

2018 real estate: Snowmass surges, Aspen slips; Pitkin County sees \$1.8 billion in sales



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Base Village construction on Nov. 23. Buildings 7 and 8 are scheduled to open in 2019.

A flurry of closed sales in the expanded Base Village in December capped off a measurable improvement in Snowmass property sales in 2018 over 2017, while Aspen real estate sales volume dropped from the previous year's performance.

December sales in Snowmass were partly propelled by Aspen Skiing Co.'s Limelight Hotel opening in Base Village and certificates of occupancy issued for both the residences at the lodge and the newly constructed Lumin building.

For two days, Dec. 17 and 18, nine deals closed — eight on the Limelight residences, one at the Lumin — amounting to \$23.7 million in sales volume, based on records from the Pitkin County Clerk and Recorder's Office.

"One thing about Snowmass is the activity has been up because of the psychological influence of Base Village," said broker Andrew Ernemann of Aspen Snowmass Sotheby's International Realty.

Ernemann, a number-crunching broker, provides market updates throughout the year, including in his most recent newsletter Dec. 14 that reported sales in Snowmass Village so far were up by 30 percent over 2018, while the Aspen market had dipped by 20 percent in sales volume.

Snowmass' figures also were buoyed by two major deals in 2018 — the locally based Romero Group's \$28.5 million purchase of the 80,000-square-foot Snowmass Mall in June, and Sacramento, California-based ABA Hospitality's \$18.5 million acquisition of the Snowmass Club in December.

All of Pitkin County rang up \$1.8 billion in sales in 2018, down from \$1.9 billion in 2017, based on figures from Land Title Guarantee Co. and Aspen Times research. The first quarter of 2018, however, registered \$408 million in sales, well ahead of the \$302 million Pitkin County posted in the first quarter of 2017.

But a downward trend ensued in the spring and summer, with some months posting double-digit percentage drops until October, which saw \$224.3 billion in sales, 15.7 percent better than October 2017 and the highest sales-volume month of 2018.

As broker [Tim Estin](#) noted in his Jan. 3 newsletter recapping 2018, last year was the "third-best year of the past seven since 2012 in terms of sales dollar volume and unit sales."

Estin also tempered headlines about a bursting bubble and looming recession, saying: "I remain cautiously optimistic, a term much over used, with this caveat. There is plenty of Aspen developer inventory remaining in the active listing pipeline that is aggressively and optimistically priced. It is priced accordingly due to limited inventory within their respective property category. New or new-built product continues to command premium pricing and there are solid comparables to justify the high prices. But certainly, some wishful thinking exists within these listings."

Free-market home prices have fluctuated through Pitkin County, according to Land Title Guarantee data.

Through October, single-family homes in Aspen had an average sale price of \$7 million, down 7 percent from the average price of \$7.6 million in 2017. Yet single-family homes in Snowmass Village (\$3.2 million, even with 2017), Woody Creek (\$5.1 million, up 51 percent), Old Snowmass (\$3.3 million, up 182 percent) and Basalt (\$1.4 million, up 26 percent), saw their average prices notably increase, Snowmass Village excluded.

Even with those increases, because Aspen carries the lion's share of home sales, Pitkin County's average single-family home price was \$4.1 million through October, compared with \$4.5 million in 2017.

Despite the price drops in Aspen, Ernemann said sellers are patient and mostly staying put on their prices until the right buyer comes along.

"We saw prices flatten out this year, and I think the prices will remain relatively flat," he said.

He added that the national economic events "definitely filter down to Aspen, and there might be one or two buyers on the margin who decide not to make a purchase."

Also factoring in is low inventory, noted B.J. Adams of Berkshire Hathaway Home Services Aspen Snowmass in her Dec. 12 newsletter. Just three types of properties — condos in Aspen and Basalt, as well as luxury townhomes exceeding \$7.5 million — have seen an increase in inventory.

"This is one of those relatively rare market cycles when it is a good time for both sellers and buyers to be in the market — sellers because low inventory means there's not a lot of competition, and buyers because prices are still mostly lower than 2008 levels," Adams reported. "Sure, there are still over-priced properties, and there are still buyers who insist on offering far too little, but aside from those extremes the market is conducive to rewarding transactions."

Other benchmarks for real estate in 2018, specifically for Aspen, include the city's real estate transfer tax collections.

According to the city Finance Department's latest monthly tax consumption report, from January through November, the city's RETT collections for the affordable-housing portion of the fund stood at \$7.9 million, 15 percent lower than the \$9.9 million the city brought in during the same period last year.

The Wheeler Opera House portion of the RETT brought in \$4.1 million in collections from January through November, also 15 percent lower than the \$4.9 million the city generated in the same period in 2017, according to the report.

The city will release RETT totals for all of 2018 later this month.

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