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Aspen market showing signs of life

Fractionals save January

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Buyers are beginning to return to the Aspen real estate market, after giving it the cold shoulder during the final few recession-laden months of last year.

Nobody's beating down anybody's door, but brokers say they are showing more properties, writing more contracts and closing more deals than they were just a few months ago.

"It seems the market is starting to sputter back to life," said Gary Feldman, managing partner of Joshua & Co. "The showings picked up the second week of the holiday season and those deals are just now closing."

Pitkin County real estate sales slipped 8.85 percent in dollar volume last month compared to January 2008, according to a report Land Title Guarantee Company in Glenwood Springs released Tuesday. That's relatively good news considering Pitkin County had the best January in

a five-county area that includes Routt, Summit, Garfield and Eagle counties. Pitkin's dollar volume for the month, almost \$116 million, dwarfed that of Garfield, which saw its January dollar volume, \$16.6 million, plunge 76 percent over the same month last year.

The number of transactions, 78, dropped 20.4 percent in Pitkin County relative to the same month the year before.

Fractional sales made up 60 percent of the transactions, with multiple Aspen projects closing in January. The Residences at the Little Nell had 41 of the 78 transactions, accounting for \$64 million. The number of fractional transactions was up 57 percent over January 2008, and the dollar volume was up almost 1,200 percent, from \$5.2 million in 2008 to \$65 million in 2009.

One factor that's piquing the interest of prospective buyers is that some of the prices around here are falling closer to earth.

A spec home at 1377 Sage Court recently saw a massive price reduction. Its price dropped from \$12 million to \$6.99 million. The 9,131-square-foot,

six-bedroom mansion is now selling for \$766.50 per square foot for brand-new construction, which around here can approach \$2,000 per square foot.

"There is more selective inventory than there has been in a long time and there are more motivated sellers," said Brian Hazen, formerly with Coates, Reid and Waldron and now with Mason and Morse Real Estate. "It's attracting buyers and they're being aggressive with their offers but it has resulted in a lot of action."

Since Presidents Day weekend, Hazen, who closed a \$5 million deal in Meadowood just a few weeks ago, says there have been about 10 properties in Aspen ranging in price from \$1 million to \$14 million that have gone under contract according to Multiple Listing Service data. Mason and Morse has another \$25 million property that was shown five times last week.

"There are limits to our inventory that strengthen our market," he said, citing the county's relatively rigid growth controls and natural topography. "Those contribute to less downside in this market and a higher quality of life. I truly believe we'll come out of this faster than

any other market in the country."

Joshua & Co., which has offices in Aspen and Snowmass, reports it has a half-dozen contracts pending and that it closed several deals last week, including one for about \$4.5 million and another for \$6.5 million.

"The market that seems to be moving right now is the \$3 [million] to \$7 [million] range," Feldman said. "We're also seeing an increase in activity in the \$20 [million]-plus range. ... Some of these buyers we know are historically bona fide buyers and some of them we just don't have a clue."

He said one high-end property Joshua & Co. has listed recently received an offer of more than \$20 million, but that the prospective sale is still being negotiated.

While the frenzied deal-making of the last four years is now a thing of the past, brokers are breathing a sigh of relief there is any deal-making at all.

"It's encouraging," Hazen said.

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