

ASPEN INSIGHT

2019

FROM PRICE PERFORMANCE TO NEW HOTSPOTS, THE KNIGHT FRANK AND DOUGLAS ELLIMAN TEAM TAKE THE PULSE OF ASPEN'S PRIME RESIDENTIAL MARKET

HOW DOES THE ASPEN MARKET DIFFER COMPARED TO A YEAR AGO?

Home to around 6,000 properties, Aspen's property market has registered steady sales over the last 12 months. Sales activity in 2017 was strong, with some 257 properties changing hands, up from 170 in 2016.

The Central Core or Downtown market represents around 48% of all sales, however, the highest value sales are still generated by homes on Red Mountain.

Demand is currently strongest between US\$3m and US\$5m. In other price brackets, inventory levels are high meaning sellers need to consider their asking price carefully.

HOW DO ASPEN'S NEIGHBOURHOODS COMPARE?

Aspen's West End is facing strong demand as many buyers recognise its value compared with Downtown Aspen. The West End is located within a mile and a half of the city centre which offers a plethora of activities, cultural events and social venues on their doorstep.

Red Mountain is still the cornerstone of the Aspen property market with its median value currently at around US\$12.1 million. Land plots in this exclusive enclave are limited, instead older properties are usually bought and remodelled to provide state-of-the-art living.

Starwood, with its larger lot sizes, open space and big sky views, is undergoing something of a revival. New life is being breathed into it by a younger generation that has identified its relative value compared with Red Mountain and the West End.

WHERE DO BUYERS ORIGINATE FROM?

Buyers originate from all over the US but in particular from New York, Houston, Dallas, Salt Lake City, Los Angeles and San Francisco.

International buyers represent around 20% of purchasers with Australian, German and UK buyers accounting for more than 50% of overseas buyers.

Despite the dollar's strength, international demand has not wavered over the last two years with some buyers actually citing greater exposure to the US dollar as a motive behind their purchase.

HOW ARE LUXURY PRICES PERFORMING?

The financial crisis saw prices falter but in the last eight years, prices have followed an upward trajectory, with the Aspen condo market outpacing the single family homes sector.

The price gap between median values in Aspen and Snowmass has widened over the last decade. However, with significant new investment planned in Snowmass and with median condo values currently at around US\$520,000 we expect strong growth in the next few years.

WHAT IS YOUR OUTLOOK FOR THE MARKET?

Although the Aspen resort dates from the 1930's, the city is constantly undergoing major regeneration and the bar looks set to be raised even higher in the next few years.

A new US\$56m W Hotel is due for completion in Spring 2019, offering 11 branded Sky Residences, the Aspen Club is under renovation, the Gorsuch Haus project will see the upgrading of Lift 1A and the new Lift One Lodge development will deliver 22 new residential units as well as a host of amenities.

The strength of both the national and local economies is driving wealth creation and we expect active sales rates and steady price growth over the short to medium-term, bolstered by the new investment projects in the pipeline.



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FIGURE 1

THE MARKET IN FIGURES

202%

INCREASE IN POPULATION
SINCE 1970

\$5.4M

MEDIAN PRICE OF A SINGLE
FAMILY HOME IN ASPEN

\$2.7M

MEDIAN PRICE OF A SINGLE
FAMILY HOME IN SNOWMASS

50

NO. OF BILLIONAIRES
RESIDENT IN ASPEN

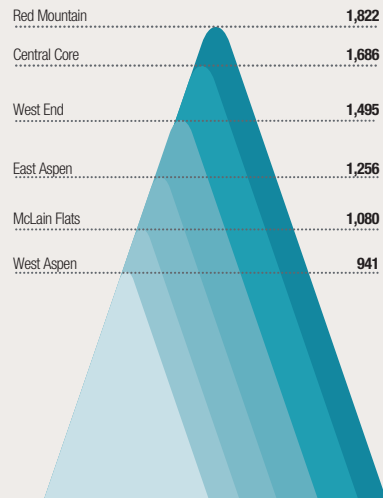
\$600M

INVESTMENT IN SNOWMASS
BASE VILLAGE

MARKET INTELLIGENCE

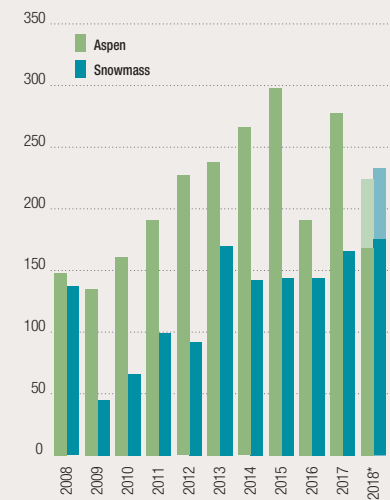
Knight Frank’s Research team summarise the latest data, indicators and trends to help buyers and sellers gauge current market conditions across Aspen’s prime residential market.

FIGURE 2
MEDIAN PRICE BY NEIGHBOURHOOD
Q3 2018 (US\$ PER SQ FT)



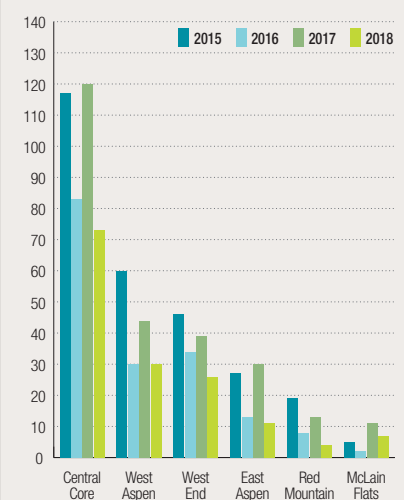
Source: Douglas Elliman

FIGURE 3
TRANSACTIONS: ASPEN VS. SNOWMASS
NO. OF RESIDENTIAL SALES



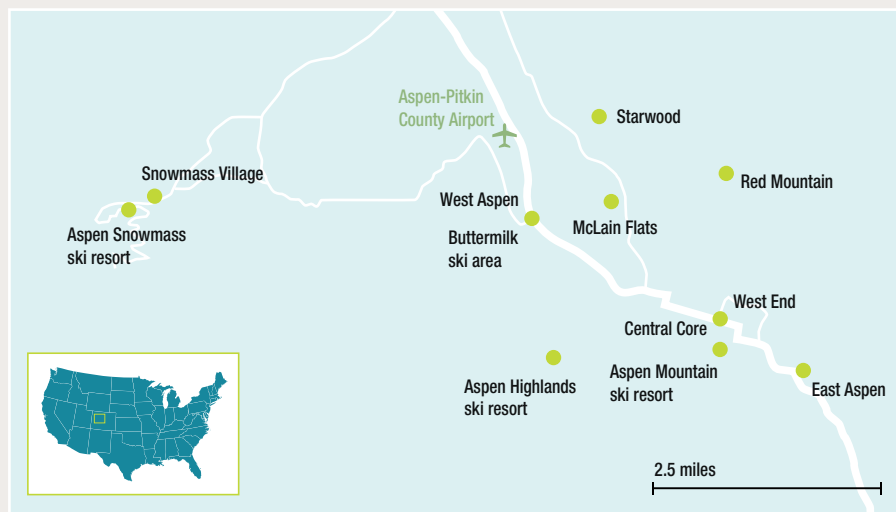
Source: Douglas Elliman
* Data for Q4 2018 estimated based on Q1-Q3 2018 sales volumes

FIGURE 4
TRANSACTIONS BY NEIGHBOURHOOD
NO. OF RESIDENTIAL SALES



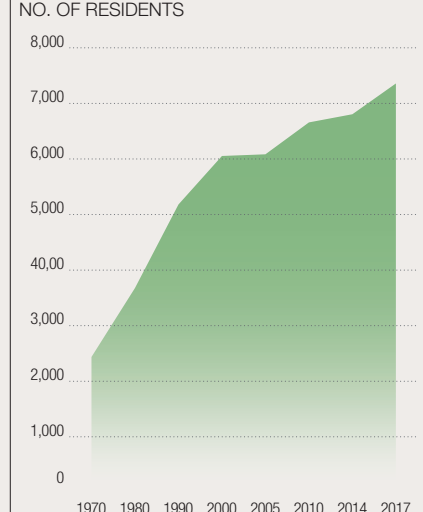
Source: Douglas Elliman

FIGURE 5
ASPEN IN FOCUS



Source: Douglas Elliman

FIGURE 6
ASPEN POPULATION
NO. OF RESIDENTS



Source: US Census

FIGURE 7
THREE THINGS TO CONSIDER



1 Investment
The new \$600m Snowmass Base Village launches in December 2018 and is expected to be a catalyst for growth in the wider market



2 Accessibility
Located only three miles north of the resort, Aspen Pitkin Airport handles over 170 inbound flights per week in the winter months.



3 Infrastructure
The new Lift 1A, which will be constructed by Aspen Skiing Company, is to be positioned closer to the city centre near Dean Street and The Little Nell.



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