

The Most Expensive Town in America

Defying the national housing slump, Aspen's prices are rising. Why the glitzy ski enclave is outpacing the Hamptons, Beverly Hills and Palm Beach.

By [NANCY KEATES](#)

Aspen, Colo.

The lowest-priced single-family home on the market in Aspen is listed for \$559,000. It's located in a trailer park.

While most housing markets in the rest of the country continue to struggle with anemic demand and foreclosures—and sales at many other luxury ski resorts are still sluggish—Aspen has forged its own orbit. The average home price in this mountain town has increased over the past four years, to \$6 million in 2010 from \$5.4 million in 2006, according to multiple-listings data. The median price for single-family homes is now the highest in the country at \$4.6 million, says San Francisco-based Altos Research,

surpassing the Hamptons, Beverly Hills and Palm Beach.

Sales of luxury Aspen estates—the sorts of over-the-top places with leather walls and outdoor heated infinity pools—have remained remarkably healthy, thanks in part to foreign buyers. Of the 25 real-estate transactions recorded by Pitkin County for the week of Jan. 19 to 25, five were buyers from abroad, including three Australians and people from Turkey and Hong Kong.

Photos: In Aspen, the Sky's the Limit



Last month, a home in the Maroon Creek neighborhood with an indoor heated swimming pool, basketball court and outdoor hot tub overlooking a waterfall sold for \$13 million. The buyer was Russian Alexander Zanadvorov, the 40-year-old owner of Sedmoi Kontinent, a chain of supermarkets.

With celebrity regulars like Lance Armstrong and Goldie Hawn, Aspen is an anointed stop on the international jet-set circuit, a place where the wealthy come to play and spend. Increasingly, they're putting down roots there.

"Aspen is like a small Manhattan," says Altunc Kumova, a financial services executive from Istanbul, Turkey, who bought a fractional condo at The Little Nell in January. "You can find almost all upscale brands for shopping and restaurants are excellent. Après-ski in Aspen is very glamorous."



Shawn O'Connor for the Wall Street Journal
Downtown Aspen

Last year, hedge-fund titan John Paulson paid \$24.5 million for a 13,000-square-foot estate with a sandy beach, surrounding ponds, a 35-foot-wall of disappearing glass, views of the four ski mountains and a media room with leather seats. Chris Reyes of Chicago-based food and beer distributor Reyes Holdings paid \$31.5 million for a 15,000-square-foot stone mansion with a gym, panoramic views, a caretaker's apartment and an eight-stall horse stable. According to public records, Paul Edgerley, a managing director of Bain Capital, bought an estate in the exclusive community of Starwood a couple of weeks ago. The estate sold for \$19.8 million after less than three months on the market, says listing agent Brian Hazen.

A 90-acre Aspen estate just went on the market for \$48.5 million, listed by Joshua Saslove of Joshua & Co. Known as Jigsaw Ranch, it includes two main houses, a guest house and a log cabin gatehouse. The

21,000-square-foot main house took nearly 15 years to complete and was designed to look like a perched village. The second main house is 11,000 square feet and has an entrance reached from a walking bridge across a creek.

Aspen hasn't missed the housing bust altogether: The number of homes sold last year was about half the level of 2006, and there have been foreclosures and notable fire sales, according to Mason Morse broker Tim Estin, who writes a regular economic analysis called the Estin Report. One house that sold for \$16 million on Feb. 15, for example, was originally listed for \$32 million.

Overall, though, recent signs have been promising. After a few rough years of declines, residential sales in Aspen grew 17% in gross dollar sales last year from 2009 and 23% in sales; there have been seven sales over \$10 million in the past two months alone, says Andrew Ernemann of real-estate agency BJ Adams & Co. Last March, a 1,122-square-foot "quaint Victorian" two-bedroom shack on Main Street sold for \$1 million.

Nationally, home prices in December were down more than 31% from their 2006 peak, according to the latest Standard & Poor's / Case-Shiller index, including a 4.1% fall in 2010.

Analysts point to numerous reasons why Aspen has held up so well. A small market where only 13% of land is able to be developed because of zoning laws and the mountainous landscape, it never suffered the overdevelopment now plaguing other areas. Aspen's distance from a major city and spotty air service help to keep away day tourists.

Green Acres

How Aspen compares to other high-end spots

TOWN/AREA	MEDIAN SALE PRICE	AVERAGE PRICE PER SQ. FT.	HOMES SOLD OVER \$10 MILLION
Aspen	\$4.6 M	\$978	10
Sagaponack, N.Y.	\$3.8 M	N/A	5
Greenwich	\$3.3 M	\$531	13
Palm Beach	\$2.9 M	N/A	8
Atherton, Cal.	\$2.9 M	\$834	1*
Beverly Hills	\$2.3 M	\$821	19
Upper East Side, NYC**	\$950K	\$1,216	53

Sources: MLS/CLAW; PB MLS; Silicon Valley Association of Realtors; MLSListings Inc., Aspen Board of Realtors; Greenwich Multiple Listings Service; Streeteasy.com, Suffolk Research

*Some homes in the area are sold privately and therefore are not listed in the MLS.

**For all housing stock (co-ops, condos, tc.), not just single-family homes.

It's also emerged as a place where young professionals can find jobs, particularly at small private finance firms and at nonprofit organizations. The Aspen Young Professionals Association, started in 2003 with nine members, now has 257 active members on its event email list. Obermeyer Asset Management, an independent investment advisory started by the son of sporting-goods magnate Klaus Obermeyer, is one of the older local firms; since its start in 1998 it has gone from managing \$50 million to \$775 million in investments and from two staffers to nine staff members in two offices.

Burberry and Gucci are here, as are eateries like Rustique, with its locally sourced bistro food, and Montagna with its extensive wine selection. There are also music, film and food festivals, and the Aspen Art Museum is planning a new, 30,000-square-foot building

designed by architect Shigeru Ban. The Aspen Institute, which brings in world leaders as speakers for its annual Ideas Festival, has also helped put the town on the international map.

In 2008 Russian billionaire Roman Abramovich paid \$36 million for a 14,300-square-foot house on 200 acres. A couple living in London snapped up a \$10.5 million ranch in July; a \$16 million home with 40 acres and a theater, gym with sauna and steam, private guest apartment, elevator and six-car garage, was purchased by a family from New Zealand.

Chuck Frias, an Aspen developer and broker who has a newly built \$24 million home on the market, says the weak dollar has drawn interest in the home from house-hunters in Canada, Australia and Italy; he sold a \$7 million house to a Chilean family in December.

In the past few days Aspen agents have reported showing homes to potential buyers from as wide a range as Russia, Brazil, the Dominican Republic, Italy and Australia.

Ski Brasil, a Brazilian ski-tour operator with a winter presence in Aspen, runs three ads a week for 16 weeks in Portuguese in the local Aspen paper now. Eduardo Gaz, the company's director of operations, estimates some 20,000 Brazilians ski in Aspen every season, some of whom own homes (many of whom won't talk for tax reasons). Joshua & Co. real estate has taken out ads in Russian offering to show visitors around.

"I have a long list of Australian friends who are coming to visit," says Anna-Lisa Klettenberg, an artist and investor from Sydney who bought a condo at the luxury Gant Hotel. Ms. Klettenberg had been skiing in Aspen for over a decade; she decided in March to look to buy, put an offer on the condo that day, closed in May and was there for the month of July. She still owns her home in Sydney and has a summer place on Australia's Gold Coast in Queensland, but she plans to spend four months a year in Aspen now. She's on the national council of the Aspen Music Festival, a role that gets her invited to lots of parties and events.

Francesca and Sal Amery, a British international banker, have lived for the past 20 years in the Middle East, New Zealand, England, Tokyo, Hong Kong and Singapore and have owned homes in Malaysia, Singapore and England. They considered buying a home at a ski resort in Europe or New Zealand, but nothing measured up to Aspen when it came to meeting their checklist of wants: comfortable year-round living, a good education system, an airport, access to great medical facilities and an educated and diverse population.

"It is Adult Disney," says Ms. Amery.

—Olga Padorina and Candace Jackson contributed to this article.