

later that night
i held an atlas in my lap
ran my fingers across the whole world
and whispered
where does it hurt?

it answered
everywhere
everywhere
everywhere.

— Warsan Shire, Somali-British writer and poet (1988 -)
from her poem, "what they did yesterday afternoon"

REAL ESTATE NEWS • ASPEN SNOWMASS BASALT • LATE FALL 2017

The Roaring Fork River at North Star Preserve | Photo by Catherine Lutz

We recognize how very fortunate we are here in the mountains to bask in brilliant fall color and sunshine — it fills our souls with glory — and yet, our hearts ache for our friends, family and clients whose lives these

recent weeks have been torn apart by hurricanes, floods, mass shootings, and wildfires. We wish all of you who are dealing with these immense tragedies courage to face the days ahead and the faith and strength to rebuild your futures.

Inside This Issue

The Current Market • What's Developing in Aspen | Snowmass | Basalt

It's the annual autumn tease. After two early powerful snowstorms took down limbs and scattered still-green branches, even trees, across roads and sidewalks, the brilliant bluebird fall days which we cherish are back, prompting as many late-season wanderings through the kaleidoscope of fading warm colors as we can find time for. The snow-capped high peaks, however, are a daily reminder that winter is just around the corner, a winter that local meteorologist Cory Gates predicts to be "solid." Speaking at Aspen Weather's annual Winter Outlook Party at The Limelight in September, Gates forecast near-average snowfall for local mountains, which he optimistically translated into 18 "good weeks" (out of 26) and favorable conditions 70 percent of the time.

CONTINUING STRENGTH OF THE MARKET

THE CURRENT MARKET | ASPEN • SNOWMASS VILLAGE • BASALT

PRICES PER SQ FT AND INVENTORY 12 months at 9.30.17 (vs. 9.30.16)

	SALES	12-MO CHANGE VS.		\$/SF	CHANGE	INVENTORY	CHANGE
		12/16	5/16				
Central Core condos	92	↑ 28%	↑ 12%	\$1535	↑ 11%	47	↓ -35%
Aspen homes	90	↑ 91%	↑ 70%	\$1134	→ -4%	89	↓ -17%
Aspen condos	151	↑ 30%	↑ 20%	\$1327	↑ 10%	64	↓ -33%
Snowmass homes (ski-accessible, inc. lux)	11	↓ -42%	↓ -45%	\$1046	→ -2%	34	↑ 4%
Snowmass homes (off-mountain)	24	↑ 9%	→ 4%	\$655	→ 4%	29	↓ 23%
Snowmass condos (ski-accessible)	71	↑ 42%	↑ 69%	\$633	→ -6%	98	↓ -13%
Snowmass condos (off-mountain)	28	↓ -20%	→ -3%	\$599	→ 1%	28	↓ -42%
Basalt homes	55	↑ 8%	↑ 22%	\$367	→ 1%	64	→ 12%
Basalt condos	75	↓ -13%	→ -1%	\$401	↑ 16%	33	→ -2%
Luxury homes (\$7.5M+, Aspen & Snowmass)	41	↑ 46%	↑ 32%	\$2037	↑ 25%	126	→ -10%
Luxury townhomes (\$7.5M+, Aspen)	2	→ 0%	→ -33%	\$2661	↓ -11%	10	→ 0%

Except where noted, all above statistics exclude luxury properties—those priced at \$7.5M or more.

[*] The decline this year of Snowmass ski-accessible home sales can be attributed to two factors: (1) builders bought up most of the under \$4M inventory last year in order to redevelop it, and opportunities in this segment of the market are pretty much gone now; and (2) one big Latin American family bought a handful of adjacent properties in Woodrun which accounted for 4 sales, but not 4 buyers

We all like the direction this is going. Sales in the upper valley have increased in the last 12 months by about 30%, which has erased the 2016 tumble (the one some 'experts' termed a "nose dive") and has returned the market to 2015 levels. And through that entire 2-year fluctuation, prices grew by a total of 8%. But the hidden gem we see is in Snowmass condominiums, which have exploded in sales by comparison with the rest of the market, while prices have not yet begun to rise. Pre-recession, Snowmass prices were 70% of comparable Aspen properties — now they are 50%. The market is taking notice of this increased value in the resurging resort.

record # of properties sold over \$2000 per sq ft this year

2017 YTD – 35

with 8 selling for over \$3000/ft, and the highest at \$4144/ft for a house on Shady Lane at the base of Red Mountain

2016 YTD – 12

where the money is

70% of Aspen home sales are under \$7,500,000
 70% of Snowmass home sales are under \$4,000,000
 65% of Basalt home sales are under \$1,000,000

MOST ACTIVE MARKET SEGMENTS

ASPEN Aspen Alps | Cemetery Lane area | Enclave at Aspen | Hunter Creek Condos
 Inn at Aspen | Pitkin Green | Red Mountain | Riverside neighborhoods
 Starwood under \$5M | Villager Townhouses | West End

SNOWMASS VILLAGE Aspenwood | Country Club homes/townhomes/villas | Enclave | Melton Ranch
 Owl Creek Townhomes | Viceroy | Woodbridge | Woodrun Place

BASALT Aspen Junction | Blue Lake | Gold Rivers condos | Southside | Summit Vista | Willits

2017 IN SUMMARY

homes median price
 Aspen \$4,000,000
 Snowmass Village \$2,425,000
 Basalt \$ 800,000

homes avg price per sf
 Aspen \$1,472
 Snowmass Village \$ 771
 Basalt \$ 374

condos median price
 Aspen \$1,375,000
 Snowmass Village \$ 600,000
 Basalt \$ 485,000

condos avg price per sf
 Aspen \$1,384
 Snowmass Village \$ 628
 Basalt \$ 379

Most Growth this Year

Aspen single family homes
 Snowmass condos

Rapidly Dwindling Inventory

Aspen condos
 Snowmass condos
 Building sites in all 3 communities

WHAT'S DEVELOPING IN ASPEN, SNOWMASS, AND BASALT



Photo by Jeremy Swanson

Aspen

Things remain quiet on the future-development front in Aspen, even during a hot year for real estate sales and construction. **Through July, total building permit valuations are ten times what they were at the height of the recession in 2010**, yet the number of land-use submissions has been steadily declining for the last three years.

Construction continues full throttle on several prominent downtown projects, including the former **Sky turned W Hotel** on Durant, the **Hotel Jerome renovation** and addition including the Aspen Times building, and down Main Street to the east, the new Aspen Police Department and Pitkin County government buildings. To the west, the former Main St Bakery building is under construction and will soon be **Oakville Grocery Aspen**, modeled after the famed general store in Napa Valley. Meanwhile, the hammers have stopped and crews are gone from **The Aspen Club** site as its owners seek to refinance their project to build 20 new fractional residences and expand the main athletic club. Fourteen of the new residences were scheduled to be finished by the end of this year; a new completion date is unknown. —>

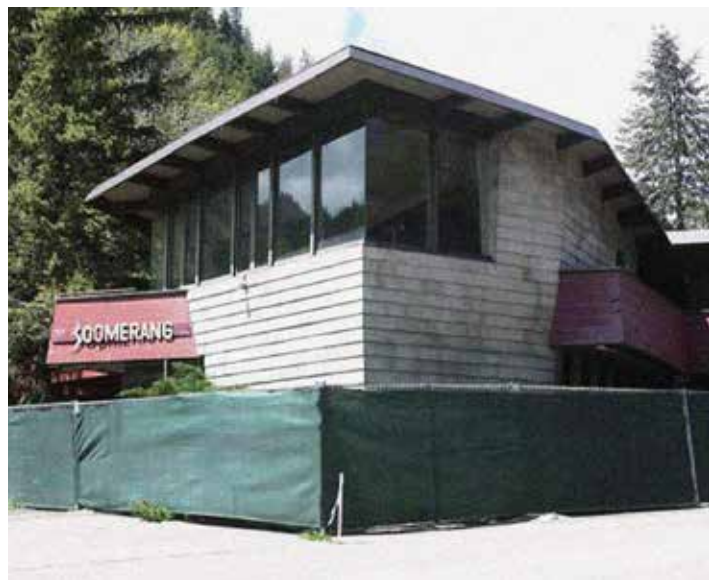
Some developers may be taking a wait-and-see approach on how all the approved development will be absorbed.

As the **One Aspen luxury townhomes** near completion, peace and quiet may settle in for a while on the Lift 1A side of town. Review of the 61-room Gorsuch Haus Lodge project has been on hold since spring, as stakeholders and a city-hired consulting firm work on access and transportation issues. Many in the community are hoping that a new ski lift can start further down the hill than currently planned, but any solution would likely entail a major change to the unbuilt **Lift One Lodge**, whose 2011 approvals for a 22-unit fractional project expire next year. A report from the city's consultant is expected to be made public soon.

Also on the west side of town, a **redevelopment plan for The Boomerang**, a 1950s-era ski lodge that was mostly torn down in 2007, has been dusted off only to be put in limbo again as a prospective new owner weighs how to move forward with outdated approvals and neighbors who have mounted legal opposition to the current plan for 47 rooms and 5 condos in a four-story building.

Most notably silent is Mark Hunt, the developer who has acquired about a dozen downtown buildings since 2012 and has city approvals to redevelop a number of them. Plans on when to raze and replace the **Bidwell Building** at the corner of Cooper and Galena, the **Crystal Palace building**, the former **Aspen Daily News building** on East Hopkins, the **Buckhorn Arms Building** by City Market, and the **Conoco gas station** on Main Street are in the air as some tenants receive lease extensions, others leave, and building permits aren't pulled. Hunt has only redeveloped one of his buildings (the former Gap building that's now home to high-end retailers Dolce & Gabbana, Theory, and Lululemon) and, since then, has sold or backed-off a few local investments, including the New York Pizza building on the Hyman Mall and the Seguin building, where the Aspen Brewing Company and Aspen Over Easy are closing by the end of October under new ownership.

As for **future development**, two local experts agree there's not much in the pipeline, largely due to recent city land-use code changes that eliminated incentives and increased mitigation requirements. In addition, planner Alan Richman points out that a rush of development applications before the year-long moratorium which prefaced the code changes essentially glutted the development pipeline with "way more than was justified by any demand." And veteran appraiser Randy Gold notes the market-based side of the equation — some developers may be taking a wait-and-see approach on how all the approved development will be absorbed. Plus, he says, with not much to buy and prices influenced by sky-high sales of some downtown commercial properties in recent years, it's no wonder there's little in the way of major development applications. And that's "OK in terms of having the existing supply settle out a little bit more," says Gold, a sentiment which Richman echoes.



Top to bottom: Rendering of Hotel Jerome expansion; current state of The Boomerang; Shadow Mountain residents rally in opposition to proposed amendments to The Boomerang Lodge redevelopment

Snowmass Village



Rendering of proposed redeveloped Snowmass Center

In Snowmass, for the first time in years, there's more to discuss than Base Village, where construction there is well underway on the next phase to be completed in fall 2018.

But first some new news. **A major proposal to redevelop the 37-year-old Snowmass Center** is making its way through the Town's land-use review process. Owner Eastwood Snowmass Investors, whose local face is Jordan Sarick, wants to increase the square footage of the locally serving commercial center fourfold, creating a mixed-use development of multiple buildings that would function like a "main street" with public gathering areas, sidewalks, and 15 acres of open space. —>



Photo by Jim Paussa

Snowmass Village Fall 2017

The proposal also includes what has been reported as “a modest expansion” of commercial space, most of it in a new building close to Brush Creek Road. Much more heavily weighted in the plan is the residential aspect: 62 new free-market residences contemplated in several buildings to the north, east, and south of the core commercial buildings. In addition, 11 employee-housing units would be added to the second floor of the existing Snowmass Center.

With the Town’s Planning Commission kicking off the first of three phases of review this month, it’s too early to speculate when a final decision will be made and construction might start.

Another project that’s recently come to light is an application by **The Enclave to add five new residences** to the 40-unit luxury condominium project, along with a whole host of improvements including a new arrival center, reconfigured and new covered parking, and refurbished siding. The new units would be built on the west side of the property, where the Woodrun triple chair ski lift used to be, although there is some concern from neighboring Crestwood owners about their views being impacted. The Enclave proposal is a Major PUD application and is likely to go through a few more hoops in the Town’s review process.

As for **Base Village**, construction continues on The Limelight hotel building, a small residential building, a public events plaza, and the town-owned Discovery Center, whose uses are yet to be determined but are intended to be inclusive and public. Debuting in fall 2018 will be 99 guest rooms in The Limelight building, as well as a new restaurant and public gathering spaces including a children’s game area; 11 free-market condominiums in The Limelight building and 3 in the adjacent small building; a 230-member private mountain club; a Four Mountain Sports store; and activities such as ice skating in the winter and concerts and fountains in the summer at the central plaza.

As for this winter, **The Viceroy hotel is undergoing a \$3.5 million renovation** of its public spaces, including the lobby and main restaurant space, where acclaimed chef Richard Sandoval will open **Toro Gastrobar**, a pan-Latin eatery, and the **Toro Lounge** bar, on December 15. Also included in the remodel are a new coffee shop and new fitness center. And, speaking of food news, local restaurateur David Dugan is transforming the former Ricard space on the Base Village beachfront into **State 38**, a sophisticated yet casual restaurant with a focus on authentic Colorado mountain fare (the name being a reference to where Colorado ranks historically in joining the United States).

Basalt



Rendering of new Roaring Fork Club cabins

Basalt continues to undergo its renaissance from a sleepy midvalley service community to a livable, vibrant town with year-round attractions and real estate opportunities at nearly every level of entry.



Generating some buzz on the high end is a proposal for **13 new whole ownership cabins at The Roaring Fork Club**, beginning review with the Basalt Planning and Zoning Commission in November. As of this writing, 11 of the cabins, which feature 4 or 5 bedrooms and sit on a collective 20 acres, have been reserved. Construction is expected to commence in spring 2018 should town approvals be secured this winter. —>

At Willits, the overall vision is coming to fruition at a decidedly fast pace. New restaurants, including Mezzaluna and Capitol Creek Brewery, opened their doors along with other craft businesses including a book store, Bookbinders, a fashion and home goods shop, Hollyann, and a performing arts and event space, The Temporary. Most notably, construction is now underway at the entrance to Willits Town Center, a site that will be home to both rental apartments and additional commercial space, and this is bringing a noticeable buzz of activity to the growing neighborhood. And, in the design phase, according to IND Ventures' Tim Belinski, are hip, downtown flats, and contemporary, graciously scaled row homes — both to be delivered in spring 2019.

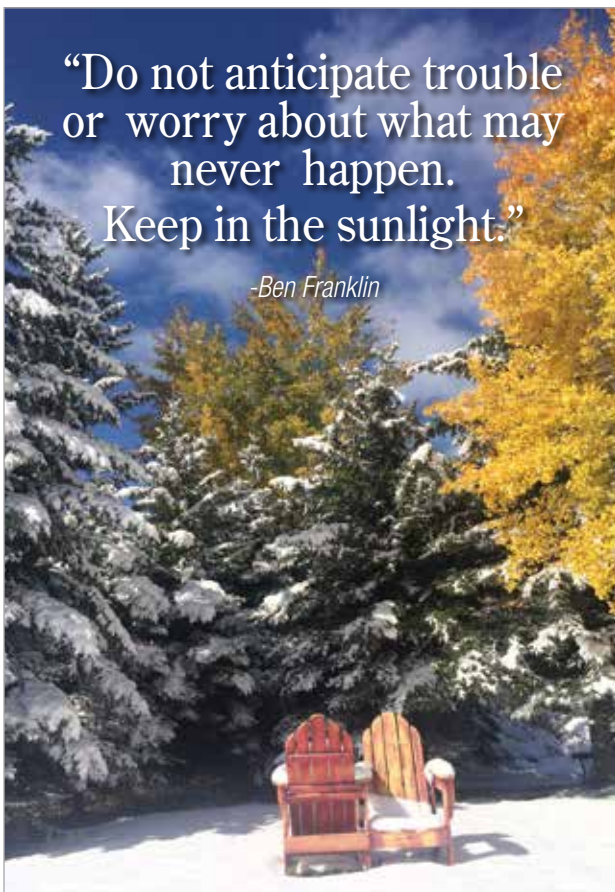
In downtown Basalt, there's some action on the site of the former Pan and Fork trailer park, where construction of the **Roaring Fork Conservancy's new River Center** is underway. The state-of-the-art, approximately 4000 sq ft facility, next to the Rocky Mountain Institute's new Innovation Center and bordered by the Roaring Fork River and its wetlands, will serve as the local nonprofit's headquarters, laboratory, and educational hub.

Another parcel remains vacant as Basalt officials consider its fate. After Basalt voters rejected a proposal last November for the town to buy 2.3 acres near the **Midland/Two Rivers Road intersection**, primarily to enlarge a riverfront park, local developer Jim DeFrancia of Lowe Enterprises floated an idea to buy the land for \$3 million and build a 65-key condo hotel along with some restaurant and retail space, while giving up 1 acre for the public park.

Meanwhile, with construction wrapping up on the **realigned intersection of Highway 82 and Basalt Avenue and a pedestrian underpass**, traffic flow has already considerably improved. The underpass and new turning lanes from Basalt Avenue improves access to and from Basalt's Southside, where there's new development worth mentioning.

Town approvals from 2009 were recently confirmed for **Stott's Mill**, a neighborhood adjacent to Southside, of 113 residences to be built across the Rio Grande Trail from Basalt High School. The development is planned to consist of 48 single-family homes and 64 multifamily apartments, 25 of which will be deed-restricted as affordable and the remainder intended to be "attainable." Also near the high school, a plan to build 27 affordable condos for local workers recently got the green light. **Basalt Vista**, a partnership between the Roaring Fork School District, Pitkin County, and Habitat for Humanity Roaring Fork, is providing housing for school district employees, including teachers, as well as Pitkin County employees.

And, finally, it's worth noting that, in June, Eagle County approved the **340-unit Tree Farm**, across the highway from Willits. The new subdivision, which includes 135,000 sq ft of commercial space, as well as both free-market and affordable/resident-occupied housing, will be phased in over time, although some legal wrangling over the development's approvals means it's unlikely construction will begin anytime soon.

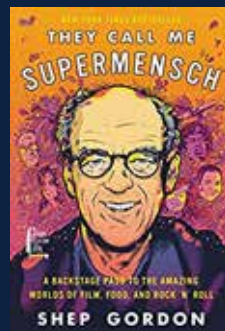


“Do not anticipate trouble or worry about what may never happen.
Keep in the sunlight.”

-Ben Franklin

Snowmass Office on Oct 10 | Photo by: Shari Darden, our Director of First Impressions

WHAT WE'RE READING



*They Call Me Supermensch:
A Backstage Pass to the
Amazing Worlds of Film, Food
and Rock 'n' Roll*
by Shep Gordon

A brilliant story teller, Gordon shares outrageous tales from his legendary 50-yr career as manager, agent, and producer for clients as varied as Alice Cooper, Anne Murray and Nobu Matsuhisa. One of the most respected people in show business, Gordon is revered for his kindness, integrity and heart — and especially for putting others' happiness before his own.

One line from an early chapter which especially resonated:

“It all starts with the end, the goal. I tell my clients the real value in me is that I can get a year ahead of you, see where there's a pothole in our road and figure out how you don't fall in it.”

We couldn't articulate our mission as real estate advisors any better.

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