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RLN having a big year

*Luxury fractional sales at base of
Ajax amount to \$45M this year*

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If the local real estate market is still feeling the effects of a down economy, sales at the Residences at Little Nell is not an indication — more than \$45 million has been sold in fractional units in less than a year.

In the past nine months, the private Residences at Little Nell (RLN) has experienced a spike in sales — indicating a trend that high-end condos are a bright spot in Aspen's real estate market.

There have been 29 RLN transactions since December, grossing a total of \$45.77 million in sales revenue, which is up almost 20 percent from the previous year's sales, according to transactions recorded in the Pitkin County Clerk and Recorder's Office and RJ Gallagher, managing director of marketing and sales for RLN.

The residences are comprised of 26 units — 19 three-bedrooms and seven four-bedrooms — available for fractional ownership, which are sold at 1/8 interests.

There were originally 208 fractional interests available. To date, 73 percent of the total interests have closed, while three more contracts are due to close in the next few months, Gallagher said.

A three-bedroom interest currently goes for \$1.4 million, while the sole remaining four-bedroom interest is going for \$2.8 million, which is \$400,000 more than the highest sale for a residence made to date.

"This has been an absolutely remarkable year for RLN from a sales perspective," Gallagher said. "Especially when you compare the sales at RLN to the private residence club industry as a whole or

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Condos and West End real estate bright spots in Aspen market

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the Aspen real estate marketplace in general.”

Year-to-date, fractional sales are up only 2 percent from the same time last year, according to a June Pitkin County market analysis by Land Title Guarantee.

Gallagher also noted that owners have bought additional interests in order to spend more time in Aspen. About 35 percent of RLN owners have purchased more than one interest, although that number might be skewed because some have bought more than three interests, he said. An 1/8 interest gives owners six weeks a year in their units.

The spike in RLN sales reflects a trend in what is currently selling in the Aspen market — quality and well-located properties, said Andrew Ernemann, a real estate broker for BJ Adams and Co. Buyers who are

willing to purchase real estate in Aspen are investing in high-end luxury condos in the core and in homes in the West End, he said, adding that those are currently the two locations where there has been the most activity. One out of four home sales this year have gone for \$10 million or more, he noted.

Other factors that could have affected the number of RLN sales are the lowering of interest prices since the Great Recession and the fact that there were a number of owners who sued to try to get out of their contracts when the project was originally being built because of construction delays, said Ernemann. The press generated by the lawsuits could have prevented or delayed sales from closing until December, he said.

The poster child for luxury Aspen real estate that set record after record since pre-sales began in 2005,

RLN has been beset with various issues since even before the current economic downturn. An organized labor protest camped out in Aspen’s gondola plaza for over a year. Since early 2008, the carpenters’ union had been protesting the poor wages and hiring practices of one of the development’s subcontractors.

Neighbors have sued the project, because construction on the building caused neighboring homes to be uninhabitable. At the time, would-be buyers began suing to get out of their sales contracts, citing construction delays. In 2009, the RLN went from being almost completely sold out to reportedly being only about half sold as a result of the legal action.

RLN opened in February 2008.

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