

BIG CHANGES *in store*

The purchase of Park City Mountain Resort by Vail Resorts and the proposed connection with Canyons Resort will comprise the largest ski area in the United States. Interest in real estate spiked the day the sale was announced. Change is afoot.

On a bright mid-September morning, four of the area's most knowledgeable real estate agents met to discuss the status of the Park City property market just days after the announcement that Vail Resorts had purchased Park City Mountain Resort. Relaxing in the great room of an iconic Deer Valley home (marketed by Ligety, Sharp and Leader) with 180-degree views of Park City and Deer Valley's ski runs, the four real estate insiders immediately engaged in conversation. Our host Mary Leader and colleagues Ann MacQuoid, Dena Fleming, and Matt Mullin joined WHJ's Ann Zimmerman and Thatcher Marsted to discuss the energized market.

ANN ZIMMERMAN: Can you each tell us a bit about yourself, your affiliations, and your experience with the real estate market in the Park City area?

MARY LEADER: I am a partner with Ligety, Sharp and Leader, Summit Sotheby's International Realty in Park City. We focus on Deer Valley and luxury homes throughout Park City. A large part of our business is by referral, and we have assisted generations of the same families with property transactions.

MATT MULLIN: I am with the Lange Group, Berkshire Hathaway Home Services. I have a background in luxury multi-family developments, including projects in the Deer Valley area. The Lange Group focuses on luxury properties throughout Park

City, as well as a 14,000-acre ranch development called Wolf Creek Ranch.

DENA FLEMING: Both Ann MacQuoid and I are partners in Chin, MacQuoid, Fleming, Harris, Berkshire Hathaway Home Services. We deal primarily with every aspect of the luxury market including developments such as the Stein Eriksen Residences, Empire Pass, and the St. Regis.

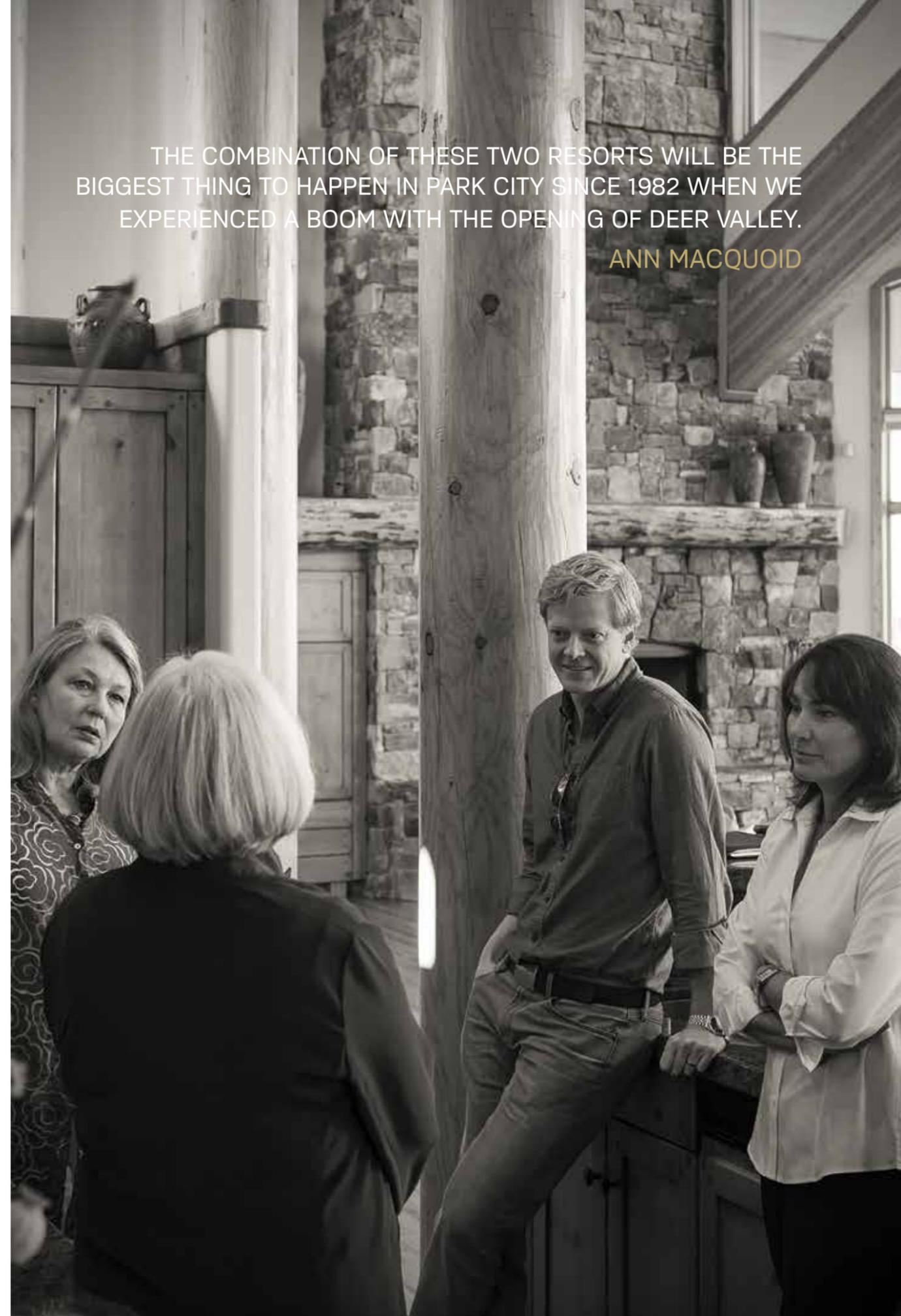
ANN MACQUOID: Adding to Dena's remarks, the four principals comprising Chin, MacQuoid, Fleming, Harris are all senior partners with Berkshire Hathaway, and we all have 25 years or more of experience and specialize in luxury home sales and developments within the Park City limits. We represent both buyers and sellers in all price ranges.

ZIMMERMAN: Let's first address the question everyone seems to be talking about: how will the sale of Park City Mountain Resort to Vail Resorts affect the real estate market? Also, will the efforts to reach agreement on ONE Wasatch (a system to interconnect the Park City ski resorts with those in Big and Little Cottonwood Canyons) benefit the market?

MACQUOID: It's huge, a major event. Matt, you came from Vail. Why don't you start this discussion?

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ANN MACQUOID





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MULLIN: Yes, I was born and raised in Vail. Vail is the preeminent ski resort operator in the US, if not the world, and with Vail's operation of Canyons Resort, we have already seen very positive benefits. Our town—and Utah in general—have been historically overlooked as a ski destination. That will change. Vail's advertising budget is bigger than the entire state of Utah's promotional budget.

LEADER: With the inclusion of Park City Mountain Resort, Vail's Epic Pass will substantially affect tourism. The Epic Pass brought skiers to Canyons Resort last season, and many also skied Deer Valley.

MACQUOID: Yes, it has the potential for greatly increasing the number of visitors coming to the resorts, especially because the Epic Pass is valid in 12 U.S. resorts and six international resorts. The Epic Pass sells in 87 countries, and annually there are over 300,000 passes sold.

FLEMING: Connecting the Canyons with Park City Mountain Resort can be accomplished with one chairlift. The infrastructure seems very easy to construct, and it joins 7,300 acres into one resort, which will be the largest resort in the United States.

MULLIN: Yes, and ONE Wasatch has the potential to connect all of the Wasatch resorts with even more terrain for the best steeps and powder in the country.

FLEMING: There is a buzz in the air. Clients called the moment the news broke with serious interest in buying.

MACQUOID: The combination of these two resorts will be the biggest thing to happen in Park City since 1982 when we experienced a boom with the opening of Deer Valley.

MULLIN: True, and at least for the next decade, the changes at the Park City resorts will produce more demand for real estate because of the increased marketing attention. There is real opportunity and challenge with that growth.

ZIMMERMAN: Will this demand go to the outlying areas?

LEADER: The Deer Valley Master Plan will allow for a great deal of growth, and most of it will be in Wasatch County. Deer Valley's expansion will increase its size from 2,000 acres to 6,000 acres, and it will allow for 2,000 unit equivalents, essentially doubling the number of residences in some of the most beautiful scenery in the world.

MACQUOID: The beauty won't change. The development zoned and approved in the mid-80s is mostly built out. The city has worked hard to prevent runaway growth, and Summit County has, as well. Wasatch County is catching up. They recognize that no one wants to ruin what has brought us all to the area in the first place—the beauty and the recreation. The concept



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ST. REGIS DEER VALLEY

The venerated tradition of St. Regis' luxury, romance and bespoke service comes to life in Park City at St. Regis Deer Valley. From iconic butlers, to the signature Jean-Georges restaurant and Remede Spa, St. Regis Deer Valley brings a unique and surpassing elegance to the slopes of Deer Valley Resort. Whole ownership Residences and Condominiums offer perfect ski-in/out accessibility in an unsurpassed mountain location just minutes from Historic Main Street. "Portillo" Residence 1004 features 3 bedrooms, 3.5 baths, a gracious and inviting great room with views of the Uintah mountains and Jordanelle reservoir.... all this and life at St. Regis! Condominiums from **\$1,250,000**
2, 3 Bedroom Residences available **\$3,850,000** and **\$4,250,000**

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ONE OF THE NUANCES OF THE CURRENT MARKETPLACE IS THAT THERE ARE VERY FEW INVESTORS OR FLIPPERS. CLIENTS ARE BUYING HOMES FOR THEMSELVES.

MATT MULLIN



of the athleticism of the buyers has really changed since the '80s. Then, they were generational buyers seeking activities for younger family members, but now grandpa is out with the kids.

MULLIN: Mountain biking is exploding in popularity. There are more trails than roads in Park City. There's 400 miles of trails, with more being added each year.

LEADER: We used to think of ourselves as a winter destination, but more buyers, especially those from Texas and Arizona, are buying homes for the summer. Also, I see second homeowners eventually making Park City their primary residence.

ZIMMERMAN: Builders shied away from spec homes immediately following the downturn. Has this changed? What's the building climate?

FLEMING: We saw it coming: there were no new homes being built, and a large number of the support staff left the construction industry and the area.

MACQUOID: The improvement in the building market really hit last summer. You couldn't find a contractor, and if you could, prices could be up 25–35 percent more.

MULLIN: Building is back, and land—especially within the Park City limits—is becoming scarcer.

ZIMMERMAN: What are the current real estate conditions?

MULLIN: Some buyers are still searching for the deals that were available a few years back. But the market has moved on and they have missed out. I tell them, "If this is the house you want, then buy it and enjoy it. Buying a second home is about lifestyle not the cap rate."

LEADER: It's important to pause and point out that the conditions we are talking about don't apply across the board. The Park City market is very segmented, and every neighborhood is different. There are still wonderful opportunities.

FLEMING: True. Buyers can be very specific about their wants. We didn't anticipate the reaction when we launched a new premiere development, Stein Eriksen Residences. The reservations far exceeded our expectations. These were largely cash buyers who are end-users, not investors. And people are putting money into land assets. Some feel the stock market may have peaked and land assets are a better investment. They are thrilled with new construction, and the demand is for contemporary design.

MULLIN: There is a pent-up demand for new and contemporary. The Stein Eriksen Residences perfectly addressed that pent-up demand: the Silver Lake area, contemporary architecture, and great ski access created the perfect storm.

MACQUOID: We have seen cycles where products come on to the market and address pent-up demand; it's evident in the presales for the St. Regis and Empire Pass.

MULLIN: One of the nuances of the current marketplace is that there are very few investors or flippers. Clients are buying homes for themselves.

FLEMING: That's my observation. We are stunned that the Stein Eriksen Residences have been so well received. We have sold 24 condos and six homes in the range of \$2 to \$8.8 million.

MULLIN: With higher construction and land costs, new homes are getting more expensive, but there still is so much value in this market. There is room to grow and add new development, and that will moderate the exponential price increases.

BALD EAGLE SKI-IN, SKI-OUT

This 8,457 square-foot ski-in, ski-out home in Bald Eagle offers warmth and ambiance throughout. With an elevator, massive timbers, antique pine floors, and a dramatic handcrafted copper front door, this 5-bedroom/7-bath home is a prime Park City-area property. Featuring several decks, private patios, and a generous great room, you won't miss a moment of the spectacular views this home affords. Ski right to your back door and relax in front of one of the five fireplaces or entertain your friends in the perfect apres ski setting. As a part of the exclusive Bald Eagle Club, Deer Valley's premier community, 7831 Hawk Court offers the best of so many worlds.
\$5,900,000

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hot property



PARK CITY IS NOT JUST FOR SKIERS

Perfectly located in Four Lakes Village, this elegantly appointed townhome offers sweeping resort views across the 16th fairway of the Park Meadows County Club. An expansive great room and main floor master suite open onto large decks. A tasteful renovation includes all new cabinetry, stacked stone fireplace, hardwood floors, slab granite counters and a chef's kitchen with Wolfe and Subzero appliances. Located close to private neighborhood clubhouse, pool, and tennis courts.
\$1,395,000

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ZIMMERMAN: What can we expect to see the next six months to a year? What are the emerging trends to watch?

FLEMING: Clients prefer contemporary architecture. It's here with a vengeance.

MULLIN: Definitely. You can have two properties alike in every way, and it is the contemporary home that sells.

LEADER: Instant gratification: clients want something that meets their taste and is move-in ready.

MACQUOID: And new sells. I think we will see spec homes if builders can find lots. I look for more activity in the outlying golf communities like Promontory and Tuhaye. I am interested in following all of the newly proposed developments.

FLEMING: We will see more happen at the Canyons. There's considerable land at the Canyons that can be developed and more at the Colony. Land development in that area can ease the



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shortage of lots. Also, we mentioned the Deer Valley expansion and the number of new building sites that may become available.

MULLIN: In the past, once people visited Park City and Deer Valley, they returned. With more people visiting with the Epic Pass, I think we will have more return visitors and more people buying homes.

MACQUOID: There are more direct international flights opening up to Salt Lake. Up to now, we have never seen a great number of international buyers like they do in Colorado.

LEADER: It's changing, isn't it? Now with the inclusion of Park City Mountain Resort on the Epic Pass, we will see more people here for the first time from North America and abroad.

footnote

Since this round table discussion, Deer Valley Resort has entered into an agreement to purchase Solitude Mountain Resort in Big Cottonwood Canyon, and will begin operating the resort on May 1, 2015.

STEIN ERIKSEN RESIDENCES

Stein Eriksen Residences capture the opportunity to own new, private, ski-out / ski-in homes and condominium residences that are enhanced by the exclusive on-site amenities and Stein Eriksen Lodge's 5-star / 5-diamond service and management. This enclave consists of 14 distinct homes and 40 condominium residences with a sophisticated and contemporary style, located just off Deer Valley's Last Chance ski run. The homes include: floor to ceiling dual glazed low-e high performance windows; gourmet kitchens with custom cabinetry, and Sub-Zero and Wolf appliances; Waterworks, Dornbracht, Hansgrohe or Blanco fixtures throughout; custom built natural grain wood and steel floating staircases; ski locker rooms with outdoor spa and fire pits; natural stone and reclaimed wood siding.
Starting at **\$2,400,000**

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