



Market Trends:

- Aspen recorded the strongest rise in luxury ski home prices in North America, up by 20.7 per cent in the 12 months to June 2014.
- Aspen unit sales are the highest since 1st half of 2007. There were 128 sales in H1 2014, a 9 per cent increase from last year.
- Aspen dollar sales are the second highest of the past 7 years at US\$437 million, a 36 per cent increase from last year.

ASPEN, COLORADO

Aspen, Colorado is America's most famous ski resort, renowned for its sprawling celebrity mansions, a posh jet set crowd, and some of the country's most expensive real estate. And after prices and sales volumes tumbled during the recession, a sense of optimism is starting to return to Colorado's steepest ski market.

While many of Europe's top ski resorts held steady during the recession, the story was a little different on the other side of the Atlantic. According to Knight Frank's Global Ski Price Index, luxury prices in Aspen hit US\$2,694 psf in 2008 before falling 36 per cent over the next 18 months. Sales data from the Multiple Listing service in the US showed sales in Aspen falling 57 per cent between 2007 and 2008.

"A ski home in the US fitted the mould of a 'nice-to-have' but it was one the first assets to be disposed of when the subprime crisis took hold," says Kate Everett-Allen of Knight Frank International Residential Research. >>

ASPEN AT A GLANCE

REAL ESTATE MARKET:

MID 8 FIGURES*
(LUXURY PROPERTY)

***AMONG THE MOST EXPENSIVE IN THE US**

MAJOR LAND ACCESS

82

STATE HIGHWAYS

NUMBER OF AIRPORTS

6

1 LOCAL AIRPORT & 5 WINTER AIRPORT SERVICES

- Location: Pitkin County, Colorado, Western Slope, USA
- Elevation: 7,890ft (2,405m)
- Area: 9sqkm
- Population: 6,658 (2010)

Market Survey

426 E Main Street, Aspen CO
 New penthouse in the downtown core of Aspen with direct views of Aspen Mtn, features 3 bedrooms, 3.5 baths, 2203sq ft plus an additional unfinished 727 sqft basement storage area. Additional features include 2 gas fireplaces, elevator, snowmelt balconies, 428 sqft rooftop deck w/360 degree views, hot tub, grill, and two parking spaces.
 Price: US\$6,995,000
 Aspen Snowmass Sotheby's International Realty (mayerdebra@yahoo.com)

250 Running Mare Road, Woody Creek
 Classic Colorado style custom home on over 16 acres of manicured grounds. Comprises 11,645 sqft including 5 bedrooms with private master and guest master suites, 8 bathrooms, a gourmet kitchen, formal dining room, recreation room, theatre, wine room, gym, vaulted ceilings, multiple fireplaces and 4-car garage. Also includes a covered patio with wood-burning fireplace.
 Price: US\$20 million
 Aspen Snowmass Sotheby's International Realty (mayerdebra@yahoo.com)



>> But, over the past few years the market has shown signs of recovery. The number of property sales in Aspen increased by 64 per cent in 2013 compared to 2009 according to US analyst DQ News. Aspen's 2014 Winter season, which was characterized by an early ski opening and epic snow, brought a strong increase in occupancy and Aspen real estate sales recorded a 25 per cent increase over the Winter before.

Aspen also recorded the strongest rise in prices of all North American ski resorts, up by 20.7 per cent in the 12 months to June, according to Knight Frank.

"The overall real estate market in Aspen has been consistent and strengthening since the downturn in the economy 2008 - 2011, with the high-end properties leading the way in sales," says Debra Mayer, a broker with Aspen Snowmass Sotheby's International Realty. "Specifically, the high-end sector is strong. Sold properties in the more prestigious and desirable areas of Aspen have average US\$1,000 - US\$2,500 psf with newer construction commanding a premium."

One such project is One Aspen. With direct ski access at the base of Lift 1A, it has reported strong pre-construction sales activity with over half of the 14 planned units already under contract.

Aspen's "core" properties are in the greatest demand, says Mayer. The core consists of a six-block radius from the centre of town where properties sell for around US\$1,400 - \$1,600 psf. Of these, properties with Aspen Mountain views and outside living spaces are the most sought after. Properties with ski in/ski out access are also highly coveted and limited in supply. "Sales of Aspen Mountain slope side properties are selling for a premium - US\$2,000-plus psf," says Mayer.

Other areas popular among wealthy buyers are Willoughby Way and Red Mountain where properties offer views of Aspen's four ski areas, Mount Sopris and Independence Pass. Land plots here also tend to be larger than in the city and homes can feature upwards of 8,000 to 15,000 sqft of finished space. Aspen's West end is another area that offers a range of upscale homes, from historical Victorian houses to newer, contemporary designs.

While other American ski resorts such as Lake Tahoe, California or Park City, Utah offer more affordable options for ski enthusiasts, Mayer says Aspen will continue to attract discerning investors. "Wealthy buyers want to be surrounded by affluence assuring their investments are sound," she says. "The demographics of our buyers and current owners are sophisticated, well educated, typically leaders of their respective industries, wanting a peaceful escape from their

everyday world, seeking a safe environment for their families all within magnificent surroundings."

Financially, Aspen historically has weathered the economic crisis better than other resort destinations. And compared to current real estate booms on both American coasts, Aspen properties still come in at a relative bargain. A recent New York Times article reported that the over-supply of asset classes that are experiencing bubble-like run ups is causing investors to seek a wider net of undervalued assets, not necessarily for investment returns but for safe harbour, inflation hedge and portfolio diversification as well.

"A new Aspen core condo at US\$2,000-US\$2,500 sqft seems like a bargain when compared to Manhattan's US\$6,000-US\$6,500 sqft luxury properties," states a recent report from Estin Properties, an Aspen-based brokerage and research firm.

In addition to investment potential, ski properties are meant to offer relaxation lifestyle perks associated with winter on the slopes, and Aspen has proven successful at offering these. "The typical real estate buyer investigates the risks and finds they are buying a place that brings them so much pleasure and enjoyment along with being a sound financial investment over time," Debra Mayers says. "Aspen is one of the most magical places in the world. After one visit, you want to return and stay." *by Sophie Kalkreuth*

