%	24%	14%	22%	-6%	0%	2%	19%	-4%	-12%
Q1-Q3 2013	1,656	1,660,963	1,100,000	973	269	93%	89%	184,366,902	111	729

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NOTE: Starting Sep 27, 2013, the Aspen MLS changed the accounting method for Duplexes; Duplexes are now combined with Condos and Townhomes.

Average and median sf home prices are up double digits due to a big increase in \$5-10M homes selling well. (Pg 13).

Condo average and median prices are up significantly as new and/or newly remodeled units are selling well. This accounts for the average price per sq ft trending up as these newer units trade more expensively. This helps to explain the spike in condo dollar sales volume while unit sales are about even with last year. But condo inventory of properties for sale continues to decline. Well located units - those very near the Gondola, those with Aspen Mtn view and those directly on the river are selling especially well.

Examples of new built or extreme remodel condo projects obtaining premium prices are: 1) Three units at the new 625 E. Main St (former Stage III movie theatre site) closed at \$2,500-\$2,700 sf in summer/fall 2013; 2) Der Berghof 2 bedroom Condo at 100 E. Cooper St #8 closed in Aug 2014 at \$3.275M/\$2,228 sf; 3) Mountain Queen 2 bedroom condo — a strikingly remodeled sold in April 2014 at \$3.925M/\$2,300 sf.

The Aspen West Unit #4 featured below sold 5.5% higher in Sep 2014 than it traded in Aug 2011 at \$3.595M/\$2,222 sq ft. Purchasing new or newer condo product is an excellent market hedge offering some protection to downside risk.

Q3 2014 Most Expensive Aspen Condo by Sold Price & \$/Sq Ft



©2014 Property of Aspen/Glenwood MLS

MLS #135096 - Aspen West Condominium, 104 W Cooper Avenue Unit 4 Penthouse, Downtown Aspen. Sold Price: \$3,793,850/\$2,345 sq ft. Unfurnished. Sold Date: Sept 2, 2014.

Ask and Original Price: \$3,795,000 on the market since 07/02/14. This stunning, 1972/2011 exterior and interior remodel, top-floor 2 bdrm/2 ba, 1,618 sq ft penthouse with high ceilings and tall windows with Aspen Mountain views overlooking Koch Park. High-end finishes with onyx countertops, exotic woods, custom cabinetry, Dornbracht plumbing fixtures, sound-proof walls. Two off-street parking spaces. (Photo courtesy of CB Mason Morse.)



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Q1-Q3 2014 Snapshot: Sold Aspen* Price Points

Aspen Single Family Homes 2014	Under \$500K	\$500K - 999K	\$1M- 1.99M	\$2M- 2.99M	\$3M- 4.99M	\$5M- 7.49M	\$7.5M - 9.99M	\$10M - 14.99	\$15M - 19.99M	\$20M & Up	Total
# Sales	1	7	10	14	20	17	10	9	0	3	91
Average \$ Per Sale	325,000	762,771	1,531,000	2,461,143	3,821,275	6,110,706	8,047,500	12,327,513		23,023,423	
Median \$ Per Sale	325,000	850,000	1,537,500	2,525,000	3,800,000	6,000,000	8,000,000	12,000,000		23,070,269	
\$ Volume	325,000	5,339,400	15,310,000	34,456,000	76,425,500	103,882,000	80,475,000	110,947,617	0	69,070,269	496,230,786
Avg \$ per sf	162	400	647	853	1,111	1,155	1,142	1,604		2,024	
Avg Lv Ht Sq Ft	162	417	686	938	1,208	1,300	1,269	1,794		2,189	
Avg Days on Market	69	508	229	271	399	283	317	504		265	
Sold Price % Ask	100%	95%	92%	90%	92%	92%	90%	88%		92%	
Sold Price % List	100%	70%	86%	87%	85%	90%	89%	84%		92%	

Aspen Single Family Homes 2013	Under \$500K	\$500K - 999K	\$1M- 1.99M	\$2M- 2.99M	\$3M- 4.99M	\$5M- 7.49M	\$7.5M - 9.99M	\$10M - 14.99	\$15M - 19.99M	\$20M & Up	Total
# Sales	1	8	9	13	19	12	3	5	3	1	74
Average \$ Per Sale	450,000	771,149	1,293,889	2,542,308	3,825,349	5,997,292	8,654,167	11,325,000	16,033,333	27,000,000	
Median \$ Per Sale	450,000	806,647	1,260,000	2,675,000	3,500,000	5,737,500	8,562,500	10,725,000	15,600,000	27,000,000	
\$ Volume	450,000	6,169,194	11,645,000	33,050,000	72,681,632	71,967,500	25,962,500	56,625,000	48,100,000	27,000,000	353,650,826
Avg \$ per sf	214	320	631	997	1,061	1,361	1,115	1,465	1,547	2,059	
Avg Lv Ht Sq Ft	226	359	717	1,176	1,177	1,541	1,215	1,920	1,643	2,555	
Avg Days on Market	236	410	329	390	406	408	870	232	660	305	
Sold Price % Ask	95%	95%	88%	88%	90%	90%	92%	76%	96%	81%	
Sold Price % List	95%	79%	80%	77%	78%	84%	69%	75%	64%	81%	

*Includes Aspen, Woody Creek, Brush Creek Village and Old Snowmass, not Snowmass Village.

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The significant increase of unit sales of homes in the \$5M to \$15M range accounts for the big 40% spike in single family home dollar sales year to date: unit sales of homes \$5-7.499M increased 42%, \$7.5-9.99M increased 233%, \$10M-14.99 up 80% and \$20M+ sales are up 200%.

In the past few years, as would be expected, lower priced inventory has the seen greatest unit sales gains as highly motivated sellers unloaded. Typically, that is an indicator of a market in turnaround — the least expensive (cheapest) go first and the rest of the market follows. The average price per sq ft increases dramatically the more expensive the property. This is indicative of better location, a higher level of design and finishes, unique property-specific amenities and development entitlements.

Most Expensive Aspen Home Sale in Q3 2014



MLS #132043 - New Red Mountain spec home with huge views of town and four ski mountains. 979 Red Mountain Rd, Aspen. Sold price: \$23,070,269/ \$2,369 sq ft. Unfurnished. Sold Date: 09/03/2014.

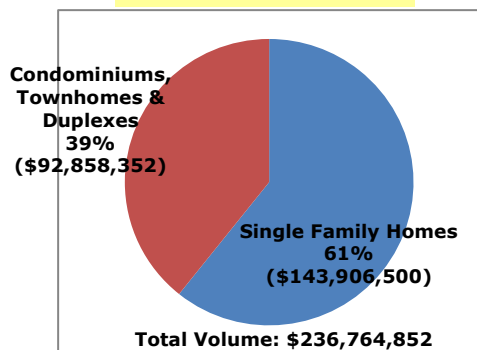
Ask Price: \$21,995,000 (Originally listed while under construction 02/07/2013. Price raised to \$24,995,000 on 05/31/13.) 2014 built sophisticated contemporary home designed by acclaimed Aidlin-Darling Design, 7 bdrm/6 ba/2 hba, 9,737 sq ft contemporary home with 3-car garage, Infinity pool on approx. 1 acre lot. (Photo courtesy of Aspen International Properties).



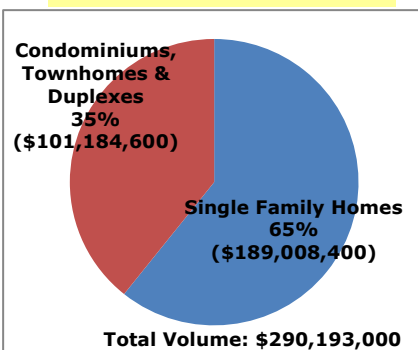
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Aspen*: Q3 2014 vs Q2 2014 and Q3 2013

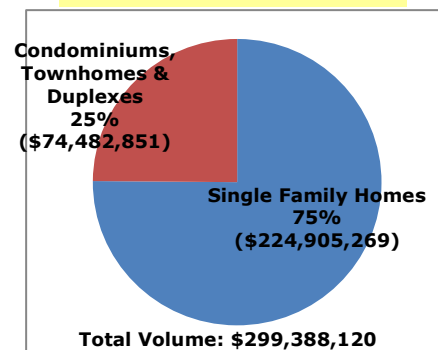
Q3 2013 \$ Volume (\$)



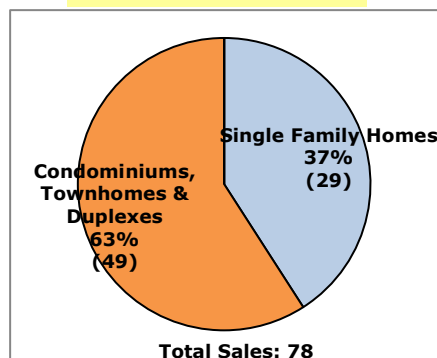
Q2 2014 \$ Volume (\$)



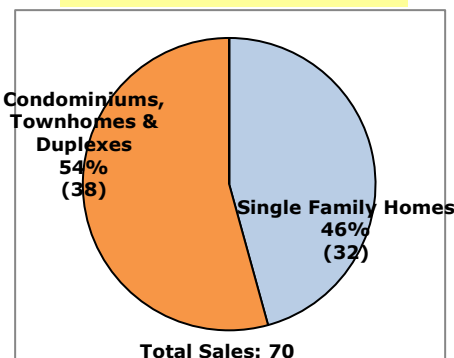
Q3 2014 \$ Volume (\$)



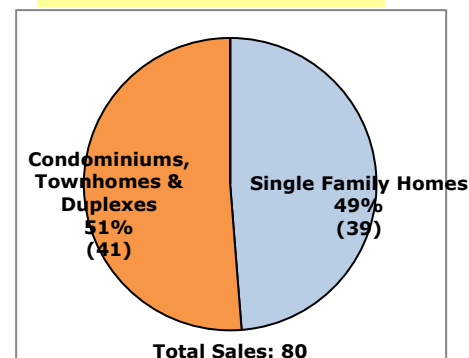
Q3 2013 Unit Sales



Q2 2014 Unit Sales



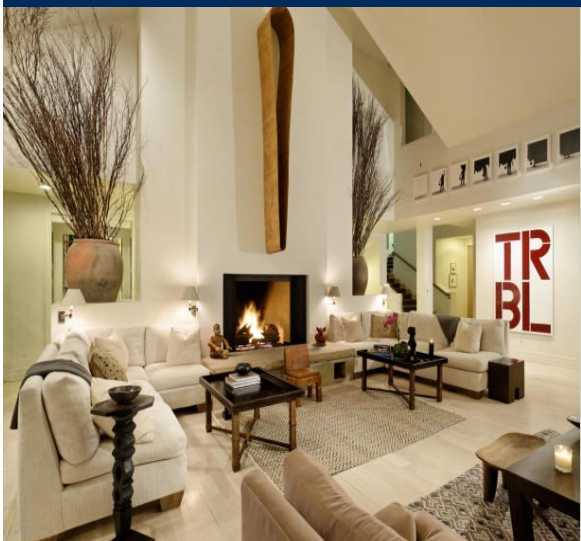
Q3 2014 Unit Sales



*Includes Aspen, Woody Creek, Brush Creek Village, and Old Snowmass, not Snowmass Village.

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Most Beautiful Aspen Single Family Home Sale in Q3 2014



MLS # 130966 - 64 Pitkin Wy (Way) off Willoughby Wy at the base of Red Mountain. Sold Price: \$12,000,000/\$1,490 sq ft. Unfurnished. Sold Date: 09/15/2014.

Ask Price: \$12,500,000 (Original price \$21.5M included an adjacent 1-acre vacant lot #125816 on the market since 06/05/12. The lot sold separately at \$5.25M on 09/2013). Set in Red Mountain's exclusive Pitkin Reserve subdivision off Willoughby Way, this is a gorgeous 1987/2005 David Easton 8,055 sq ft remodel with 6 bdrm/6.5 ba, and 2-car garage. The property is on an almost 1 acre, rare flat Red Mountain lot with a private gate to the Rio Grande Trail along the Roaring Fork River leading to downtown. Aspen Mtn views, privacy and river sounds at night. (Photo courtesy of Aspen Associates Realty Group).



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Aspen* by Property Type: Q3 2014 vs Q3 2013

Current Qtr v. Prior Yr Qtr	Avg LvHt Sf	Average Sale Price	Median Sale Price	Avg Price per Sf	Avg Days On Mkt	Sold % Ask	Sold % Orig	Total Dollar Volume	Number of Sales	Listing Inventory	Absorption Rate (Months)**
SINGLE FAMILY HOMES											
Q3 2014	4,829	5,766,802	5,100,000	1,080	315	93%	90%	224,905,269	39	366	28
Change	1%	16%	28%	8%	-27%	4%	27%	56%	34%	-5%	-29%
Q3 2013	4,778	4,962,293	4,000,000	1,004	430	90%	71%	143,906,500	29	384	40
CONDOMINIUMS, TOWNHOMES & DUPLEXES											
Q3 2014	1,424	1,816,655	1,185,000	1,242	233	94%	92%	74,482,851	41	430	31
Change	-20%	-4%	-9%	20%	3%	1%	2%	-20%	-16%	-4%	15%
Q3 2013	1,785	1,895,068	1,300,000	1,035	226	93%	90%	92,858,352	49	448	27

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NOTE: Starting Sep 27, 2013, the Aspen MLS changed the accounting method for Duplexes; Duplexes are now combined with Condos and Townhomes. *Includes Aspen, Woody Creek, Brush Creek Village, and Old Snowmass, not Snowmass Village. **Absorption Rate is calculated by dividing the number of sales within a given period (3 mos.) to establish the rate of sales per month, and then dividing the inventory by this rate of sales. It is the amount of time (months) it should take to sell off the current supply of properties.

The market performance in Q3 2014 was extremely solid. All single family home metrics are higher; condo metrics are lower than same time last year likely due to an inventory shortage of highly desirable (newer) or well-priced inventory. In terms of ask prices, there is a lot of over-priced more regular, maybe dated, unremarkable condo product on the market hoping to take advantage of the high demand for beautiful new product but that demand does not really include them. There's an imbalance in the market. Newer and, therefore, more expensive homes and condo units are realizing price premiums which is driving the overall average, median prices and price per sq ft upwards but this does not apply to older, dated, more average product. More 'regular' or common condos do not sell at premiums: as example, there have been just two 2-bdrm sales at the Gant in 2014 YTD at an avg. \$1,000 sf but there are nine 2-bdrm units currently listed at an avg. \$1,245 sf ask, 25% above the comps. There is a significant price disparity between new or like new product and all the rest.

Best Downtown Condo Deal in Q3 2014

MLS #132313 - Chatelet Condominium, 250 S Original St Unit B in downtown Aspen one block from new Aspen Art Museum. Sold Price: \$717,500/\$565 sq ft multiple bids. Unfurnished. Sold Date: 07/23/2014.

Ask Price: \$750,000. (Original price: \$1,195,000 on/off the market since 02/16/2010.) This is one the last recession carryover bank short sales - and deals - in the Aspen area. It is a 2 bdrm/2 ba, 3-level with 870 livable above grade space and 400 sq ft extra subgrade storage area converted into a media viewing area (non-legal bedroom/sleeping space) and 1-assigned parking space. (Photo courtesy of Coldwell Banker Mason)

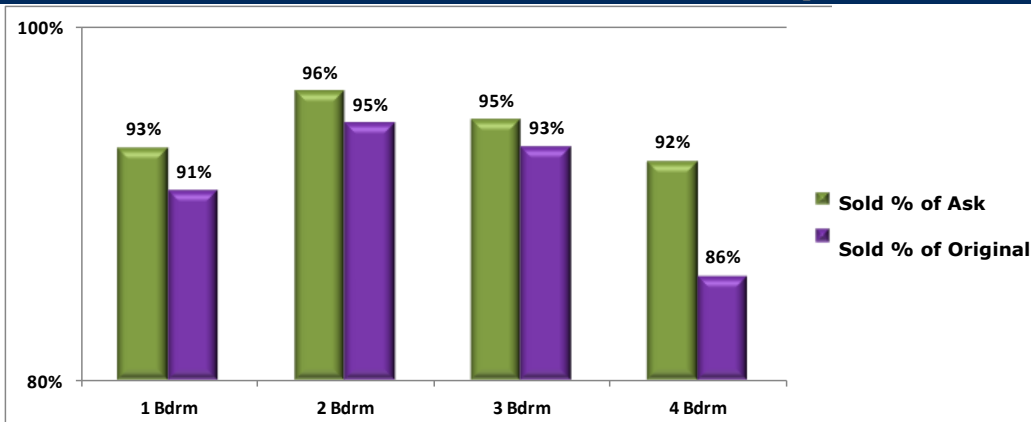


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Q3 2014 Aspen Condos* - Sold % to Ask & Price by # of Bdrms



BEDROOMS	#Sold	Avg Sqft	Avg Sold \$ Sqft	Avg Sold Price	Avg Sold % to Ask \$	Avg Sold % to Orig \$	AVG DOM
1 Bdrm	5	542	\$ 1,110	602,200	93%	91%	127
2 Bdrm	18	1,050	\$ 1,219	1,280,075	96%	95%	230
3 Bdrm	6	1,671	\$ 1,737	2,902,500	95%	93%	220
4 Bdrm	5	3,662	\$ 1,172	4,292,000	92%	86%	406

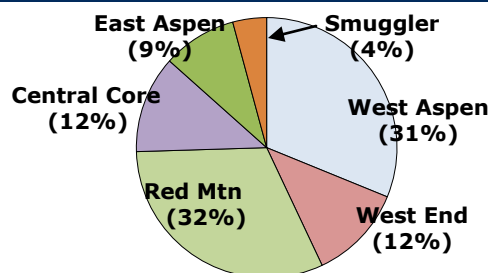
*In Aspen MLS, Condos, townhomes and Duplexes are grouped together as one property type. Aspen includes Aspen, Woody Creek, Brush Creek Village and Old Snowmass. DOM = Days on Market

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The actual sold \$ price/sq ft of an Aspen condo will vary considerably depending on many factors: downtown location, location within a complex (examples: top floor vaulted ceilings, corner units, command premium prices), the condition of the complex itself, views, river frontage, ski access, level of finishes, remodeled or not, overall size, amenities, etc.

Snapshot Q3 2014: What Aspen** Areas Are Selling?

Unit home sales in Q3 were lead by the West Aspen area, the largest Aspen MLS area geographically and the most disparate—it includes Aspen Highlands, Five Trees, Ma-roon Creek, Meadowood, Cemetery Ln and Brush Creek Village. The areas generating the highest avg. \$/per sq ft were Red Mt - dominated by three Willoughby Way sales - and the Aspen Core where a single Oklahoma Flats contemporary river front home skewed the averages higher. Without that sale, the Core avg \$/sq ft was \$1,457 sq ft.



Aspen Single Family Homes by Select Areas

Location	Dollar Volume	% of \$ Volume	# of Sales	Avg Sold \$/Sf	Active Listings	Absorption Rate* (Mnths)
West Aspen	\$62,400,000	31%	10	\$1,219	71	21
West End	\$23,670,000	12%	5	\$1,283	38	22.8
Red Mountain	\$63,070,269	32%	4	\$1,680	22	17
Central Core	\$24,216,000	12%	3	\$1,698	110	110
East Aspen	\$18,400,000	9%	3	\$1,187	27	27
Smuggler	\$8,400,000	4%	2	\$798	22	33
Total	\$200,156,269	100%	27		290	

*Absorption Rate is calculated by dividing the number of sales within a given period (3 mos.) to establish the rate of sales per month, and then dividing the inventory by this rate of sales. It is the amount of time (months) it should take to sell off the current supply of properties.

**Specific Aspen areas only, does not include Snowmass Village, Woody Creek, Brush Creek Village, and Old Snowmass and not all Aspen neighborhoods are represented

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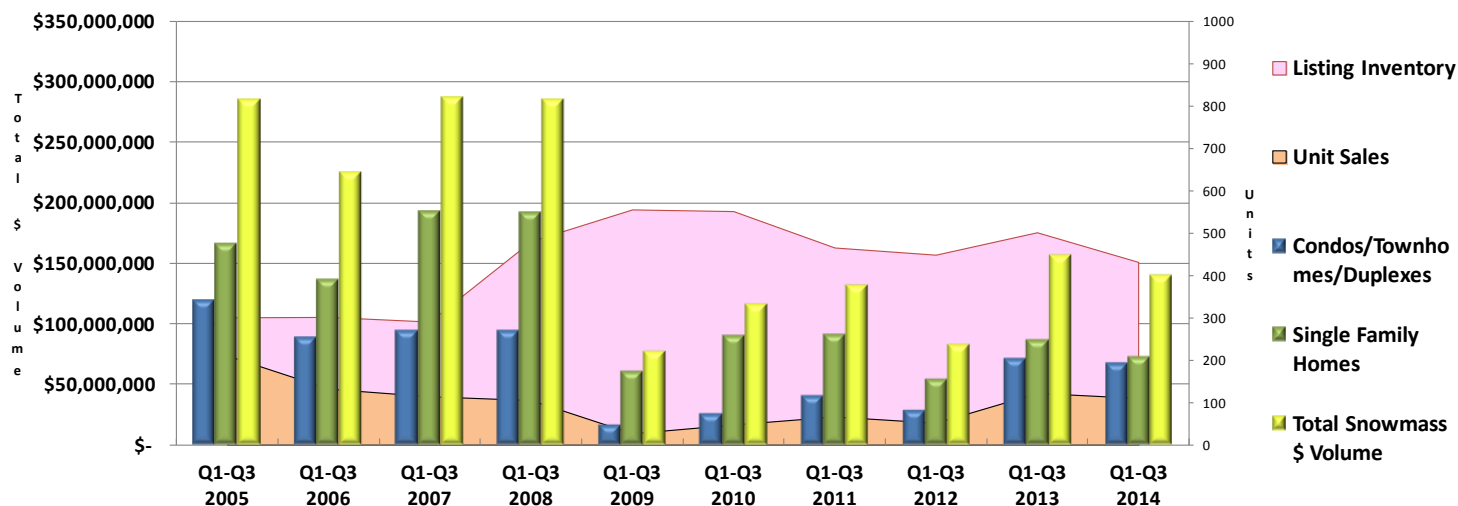


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Estin Report: SMV Historical Comparisons

Q1-Q3 2014 SNOWMASS VILLAGE* SALES COMPARISONS

Bars represent \$ volume by property type (left axis) and shaded areas represent unit sales/listing inventory (right axis)



Snowmass Village	Q1-Q3 2005	% Chg	Q1-Q3 2006	% Chg	Q1-Q3 2007	% Chg	Q1-Q3 2008	% Chg	Q1-Q3 2009	% Chg	Q1-Q3 2010	% Chg	Q1-Q3 2011	% Chg	Q1-Q3 2012	% Chg	Q1-Q3 2013	% Chg	Q1-Q3 2014
SFH	\$165,284,400	-18%	\$136,327,800	41%	\$192,733,000	-1%	\$190,975,304	-68%	\$60,500,000	49%	\$90,119,850	1%	\$91,224,000	-41%	\$54,099,507	59%	\$85,858,000	-16%	\$72,448,000
CO/THS	\$118,989,349	-26%	\$88,224,300	7%	\$94,074,683	0%	\$93,766,455	-82%	\$16,425,000	54%	\$25,297,500	57%	\$39,838,326	-28%	\$28,526,960	147%	\$70,333,508	-4%	\$67,191,218
Land	\$33,757,500	-20%	\$27,172,500	-36%	\$17,459,415	-92%	\$1,350,000	-100%	\$-	-	\$8,605,000	-47%	\$4,550,000	87%	\$8,500,000	-44%	\$4,770,000	212%	\$14,866,000
Total \$ Volume	\$318,031,249	-21%	\$251,724,600	21%	\$304,267,098	-6%	\$286,091,759	-73%	\$76,925,000	61%	\$124,022,350	9%	\$135,612,326	-33%	\$91,126,467	77%	\$160,961,508	-4%	\$154,505,218
Unit Sales	212	-37%	133	-14%	115	-8%	106	-75%	27	78%	48	40%	67	-22%	52	137%	123	-10%	111
Listing Inv.	301	0%	302	-4%	291	65%	481	16%	556	-1%	552	-16%	466	-4%	449	12%	502	-14%	432

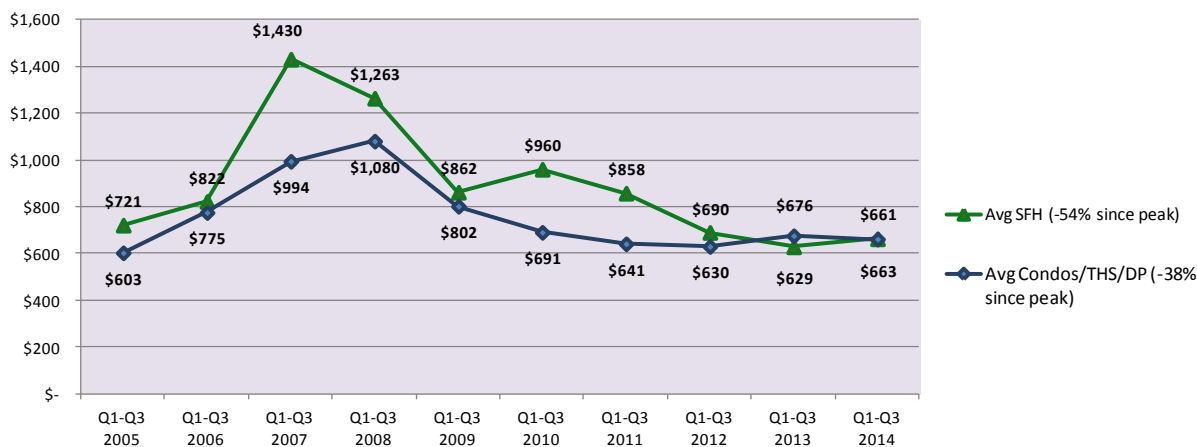
*Snowmass Village only. Vacant Land excluded from graph for scale reasons.

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Above: Unit sales have largely recovered to 2007 and 2008 levels, but prices continue to be way off, down an average 40-55% from the mid-2000's. Last year the bright light for the resort was Viceroy Hotel Condo sales selling at -60% off pre-construction prices of 2006-2007; this year, SMV vacant lot sales in 2014 YTD have picked up considerably with (10) sales - seven under \$1.5M - as spec builders and end users look for values hard to find in the upper Roaring Fork Valley. As mentioned numerous times herein, and in prior reports, the best Aspen area purchase opportunities are presently in Snowmass provided the Related Co's, owner of SMV Base Village, resolve a myriad of development issues with the Town of Snowmass as appears to be the case in fall 2014.

Below: As an indicator of just how relatively stagnant SMV property values have been, the average price \$/sq ft for single family homes and condos remains largely unchanged for the past three years.

Snowmass Village Yearly Sale Price Per Sq. Ft. Comparisons



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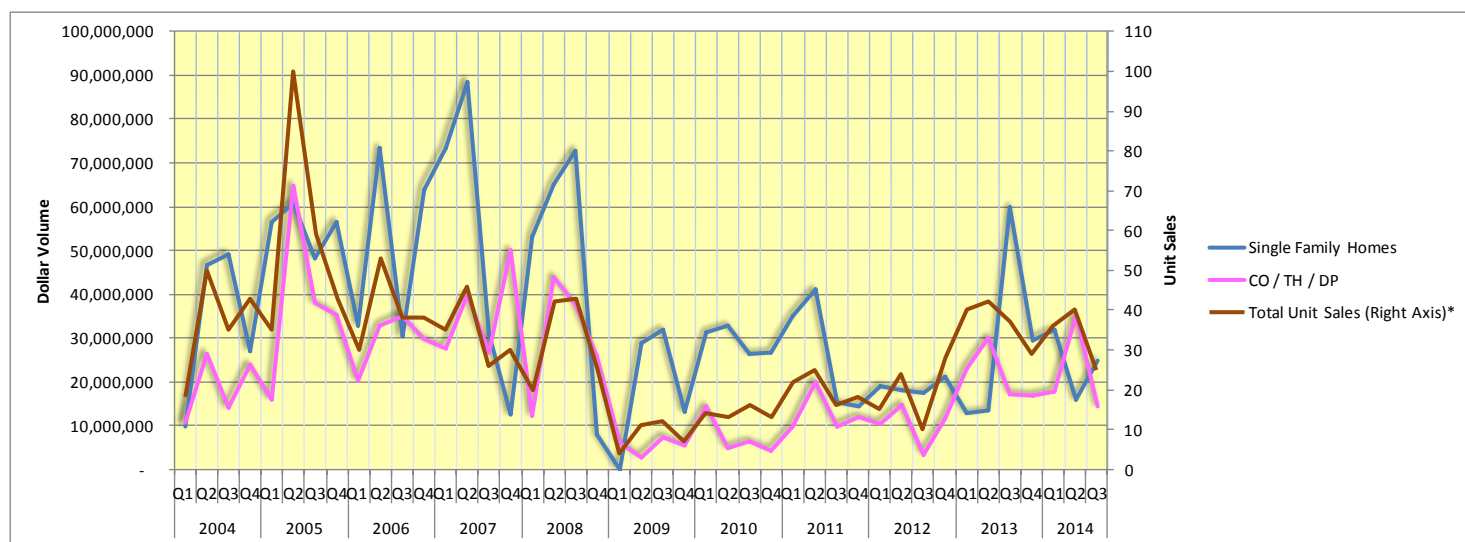


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The Estin Report: Market Direction For SMV

SMV QUARTERLY \$ VOLUME AND UNIT SALES OVER TIME

All lines represent \$ volume by property type (left axis) except total unit sales (the right axis)

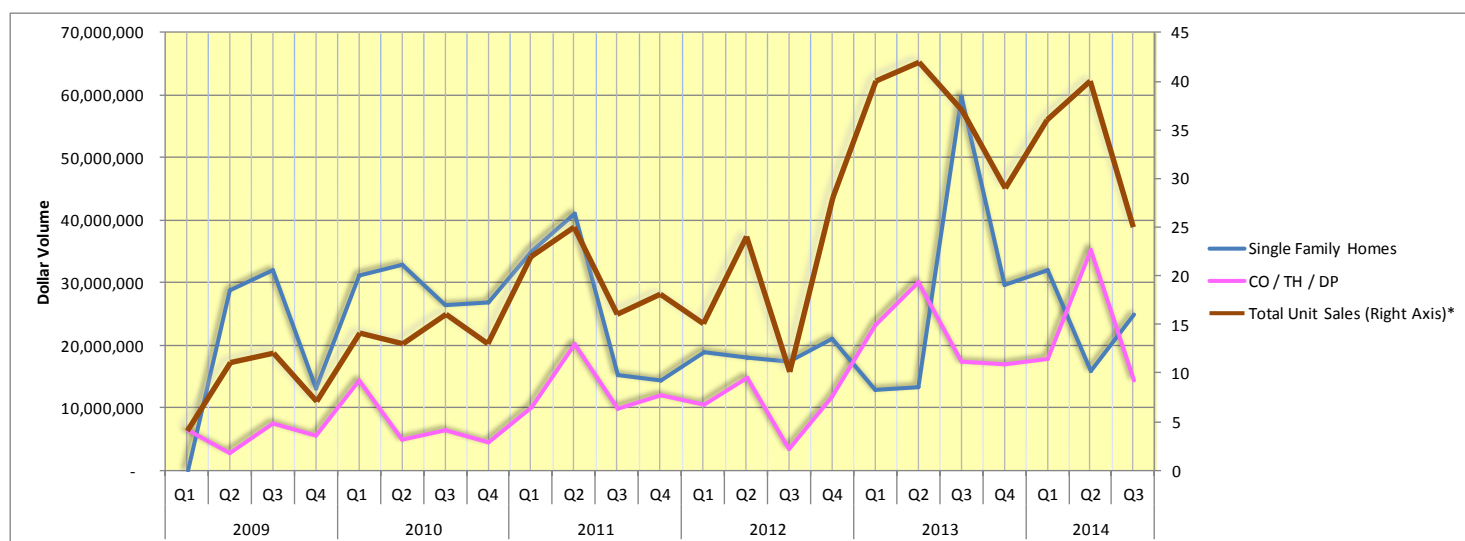


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The Estin Report: Market Direction For SMV

SMV QUARTERLY \$ VOLUME AND UNIT SALES SINCE 2009



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*Total Unit Sales refer to all Res. w/ Improvement; excludes Vacant Land.



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SMV by Property Type: Q1-Q3 2014 vs Q1-Q3 2013

Snowmass Village 2014 vs 2013	Avg LvHt sf	Average Sale Price	Median Sale Price	Avg Price per sf	Avg Days On Mkt	Sold % Ask	Sold % Orig	Total Dollar Volume	Number of Sales*	Listing Inventory
SINGLE FAMILY HOMES										
Q1-Q3 2014	3,448	2,498,207	1,850,000	663	205	90%	86%	72,448,000	29	114
Change	-22%	-36%	-11%	5%	-34%	2%	1%	-16%	32%	-6%
Q1-Q3 2013	4,395	3,902,636	2,087,500	629	311	88%	85%	85,858,000	22	121
CONDOMINIUMS, TOWNHOMES & DUPLEXES										
Q1-Q3 2014	1,346	933,211	663,000	661	294	92%	87%	67,191,218	72	284
Change	24%	29%	29%	-2%	27%	0%	0%	-4%	-26%	-18%
Q1-Q3 2013	1,082	725,088	514,000	676	233	92%	87%	70,333,508	97	345

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NOTE: Starting Sep 27, 2013, the Aspen MLS changed the accounting method for Duplexes; Duplexes are now combined with Condos and Townhomes.

SMV single family homes represent 47% of total SMV dollar sales and 26% of total SMV unit sales; in Aspen, homes are 66% of total Aspen dollars sales and 36% of total Aspen unit sales. Vacant lot sales account for the remaining. SMV Single family home sales have picked up considerably this year as buyers find better valued homes compared to Aspen home prices. Snowmass Village offers the best priced home options for families wanting to be in the Aspen School District and/or to live as close to Aspen as possible without paying Aspen prices. Historically, the Snowmass property discount to Aspen has been 20-30%; at present, it's closer to 45-55%. And because of the relative compactness of the resort, SMV also offers closer, more convenient and ski accessible homes to the slopes making downhill ski and board living far more simple than in Aspen.

SMV condos are 71% of total SMV unit sales and 43% of total SMV dollar sales; in Aspen, condo sales are 54% of total Aspen unit sales and 34% of total Aspen sales dollars. Vacant lot sales account for the remaining. SMV condo sales declined 26% in Q1-Q3 2014 over the same time last year, but 2013 was unique...The Viceroy Condo Hotel sales program had just launched in Dec. 2012 at prices 60% off pre-recession levels. Viceroy sales momentum surged and dominated in 2013. At present, even though Viceroy sales continue to dominate the SMV condo market, the pace of Viceroy sales has slowed accounting for the fall off in overall SMV condo sales this year.

SMV Most Expensive Home Sale in Q3 2014

MLS #133389 - Pines at Owl Creek Subdivision, 901 Pine Crest Drive, Snowmass Village. Sold Price: \$7,250,000/\$1,257 sq ft. Unfurnished. Sold Date: 09/16/2014.

Ask Price: \$8,250,000. (Original Price: \$8,950,000 since 03/18/2014.) This is a 2007 custom built, exclusive Pines at Owl Creek ski in/out home with 6 bdrm/6 ba/3 half ba, 5,769 sq ft on 1.5 acres with 3-car garage. Ski access is to and from the Two Creeks Lift. (Photo courtesy of Aspen Associates).





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Q1-Q3 2014 Snapshot: Sold SMV Price Points

Snowmass Village Single Family Homes 2014	Under \$500K	\$500K - 999K	\$1M- 1.99M	\$2M- 2.99M	\$3M- 4.99M	\$5M- 7.49M	\$7.5M - 9.99M	\$10M - 14.99	\$15M - 19.99M	\$20M & Up	Total
# Sales	0	1	16	5	5	1	1	0	0	0	29
Average \$ Per Sale		785,000	1,484,500	2,472,200	3,940,000	7,250,000	8,600,000				
Median \$ Per Sale		785,000	1,440,500	2,511,000	4,300,000	7,250,000	8,600,000				
\$ Volume	0	785,000	23,752,000	12,361,000	19,700,000	7,250,000	8,600,000	0	0	0	72,448,000
Avg \$ per sf		320	536	672	879	1,257	1,313				
Avg Lv Ht Sq Ft		347	603	716	996	1,430	1,519				
Avg Days on Market		115	232	237	108	187	211				
Sold Price % Ask		92%	91%	94%	88%	88%	86%				
Sold Price % List		88%	85%	88%	88%	81%	86%				

Snowmass Village Single Family Homes 2013	Under \$500K	\$500K - 999K	\$1M- 1.99M	\$2M- 2.99M	\$3M- 4.99M	\$5M- 7.49M	\$7.5M - 9.99M	\$10M - 14.99	\$15M - 19.99M	\$20M & Up	Total
# Sales	0	3	7	7	4	0	0	0	0	1	22
Average \$ Per Sale		776,667	1,278,571	2,348,286	3,535,000					44,000,000	
Median \$ Per Sale		835,000	1,275,000	2,200,000	3,310,000					44,000,000	
\$ Volume	0	2,330,000	8,950,000	16,438,000	14,140,000	0	0	0	0	44,000,000	85,858,000
Avg \$ per sf		356	431	693	799					1,693	
Avg Lv Ht Sq Ft		378	478	781	897					1,923	
Avg Days on Market		203	204	427	354					395	
Sold Price % Ask		94%	89%	88%	89%					88%	
Sold Price % List		87%	84%	78%	87%					88%	

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The best news in SMV this year has been the surge in home sales priced \$1.5-\$2M. Home sales for the year through Sep 2014 under \$2M increased from 7 to 16, up 129%, and increased in dollars sales from \$8.95M to \$23.8M, up 166%. Inventory in the \$1.5-2M range is fast depleting, and, this fall, a number of homes priced \$2-2.5M range have gone under contract. Buyers are forced to move up a price tier. For the 1st time in 6 years in SMV, upward pricing pressure on the lower end is inevitable as this inventory thins. SMV offers: 1) tremendous value with an approximate 45-55% discount to Aspen home prices; 2) prime slope-side ski in/out properties; 3) affordable family living within the top-rated Aspen School District.

Q3 2014 Most Expensive Townhome Sale

MLS# 132460 - Owl Creek Townhomes, 508 Streamside Court, Snowmass Village. Sold Price: \$3,300,000/\$854 sq ft. Furnished. Sold Date: 07/10/2014.

Ask and Original Price: \$3,600,000 on the market since 12/23/2014. This is a 1998 built, 4 bdrm/4.5 ba, 3,862 sq ft, ski in/out corner townhome bordering a ski trail with a 2-car garage. The Poma lift to the Two Creeks ski lift is just a few steps away from the property. (Photo courtesy of BJ Adams & Co.)





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SMV by Property Type: Q3 2014 v Q3 2013

SMV Current Qtr v. Prior Yr Qtr	Avg LvHt sf	Average Sale Price	Median Sale Price	Avg Price per sf	Avg Days On Mkt	Sold % Ask	Sold % Orig	Total Dollar Volume	Number of Sales	Listing Inventory	Absorption Rate (Monthly)*
SINGLE FAMILY HOMES											
Q3 2014	3,653	2,754,444	1,990,000	671	177	90%	87%	24,790,000	9	81	27
Change	-40%	-59%	33%	3%	-44%	2%	0%	-59%	0%	-5%	-5%
Q3 2013	6,084	6,645,333	1,500,000	654	313	88%	87%	59,808,000	9	85	28
CONDOMINIUMS, TOWNHOMES & DUPLEXES											
Q3 2014	1,487	891,982	497,500	557	268	93%	89%	14,271,713	16	184	35
Change	37%	45%	-2%	-4%	25%	2%	-2%	-17%	-43%	-4%	69%
Q3 2013	1,088	613,529	509,250	578	215	92%	90%	17,178,800	28	191	20

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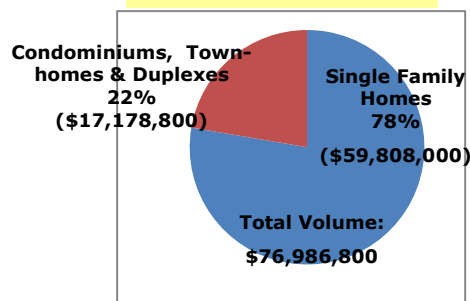
NOTE: Starting Sep 27, 2013, the Aspen MLS changed the accounting method for Duplexes; Duplexes are now combined with Condos and Townhomes.

*Absorption Rate is calculated by dividing the number of sales within a given period (3 mos.) to establish the rate of sales per month, and then dividing the inventory by this rate of sales. It is the amount of time it should take to sell off the current supply of properties.

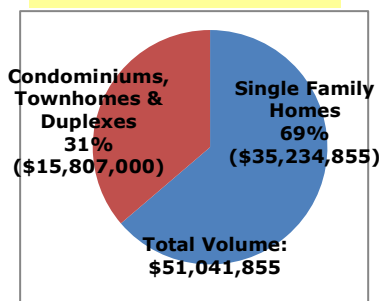
The primary real estate selling seasons in Snowmass Village are winter and spring due to the prevalence of ski accessible properties that characterize the resort. Ski in/out properties define the Village and are its unique main real estate draw. Consequently, summer and fall transaction activity generally drops off dramatically although this summer has been quite active. The off-season months may be the best time for buyers to get a deal as seller's may be more motivated not wanting to go through another winter season.

Snowmass Village: Q3 2014 vs Q2 2014 and Q3 2013

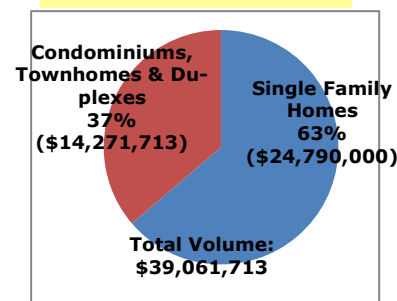
Q3 2013 \$ Volume (\$)



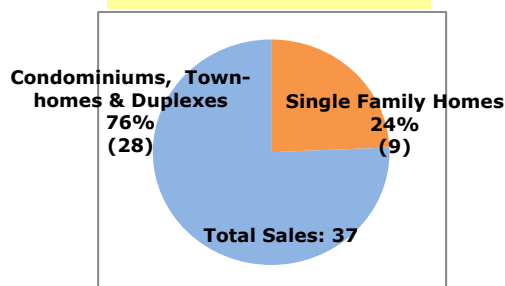
Q2 2014 \$ Volume (\$)



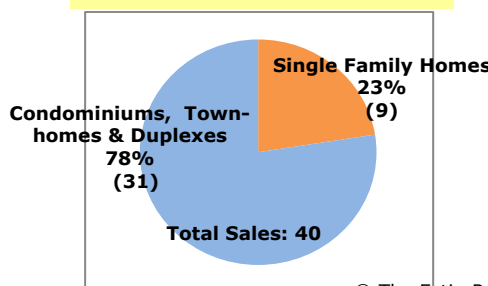
Q3 2014 \$ Volume (\$)



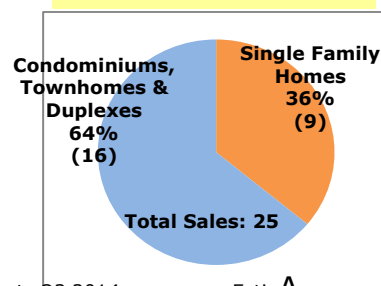
Q3 2013 Unit Sales



Q2 2014 Unit Sales



Q3 2014 Unit Sales



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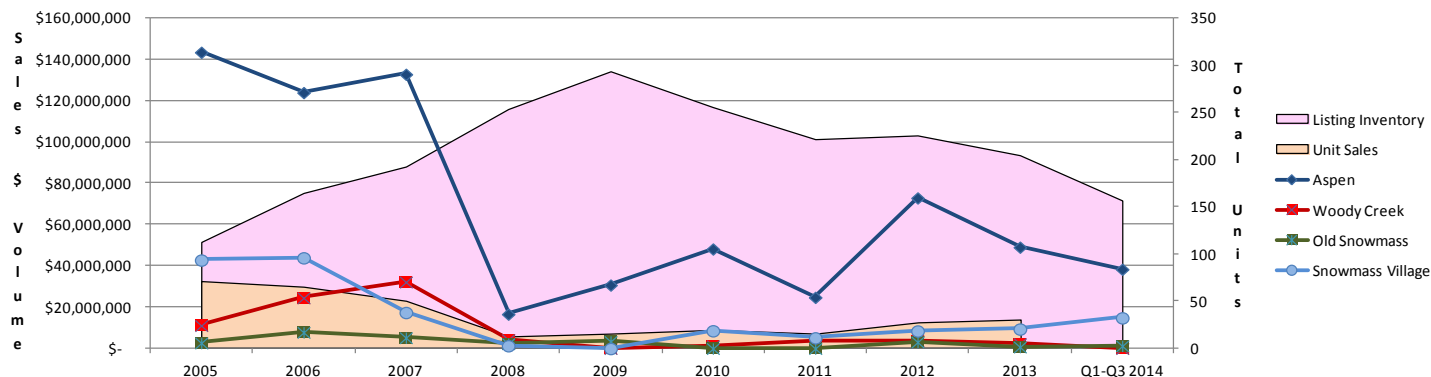


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Estin Report: 2014 Vacant Land Sales

Vacant Land Sales by Area

Lines correspond to total \$ volume by area (left axis), shaded areas represent listing inventory/units sales (right Axis)



Aspen	2005	% Chg	2006	% Chg	2007	% Chg	2008	% Chg	2009	% Chg	2010	% Chg	2011	2012	% Chg	2013	Q1-Q3 2014
Total \$ Volume	\$ 143,632,550	-14%	\$ 124,076,091	7%	\$ 132,954,642	-87%	\$ 16,675,565	85%	\$ 30,782,144	57%	\$ 48,250,000	-49%	\$ 24,804,500	\$ 73,005,666	-33%	\$ 49,135,500	\$ 38,419,590
Listing Inventory	60	55%	93	26%	117	21%	142	12%	159	-8%	146	-11%	130	129	-4%	124	84
Unit Sales	40	-18%	33	-21%	26	-69%	8	38%	11	18%	13	0%	13	25	-20%	20	15
Woody Creek	2005	% Chg	2006	% Chg	2007	% Chg	2008	% Chg	2009	% Chg	2010	% Chg	2011	2012	% Chg	2013	Q1-Q3 2014
Total \$ Volume	\$ 11,126,500	121%	\$ 24,575,000	31%	\$ 32,250,000	-87%	\$ 4,310,000	-100%	\$ -	#####	\$ 1,350,000	164%	\$ 3,565,000	\$ 3,600,000	-35%	\$ 2,350,000	\$ -
Listing Inventory	14	121%	31	-10%	28	7%	30	13%	34	-41%	20	-5%	19	18	-6%	17	14
Unit Sales	6	17%	7	86%	13	-92%	1	-100%	0	#####	1	0%	1	1	0%	1	0
Old Snowmass	2005	% Chg	2006	% Chg	2007	% Chg	2008	% Chg	2009	% Chg	2010	% Chg	2011	2012	% Chg	2013	Q1-Q3 2014
Total \$ Volume	\$ 2,700,000	190%	\$ 7,841,666	-33%	\$ 5,250,000	-56%	\$ 2,330,000	47%	\$ 3,420,000	-100%	\$ -	#####	\$ -	\$ 3,135,000	-76%	\$ 750,000	\$ 1,265,000
Listing Inventory	9	44%	13	92%	25	36%	34	-6%	32	9%	35	-6%	33	35	-23%	27	24
Unit Sales	3	200%	9	-67%	3	-33%	2	100%	4	-100%	0	#####	0	0	#DIV/0!	1	2
Snowmass Village	2005	% Chg	2006	% Chg	2007	% Chg	2008	% Chg	2009	% Chg	2010	% Chg	2011	2012	% Chg	2013	Q1-Q3 2014
Total \$ Volume	\$ 42,882,500	3%	\$ 43,972,500	-60%	\$ 17,459,415	-92%	\$ 1,350,000	-100%	\$ -	#####	\$ 8,605,000	-40%	\$ 5,175,000	\$ 8,500,000	11%	\$ 9,435,000	\$ 14,866,000
Listing Inventory	29	-7%	27	-19%	22	114%	47	45%	68	-21%	54	-28%	39	43	-16%	36	34
Unit Sales	22	-27%	16	-50%	8	-88%	1	-100%	0	#####	5	-80%	1	1	700%	8	10
Totals Per Year	2005	% Chg	2006	% Chg	2007	% Chg	2008	% Chg	2009	% Chg	2010	% Chg	2011	2012	% Chg	2013	Q1-Q3 2014
Total \$ Volume	\$ 200,341,550	0%	\$ 200,465,257	-6%	\$ 187,914,057	-87%	\$ 24,665,565	39%	\$ 34,202,144	70%	\$ 58,205,000	-42%	\$ 33,544,500	\$ 88,240,666	-30%	\$ 61,670,500	\$ 54,550,590
Listing Inventory	112	46%	164	17%	192	32%	253	16%	293	-13%	255	-13%	221	225	-9%	204	156
Unit Sales	71	-8%	65	-23%	50	-76%	12	25%	15	27%	19	-21%	15	27	11%	30	27

*Includes single and multi-family Lots, not Farm/Ranch.

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Construction Activity According to the head Aspen planning officer, Chris Bendon, in a Nov. 1st Aspen Times article, "Construction activity this year, in terms of total permit valuation, is outpacing 2013 by 60% - 70%."

Building Trends and Considerations Per conversations with local builders and subs, here are the bullet points:

- Everyone in the trades is getting very busy - designers, architects, high quality contractors, subs.
- Labor prices and cost of materials are starting to rise, and, importantly, because so many in the trade left the industry post crisis in the past 5 years, a labor shortage is predicted.
- City bldg permit application process now takes 4-6 mos.
- Design trends are focused on clean lines, contemporary, housing art collections (new Aspen Art Museum's influence), timber homes are out.
- Buyers continue to look for value and, when considering scrapers and re-models, to seek ways to capture additional sq footage to add value and improve exit options.
- Plan strategically - plan now, lock in your project.
- The consensus - we are about 8-12 months into a new cycle, not a boom, but a protracted redevelopment cycle. And, it's going to get busier.

Real Estate Transfer Tax Revenue for 2014 The City of Aspen real estate transfer taxes are up 43% for the Housing Real Estate Transfer Tax (HRETT) and up 39% for the Wheeler Opera House (WRETT) through Sep 2014. These taxes are levied on property sales within the City of Aspen and are about 1.5% of the sales price payable by the buyer. In the Town of Snowmass, the RETT is 1%.

Pricing Premiums Developer/builders at the early days of this new cycle offering high quality, new built, finished product are realizing significant pricing premiums. Estimate \$600-\$800 sq ft build cost for a mid-range, good quality Aspen home. Many are scrambling to find quality lots at reasonable prices to justify spec home development.



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Vacant Land Sales Q3 2014

Three Adjacent Vacant Aspen Riverfront Lots

MLS #135670,135671,135669 - Three adjacent vacant developable river lots along Hwy 82 between the Aspen Club and Mountain Valley Subdivision approximately 3/4 miles from town. They sold for \$2.3M, 2.35M, 2.8M on 08/14/2014.

Ask Price; \$3.3M each and on the market since March 2012. Each 20,003 sq ft riverfront lot allows for 4,498, 4,574 and 5,400 sq ft floor area ratio (FAR) respectively with 750 sq ft garage each. (Photo: Whitman Fine Properties).



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Two SMV Sinclair Meadows Vacant Lots



©2010 Property of Aspen/Glenwood MLS

MLS #125249 (Lot 17) and #135335 (Lot 3) - Two SMV Sinclair Meadows Lots, Gambel Way, Snowmass. Sold Price: \$800,000 and \$830,000 respectively. Sold Date: 08/28/2014. Ask Prices: \$825,000 and \$850,000. Sinclair Meadows is SMV's newest subdivision w/17 parcels located next to Meadow Ranch sub. off Owl Creek Rd: Five lots have sold in 2014 at \$695K—\$1.4M. Remaining: (1) is pending with ask \$1.8M, #6 is listed at \$1.325M and unlisted #7 is \$1.395M. #5 w/spec home at \$3.95M is avail. now for completion June '15. (Photo: Aspen SMV Sothebys.)

City of Aspen Eastside Teardown Single Family Home Lot

MLS #128818 - 1208 E Hopkins Avenue Aspen. Sold Price: \$1,800,000. Sold Date: 08/21/2014.

Ask Price: \$2,400,000. (Original Price: \$3.250,000 and on the market since 02/26/2013). The single family lot with teardown home is along Hwy 82/East Cooper just east Chat Roaring Fork condos and the bridge. The property was purchased by a developer who has turned around and listed a preconstruction new 4,900 sq ft contemporary home at \$5.995M/\$1,220 sq ft, MLS #136073. (Photo: Quist Real Estate.)



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The Estin Report

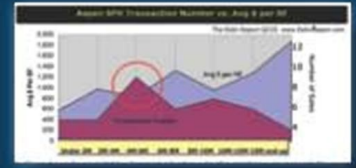
3rd Quarter and YTD 2014
State of the Aspen Market



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- JK/K Company, Denver and Chicago

"On-going research and analysis of the of the local real estate market positions **Tim Estin** to meet the most unique demands of potential clients in Aspen. While closing on a very complex transaction, Tim never said NO to our numerous requests, was always available, and very knowledgeable and helpful in getting us the best deal possible. Thank you for thinking 'out of the box'."
- N&MS, Aspen and NYC

"**Tim Estin** brought both passion and a deep, multi-generational local knowledge of the area to the table. He was our crusader. He found us a property on the market and his connections and savvy enabled us to buy the house of our dreams. He handled everything with aplomb."
- FS, Aspen and DC

"No Broker works harder than **Tim Estin**. More importantly, he has the business smarts and the analytical background to evaluate the dollars and cents of purchasing and selling a property in Aspen. He complements that wonderfully with the common sense and empathy to advise us - as buyers and sellers - if any given real estate decision is "right for us. We view Tim's counsel as invaluable."
- T&SW, NYC



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