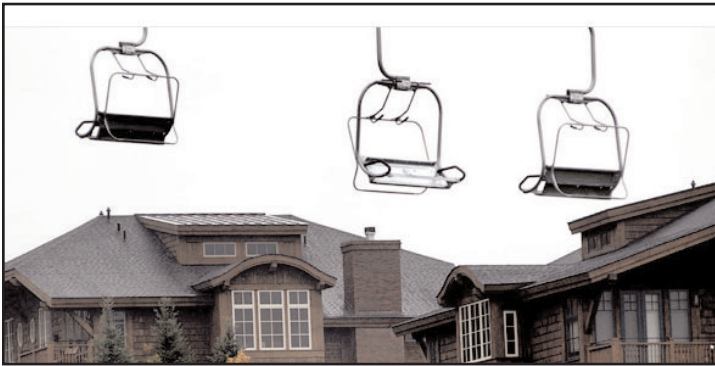


# The New York Times

Friday, October 20, 2006

## Real Estate

### The Ski Home Market Hits a Slow Patch



By Amy Gunderson

IN her multiyear search for a mountain retreat, Anne Bodine-Cresci saw prices in Stowe, Vt., rise higher than the mountaintops. Her quest was framed by an increasing number of million-dollar-plus homes, pricey fixer-uppers and a limited supply of new listings. “Some places,” Ms. Cresci said, “were going for a lot more than they probably should have.”

But for Ms. Cresci, who lives in Bonita Springs, Fla., this year brought a long-awaited change: more choices in Stowe, and at last a condo that fit her needs: a newly constructed, four-bedroom, 3,000-square-foot unit with custom finishes that sits on a hill about four miles from downtown. Ms. Cresci paid about \$900,000 for the condo, which is part of an existing development in Stowe.

“Prices haven’t necessarily come down,” said Ms. Cresci, who will close on her condominium this fall. “But there is definitely more inventory this year than in the past few years.”

As the fall buying season builds in ski resort towns, potential buyers are likely to find a changed real estate market. Just as the brakes have slammed in warm-weather second-home destinations, second-home sales in many ski towns have slowed compared with the market

this time last year, real estate agents say.

Agents in ski towns from Vermont to California report that more homes and condos are available, that homebuyers for the first time in

years have a bit of negotiating power and that, in a few cases, sellers have started to trim their prices.

There are exceptions: activity and price increases are still robust in the toniest ski towns in Colorado, and there is still strong demand for multimillion-dollar dwellings at ski resorts.

The overall trend, however, is a cool down. “Real estate is slowing in a very significant manner,” said Stuart Gabriel, the director of the University of Southern California’s Lusk Center for Real Estate. “The larger trends that we are seeing do translate into second homes and investment properties in resort areas.”

But a cool down at resorts hasn’t put a halt on development, at least not yet. For buyers in search of new construction, there are more choices and more amenities. Once-sleepy little ski resort towns, including Crested Butte, Colo., and Truckee, Calif., 15 miles north of Lake Tahoe, are getting polished liftside ski villages with high-end shopping, restaurants and condos.

In Stowe this fall, there are new construction and improvements on the mountain. A lift opening this winter will take skiers from Spruce Peak over to Mount Mansfield. At a development at the base of the mountain called Spruce

Peak at Stowe, a new lodge, spa and golf course will be completed next year, and the next round of 3,000-square-foot cabins are starting at \$2.2 million. Fully furnished condos are on the market for \$350,000 to \$1.5 million at the Stowe Mountain Lodge. But David Norden, the vice president of Spruce Peak at Stowe, the lodge project’s developer, acknowledges that the market is not as active as it was last year.

“Buyers are taking more time, and they are doing their due diligence,” Mr. Norden said. “But I don’t think we have a real problem. We still have limited inventory, and the master plan for this is only 400 units.”

The time it takes to sell a house or condo has roughly doubled in Stowe the last year, but average sale prices have risen to more than \$760,000 for a single-family house.

LIKE Stowe, other East Coast ski resorts are undergoing an increase in the number of houses and condos available, and the impact on those markets is even more tangible, brokers say. In Killington, Vt., Tricia Carter, a broker at Killington’s Ski Country Real Estate, said that sellers are beginning to take a look at their asking prices and make changes. “Some of them have dropped their prices to adjust for the inactivity,” she said.

Real estate sales in Killington are down some 37 percent, and the time it takes to get a house or condo under contract has jumped to 250 days from 157 days since this time last year, according to Laird Bradley, the broker at Williamson Group Sotheby’s International Realty. “It’s quite a bit slower,” he said, though he noted that overall sales prices had ticked up to an average of \$240,000, some \$17,000 higher than last year.

While agents in Stowe report that this year has been slower than last, many note that business is picking up as leaf peepers make their way into town for foliage season. "We were busier in September than we were all year," said Pall Spera, a Stowe real estate broker. "The market continues to be improved for us in October."

A slowdown has also hit West Coast ski-resort markets. "We are in a bit of a stall here, but the whole California market is in a bit of a stall," said Paul Oster, the broker and owner of ReMax of Mammoth, which is near Mammoth Mountain — a Central California ski resort in the Sierra Nevadas 310 miles north of Los Angeles.

Still, Mammoth's prices haven't yet turned down. Sales in Mammoth dropped 38 percent in the third quarter from a year earlier, yet the average selling prices for condos were up 10 percent, according to the Mammoth Lakes Board of Realtors.

Glen Hellings estimates that his condo purchase in Mammoth a year ago has already kicked up a healthy appreciation. With 30-odd ski seasons under his parka, Mr. Hellings took the plunge into the Mammoth real estate market last year, landing a two-bedroom slopeside condominium in a three-year-old development with ski in/ski-out access, just in time for a record season of 668 inches of snow.

"The cost was higher than our initial budget, but we loved it," said Mr. Hellings, who paid in the "high six figures" for the condo and estimated that it has appreciated 10 percent since then. "I think Mammoth is a direct reflection of the Southern California real estate market, especially the beach communities, where the prices are nut case," he said.

Farther north, real estate agents in Truckee, Calif., report that the bar to get into the market is still high. Houses under \$700,000 make up the low end of the market and are mostly 10 years old or older. Anything over \$750,000 is likely to have been built in the late 1990's or even more recently.

Though the market as a whole is "taking a little breather," said Rich Harter, the broker at Truckee's Pacific Crest

Properties, the highest end of the market is still showing signs of life with strong interest in some listings. "A \$2.6 million house just had three offers on it," Mr. Harter said.

High-end properties are still doing well at resorts in Idaho. Tamarack in Donnelly, where a new Fairmont resort will break ground next summer, has sold more than 500 properties from \$429,000 to \$3 million.

But in Sun Valley and Ketchum, Idaho, a handful of new developments have added to the inventory, and buyers are starting to see incentives. At Trail Creek Crossings, a 13-unit development in Ketchum, developers are throwing in a garage. "Typically they would charge \$40,000 for that," said Grady Burnett, the broker at Sun Valley Brokers, which is the agent for the development.

Don't look for any breaks in the most desirable, celebrity-laden ski towns in Colorado, like Aspen and Vail. There, big demand and big prices continue. The number of transactions in Aspen and Snowmass Village is up about 10 percent over last year, and sale prices are up 21 percent over 2005, according to Dusty Diaz, the managing broker of Mason Morse office in Aspen. In Vail, according to the local board of Realtors, the number of home sales is down this year, but the average sale price has jumped to \$1.1 million from \$850,000 in 2005, and the time it takes to sell a home has remained steady since 2005.

The Residences at Little Nell, a low-rise fractional development under construction that will be operated by the well-known Little Nell hotel in Aspen, is selling one-eighth shares in three- and four-bedroom condos for about \$1.5 million and \$2.5 million, respectively, while at Snowmass Village, a new base village is going up with 613 condos. The first 87 units (the only condos to be released for sale so far) are already under contract with prices ranging from \$500,000 to just under \$2 million.

"They sold out immediately, and local property owners got first pick," said BJ Adams, a real estate broker in Snowmass Village. She said there was little sign of changing demand. "The general public didn't have a chance. There is very little new product here, and that has allowed

sellers to really reach for unprecedented prices."

Mountain towns farther south in Colorado are also having an influx of development. At Crested Butte, the purchase of the resort two years ago by Tim and Diane Mueller, owners of the Okemo Mountain Resort in Vermont, helped push forward several projects, including new snowmaking equipment, trails and residential construction.

The Lodge at Mountaineer Square, part of the base village at the Crested Butte Mountain Resort, had \$80 million in sales in one day in 2005, and reservations are now being taken for the next round of condos, which will go under contract in early December. So far, demand for the condos has been steady, bucking the slowing trend of the rest of the market.

The number of reservations, according to Reggie Masters, an agent with Coldwell Banker Bighorn Realty in Crested Butte, is "pretty close to on track," despite a slower market over all this year. "We had a couple of really hot years just after the Muellers purchased the ski area," he said. "The market is still healthy, but inventory is up, and sales aren't as brisk as they have been."