ASPEN/SNOWMASS MARKET OVERVIEW:

2008 Year End Review and
A Look at What's Ahead

Aspen Board of Realtors Presentation
December 17, 2008

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The following text is from the annual presentation made by Randy Gold MAI, SRA to the Aspen Board of Realtors, held at the Hotel Jerome on December 17, 2008.

Introduction

Good afternoon to everyone and Happy Holidays. Thanks for coming. I am Randy Gold and our company is The Aspen Appraisal Group. By way of introduction, and for those of you who do not know us, the Aspen Appraisal Group is the largest and best established appraisal firm in the Roaring Fork Valley. With over 30 years of providing appraisal and real estate counseling services to the upper Roaring Fork Valley, we remain unmatched by other appraisal companies in our market for the depth of our experience, the wide range in types of properties we appraise and our professional credentials. Our appraisers include Betsy Krizmanich, Kim Tarver, Scott Bowie and myself. If you want to know more about our company please visit our website at: www.AspenAppraisalGroup.com

Our presentation this year will again be more green-conscious, without hand out material, and hopefully saving a few trees. The graphic data will be part of my PowerPoint presentation. The graphs are available to you at our website, or you can call us. There is no cost if you are a Board member. Also available for purchase is the full text of my talk along with the graphs. There is a link on our website homepage, again AspenAppraisalGroup.com.

The Aspen Appraisal Group, Ltd. has compiled a variety of data to demonstrate trends in our real estate market. As in years past our presentation today focuses on the Aspen and Snowmass areas specifically (Zones 1 & 2 in the MLS), examining sales and listings of single family houses, lots and condominiums through November 30, 2008. We also include data on all transactions occurring in our Board area as well as single family sales over $5,000,000 from Zones 1-4.

We have graphically displayed trends in our market since 1999 to illustrate not only the strong real estate markets of 1999-2000, but also the effects of the stock market decline and national recession in 2001-2002, along with the recovery in 2003-2004, the unprecedented market strength of 2005, 2006 and 2007, and now the struggling 2008 market.

Sale and listing data in our graphs was taken primarily from data published by the Aspen Board of Realtors through the Multiple Listing Service and from the Paragon On-line system. Our estimate of listings is based on an average of those available mid year and those available November 30. We of course do not yet have all the data for 2008. As a result we have annualized 2008 totals based upon the first 11 months of the year. Ultimately, the final numbers for 2008 will be a little different than our estimates, and given the slowdown we have seen in the last 6 months, the numbers shown here probably overstate the data. The truth is there was some velocity from 2007 shown in the first part of 2008 sales data.

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The Board requests a disclaimer be attached to use of its data, and rather than attach that to each graph, we include it below.

> ***This representation is based in whole or in part on data supplied by the Aspen Board of Realtors. Neither the Board nor its MLS guarantees or is in any way responsible for its accuracy. Data maintained by the Board or its MLS may not reflect all real estate activity in the market.***

Time is short today, so my focus will be limited to the Aspen and Snowmass markets. Before we begin, it is important to keep some perspective. While the numbers are down, and in some cases down significantly, our real estate market has always been and will always be cyclical. We are now very much in a down market across the board, after the most radical upward market we have ever experienced. When you look at the wide reaching negative influences impacting the global and national financial world, it makes sense that it will take time to recover, but we will.

So, what a difference a year can make. Let's get to the numbers for 2008.

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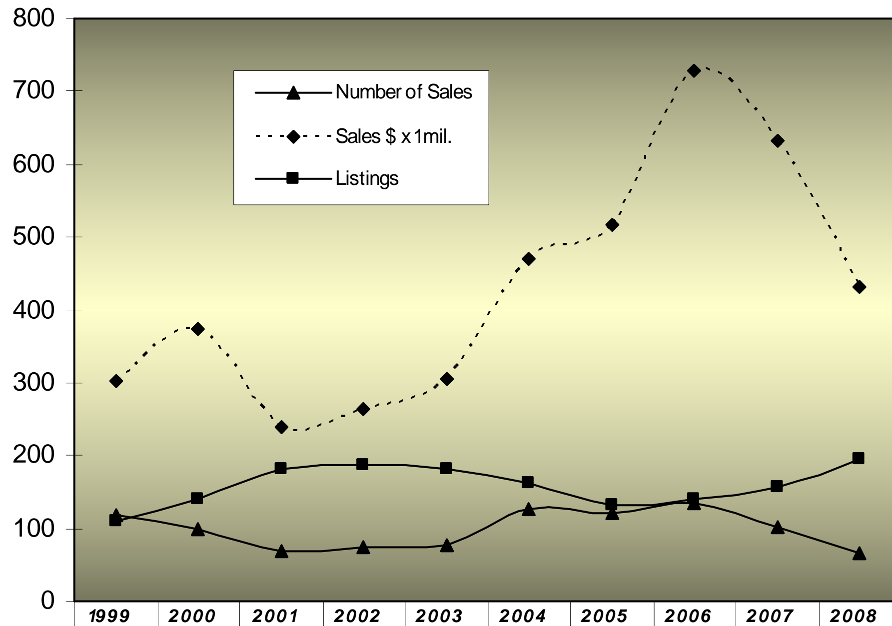

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Number of Sales	118	99	69	73	77	127	121	134	101	65
Sales $ x 1 mil.	$301.0	$373.3	$239.3	$265.1	$303.9	$469.0	$517.11	$729.3	$631.2	$432.4
Listings	110	141	182	188	182	164	132	140	157	195

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Aspen Single Family Houses

The data suggests a dramatically weaker market for single family houses. Based on our estimate for year end, the number of sales will be down significantly from 2007, approximately 36%, from 101 sales last year to 65 this year. At the same time the average number of listings increased about 24% to 195 while the current number of listings as of November 30 is approximately the same. It is interesting to note that the number of sales and listings are similar to 2001-2002 when the market struggled. The current listings translate to about a 3 year supply of single family homes. The decline in the number of sales is due largely to a lack of market enthusiasm, but also to a limited number of "quality" and "value" alternatives, and the fact that we are now firmly in a buyers market where many of the available listings are simply overpriced.

Most interesting is that while total dollar volume is also projected to drop significantly, roughly 31%, the average and median price of a single family house continues to increase. The average sale price in 2008 is about $6,600,000, compared to $6,200,000 in

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2007, $5,450,000 in 2006 and about $4,250,000 in 2005. The more meaningful indicator is the median sale price. For those of you who may have forgotten what the median is, once the data is arrayed from low to high, the median is the midpoint in that array of data. The median splits that data so that half falls above the mid point while the other half of the data falls below. The median sale price for Aspen Single Family Houses stands now at about $6,100,000, up about 10% from $5,550,000 in 2007, and up over 45% compared to 2006 when the median sale price was about $4,150,000. Thus, while there have been fewer total sales, there continues to be a large number of very expensive ones.

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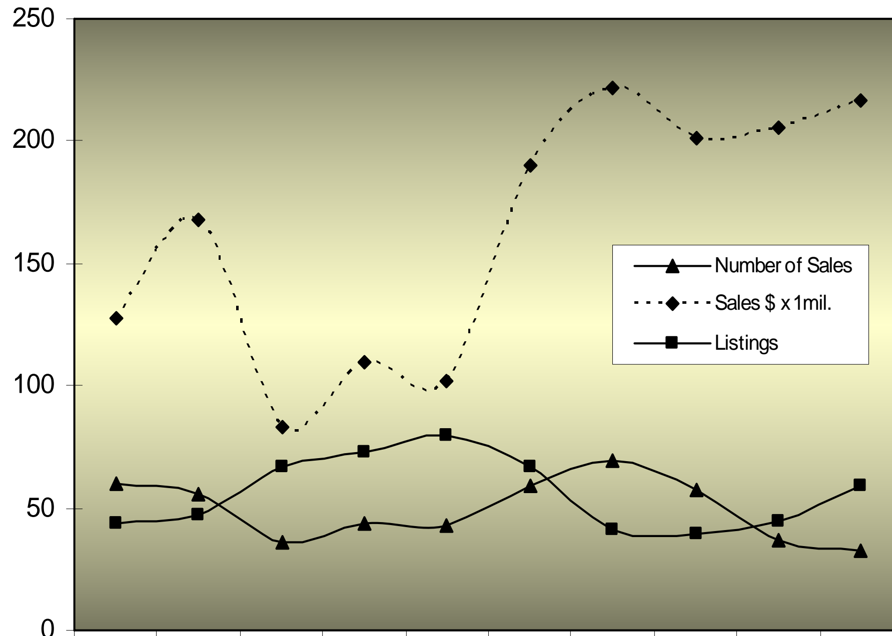
Snowmass Single Family Sales & Listings



	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Number of Sales	60	56	36	44	43	59	69	57	37	33
Sales $ x 1 mil.	$ 127.1	$ 167.9	$ 83.32	$ 109.5	$ 102.1	$ 189.8	$ 221.8	$ 200.8	$ 205.1	$ 217.0
Listings	44	47	67	73	80	67	42	39	45	60

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Snowmass Single Family Houses

In Snowmass the story is similar, but Snowmass is not down nearly as much as Aspen. The bigger decline in Snowmass was between 2006 & 2007 when the number of sales declined by 35%. In 2008 we are estimating 33 sales compared to 37 in 2007, or just over a 10% drop. The average number of listings over the course of the year has increased about 33%, with the current number of listings today at about 56. However, unlike Aspen, total dollar volume is up, albeit modestly at about 6%. The average sale price has become totally inflated, and meaningless at nearly $7,200,000, well in excess of the Aspen average. This skewed average reflects the fact that there were 5 sales over $10,000,000 in Snowmass including the Hirsch property at $36,375,000. The median sale price as of November 30, again the better measure, now stands at about $4,750,000, an increase of about 16% compared to $4,100,000 in 2007 and $3,100,000 in 2006. Like Aspen, while sales have been fewer, there continue to be a relatively large number of very expensive ones.

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Last year we spoke of a weakening Snowmass single family market signaled by the reverse crossing of listings and sales shown on our graph. In 2005 and 2006 we saw the number of sales exceed the number of listings, signifying a particularly overheated market where the statistical marketing time is less than 1 year. In 2007 we saw a reversal, with the number of listings exceeding the number of sales, although they were still roughly in parity a year ago. In 2008 however, the available supply far exceeds the number of sales, suggesting about a 2 year supply currently. This compares to about a 3 year supply in Aspen.

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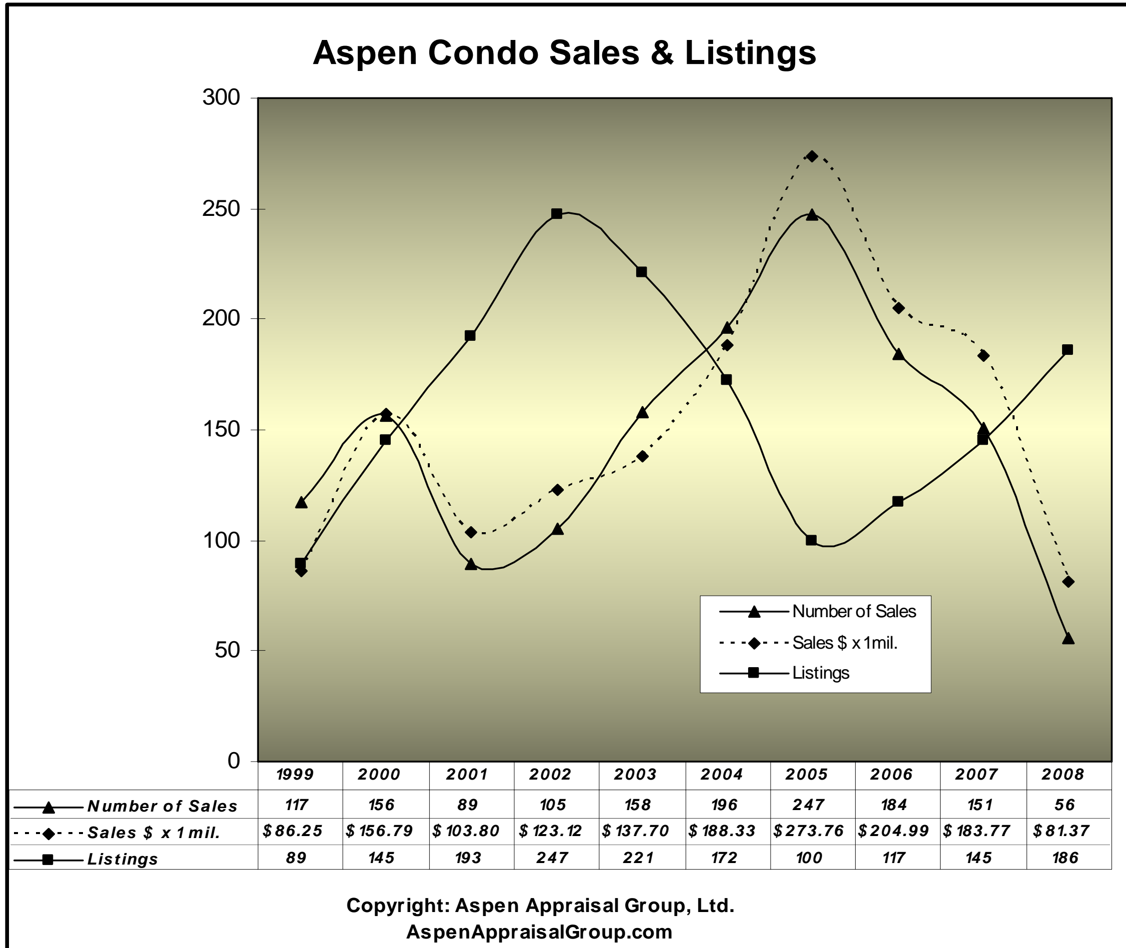

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Number of Sales	117	156	89	105	158	196	247	184	151	56
Sales $ x 1 mil.	$ 86.25	$ 156.79	$ 103.80	$ 123.12	$ 137.70	$ 188.33	$ 273.76	$ 204.99	$ 183.77	$ 81.37
Listings	89	145	193	247	221	172	100	117	145	186

Aspen Condominiums

We can see here a continued weakening, well below the activity in 2007 which already had slowed considerably compared to 2003-2006. If you look at 2005 and 2006 you can see the big disparity in numbers of sales, far exceeding the available number of listings. That changed in 2007 with a more balanced supply. However, in 2008 available listings now far exceed the number of sales. The number of sales in 2008 is down about 63% compared to 2007. At the same time the number of listings is up about 28% as an average, and the number of listings today sits at about 185. Despite a huge drop in dollar volume of over 55%, the average and median sale prices continue to trend up. The average price of an Aspen condominium is about $1,450,000 compared to $1,200,000 last year and $1,100,000 in 2006. The median sale price sits now at about $1,300,000, up from $1,150,000 in 2007 and $975,000 in 2006.

The 2008 data does not include upwards of $90M in closings associated with the Monarch on the Park. That project is nearing completion, and personally I think the

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project looks great, along with the Limelight. Ultimately those closings will be reflected in 2008 and 2009 data. We understand that 13 of the 14 units in that project are under contract and prices range from about $1,500/SF to $2,850/SF, averaging about $2,000/SF. Four units closed in early December, so those closings are not yet shown in our sales data. Prices for sold and under contract units range from about $3,550,000 to $15,700,000. These units were placed under contract in 2006 and 2007, and we expect the closings to move forward as we understand that buyers have 25% down.

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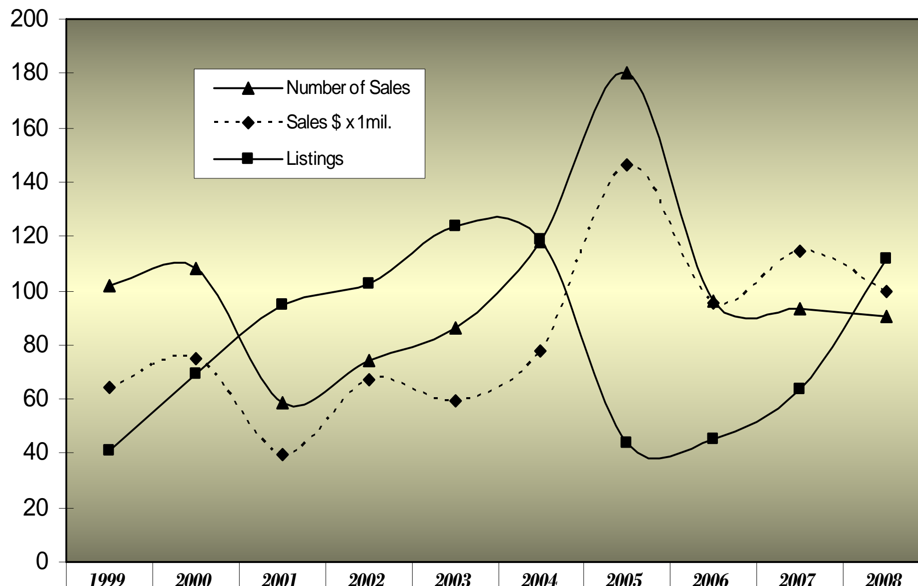

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Number of Sales	*102*	*108*	*59*	*74*	*86*	*118*	*180*	*96*	*93*	*91*
Sales $ x 1 mil.	*$64.49*	*$75.17*	*$39.49*	*$67.01*	*$59.17*	*$77.61*	*$146.08*	*$95.75*	*$114.57*	*$99.70*
Listings	*41*	*69*	*95*	*103*	*124*	*119*	*44*	*46*	*64*	*112*

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Snowmass Condominiums

Snowmass condominiums are harder to read. At first glance the downward trend seems less severe compared to Aspen condominiums. We had very small declines in the number of sales of less than 5% in both 2007 and 2008, contrasted with the huge nearly 50% decline we saw in 2006 vs. 2005. At the same time the number of listings continues to grow significantly, increasing about 40% in 2007 vs. 2006 and up another 75% between 2007 and 2008. There are over 100 listings now. The data is skewed by the closings in Base Village, most of which occurred in 2008. Of the 91 estimated closings we show for 2008, 55 of those are in the Capitol Peak and Hayden Lodge projects. This is contrasted with 93 condominium sales in 2007 when there were only 9 closings in Hayden Lodge. Thus, we can see that the market for older product in Snowmass Village has weakened considerably between 2007 and 2008. However, the market was still very much willing to embrace new product which had been in such short supply for so long. The average sale price for a Snowmass condominium in 2008 actually declined modestly from about

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$1,200,000 in 2007 to about $1,100,000 now. The median price is essentially unchanged, still about $950,000.

Last year we remarked that between 2004 and 2006 there was a significant shortage of supply in both Aspen and Snowmass condominiums with the number of sales greatly exceeding the number of listings. In 2007 we moved toward a more balanced condominium market in both Aspen and Snowmass. However, in 2008 the Aspen condominium market is much more out of balance with an approximate 3 year supply of listings, while Snowmass is still showing about a one year supply.

So, what about Base Village? The activity here has been very strong, and the market has obviously embraced this very well located new product. Numerous closings in the Capitol Peak Lodge and Hayden Lodge have occurred and prices averaged about $1,100/SF in the Capitol Peak and nearly $1,500/SF in the Hayden Lodge. There have been a handful of resales thus far, at prices about 10-12% higher in the Capitol Peak and the one resale in the Hayden Lodge was about 24% higher than the original sale which closed in early 2008. There appear to be 7 units still unsold from the developer in Capitol Peak, and there are about 10 listings of resale units.

As far as other new product still being marketed by Related WestPac, the Viceroy and the Little Nell Snowmass units have shown strong presale activity, although most of these contracts were written earlier in the year, and it is our understanding that presale activity has slowed along with the rest of the market. Reportedly both projects are over 50% under contract while completion is not until Christmas, 2009 for the Viceroy and Summer, 2010 for the Little Nell. Sale prices are very strong, ranging from about $2,000,000 to over $15,000,000 or $2,000/SF to $3,500/SF for the Little Nell. The average contract price is about $2,800/SF. The Viceroy units are more modestly priced, from about $570,000 to $3,975,000 and range widely from about $1,300/SF to $2,000/SF; the average here is about $1,600/SF. The Little Nell units, when they close in 2010 will chart new territory for Snowmass, rivaling and in some cases surpassing the highest prices we have seen in Aspen.

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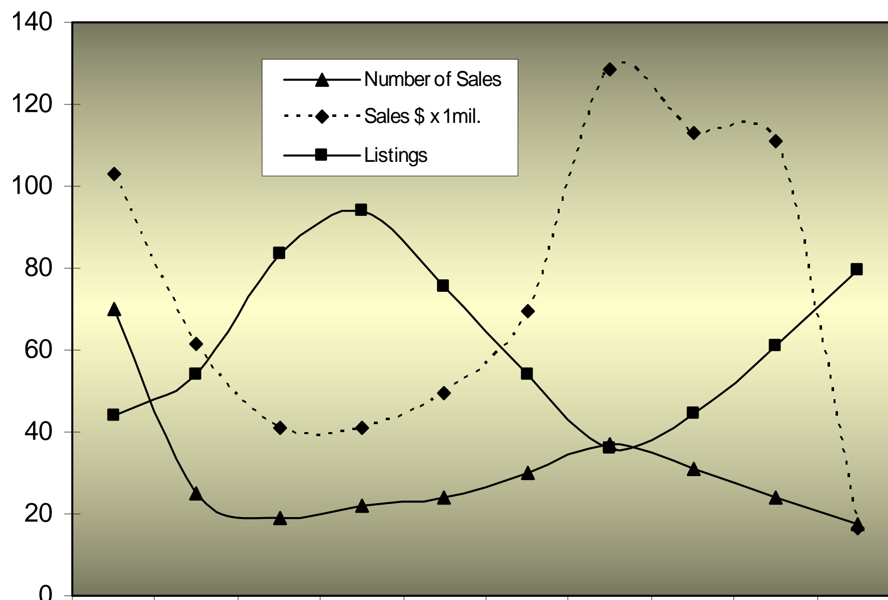
Aspen Lot Sales & Listings



	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Number of Sales	70	25	19	22	24	30	37	31	24	17
Sales $ x 1 mil.	$ 103.0	$ 61.34	$ 41.20	$ 41.04	$ 49.46	$ 69.57	$ 128.5	$ 113.2	$ 111.07	$ 16.33
Listings	44	54	84	94	76	54	36	45	61	80

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Aspen Lots

The downward trend we saw in 2006 has continued with declining sales and increased listings. The Aspen lot market continues to weaken. The number of sales in 2008 is down approximately 29% compared to 2007, which was down from 2006 when we showed 31 sales, compared to the 17 we estimate for this year. The number of listings continues to increase significantly, approximately 30% over 2007 with about 77 listings now. Unfortunately this data is corrupted by the fact that 11 of the 2008 sales shown in the MLS are for a variety of allocated prices for some mining claims. If you take those out, then the real number of sales is only 5 and thus the drop in sales is really about 80% compared to 2007. If we delete those 11 sales, the average sale price is perhaps more meaningful at about $2,600,000, down significantly from about $4,600,000 last year. The median price also dropped dramatically, from about $3,800,000 last year to $2,500,000 now. These indicators reflect the fact that dollar volume declined by approximately 85%.

Last year we noted that the supply of Aspen lots was already out of balance with the number of sales well below the number of listings, suggesting about a 2 1/2 year supply

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of lots. Last year this was the only market sector where we saw this kind of supply. Now the Aspen lot market is even more out of balance. We show 80 listings in our graph as the average over the year; there are 77 listed now. Based on the five real sales last year, this is well over a 10 year supply. The average and median list prices at $5,400,000 and $4,900,000, respectively, are well above their historic indicators, indicating that significant overpricing is evident. Additionally, demand has continued to decline with speculators and developers out of the market for at least the last year, and owner users shying away from lot purchases because of the high price of construction and the headaches of building. It is going to be awhile until this lot market sees some light, even with the recent decline we have seen in construction costs.

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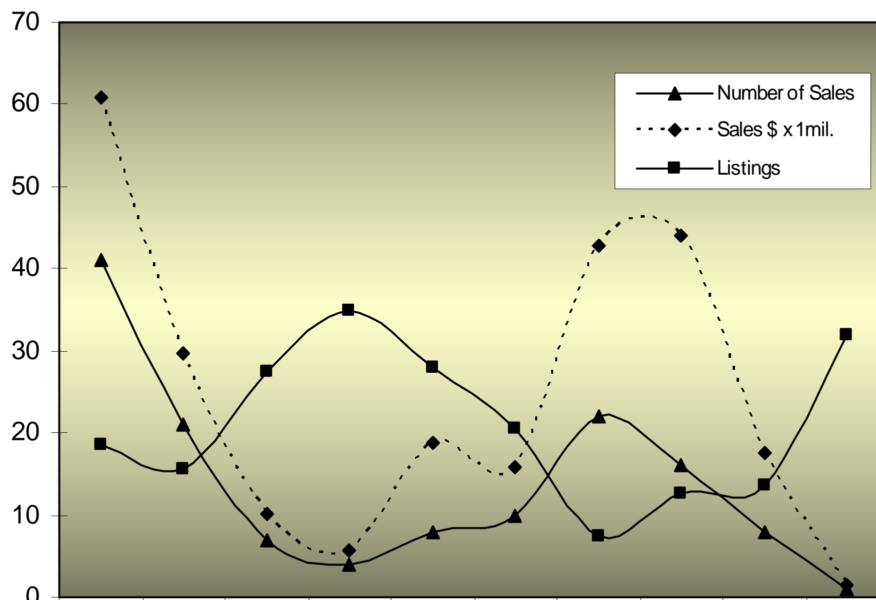
Snowmass Lot Sales & Listings



	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Number of Sales	41	21	7	4	8	10	22	16	8	1
Sales $ x 1 mil.	$60.92	$29.75	$10.07	$5.72	$18.73	$15.85	$42.88	$43.97	$17.46	$1.47
Listings	19	16	28	35	28	21	8	13	14	32

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Snowmass Lots

Here too activity has plummeted with only one lot sale in 2008 through the end of November, a lot in Ridge Run that sold for $1,350,000 in July. Thus, the drop in sales is dramatic, already down from 16 lots in 2006 to 8 in 2007 to only one sale in 2008. At the same time, with the 17 lots in Sinclair Meadows now listed, the supply of listings sits at 32. Supply and demand are considerably out of balance here. With only one sale it is pointless to look at how long it will take to absorb the current lot inventory, but I would venture to guess that it is easily 3-5 years.

If we examine the 32 listings we can see an average list price of $3,200,000 and a median list price of about $2,400,000. While 2008 data with only one sale is meaningless with respect to average and median indicators, the listings are still well above the 2007 sale indicators of $2,200,000 for the average sale and $1,800,000 for the median. The average list price is also well above the 2006 average of $2,750,000, although the median sale

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price in 2006 was the same as now. Like Aspen, Snowmass lots also appear to be significantly overpriced.

In the past we have tempered our comments about our lot markets with the fact that we just didn't have very much undeveloped land and that was not likely to change given our land use process. However, as more developed houses from the 1970's and 1980's reach the end of their economic lives, and some new subdivisions are brought to market, the supply of lots in both Aspen and Snowmass has become as large as we have seen since 2001-2002.

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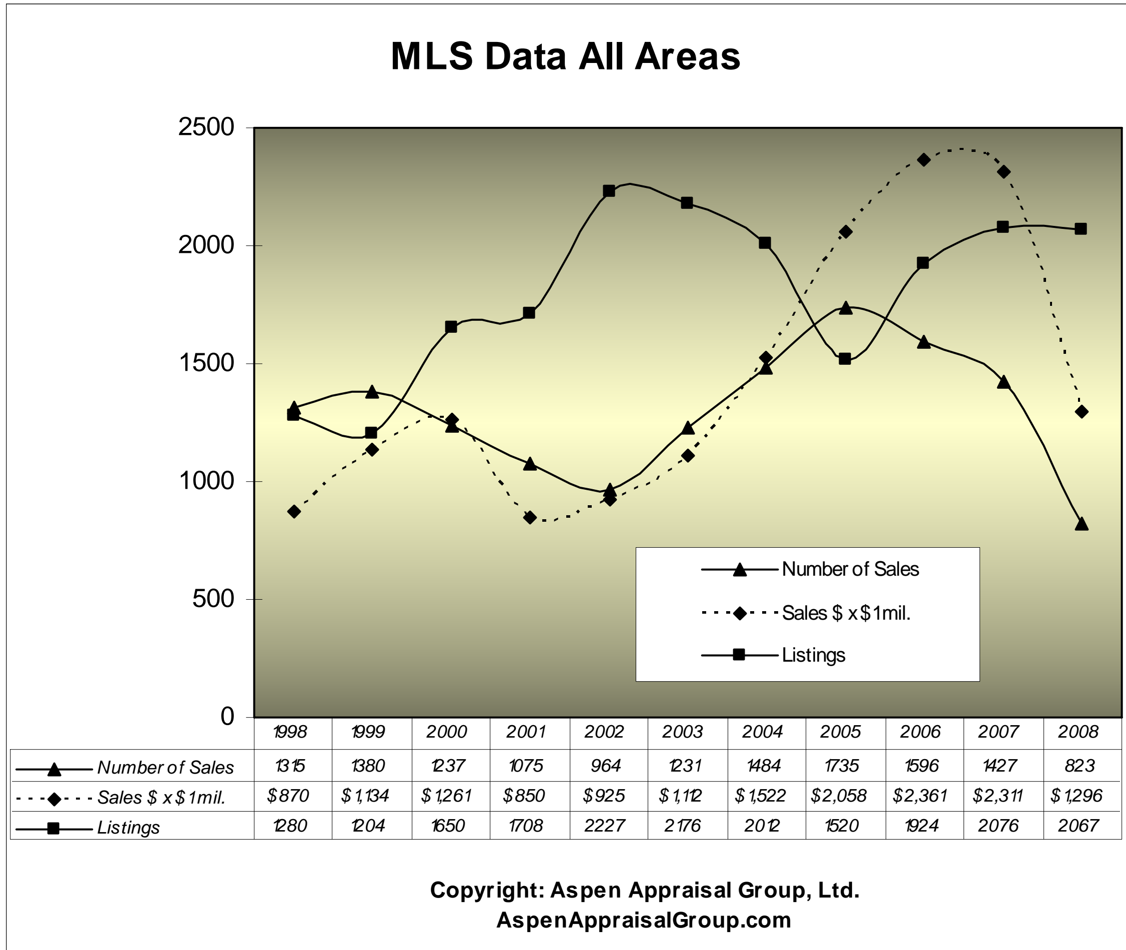

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Number of Sales	1315	1380	1237	1075	964	1231	1484	1735	1596	1427	823
Sales $ x $1mil.	$870	$1,134	$1,261	$850	$925	$1,112	$1,522	$2,058	$2,361	$2,311	$1,296
Listings	1280	1204	1650	1708	2227	2176	2012	1520	1924	2076	2067

MLS All Areas

By now, it should be clear that both the Aspen and Snowmass markets have slowed dramatically. While we do not wish to "beat a dead horse," we have also considered MLS and Land Title Data from all areas of our market.

We have less confidence than we would prefer in the MLS Data from All Areas as the merger of the Aspen and Glenwood Springs Boards and the way statistics are kept has changed, particularly with respect to land transactions. The data is far from perfect. We have done our best to adjust the data to keep it apples to apples, but the data here is still corrupted. It is also undermined by listings that find their way into multiple zones and property types; the same property can be listed in more than one section of the MLS. Nevertheless, here we are really more interested in trends, than hard numbers.

In the first 11 months of 2008 we sit at just under $1.2B in total volume, with a projection for year end of about $1.3B. If that projection proves accurate, we would be somewhere

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between the 2003 and 2004 volume, and well below the $2B+ we saw in 2005, 2006 and 2007. Our annualized totals show a drop in dollar volume of about 44% and a drop in the number of transactions of 42%. On the positive side, the number of listings has not really changed much since 2006, still around 2,000 available listings.

Because our confidence in this data is not high, we have also looked to sales data kept by Land Title. They do an excellent job tracking sales and we appreciate Tammy Sommerfeld and Land Title for making this data available to us. They look only at Pitkin County. Unfortunately we were only able to review data thru October rather than thru November. Their data shows gross volume thru October of just under $1.2B, essentially the same as our MLS analysis that includes another month. How can that be true when the geographic area Land Title looks at is actually smaller than our MLS All Data? The answer is that they include all fractional sales in their data compared to only some in the MLS data. They also include all affordable housing sales, sales that don't involve brokers, commercial sales that are not reported in the MLS and they also include sales that may not be arms length.

If you look at the first 10 months of the year, gross sales according to Land Title are down dramatically, approximately 46% from $2.2B as of the same period last year to $1.2B now. Number of transactions shows a similar decline, down 37% from 1,140 in 2007 to 714 this year. What is particularly interesting in their data is that every month in 2008 shows considerably less activity than the corresponding month in 2007. And of course 2007 was in most months slower than 2006.

I thought it would be interesting to see what has happened in Summit and Eagle counties as it compares to us. The results, while similar, do not show as much of a decline as we have seen in Pitkin County. Looking only at YTD data thru October, Eagle County showed a decline of 28% in dollar volume, Summit County showed a 29% decline and we showed a 46% drop compared to 2007 data as of the same period. Numbers of transactions are more similar, with Eagle County showing a drop of 41%, Summit County showing a decline of 40%, and our decline was 37%. I suspect that the lesser decline in sales volume is at least partly the result of more new product that actually saw delivery in 2008 in Eagle and Summit Counties. Also interesting from a purely egotistical standpoint, I was surprised to see that Eagle County actually had more gross volume than Pitkin County in both 2006 and 2007 with $2.75B and $2.96B respectively, compared to our market with $2.63B and $2.51B. As we know, the Eagle County Commissioners have had a much different attitude toward growth and expanding their tax base compared to the City of Aspen and Pitkin County. The result is that Eagle County has done a fabulous job approving an abundance of new development, and just in time for the market to take off.

So, not surprisingly, Land Title and MLS data for All Areas show that our larger market has slowed considerably. We will talk more about this market softening later.

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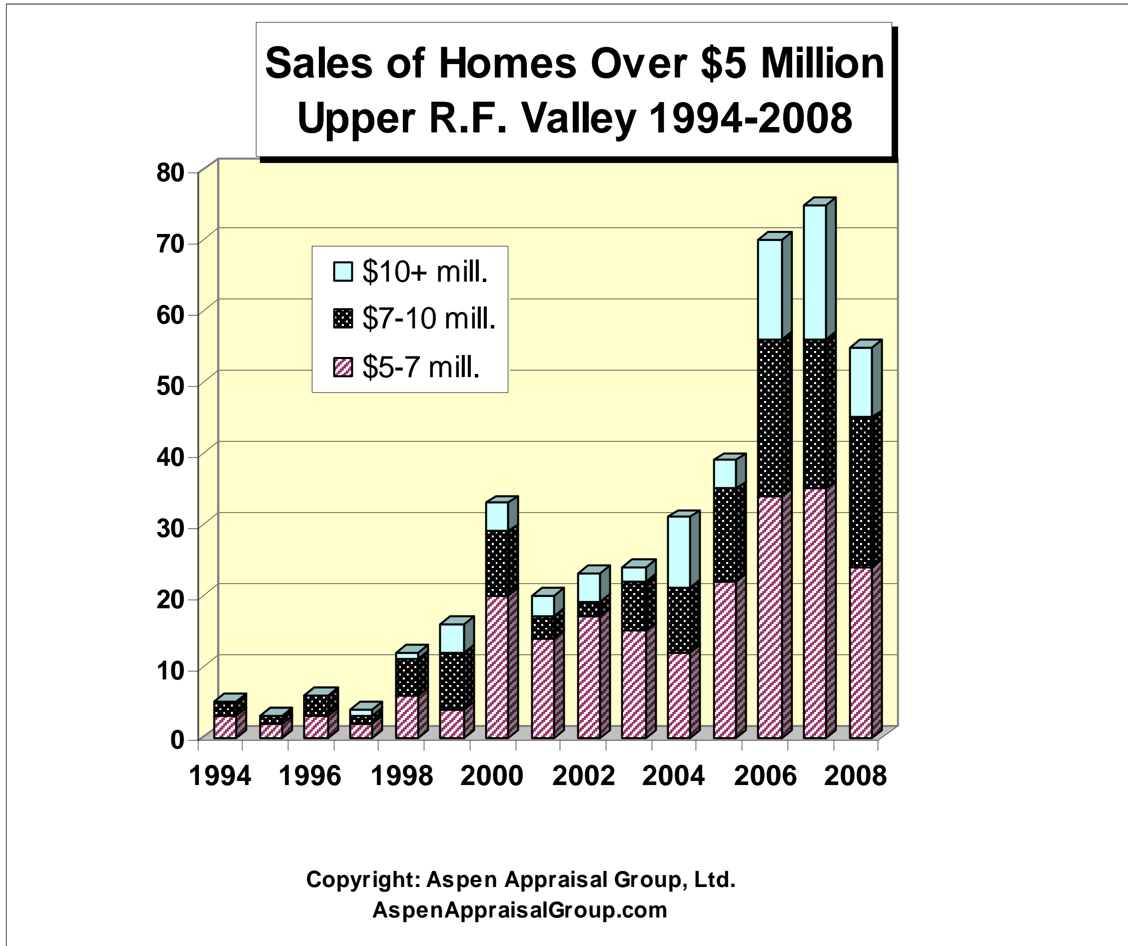

Single Family Sales over $5,000,000

It is important to note that our data for $5M+ sales comes from Zones 1-4, so it includes Aspen, Snowmass, Woody Creek and Old Snowmass. This data is actual thru November 30; it has not been annualized. As a result, the numbers we show for 2008 will improve somewhat with December closings. As shown on this bar graph, 2007 was the best year ever for sales over $5,000,000. Like the rest of our market, 2008 totals were lower, but the $7-10M range held steady with 21 sales in both 2007 and 2008. The slowdown was however very noticeable in the $5-7M price range where the number of sales declined over 30% and in the $10M+ price range, where the decline is over 45%. It is interesting though that in the $10M+ sales, five of those were in Snowmass, including the Hirsch property on Wildcat Ridge that is the 2nd highest sale ever in our market at $36,375,000. It was really just 2007 when Snowmass saw its first $10M+ sales, with 4 of them. So, for Snowmass it was actually a better year in this $10M+ price range.

The listing picture for these $10M+ properties is not pretty. The number of listings in this category had been relatively constant in 2004 and 2005 with about 20-25 available

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properties. In 2006 that changed and the supply has continued to grow dramatically since then. As of about December 1, 2006 the supply of these $10,000,000+ listings had nearly doubled with 37 shown in the MLS, not including another 10 or so pocket listings. As of December 1, 2007 the MLS showed about 57 available listings over $10M plus we would guess another 10 pocket listings. This was more than a 3 year supply. Noteworthy is that 12 of these were priced over $20M. Now, as of December 1, 2008 the supply stands at 79 listings, again exclusive of pocket listings. Thus, without considering any pocket listings, the supply of available $10M+ houses in the last 3 years has grown from 37 to 57 to 79 now.

Noteworthy, and particularly unsettling for numerous spec builders playing with the big boys, 17 of those 79 listings are priced over $20M, up from 12 listings a year ago. As we noted the last two years, this area of the market continues to be considerably oversupplied. There is well over a five year supply of $10M+ houses, and one could argue that the supply of $20M+ houses is in the range of 8 years based on the fact that in all of 2008 there were only two sales above $20M. The only 2 sales in 2008 were Wildcat Ridge and the Troyer-Trousdale property on Pitkin Green at $20,750,000.

What remains an issue is how this upper end market will endure during the next several years as the residential markets regain momentum. You will no doubt recall our past discussions on the relative purchasing power that our billionaire buyers bring to the table. Well, even the extraordinary financial statements of most of these buyers have been hurt with the financial meltdown facing our country. A billionaire who lost 25% of his wealth, lost $250M; that is a lot of money, even for a billionaire. Of course most of the country has lost a higher percentage of their wealth than that. A lot of these billionaire buyers are simply out of the market now. At the same time, as reported in the *New York Times* recently, being conspicuous with and flaunting your wealth are becoming unfashionable. Simply it is starting to be "not cool" to flash your money around. Conspicuous consumption is out. Combine those factors with the large supply of $20M+ houses, and radically declined sales volume, the next several years will likely prove difficult for even our extreme upper end market.

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Aspen Commercial Market

Retail and office rents in the Aspen core appear to have stabilized in the last half of 2008 rather than the trending up we saw in 2007 and the major step up we saw in 2006. There will continue to be cost of living increases for most commercial tenants but we are aware of at least one commercial landlord who is freezing any rent increases in 2009. We continue to see rents of $100-150/SF as commonplace and we still have but a few isolated examples in the range of $200/SF. Office rents are still in the $40-$75/SF range. Expenses being passed through to tenants range widely, from roughly $8/SF to over $20/SF, with most pass through expenses in the area of $12/SF to $18/SF. Vacancy for retail and office space is still very low, less than 2%, although that may change modestly as our retail sector struggles with what is shaping up to be a poor winter season. Aspen Highlands remains an exception, with little new space leased up since it was acquired a year ago and still over 20% vacancy now.

There were few sales of commercial property in 2008 so it is difficult to know where capitalization rates are, but with the tightening credit market and rising interest rates, they have surely increased. In 2007 we saw the first evidence of incredibly aggressive cap rates of 4% and lower. Our sense now, from speaking with a variety of investors, is that cap rates are probably more in line with 2006, from 5% to 6.5%, and in some cases higher than that. While there are not many commercial properties for sale, there is also no indication that sellers are willing to accept a higher cap rate; no surprise they still want their properties to be valued based on 3% to 4% rates. For those of you who may not know what a capitalization rate is, simply, it is the relationship of income to value. A building that has $100,000 in net income and sells for $1,000,000 has a capitalization rate of 10%; net income divided by sale price. The lower the cap rate, the higher the value, all other factors being equal. The cap rate is one of the keys to accurately estimating the value of income properties.

Sales or contracts on commercial buildings in 2008 were not as plentiful as either 2006 or 2007, in part a result of limited supply, but also a result of a still unpredictable City Council and uncertain land use code. Commercial building sales in 2008 included the Mill Street Condominiums where Community Banks is located at about $1,300/SF, the Stein Ericksen Building and part of the Aspen Square where Pomeroy Sports is located, both in the range of $1,600/SF to $1,700/SF, and the closing of the Crystal Palace, which along with the adjacent Grand Finale building that closed last November, showing approximately $900/SF. We also saw some commercial condominium sales including a small office in the Powderhouse, next to the Aspen Club, that sold for north of $1,500/SF, the garden level in the Aspenhof building for about $650/SF, a garden level office in the 715 W. Main Building at about $800/SF and one oddity, a small unit in the North of Nell that sold for what we consider to be a very strong price at over $2,000/SF.

There has also been an abundance of activity for parking condominiums, at surprisingly high prices really. All are located in Obermeyer Place. Thru October there had been 13

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sales ranging from $65,000 to $185,000 per space, but all of these sales except one were over $110,000. In most cases the buyer purchased 2 or 3 spaces. Most are individual enclosed garages with good volume to the space. Prior to these sales the highest price we had seen was $145,000 in 2007 in the 730 E. Durant Building, which has an outstanding location within a block of the gondola. The Obermeyer Place sales are surprising given their location, but there has been no shortage of sales here and the suggestion is that condominiumized parking spaces that are proximate to Aspen Mountain may have considerable room to run.

Last year we talked about the Dingilian property, 15,000 SF including Little Annies, Huntsman Gallery and the parking lot that was available for the bargain price of only $39,000,000. Well they have gotten a little more realistic, offering 12,000 SF now for only $17,750,000. Nevertheless, I don't see how a property like this will sell without entitlements, particularly with the unpredictability of City Council, an ever tightening Land Use Code, and a challenging lending environment for developers. I have got to think that the owners are kicking themselves for not trying to secure some type of approval in 2005-6 when the Infill regulations were so favorable.

I also cannot help but wonder how the City is feeling these days about their unbelievable purchase of the BMC property in 2007 for $18.25M. It was a comical price then, irresponsible to my way of thinking. In today's market, it is even more ridiculous. The sad part is that they spent our money, and did not even get it appraised.

Not surprisingly, since the tenure of Mayor Ireland and the current City Council began its term, it has been a much more difficult road for developers. The Wienerstube development, still in limbo, epitomizes this issue. After 2 years in the process, meeting the requirements of the Code, and then some, the development was still rejected. There is now the prospect of litigation, but it seems likely to me that some type of agreement will be reached, similar to what happened with Cooper Street Pier. Other major redevelopments like the Crystal Palace property are in for a long and difficult road to approvals. It is still unknown whether or not this $13,000,000 purchase will prove to have been a good move or not.

Somewhat surprising, but welcomed, was the City's move last week to terminate the 2 year Moratorium on changes in use and associated remodeling of spaces in the Commercial Core. This stumbling block to new tenants will facilitate more tenant turnover, a positive change for Aspen's landlords, and prospective new tenants.

The City Council, whether you agree with them or not, has consistently acted to stem the tide of development and it is that platform that really brought them to office. As we noted last year, that open barn door for developers did not last long, about 18 months in all. The door really closed in May of 2006 with the first of two Moratoriums. It shut firmly when the new Council took office and in June, 2007 when the Code was changed to reduce FARs in commercial districts, reduce allowed height, reintroduce the Growth

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Management Quota System as a competitive vehicle, and increase the requirements for providing on-site affordable housing. The road ahead in 2009 for any new commercial development in the City will be rough, and fraught with considerable risk and uncertainty. The exception that we'll address later is the Lift One Master Plan.

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Snowmass Commercial Market

Three years ago just about everything commercial in Snowmass sold including the Snowmass Land Company building, Gateway Building, The Mall, the Timbermill, and the Snowmass Center. The Mountain Chalet also sold. Deals involving pieces of Base Village and pending deals for the Silvertree Hotel, Snowmass Conference Center and Wildwood Lodge appear to have stalled or cratered following the financial meltdown we have seen, particularly evident in Related WestPac losing their financing for the 21 unit Key Collection and the new arrival center in Base Village. What was shaping up to be a massive and on-going redevelopment of the West Village core is, understandably, now on hold. Even approvals for redevelopment have been stalled as what was to be a 6 month Moratorium on commercial development applications set by the Town last year, continues to be extended, now until June, 2009. It seems that the old West Village Mall as we have known it will likely be alive for some time.

The Snowmass Center is really the only major project now being considered by the Town. In their fourth version of the application since 2002, the number of requested condominiums has tripled and the amount of commercial space has been reduced by 25%. Currently the Center has about 53,000 SF of commercial space and no residential area. The latest proposal includes 158 condominiums, up from 51 in the third application while the amount of retail and office space is now proposed at about 64,000 SF vs. 80,000 SF in the prior proposal. Employee housing is still the same. The Town will begin review of this project in early 2009. I sense that it is going to be very difficult for the Town to fully embrace this proposal. One of the important aspects they will evaluate is whether or not this application should be treated as an amendment or a new application. If it is the latter the development would then probably fall under the current Moratorium on commercial development in Snowmass. Of course, even if approvals are gained, moving forward is doubtful any time soon, without a dramatic change in our economic environment.

On the positive side, there is a lot of excitement in Base Village as we enter its second ski season. An abundance of new commercial space is already open or will be shortly, including a variety of new restaurants: Sweet Life, Sneaky's Tavern, Liquid Sky, Junk and Buchi Tavern. New retailers include Generation Snowmass, Snowmass Style and the North Face. There is great energy now at the base of Fanny Hill, and if you haven't checked it out, you should.

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Fractional Interest Units:

The fractional market continues to be unsettled, with only a couple of bright lights. Sales volume continues to drop dramatically. According to Land Title, sales volume through October is about $42M, down about 44% from 2007 and down 74% from the record year of 2006 when there was about $161M in sales as of the same period. To be fair, part of that decline has to do with the fact that the Hyatt, our largest project with 1040 interests, sold a large number of units in 2006 when the project was just finished. However, as a general statement it seems clear that much of the fractional market is suffering.

Bright lights include the continuing success and increased pricing of the Dancing Bear and the Residences at Little Nell. The Residences are now over 95% sold out with only 8 interests remaining. Prices have continued to escalate. Three bedroom units are all that are left; prices have risen from $900,000 initially to $1.4M in December, 2006 to $1.75M in December, 2007 to $1.9M now. Four bedroom units sold for as high as $3M; still mind boggling numbers for 6 weeks of use per year. Although I have not yet seen the completed units, I understand them to be outstanding. Phase 1 of 9 units in the Dancing Bear with 1/8 shares is reportedly sold out, and they are well into sales on Phase 2, the site of the old Chart House. All units are three bedrooms and prices have risen from $589,000 initially to $859,000 last year and $979,000 now. We understand the project in its entirety with 20 units and 160 interests is over 50% pre-sold.

The Innsbruck had shown decent sales activity with about 50% of the project closed or under contract. The project is now complete, but it is our understanding that the remaining units have been removed from the market as the developer waits for the market to strengthen, and thereby allow them to raise prices. This project is selling 1/12 shares for 17 small one and two bedroom units. The price point was very attractive at $93,000 to $227,000 and that affordability along with the good quality of the units help make up for what many consider a less than optimal location. We'll see how these prices hold up, and if the developer's plan to wait, and raise prices is a good one.

The Hyatt is reportedly about 60% sold out, selling 1/20 shares for their 52 units. With respect to dollar volume, they are nearer 80% sold out as the best and highest priced weeks understandably sold first. Reportedly sales activity this summer was still strong in the Hyatt with about 45 shares sold. They have in the range of 400 interests left to sell. However, important is that the first resale units are now available. We count about 70 listings that are now in direct competition with the developer.

The Timbers in Snowmass continues to show strength and stability and to our knowledge it is the only project that has shown appreciating resales. The four sales in 2008 were from $479,000 to $510,000 compared to sales in 2006 at about $425,000 to $450,000. However, there are now about 8 listings at prices from $450,000 to $500,000. This project also sold 1/8 shares.

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The Ritz and Snowmass Club continue to struggle. Not including an abundance of unsold inventory from the developer, the Ritz alone shows over 70 available resale units. Although the St. Regis with 1/11 shares for 17 units is sold out from the developer, resale listings are now occurring with over 50 shares available, and sales appear to be sluggish.

As we have talked about in the past, what is apparent is that if you buy early in these fractional interest projects, you are probably going to be ok. Buyers more interested in use vs. investment will be more content. However, what has always concerned us is how stable prices will be once the developer with his large marketing budget and expertise exits the project. Before the developer leaves, we see it as a difficult task for the reseller to effectively compete, unless they are priced well below what the developer is asking. Even the Residences at Little Nell is not immune. For example, there are now 6 three bedroom resales available at asking prices ranging from $1,500,000 to $1,800,000; all less than the developer is now asking at $1,900,000. So, for the reseller, if they bought early they are probably still ok, but if you bought in late, after prices were raised, it may be very difficult to sell your share without taking a loss. Additionally, we have what is considered by some in the profession to be an over abundance of fractional interest units for a resort the size of Aspen/Snowmass.

In our view, this fractional market remains an area of weakness and concern. The product is diverse and confusing with 1/8 shares to 1/20 shares and often very complicated use patterns. Most realtors don't understand it. There is no question that as the already built projects mature, and more people come under financial pressure as is impacting the rest of our market that even more resale interests will be available than ever before. We suspect the next several years will be very challenging for resellers who have to sell, in virtually all of these projects, unless they bought in early. It is going to be very interesting to see how well prices hold up. This has always been our area of concern as there has been very little resale history industry-wide and locally.

There are two unanswered questions for the fractional market. First, over time, how would a weakening and declining resale market in some or most projects affect new buyer's interest in this fractional product? Second, will we continue to see new fractional interest projects coming out of the ground, or has this fractional product run its course, despite its advantage of offering buyers a less expensive alternative to whole ownership?

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Interviews

This year we again interviewed numerous Aspen and Snowmass brokers. Many are the office brokers and their companies are involved in the bulk of all transactions that occur in our market. Thanks to all of you who let us pester you with questions each year, as your insight is incredibly valuable to us.

One of the questions we posed was: Is there any area or areas of strength currently in either Aspen or Snowmass? The consensus was that while there is probably no area of real strength, the core of Aspen is probably less weak than other areas of the market, particularly for new or renovated single family houses under $7,000,000 and renovated condominiums under $1,500,000. If there were reasonably priced building sites on Red Mountain, Pitkin Green, or in the West End, those would be strong too, but those available are not reasonably priced. In Snowmass, the areas of strength, or let's say less weakness, are Two Creeks and the Divide, where there is little available inventory, to a lesser degree the Pines, and perhaps still new Base Village product like the Viceroy or Little Nell where delivery is still well down the road. It was the opinion of most brokers that when the market recovers, and it will, it will be these areas that respond first.

The areas of greatest weakness, as our data shows, are the single family market above $10M, and particularly above $20M, the vacant land market, and an oversaturated half duplex/townhouse market, particularly in West Aspen. Areas of particular weakness in Snowmass include single family inventory in Ridge Run, Wildridge and Melton Ranch, along with older condominiums like the Woodbridge, Snowmass Mtn. and Top of the Village. Although the brokers we interviewed all have different levels of experience with fractional product, all of them were negative about the sustainability of value over the long term.

Overpricing is still evident for a large number of listings in all sectors of our market. Even though we are now in the 2nd year of a slowed market, and the country is gripped by a deep recession that is probably going to get worse before it gets better, most sellers in our market are still living in 2006. There continues to be a major disconnect between buyers, who are willing to buy only if they perceive that they are getting a great deal, and an abundance of unrealistic sellers, albeit sellers who can still afford to be unrealistic. We talked about this same disconnect last year and it has only gotten worse. The result is one of the primary reasons our market has slowed so dramatically across the board. We recognize that many sellers don't care what buyers think and most can afford to just sit and wait. This same disconnect does have a built-in self correcting mechanism: unsatisfied sellers, most of whom do not have to sell, will simply take their properties off the market, thereby helping keep the supply in check. This is good theory, but it seems from our listing supply analysis that not enough sellers have decided to get realistic, or get out of the market for now.

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One of the questions we posed to our interviewees was whether or not there has been a value decline yet, or whether they thought there would be in the next 12 months. This question is surely one of the most important issues on our minds today as real estate professionals. Although we wanted to address this by property type and price range the responses were more general, and not surprisingly, opinions varied. Opinions ranged from a 10% to 25% decline, back to 2005 levels for many properties to absolutely no decline with values holding for some parts of our market. We'll address this again later.

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What's Ahead?

Change was the mantra for both Snowmass and Aspen the last few years when the market was skyrocketing. Last year I noted that change was still the word of the day, but that change was <u>not</u> about new development so much as it was about a **change in attitude** from the Aspen and Snowmass resident communities along with their elected officials. The change in attitude of course resulted from dealing with the effects of all the development that had been approved. Today, I think we are really back to the **status quo,** rather than change. Both the Aspen and Snowmass communities are tired of new development and the impacts they bring to our daily lives. More importantly, the recession that is finally being acknowledged and the challenging economic climate we are in have slowed our market dramatically across the board. I think this is a healthy pause for us.

Town of Snowmass Village

For Snowmass **massive development and a full on renaissance** continue, albeit at a slower pace than some would like. When Related WestPac had their financing pulled, the wind was taken out of their sails and now there is a forced slowdown in the rest of Base Village, whether or not the developer or the market wanted to see it. Nevertheless, what is already under construction or finished is excellent, and most people I've spoken to about this product are pleased with how Base Village is coming together. There are also a new Town Hall, new recreation center, a new entry area, and new employee housing. Most of the older condominium projects have been upgraded, although some have done nothing and others could have done more or done a better job. Those that have done little or nothing will likely curtail doing anything now as money is a problem for virtually all of us. I would think this will be a problem for sales in projects like the Snowmass Mountain or Lichenhearth for example. In my view the forced slowdown in new development because of the economic climate and the Town Moratorium are ultimately positive forces that will allow the market some time to breathe and recover. Nevertheless, over the long term, Snowmass can still look forward to construction mania for easily another decade, albeit with much less activity in the next 1-2 years. Snowmass because of its renaissance is well positioned for the next 10-20 years to compete for buyers and visitors.

City of Aspen

We talked last year about how a lengthy commercial moratorium bore fruit with a changed Land Use Code passed in June, 2007. FARs were lowered, allowed height was reduced, more affordable housing was required and the competitive aspects of Growth Management were reinstituted to name only some of the changes. Developers are struggling today to understand what it takes to get a development approved. Simply doing what the Code requires is not a guarantee as the Wienerstube developers found out. It remains a very uncertain time for developers of commercial and residential real estate in

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Aspen, and moving ahead, I don't see this improving. Rather, as the community updates the Aspen Area Community Plan, the likelihood is that it will just get worse for developers. One of the likely Code changes will be the requirement to provide yet more affordable housing mitigation. Who knows what other changes will be initiated following the update of the AACP?

The biggest news in the City is the pending Lift One Master Plan. After months of deliberation and over 2,000 man hours from the 27 member task force charged with evaluating the developments, it is now before City Council for approval. It has been tabled until January. The plan is for about 8 acres at the base of Aspen Mountain, owned jointly by the City, Aspen Skiing Company, Centurion Partners and Chaffin, Light and Wilhelms. As submitted there will be about 295,000 SF of development, including 2 hotels, underground parking, affordable housing, ski amenities including a relocated Lift 1, a ski museum and commercial space for retail and restaurants. The hotels would include a combination of lodge units, fractional interest condominiums and whole ownership condominiums. So, what will City Council do? The anti-development forces are now speaking out about how this massive development is out of character with the town. And yet who can deny that this incredibly underutilized portal to Aspen Mountain needs some type of redevelopment? My guess, and this is of course just that, is that City Council will approve the development, albeit with some tweaking to what was submitted. The approvals will really amount to a conceptual approval, but one that is binding on the City. However, in the next 1-2 years there will be even more tweaking as the developments are refined in what will essentially be the Detailed Submission process. In any event, it is difficult for me to believe that this development will not be approved given that the City, and the Mayor were the catalysts for putting the Task Force together in the first place, and it is the consensus of that Task Force that this development should move forward. If the Lift One Master Plan is approved and moves forward, I only hope that the City does a better job than they ever have before forcing the developers to manage construction and mitigate off-site impacts like traffic. This of course is probably just wishful thinking on my part.

We cannot leave our discussion of the City without some comment on the continuing saga of Ordinance 30/48. Ordinance 48 was adopted based on a concern by the City that a number of the post World War II structures around Aspen were being demolished. In response to this situation, the City first adopted Emergency Ordinance 30, Series of 2007 which met with considerable public objection. The result was the City's adoption of Ordinance 48 which repealed the provisions adopted by Ordinance 30. In its place, the City adopted an actual list of structures that were at least 30 years old that were not yet included on Aspen's Inventory of Historic Structures but could potentially be added to this list.

All properties on the list are subject to what is referred to as a "catch and release" program. If an owner of a listed property wants to make an exterior alteration to the structure or to demolish it, the owner is caught in a mandatory 90 day negotiation period

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with the City (which can be extended by an additional 30 days) during which time no permits may be issued. Instead, the City staff, the Historic Preservation Commission, and the City Council are required to confer with the applicant (and may offer preservation incentives) to try to reach a mutually acceptable preservation agreement for the property. If no agreement is reached during this period the property is released from the negotiation process and the affected permits may be processed and issued.

Since enactment of Ordinance 48 a year ago, the City has appointed a task force charged with reviewing the City's entire historic preservation program and making recommendations for further changes to it. The task force includes both supporters of and opponents to Ordinances 30 and 48. A report from the task force is due early in 2009. It is impossible to predict at this time what type of new preservation regulations may emerge from these efforts.

Pitkin County

The County continues to be quiet really since their total re-write of the Code in 2006, although we will see what happens in 2009 as a BOCC with one new commissioner takes office. In 2007 there was a big change with getting building sites approved for development. The time and cost increased significantly to get any kind of land approved for development, even a simple residential building site that is not fully entitled. The implementation of increased reviews, replacing 1041 Review with defining the activity envelope and then a detailed site plan review are making it more expensive to develop lots.

The biggest change now on the horizon for the County is the prospect of dramatically increasing affordable housing mitigation fees. This will be painful for those wanting to build more than 5,750 SF. The fees being suggested by the County Attorney are estimated to increase by 600%, from the approximately $34,000 per employee set in 2005 to $225,000 per employee. The additional cost for a 6,000 SF second home would be about $130,000, while a 9,000 SF house would be about $327,000. This of course is in addition to the cost of TDRs necessary to increase size above 5,750 SF. The new fees will apply to anyone seeking a building permit, even those with vested approvals. We will see what happens as the BOCC considers these changes.

When in 2006 the County extended the "by right" FAR of 5,750 SF to properties within the Urban Growth Boundary (UGB), the demand for TDRs was heightened. The County also took positive steps to add to the supply by codifying new legislation that allows for the creation of new TDRs from limited development conservation sites in addition to just Rural and Remote sites. There is now no shortage of TDRs available, and the most recent sales seemed to have slipped from the high of $320,000 in 2007 to the most recent sale at about $285,000.

Conclusion

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This is a very challenging time for appraisers. To be frank, it is difficult to know what properties are worth, or more to the point, what their Market Value is: i.e. their most probable selling price. When there is an absence of recent sales, the appraiser must look at older sales, trying to decide whether or not those properties would still sell for the same price, 6-12 months later. We pay very close attention to listings and our discussions with brokers become even more important in this time of uncertainty. Whereas a year ago we might have selected a Market Value estimate from the middle of a suggested range, and in 2006 we would have been at the upper end of that range, today our conclusions are typically from the low end of the range. In many cases we are appraising property for less than we would have a year ago.

Commercial property is very interesting right now. I noted earlier about the trending up of capitalization rates. Add stagnant rents and still increasing expenses to that and the result is lower values. We have seen in the last 5 years less emphasis on the Income Approach, with more buyers frankly just thinking about price per square foot because of anticipated appreciation. The question is: In this uncertain environment will investors put more emphasis back on income? It seems to me that they will. On the other hand, we still have so much commercial inventory controlled by so few groups that there may not be much property that really change hands so it may be difficult to know if values have really come down.

Intuitively, as opposed to empirically, my sense is that there has been some modest correction for most property types, say 5-10% in most areas of our market, particularly in the single family market above $10M+ where we have such large inventory. Especially sensitive are those large, new houses located on “B” quality lots. Many listings, in the area of 25%, have shown price reductions of varying degrees since they were originally listed. However, I do not believe that most of these properties were ever worth anywhere near list prices, and thus has there really been a value decline? Also vulnerable to value declines are the numerous half duplex units we have now in West Aspen. I suspect that land values have also come down modestly, in light of the large supply we have, excepting possibly the West End or prime Red Mountain/Pitkin Green. Areas where values are probably holding steady include single family inventory in the West End, sub-$10M inventory on Red Mountain and Pitkin Green, new or fully renovated condominiums downtown, ski accessible product in Snowmass, new Base Village product, and truly exceptional properties.

Unfortunately, without an abundance of sales, we cannot prove that there has or has not been a value decline. Looking at MLS data for price per square foot of sales vs. listings to prove or disprove a value decline is no more worthwhile than looking at an increase in the average sale price in the last year and then saying that values are going up. When you look at listings in all categories we can see a large number have been reduced in price, and some significantly reduced, but again, were they ever really worth what they were listed for?

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What we know is that we are firmly in a buyer's market, and that unless a buyer believes he or she is getting a great deal, they will not buy. The truth is that if a seller is serious about selling today, pricing is still the key to getting the job done in a reasonable time frame. Yes, many sellers are not motivated, but there are those who are, and with the financial pressures acting on us today, my guess is that number will grow. One broker I spoke with was amazed by how many of his very strong clients had asked him what they could sell their property for, if they needed to. When and if enough of those sellers decide to sell at lower prices, what seems like an aberration today will likely just become where the market is.

I looked back at my concluding comments from last year to see if I got anything right. The truth is the decline in activity was much more severe than any of us could have imagined. None of us could have forecast the meltdown of Wall Street and a wide reaching and deep recession, impacting not only the little guy who always gets slammed, but also the big guy. A lot of our clients who are hedge fund managers, investment bankers or CEOs have been particularly hard hit. So, I correctly guessed that sales volume would continue to decline, but I thought there would still be in the area of $2B in sales. I missed that by quite a margin as we are forecasting about $1.3B this year.

Last year I noted that sales over $2,000/SF were in short supply with fewer than I would have expected. I thought that in 2008 we would probably see our first sales over $3,000/SF. Well, in 2008 we saw only 4 condominium sales over $2,000/SF, and none of those exceeded $2,300/SF. In all MLS zones combined we found 5 single family sales over the $2,000/SF threshold, with only one of those over $2,500/SF. We still have not seen any sales eclipse $3,000/SF, and I doubt we will in 2009.

I thought that in 2008 we would probably see more $20M+ sales than ever before, if for no other reason that the available supply was so large, and that extreme upper end of our market was not really price sensitive. The billionaire effect that we talked about had its place. Wrong again. We had only 2 sales over $20M+ last year. In what has surprised me as much as anything, I now no longer believe that this part of the market is immune from downturn. And, this market will certainly not be helped as an abundance of our property owners and prospective buyers have suffered from the $50B Madoff ponzi scheme. I suggest to you that in today's market, the few properties we saw sell over $25M would have a difficult time selling at the same price level.

Last year I thought we would see more foreign buyers in our market, the result of the incredibly weak dollar. This proved true, with the most noteworthy sale being the Wildcat Ridge property at over $36M sold to Mr. Abramovich, a Russian billionaire. BJ reported in her August 31 report that over 50% of her dollar volume in 2008 was the result of foreign buyers. Well, with the resurgent dollar, and recession impacts around the world, the foreign buyer is probably largely out of the market now too, although Aspen remains a decent value compared to many other high end world resorts, so I do not expect the foreign buyer to disappear completely.

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I characterized the market a year ago as softening and poised for a slowdown. Supply and demand were much more in balance following several years of limited supply. This was accurate, but today, as our discussion has shown, supply and demand is considerably out of balance with supply far exceeding demand across the board.

We are unquestionably dealing with a challenging financial and economic environment now. Although the Aspen Appraisal Group has never believed Aspen to be immune from national forces, those believing this fallacy have seen the myth thoroughly debunked. The country is in a gripping national recession and the impact is being felt around the world, and it is being felt here. There is a lot of fear around how bad it is going to get, and how long this recession will last. It is easy to be negative. Nevertheless, in past recessions like the early 1980's, early 1990's and 2001-2002, our market suffered little and much less compared to the rest of the country. However, this recession is more broad based and far reaching than other recessions we have experienced. As a result I think it is going to take longer than we might hope to come out of it. By way of example, it took our market about 3 years to recover from the recession of the early 1980's, and that recession was arguably one of the most severe we had experienced since 1929. This recession is already much deeper than that, and according to most economists the likelihood of it continuing to worsen before it improves is likely.

So, are we at the bottom, or near the bottom? This question is impossible to answer, and the truth is we will not know where the bottom was until we are well on the road to recovery. How long will this down market last? I suspect that if President Obama can help increase confidence through prudent decision making, our market will be one of the first to respond. There is no question that it took more time for our market to slow than other areas of the country and I believe it follows that we will come back more quickly. Could we start to see some improvement as early as next summer? I think this is possible certainly, but doubtful. It is probably more likely that we will be in this slow period for another 18-24 months, while the rest of the country suffers for the next 3-5 years.

Is there some good news? Long term interest rates are trending down, and that is favorable for buyers. There is also an abundance of money available for people who can qualify. Construction costs are also down significantly, the result of plunging energy costs, less construction and more competition. Costs have probably declined 10-20%. This is all good news.

The few buyers we have now seem concerned that the market has more room to move down, and they are often reluctant to pull the trigger. However, what we know is that there are a lot of opportunities out there, there are certainly some motivated sellers, and there will likely be more each day. So, is this a good time to buy? I believe it is, and I would encourage you to submit offers, because at the end of the day, who knows what price some of these sellers will really take for their property. It really is an opportunity right now. Buyers just need to be thinking about owning for the long term.

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In closing, thank you to everyone we talk with regularly for sharing your information and views on the market. We could not do our job without your help. And, when you or your clients are thinking about appraisal services, please think about the Aspen Appraisal Group.

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