

Where's the money being invested? At the base of Aspen Mountain

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By Andrew Ernemann

ASPEN, Colo.—As we head into the heart of the holiday season, it feels like the streets and slopes in Aspen/Snowmass are getting busier every day. The mood around town is decidedly optimistic, with a gentle current of lingering concern about global financial stability. One measure we always rely upon to gauge the direction of the local economy is real estate investment. This month we'll take a look at the impressive amount of large-scale real estate development and investment at the base of one of the world's foremost ski resorts, Aspen Mountain.

Built, Currently Building and Coming Soon

There are seven significant real estate investment projects located just below the slopes of Aspen Mountain - some recently completed, others focusing on impressive facility updates, and a few in the planning phase.

Aspen Club & Spa

The Aspen Club & Spa has been a mainstay for fitness and wellness since 1976. In 2010 the Club received approvals from the City of Aspen to embark on a major overhaul. In 2011 the Club's ownership announced a partnership with Auberge Resorts. Together, they anticipate breaking ground as early as 2012 on 20 new fractional residences and numerous upgrades to the existing facilities.

The Little Nell Hotel

The Aspen Skiing Company's prized real estate holding, The Little Nell Hotel underwent a \$20 million renovation prior to the 2009-10 ski season, and SkiCo has continued to make tweaks and minor upgrades to the property since that time. In 2010 SkiCo added the Limelight Lodge to their Aspen real estate portfolio to the tune of nearly \$38 million.

Residences at the Little Nell

Despite numerous setbacks during and after construction, the Residences at the Little Nell has won over the hearts of the guests and owners that have stayed in the first-class accommodations. It is the only fractional condo project in Aspen/Snowmass that commands prices north of \$1 million for its product. With over 30 fractional unit sales in the past year, the project continues to defy any signs of a recession.

St. Regis Aspen

Just over a year ago, the St. Regis Aspen resort was sold to OptAsia Capital Co. for \$70 million. If the sale price wasn't impressive enough, the new owners have promptly invested another \$30 million this year updating the hotel rooms, lobby, dining areas and other amenities. The finishing touches are now taking place, and are sure to keep the St. Regis in the top tier of Aspen accommodations.

Dancing Bear

Hot off the press...the Dancing Bear (Phases I and II) went under contract last week to a developer with locally-based operations. The developer is currently performing their due diligence on the bank-owned property. If all goes as planned, after closing the developer will likely ramp up the sales efforts for the remaining Phase I fractional condo units, and look towards re-starting the stalled Phase II development.

Lift One Lodge

Last month the Aspen City Council approved development plans for the Lift One Lodge, a project that has been in the pipeline for over five years. Situated directly at the base of the 1-A chairlift (and encompassing the historic base terminal for Aspen's first chairlift), the future lodge project includes many public amenities and will be sure to add needed vitality to the 1-A side of Aspen Mountain.

1-A Townhomes

Across the street from the Lift One Lodge is the 1-A Townhome site, a property that grabbed local headlines for years as the developers struggled through the City's development approval process in the hopes of building a hotel. After repeatedly failing to win over the City Council, the property was foreclosed upon in 2010 and subsequently sold to Boston-based Alcion Ventures. The current ownership group has decided to stick with the previous approvals for the property, and plan to build 14 townhomes on the site.

The base of Aspen's world-famous ski resort is unquestionably popular with real estate investors and developers these days. Similar to other local neighborhoods, the focus tends to be on well-located, quality assets. Properties that fall outside of this lens are now starting to get attention as well. It will certainly be interesting to see how the 2011-12 ski season unfolds with regard to local real estate.