

# Fractional Ownership News

## Fractional ownership bounces back from recession in Aspen



[Fractional real estate](#) ownership in upmarket ski resort Aspen “is showing itself once again to be a serious contender for luxury destination aficionados”, according to The Aspen Business Journal.

The paper spoke to a selection of real estate professionals in Aspen about how their particular projects are faring. R J Gallagher, who looks after sales and marketing for [The Residences at The Little Nell](#) (pictured), said: “RLN experienced huge sales success in 2010, with 40 closed transactions representing more than \$42 million in gross revenues generated. We also managed nine resales resulting in more than \$13 million in revenue generation. In total, our internal sales team managed to close more than \$55 million in transactions in 2010.”

Gallagher believes that “the challenge is absorbing the available inventory, which in some markets will take two-plus years. The other challenge is the pricing of inventory, which in some cases is 30% to 40% below 2008.”

Ivan Skoric, sales manager for the [Ritz-Carlton Club](#) at Aspen Highlands works with more than 700 members and has been selling Ritz-Carlton fractions for almost nine years. Ivan agrees, “The product is morphing – the industry is changing. The Ritz is expanding into a true destination club offering greater flexibility to adapt to travel choices. The Ritz-Carlton Club has thrived because it works. We continue to be a terrific way of achieving second home ownership in Aspen. And while the market has been through a challenging few years, the bucket of distressed opportunities is dwindling. Most folks who own are locked in, secure and enjoying their second home. And now we have multiple buyers – new buyers – looking for a piece of Aspen but hesitant to launch into a multi-million dollar venture. The Ritz-Carlton is a great option.”

Tom Carr, co-owner of Leverich & Carr, has become “the go-to broker for fractional owners looking to sell and for fractional buyers who prefer to have a real estate guide that understands all the offerings”, according to The Aspen Business Journal. He is seeing a steady stream of buyers: “I have sold to people from all over the world, though mainly U.S. buyers. The second largest market for our office has been Australia. There is still a market there for those who are coming a few weeks a year and don't want to spend millions. I noticed that many of the buyers prefer the services and amenities that the fractional ownership projects provide. With the lack of financing in the marketplace I don't

foresee too many new projects coming on, but I do think we will see quite a bit of activity on the resale market."

[www.rlnaspen.com](http://www.rlnaspen.com)

[www.ritzcarltonclub.com](http://www.ritzcarltonclub.com)

[www.aspenreinfo.com](http://www.aspenreinfo.com) (Leverich & Carr)

11/02/11