Mountain high: Homebuyers flock to and reshape ski resort towns

In Aspen, Jackson Hole and Park City, brokers shift strategies and scramble to keep pace with surge

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From left: Homes in Jackson Hole, Wyoming; Park City, Utah; and Aspen, Colorado (Getty images)

In Jackson Hole, Wyoming, selling a home used to follow a reliable pattern for Latham Jenkins, a residential broker there for over 20 years.

Even when a property went into contract, the buyer would still "fly out and take a look" before closing, said Jenkins, an agent for Live Water Properties, headquartered in the ski resort town near Grand Teton National Park. The pandemic changed that, as it did everything else over the past year.

In a recent deal, Jenkins said the buyer paid just under $2 million for a 1,900-square-foot, four-bedroom house without having visited in person. He had never even set foot in Jackson Hole.

In Park City, Utah, Nancy Tallman has had similar experiences. In one deal, the Summit Sotheby's International Realty agent sold a 1,775-square-foot condo to a couple from the Northeast, sight unseen. They paid $740,000 for the three-bedroom unit.

"It was for two doctors from Boston who couldn't take the time away from work to quarantine if they flew out to see the house," she said. The turbocharged demand has led Tallman to adjust her strategy while also tempering client expectations. "They used to come out, I'd drive them around and they'd find something they liked. Now, people won't find a property while they're here, [but will] end up writing offers from afar. It's the new way. If something comes on the market that they like, by the time they get here, it'll be gone."

Housing markets in mountain towns like Jackson Hole, Park City, along with Aspen, Colorado and others have been among the hottest in the country. But the surge in luxury buyers has also upended these traditional seasonal towns as brokers and developers scramble to accommodate the influx. And although the real estate market is typically brisk in these communities — Douglas Elliman, the Corcoran Group and The Agency opened offices in Aspen before the pandemic — the past 12 months have been exceptional.

Heading for hills

Aspen, among the most popular and best known ski resort towns, has seen home sales jump over the last year. That pace continued in March, as 24 properties sold — eight houses and 16 condos. In March 2020, only three houses and six condos had sold, according to an Elliman report by appraisal firm Miller Samuel. "It's been doing that every month since the summer," said Jonathan Miller of Miller Samuel.

Last month also saw 34 new listings — 11 houses and 23 condos. March 2020 had just 12 new listings –– four houses and eight condos. Miller said inventory is keeping up, "but barely."

In Park City, Tallman said that the start of 2021 has resembled much of what last year looked like. From January through March, 627 homes sold compared to 406 over the same period in 2020, a 54 percent jump. And 764 properties were on the market in the first quarter compared to 640 in Q1 2020, a 20 percent rise.

“So although inventory feels low, there were actually more listings in [Q1] 2021 than [Q1] 2020,” Tallman said. “The demand is just very high.” Within the Park City limits, the median sales price for a single-family home was $3 million last month, according to the Park City Board of Realtors.

Jackson Hole saw a 55 percent rise in single-family listings in the first quarter compared to 2020, Jenkins said. Its inventory could not keep pace, however, dropping 62 percent in Q1 year-over-year.

Demand has also pushed up prices in Jackson Hole. Homes on the market averaged $5.6 million in Q1 compared to $3.6 million a year ago. Average home sale price also rose, though not nearly as sharply: $1.5 million in Q1 compared to about $1.2 million year-over-year.

And in Aspen, the median sales price for single-family homes was $7.8 million in February, more than twice the $3.4 million from February 2020, according to the Aspen Board of Realtors.

Activity has also accelerated in Telluride, Colorado, the ski town about 200 miles southwest of Aspen. And at the very top end, at least two celebrities are trying to seize the moment. In March, Tom Cruise listed his 320-acre Telluride ranch for $40 million and Jerry Seinfeld put his 27-acre property on the market for $15 million.

The overall rise in high-end home sales in mountain towns marks a notable shift from the past, Miller said.

“Over the last three or four years, these markets have generally been stronger in median sales and softer at the top,” he said. “Post-lockdown, it’s been inverted so that the high-end has been more active.”

Cash deals are also less common than they typically have been in these markets, he said, with buyers financing their purchases to take advantage of low mortgage rates. Tallman said she’s seen that trend in Park City, though half of the homes she’s sold were still all-cash deals.

“They could pay cash, but they’re getting loans because they can get them with interest rates under 3 percent," she said.

To highlight the voracious appetite among buyers, Jenkins cited another unusual case. He was representing a seller when a buyer in the backup position tried to buy the contract from the person closing on the home.

"The backup wanted the property so badly that she was going to pay them to drop the offer," Jenkins said. "It didn't work because there is nothing else to buy."

Brian Hazen, a Coldwell Banker broker in Aspen, said there has been increased demand for outlying areas, about five to 10 miles from town. "Now, 20 to 30 miles out is seeing growth as well," he said. With many of the prime properties already sold off, Aspen agent Rob Bordan of Elliman said homes that had lingered on the market have also been getting scooped up.

Long-term escape

Buyers have been arriving from across the country, the bulk coming from California and New York, brokers said. And in a remote-work world, the properties aren't all second homes. Private schools have filled up, and Jenkins said that country club memberships in Jackson Hole are sold out.

"Second home is a misleading term," he said. "These buyers can bounce between markets."

It's what Miller calls "co-primary housing," with people spending more time in what were once merely vacation properties.

Aspen's hot residential market has also led high-end home furnishings retailer Restoration Hardware to double down. In January, the company — now called RH — said it would invest $100 million in an array of Aspen properties where it is now a tenant, including a hotel, residences, a retail store and restaurants, according to the Aspen Daily News.

Bordan is more skeptical about whether the influx will be sustained beyond the pandemic.

"The idea is very appealing, but the reality of living somewhere more rural begins to wear on people who are accustomed to a big-city lifestyle," he said. "It will be interesting to see what they do post-Covid."

For Miller, however, the shift has been slowly happening for a decade in select markets. “The pandemic made it ubiquitous,” he said. “This change is not going away.”

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