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The price for preserving the backcountry keeps climbing

By Scott Condon/Aspen Daily News Staff Writer
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A picture of the Richmond Ridge area from December 2012. Rural and Remote Zoning has limited development in high elevation locations in Pitkin County. In some cases, development rights are transferred to other areas of the county.

Courtesy of EcoFlight

Heavy demand for transferable development rights in Pitkin County pushed the price above \$2 million for the first time ever in 2022, according to an annual report compiled by the county community development department.

Individual transferable development rights, or TDRs, sold for \$2.1 million in one transaction on Jan. 21 and in a separate transaction on March 28, according to the report.

All told, eight TDRs transactions were reported to Pitkin County this year, with sales prices ranging from \$950,000 to \$2.1 million. That represents a healthy appreciation from 2021, when the sales prices ranged from \$375,000 to \$1.8 million.

TDRs are a key part of Pitkin County's effort to limit development in the backcountry. The county created rural and remote zoning in the mid-1990s to limit development to 1,000-square-foot, off-the-grid cabins. The county created the TDR program in 1995 to help safeguard the downzoning from legal challenges. Landowners with property in a designated "sending" area can sell a transferable development right for use in a designated "receiving" area, where Pitkin County has deemed development more appropriate.

The most common use of a TDR is to increase the floor area of a residence. They can also be used to create a development approval that is exempt from the county's competitive Growth Management Quota System. Since the program was created, 297 TDRs have been used to increase floor area while 89 were used for new development rights.

The number of TDRs generated on a sending site is determined by the size of the Rural and Remote property. A lesser number of TDRs are also generated from historical designation of a property or when a development site is constrained in some way by county development regulations.

When purchased, a TDR typically provides 2,500 square feet of extra floor area. That's what makes them attractive to builders who want to supersize their homes.

“The price continues to provide a compelling incentive to sever rights from rural/remote properties, as well as from other areas from which TDRs can be severed,” said the report by Community Development Director Suzanne Wolff. “The current price of a TDR has encouraged eligible property owners to obtain TDRs rather than develop.”

The TDR market has cooled significantly in terms of transactions since 34 changed hands in 2007. Prices that year ranged from \$250,000 to \$318,000, creating an interesting subset of the real-estate market. TDR prices surged like all sectors of the market during the buying frenzy triggered by the COVID-19 pandemic.

“The price of a TDR remained steady from 2014 to 2017, ranging from \$185,000 to \$220,000,” Wolff wrote. “The price slightly increased in 2018, 2019 and through September of 2020, then started to escalate in November 2020, with the highest sale at \$360,000. In 2021 and 2022, the price of a TDR continued to escalate — with the highest sale in 2021 at \$1.8 million and in 2022 at \$2.1 million.”

The sales price has dropped since hitting the \$2.1 million peak in the first quarter. Wolff noted that the most recent sale was for \$1.55 million on Dec. 5.

The Pitkin County Commissioners are scheduled to review the TDR report at the end of their meeting on Wednesday. No specific time is set and the discussion will come after a packed agenda.

While TDRs are generated by right in the rural and remote zone, the commissioners must approve TDRs generated in other circumstances, such as when a property owner voluntarily preserves a historic structure. Some of the county commissioners have become increasingly wary about approving those TDRs.

Even if the program is altered by the commissioners, transferable development rights will remain in the system for a considerable time. Since the program was started, 410 TDRs have been issued, including 12 this year. Of those, 281 have been used or “extinguished.” That leaves 129 available, according to the report.

