

Prices spiking as supply shrinks in Aspen real estate

Big-ticket sales skyrocket, bolstering average prices

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A sign on Gibson Avenue in Aspen markets a property for sale.

Kaya Williams/The Aspen Times

Think Aspen real estate was pricey last year? Just try buying a house in 2020.

A November [real estate market snapshot](#) [↗](#) from Sotheby's broker Tim Estin shows skyrocketing sales and shrinking inventory in Aspen and Snowmass Village as the year comes to a close.

Regionwide statistics show triple the unit sales and more than quadruple the total dollar sales for November compared with the previous year; overall year-to-date unit sales are up 47% and dollar sales are up 120%. And there's less for sale, too: there was almost a third less inventory in November than there was the year before.

"These numbers are just mind-blowing," said Estin, who writes real estate market analyses dubbed the Estin Report. "We're still setting records."

The stats for November show a slight downturn compared with the [busy months of summer](#). But for the typically slow offseason in real estate, last month saw big jumps in unit sales and dollar sales in an already banner year for local real estate.

In Aspen, year-to-date unit sales are up 44% (325 condos through the month of November versus 225 last year). And for the month of November alone, those stats skyrocketed: 38 units sold last month in Aspen, compared with 16 the year prior. That's a 138% increase.

The price of homes sold shows an even bigger jump: year-to-date numbers for Aspen sale prices have made real estate a multi-billion-dollar industry in the town: a 134% increase in dollar sales brings [this year's Aspen total to more than \\$2.32 billion](#); last year's total at the end of November rung in at \$993 million.

If you crunch the numbers, that means that this year’s Aspen buyers have spent a lot more on homes and condos than those who purchased property in 2019: the year-to-date average sale price so far this year in Aspen is more than \$7.1 million, up from around \$4.4 million last year — a spike of roughly 62%. And inventory in Aspen is down 22%: there were only 244 units available this year in November, compared with 313 last year.

Some clients are turning to Snowmass Village as a viable alternative to the Aspen frenzy. Monthly unit sales in the town are up 147%, with 47 sold in November compared with just 19 the same month last year.

But there, too, it’s getting harder to find the right fit at the right price, Estin said. Inventory in Snowmass Village is down 39% from the previous year, with 137 units available compared with 224 in 2019. The average unit price is up there, too, ringing in around \$2.2 million this year compared with \$1.9 million last year, about a 15% increase per unit.

“Bottom line, as Aspen prices have risen and the demand doesn’t get quenched in Aspen, yes, the interest flows into Snowmass,” Estin wrote.

Those higher home prices boil down to a question of supply and demand.

For one, homes with an asking price more than \$10 million are going like gangbusters: the year-to-date unit sales for these ultra-luxury properties have more than quadrupled in 2020.

“Those sales over \$10 million are driving all the averages — at whatever price point — it’s driving it all upwards,” Estin said.

Plus, limited supply and high demand drives selling prices. Estin said his market analysis for this year shows “unbelievable, exponentially high numbers.”

It might seem like higher selling prices and higher demand would be a strong incentive for homeowners to put their property on the market — therefore increasing the inventory available. But those high prices also are a sticking point in the supply-and-demand equation, Estin said.

“Sellers are thinking, ‘If we sell, what’s the alternative? Where else are we going to live?’” Estin said. “Sales have been so brisk so ferocious that new properties for sale, new listings... are not happening fast enough to fill that pipeline that’s emptying out.”

In other words, it’s easy to sell a house, not so easy to buy one. Some high-rolling clients in Aspen plan to wait out the COVID-19 craziness because the selection of multimillion dollar properties is currently limited, Estin said.

“They’re very frustrated,” Estin said. “They’re saying, we’ll just wait for things to calm down.”

But it’s hard to predict whether things ever actually will calm down. [Aspen had a lot of appeal over the summer](#), Estin said, because some felt safer in an area where COVID-19 cases were relatively low. Now, as Pitkin County case numbers rise and the likelihood of entering Red level restrictions seems possible if not probable, that interest in coming to Aspen could wane.

“If we go into the Red color ... does it make sense for someone in L.A. to come to Aspen? Are they really any safer?” Estin wondered.

But even if things change in Pitkin County, it’s not likely that the market will automatically revert to its 2019 sales.

“I don’t believe that there would be a retreat back to pre-COVID times,” he said. “As brokers, we don’t know where this is going to lead to.”

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