

MANSION

THE TRADE

# In the Rockies, a Resort—and Refuge

Mexican entrepreneurs are buying in Vail, Colo., both as a stable investment and as a safe place for their families

BY ALYSSA ABKOWITZ

**IN THE RESORT** town of Vail, Colo., real-estate professionals are stepping up efforts to court an increasingly important group of luxury ski-home shoppers: wealthy buyers from Mexico.

Slifer Smith & Frampton, a brokerage based in Avon, Colo., recently unveiled a Latin American division and now makes several trips to Mexico City to host dinners and cocktail parties for potential homeowners. On a jaunt in late October, the firm co-sponsored a dinner at the home of a well-known Mexican television executive for 60 guests, who ate ceviche and sipped Champagne. “Several of the attendees are already looking,” says Beatriz Martinez, the head of the new division. And this winter, the firm is printing its first buying guide in Spanish and working with local banks and title companies with personnel who speak Spanish.

The firm has also partnered with

Glika International, a boutique real-estate firm in Mexico City, and Ski Madness, a real-estate and ski company, offering them 50% of the commission—much larger than a typical referral fee—for sending high-net-worth Mexicans interested in Vail to their agency. In turn, Glika and Ski Madness help sponsor various local events, such as a VIP dinner Ski Madness co-sponsored in late October. Currently, Slifer Smith & Frampton says it has 50% market share in Vail, a market where prices are still down 30% from their peak in 2008.

While Vail has long been popular among wealthy Mexican families, a recent real-estate spree has been fueled, in some cases, by a desire for security. “Safety is a huge issue for many of these families,” says Julie Bergsten, vice president of Slifer Smith & Frampton. “We’ve even seen some families move here full-time.”

Mexican buyers have been behind a number of big-ticket sales in Vail this year. At the Four Seasons Residences, a three-bedroom, three-bathroom

home sold for \$4.2 million over the summer to a business executive from Mexico City. In the spring, a Mexican buyer bought a \$7.5 million home on Gore Creek Place, a desirable street overlooking Vail Mountain. And two out of the last three sales at the Solaris, one of the newest developments in Vail Village, sold to Mexican families this year with price tags around \$6 million each.

FirstBank, a regional bank, has made loans to more than a dozen Mexican buyers in the past year, up from only “two or three a year” five years ago, says James Wilkins, senior vice president. “They’ve been a strength in the last couple of years, when there was a dearth of high-end buyers.”

Mexico’s economy has weathered the global financial turmoil, but well-financed drug cartels continue to place growing pressure on the country to deal with rising violence. Earlier this year, the Mexican government released data that showed crime-related deaths increased 11% in

the first nine months of 2011 compared with the same period in 2010. That has spurred Mexican business people with families to spend more time outside of Mexico, real-estate agents say.

Alejandro Marti, the CEO of a Mexican sporting-goods store, moved his family to Vail permanently after a crime-related family tragedy. In 2009, Mr. Marti bought the bankrupt Vail Plaza hotel and remodeled it into the Sebastian, an upscale hotel-condo development aimed at providing a hub for Mexican culture and art. “Everything in Vail is European-oriented,” Mr. Marti says. The Sebastian opened at the end of 2011, and in the past year, three families from Mexico each purchased eight-week memberships, or fractionals, for \$580,000 a pop; one family purchased multiple weeks at the Sebastian for a total of \$1.1 million.

Alex Martinez, a lawyer from Mexico City, purchased a \$390,000 fractional ownership at the Sebastian that allows him to use the property for four weeks a year. He bought earlier this year after hearing that Mr. Marti owned the development. “He’s a very well-known businessman, and whatever he does he puts his heart into it,” Mr. Martinez says. In all, about 40% of the Sebastian’s condo buyers are from Mexico.

At the Solaris, a trendy upscale residential complex in Vail Village, Latin Americans have bought 60% of the units that have sold for more than \$12 million, with Mexicans making up the majority of those buyers.

“If a certain group selects a place, it’s likely others will follow,” says Johannes Faessler, a longtime Vail resident and proprietor of the Sonnenalp, a European-style hotel in town.

Part of the lure is Vail’s focus on family-oriented activities. For example, the Solaris has a 70,000-square-foot complex with a bowling alley, a movie theater, an ice-skating rink and a shopping center. During peak vacation weeks, retailers in Vail will set up extra playrooms for the barrage of children and nannies or add kid-friendly food to menus.

The biggest concern that can trip up real-estate deals for many Mexican buyers is security. Many of the buyers in Vail are so private that it has been difficult to process loans, since the buyers are reluctant to turn over tax returns or financial statements. Mr. Wilkins, the FirstBank executive, notes that acquiring private loans along family lines is still prevalent in Mexico.

“Sometimes it comes down to, ‘If you want this property, we need a complete financial picture,’” he says.

The Mexican real-estate rush has also started a new campaign to bring a direct flight from Mexico City to Eagle County airport, which is about 30 miles away from Vail compared with Denver’s 120-mile trek. Says Kent Myers, an airline consultant who’s leading the effort to woo Eagle County officials to expand its air service: “That could really move the dial.”

## Vail for Sale



**\$19.2 million**  
**Solaris Residences**  
6,584-square-foot penthouse

The condo has six bedrooms, seven bathrooms and is controlled with a home-automation system. Materials include hand-plastered walls and floor-to-ceiling limestone in the master suite. The building features a restaurant by Nobu Matsuhisa; nearby shops include Luca Bruno boutique and Worth Home.



**\$9.5 million**  
**Four Seasons Residences**  
4,500-square-foot luxury condo

One of only 16 residences at the Four Seasons, this four-bedroom, five-bathroom condo features hickory cabinetry, a wine cooler, a steam shower and two heated, underground parking spaces.

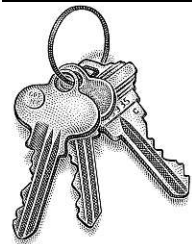


**\$755,000**  
**The Residences at the Sebastian**  
Eight-week fractional ownership

Price includes four summer weeks and four winter weeks in a three-bedroom residence with vaulted ceilings, solid alder wood cabinets and Italian porcelain-tile flooring. Amenities for owners include daily housekeeping, prearrived grocery shopping and ski valets.



**PLANTING NEW ROOTS** Alejandro Marti, the CEO of a Mexican sporting-goods store, bought the bankrupt Vail Plaza hotel and remodeled it into the Sebastian, an upscale, hotel-condo development.



## SPREAD SHEET

# International Buyers: O, Say, Can You Ski?

**WHERE DO** home buyers from foreign countries go to hit the slopes? The British love Aspen, Colo. Canadians seek out Big Sky, Mont. And Aussies flip for Park City, Utah.

Those are three of the top ski destinations in the U.S. that were searched online from abroad between July 2011 and June 2012, according to real-estate website Trulia.

In the Trulia analysis of six ski areas—Aspen, Vail and Telluride in Colorado; Jackson Hole, Wyo., Big Sky and Park City—five see the most views from Canada, the U.K. and Australia. But Vail, Colo., sees the most traffic from Mexico.

Foreign buyers tend to zero in on properties that are amenity-rich, as the properties are usually a second or third home. Rustic log cabins and ski-in-ski-out mountain chalets are at the top of their wish lists, says Lisa Delaney, vice president of marketing for Jackson Hole Sotheby’s International Realty.

Ms. Delaney says the international client base for Jackson Hole has grown nearly 10%

over the past year.

“You used to go to the ski areas and only hear English,” she says. “Now you hear all sorts of languages. It really feels like an international resort.”

According to Trulia, France ranks No. 3 in top foreign views for Jackson Hole.

**Foreign buyers tend to zero in on homes that are amenity-rich. Rustic log cabins and ski-in-ski-out mountain chalets top wish lists.**

David Bernand moved from Saint-André-d’Apchon, France, to the U.S. in 1999 and eventually settled in a two-story log cabin in Jackson Hole. For ski lovers like Mr. Bernand, Jackson Hole is particularly appealing because its rugged landscape is similar to the Alps.

“The way it looks, with the mountains, pine trees and

wildlife, is exactly like France,” he says. “It looks like the Alps in many ways, but here it’s steeper. The Alps have more layers of mountain between the valleys.”

Mr. Bernand, general manager of Four Seasons Resort Jackson Hole, estimates about 30 French countrymen live nearby.

Park City, Utah, came on the international map after nearby Salt Lake City hosted the 2002 Winter Olympics. That publicity, plus direct flights from Los Angeles, Vancouver and Paris, made it a popular destination for foreign investors, says David Johnson, managing broker at Summit Sotheby’s International Realty.

But the trend of foreign lookers overall is on the downswing, says Jed Kolko, chief economist and head of analytics at Trulia. Foreign investors are attracted to bargains, he says. “We find that as prices are rising in the U.S., the share of searches coming from foreigners is actually going down.”

—Sanette Tanaka



## Searching for Slopes

Where are overseas buyers looking for U.S. ski homes? The percentages below refer to searches on Trulia that come from abroad for homes in each city. Countries are ranked by how many searches originate there.

<b>Aspen, Colo. (18% of all searches come from abroad)</b>
1. U.K.
2. Australia
3. Canada
<b>Telluride, Colo. (7%)</b>
1. Canada
2. Australia
3. Finland
<b>Vail, Colo. (7%)</b>
1. Mexico
2. Canada
3. Australia
<b>Park City, Utah (6%)</b>
1. Australia
2. Canada
3. U.K.
<b>Jackson Hole, Wyo. (5%)</b>
1. Canada
2. U.K.
3. France
<b>Big Sky, Mont. (4%)</b>
1. Canada
2. U.K.
3. Australia

Source: Trulia Note: From July 2011 to June 2012