MOUNTAIN RESORT MARKET OUTLOOK

State of the Mountain Resort

April 5, 2018

Adam Ducker, Manager Director

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INTRODUCTION

1. NATIONAL SECOND HOME MARKET
2. MOUNTAIN RESORT RESIDENTIAL MARKET
3. LODGING AND HOSPITALITY
4. RETAIL TRENDS
5. PRODUCT PROFILES
6. WHAT'S NEXT FOR MOUNTAIN RESORT TOWNS

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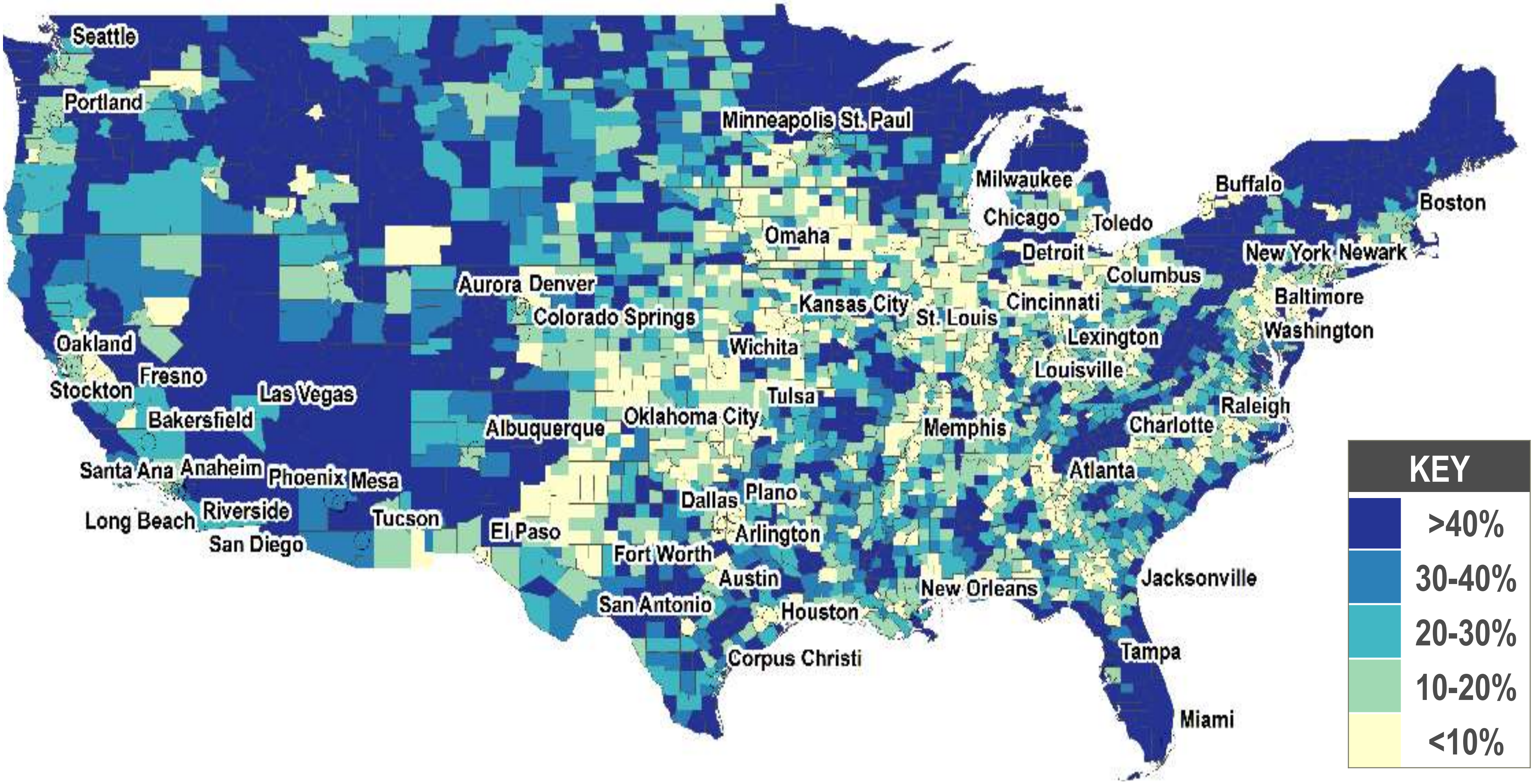
NATIONAL SECOND HOME MARKET

SEASONAL HOUSING
MOUNTAIN REGIONS AS DOMINANT SEASONAL MARKETS

PERCENTAGE OF HOUSING FOR SEASONAL USE, U.S. COUNTIES; 2016



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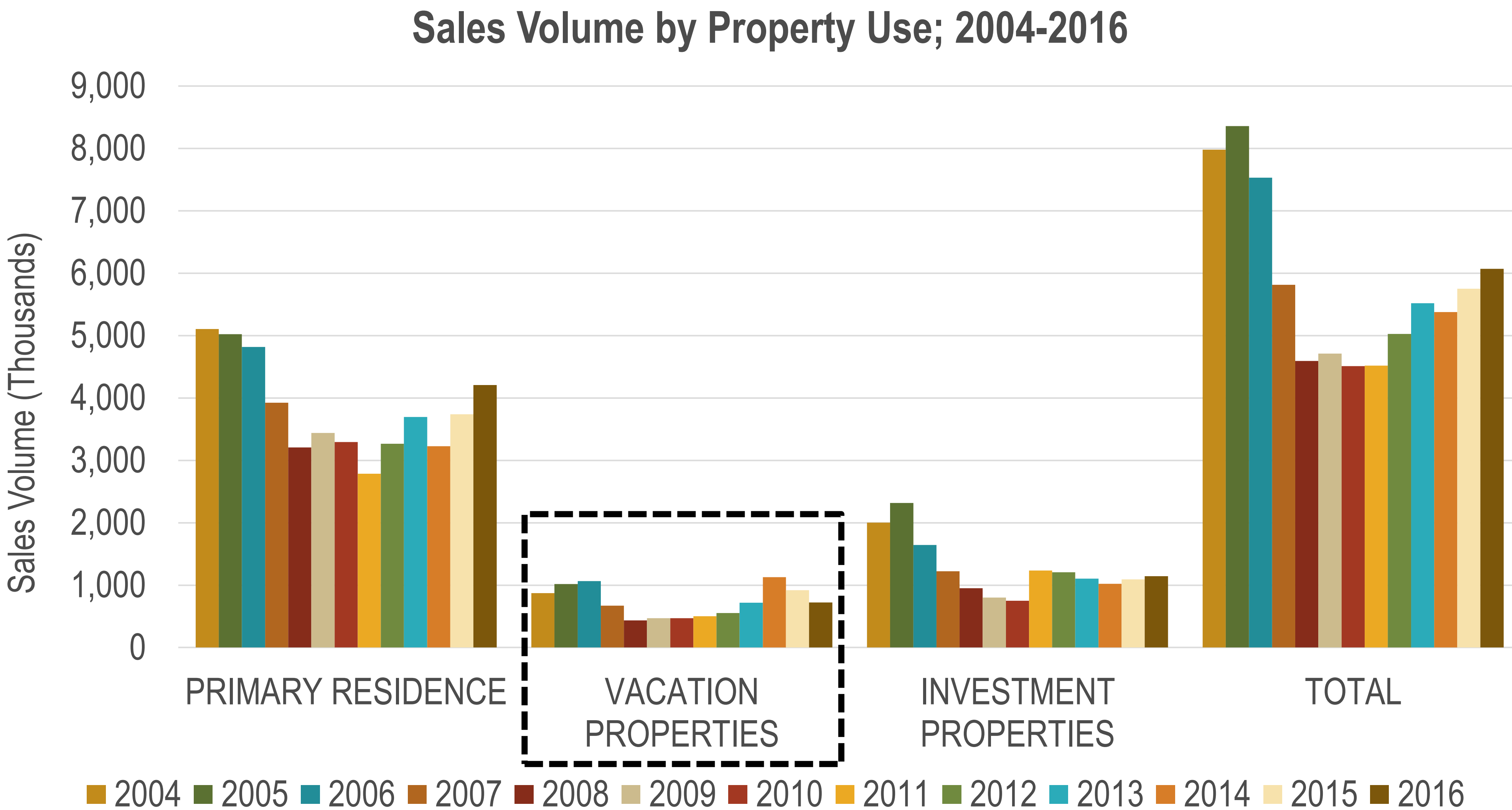
Source: American Community Survey, US Census; RCLCO

VACATION PROPERTIES PARTICIPATE IN HOUSING REBOUND, ALTHOUGH LESS SO RECENTLY



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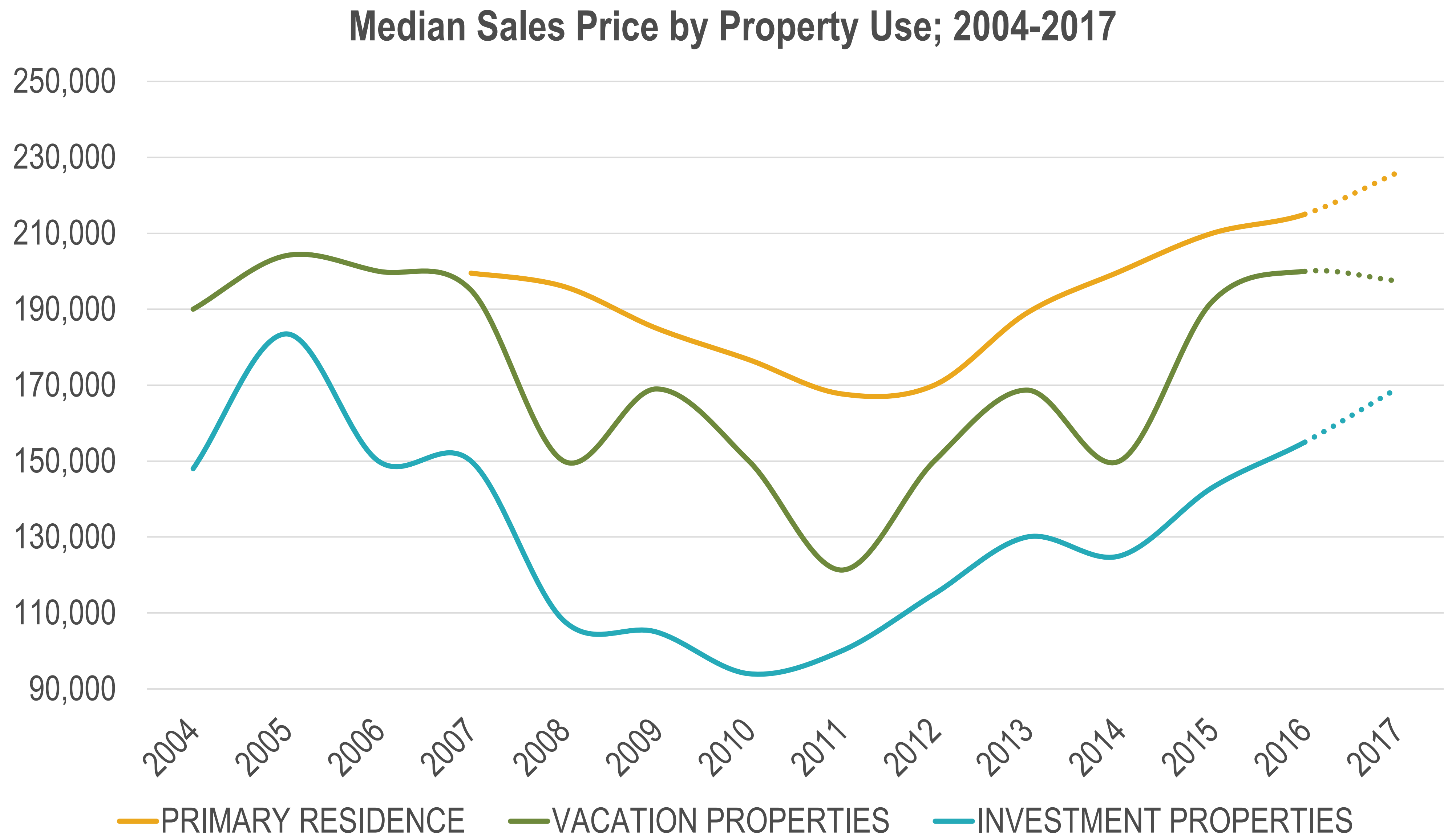
Source: NAR; RCLCO

WILL PRICES SURPASS PREVIOUS PEAK?



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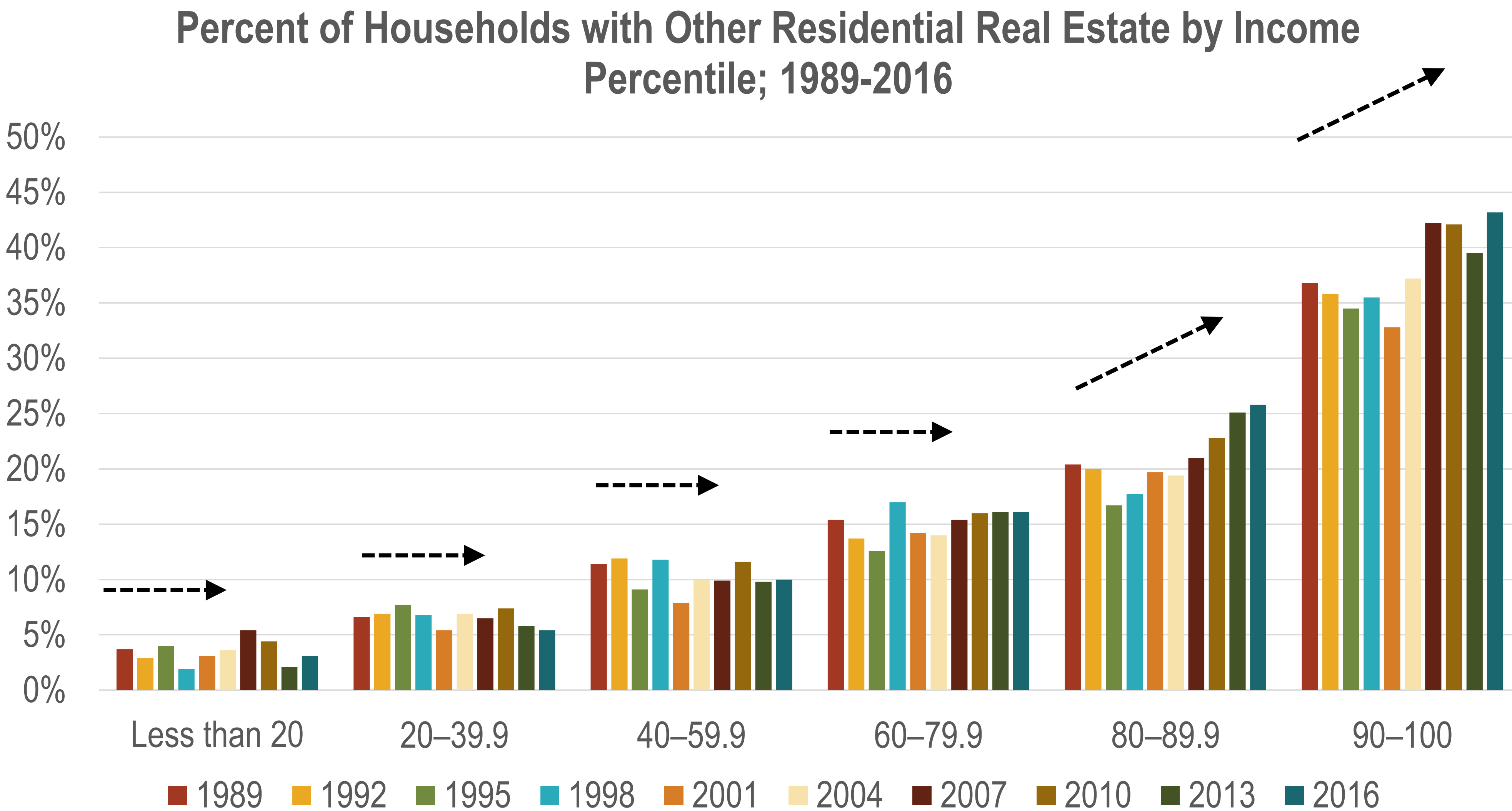
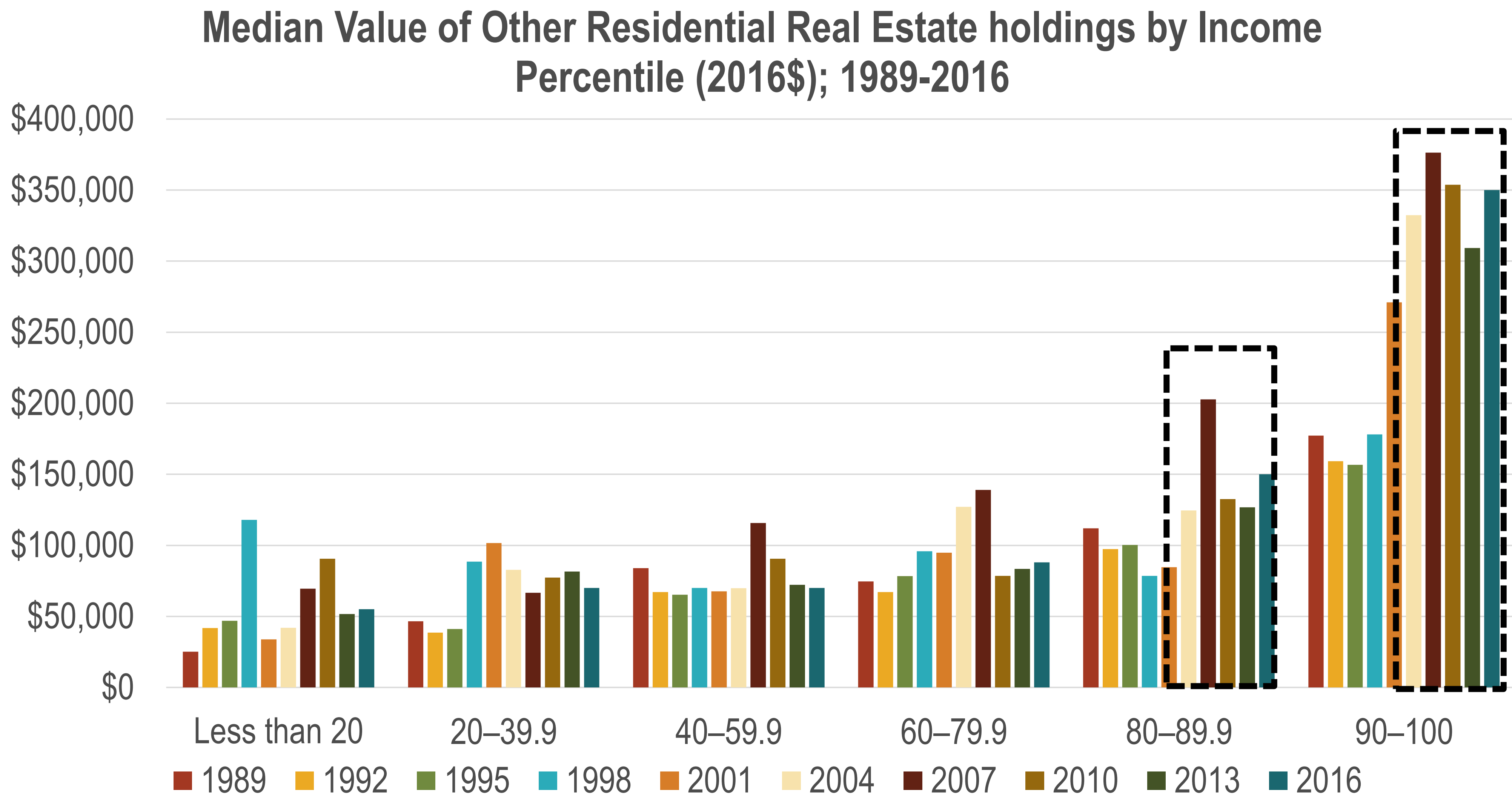
Source: NAR; RCLCO

SECOND HOME OWNERSHIP SPANS INCOME LEVELS, HIGH END HAS STRUCTURAL EXPANSION



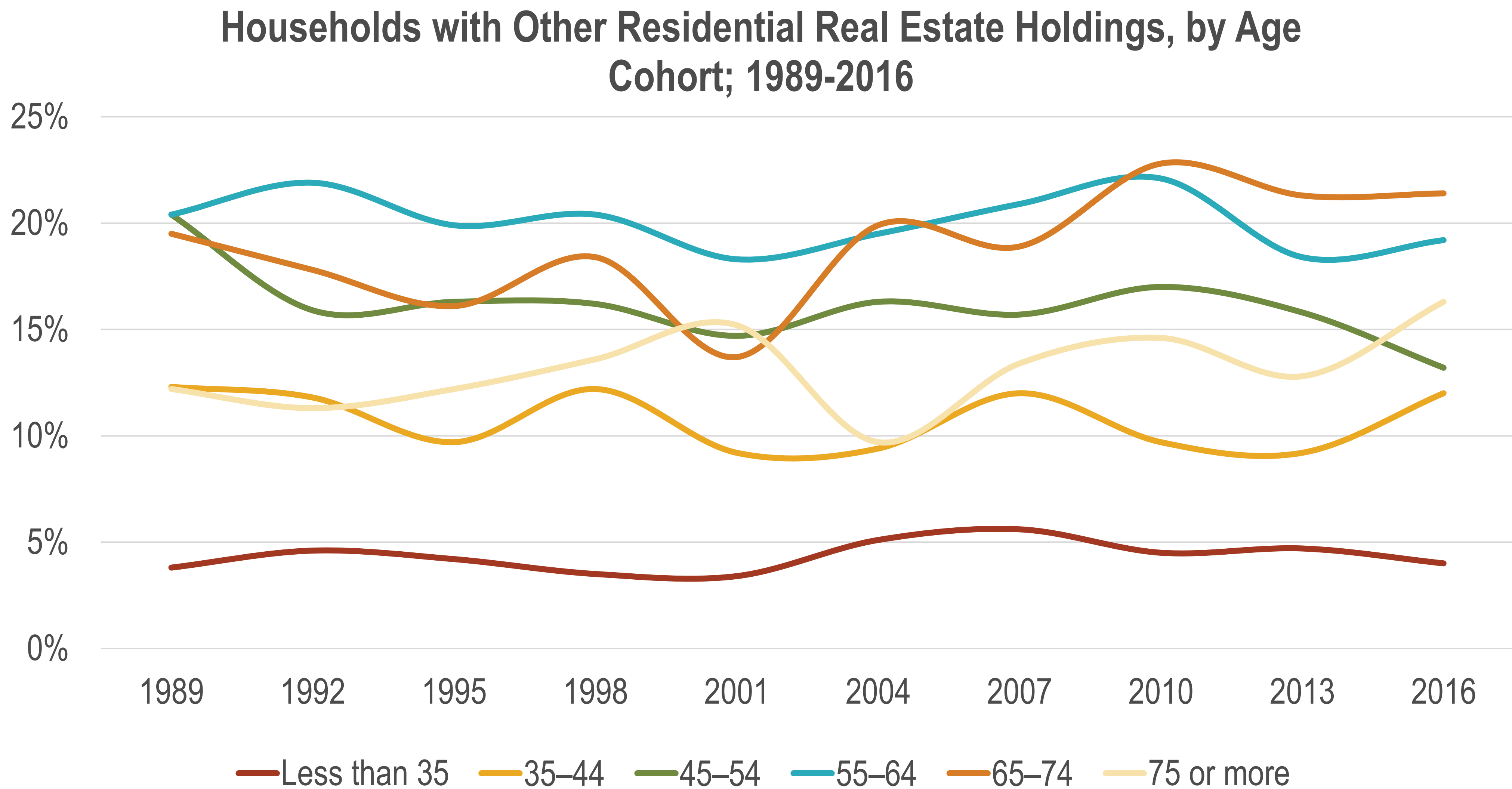
Source: IRS Survey of Consumer Finances; RCLCO

SECOND HOME PRICE RECOVERY AT THE HIGHEST INCOME LEVEL UNMATCHED



Source: IRS Survey of Consumer Finances; RCLCO

BABY BOOMERS CONTINUE TO DOMINATE SECOND HOME MARKET; WILL YOUNGER BUYERS STEP UP?



Source: IRS Survey of Consumer Finances; RCLCO

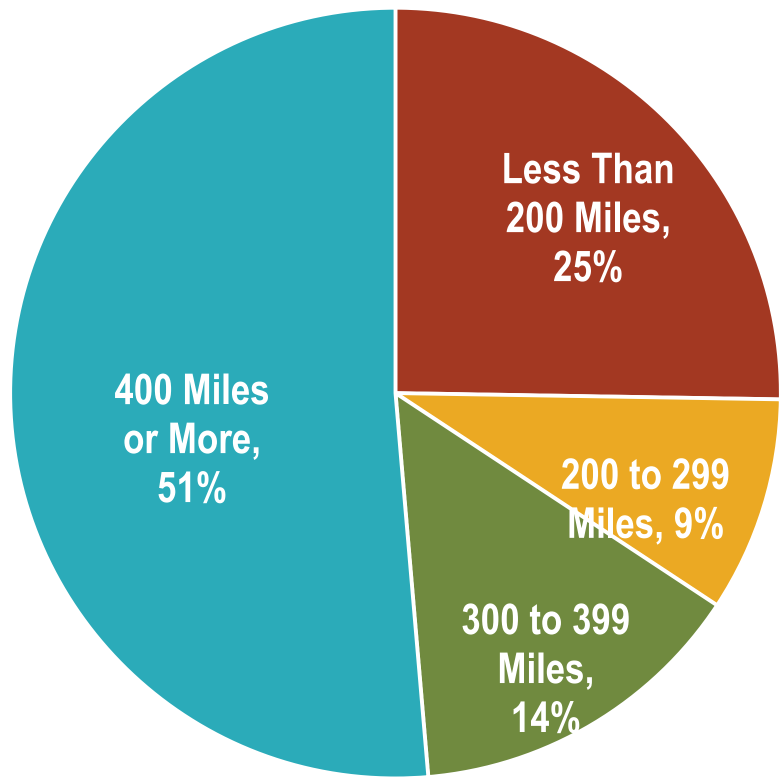
VACATION HOME CONSIDERATIONS BY NET WORTH AND PREFERABLE DISTANCE

Vacation Home Property Type Preference, United States; 2015

	TOTAL INTENDERS	INTENDERS BY NET WORTH		
		<$250K	$250K-$999K	$1M+
# of Intenders Who Responded	637	215	265	146
Property Type Intender Would Consider				
Vacation Home	61%	59%	59%	63%
Home site to build vacation home in the future	54%	55%	52%	57%
Vacation Condominium	46%	48%	48%	40%
Destination Club Membership	36%	40%	40%	27%
Timeshare	32%	37%	35%	24%
Private Residence Club Membership	31%	36%	34%	20%
Hotel Condominium	29%	37%	32%	17%

OF $1M+ NET WORTH INDIVIDUALS, 1.5% ARE CONSIDERING PURCHASING A VACATION CONDO IN THE NEXT YEAR, AND 2.4% ARE CONSIDERING PURCHASING A SINGLE-FAMILY VACATION HOME.

Preferable Distance to Vacation Home, United States; 2016



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Source: Resonance Recreational Real Estate Report; NAR; RCLCO

DESIRABLE VACATION HOME AMENITIES AND ACCESS BY NET WORTH

Importance of Select Property Features, United States; 2015

	TOTAL INTENDERS	INTENDERS BY NET WORTH		
		<$250K	$250K-$999K	$1M+
Number of Intenders Who Responded	600	209	251	130
Proximity to beach	44%	43%	44%	48%
Guestrooms for friends and family	**41%**	**38%**	**40%**	**49%**
Outdoor living area	39%	35%	42%	40%
Access to swimming pool	**41%**	**36%**	**47%**	**37%**
Proximity to restaurants, shopping and nightlife	38%	39%	38%	40%
Garage	41%	40%	40%	47%
Open plan for entertaining	**36%**	**36%**	**38%**	**35%**
Availability of services to rent my home when not in use	**32%**	**30%**	**37%**	**27%**
Property management services	**35%**	**30%**	**36%**	**39%**
Gourmet kitchen	32%	36%	34%	27%
Access to walking trails	**35%**	**38%**	**32%**	**35%**
Sustainability/energy efficiency ratings	34%	34%	32%	35%
Within Driving Distance of My Primary Residence	27%	28%	32%	19%
Access to Fitness Facilities	**30%**	**28%**	**33%**	**29%**
Is Within a Private Gated Community	27%	27%	27%	30%
Home Theater	26%	25%	30%	22%
Access to Spa Facilities	**27%**	**35%**	**25%**	**24%**
Formal Dining Room	27%	30%	31%	20%
Features a Community Clubhouse	**26%**	**27%**	**29%**	**21%**
Home Office	24%	27%	24%	21%
Proximity to Golf Course	**23%**	**27%**	**25%**	**16%**
Availability of Kids' Programs	25%	29%	27%	21%
Proximity to Skiing	**21%**	**25%**	**21%**	**19%**
Other Relevant Features and Amenities	33%	33%	34%	31%

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Source: Resonance Recreational Real Estate Report; RCLCO

MOUNTAIN RESORT RESIDENTIAL MARKET

IN MOUNTAIN TOWNS, SKIER VISITS HIGHLY CORRELATED WITH SALES TRANSACTIONS

	YEAR SV REPORTED	NUMBER OF SKIER VISITS (SV)	TRANSACTIONS PER YEAR	TRANSACTIONS OVER $1M PER YEAR	SKIABLE ACRES	SV PER ACRE	CHAIRLIFTS	SV PER CHAIRLIFT	HS LIFTS	SV PER HS LIFT
Teton County, WY	2013-2016	590,400	359	165	2,900	204	17	34,729	7	84,343
Summit County, UT	2016	2,000,000	773	132	9,326	214	65	30,769	32	62,500
Front Range, CO	2004-2016	3,911,909	1374	129	11,306	346	94	41,616	26	150,458
Vail/Beaver Creek, CO	2016	2,575,000	1119	264	7,104	362	55	46,818	27	95,370
Aspen/Snowmass, CO	2004-2016	1,291,854	405	201	5,480	236	42	30,758	19	67,992
Sun Valley, ID	2016	419,000	260	22	2,054	204	14	29,929	7	59,857
Lake Tahoe, CA/NV	2016	6,131,500	1674	182	17,264	355	111	55,239	28	218,982
Big Sky, MT[1]	2016	475,000	128	119	5,800	82	23	20,652	8	59,375
TOTAL		**17,394,663**	**6,091**	**1,214**	**61,234**	**14,324**	**421**	**41,317**	**154**	**112,952**

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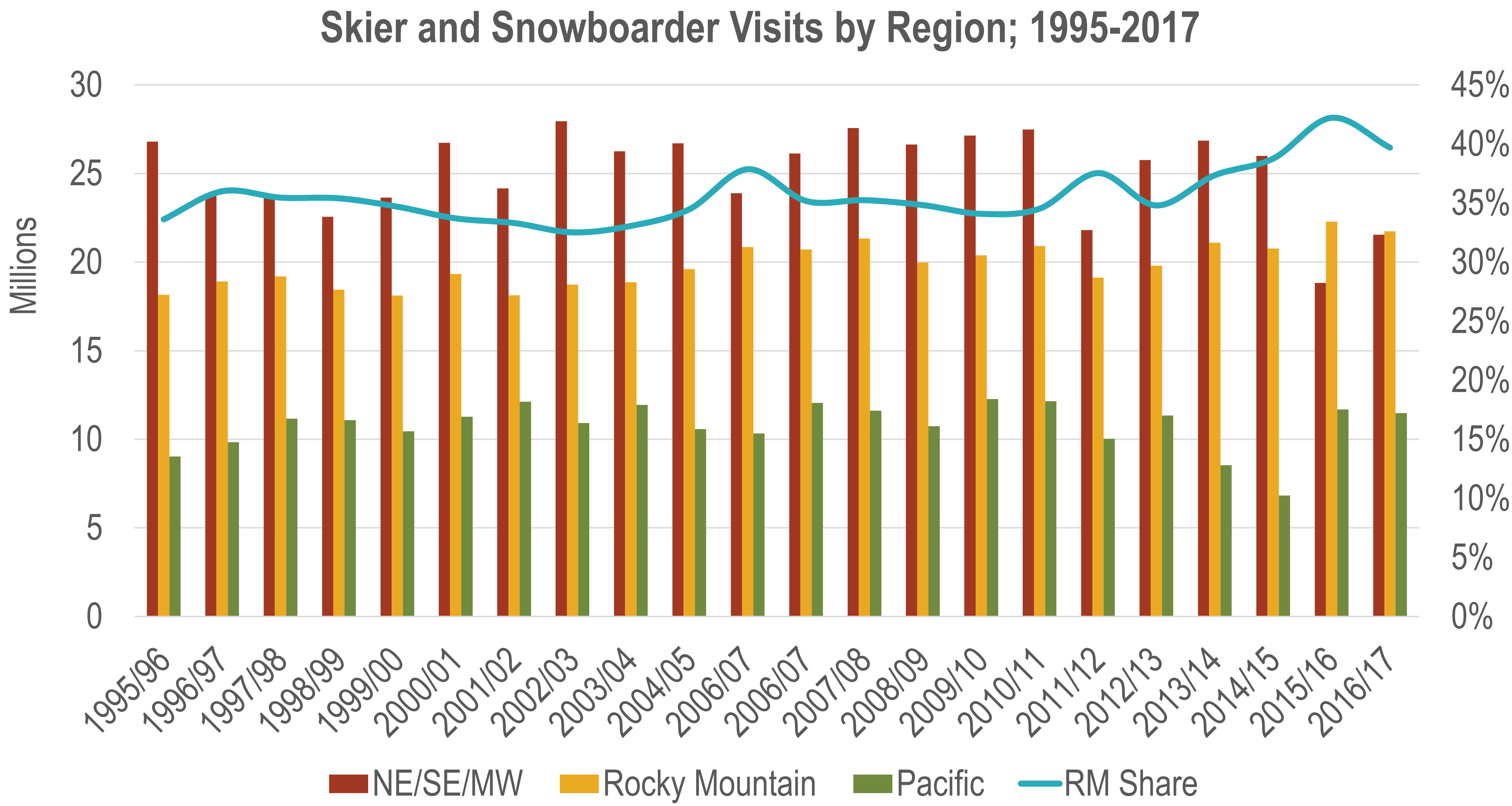
Source: RealQuest; Denver Post; Resort Websites

GOOD NEWS IS THE DREARY SKIER PARTICIPATION STORY: ROCKY MOUNTAIN SHARE IS GROWING



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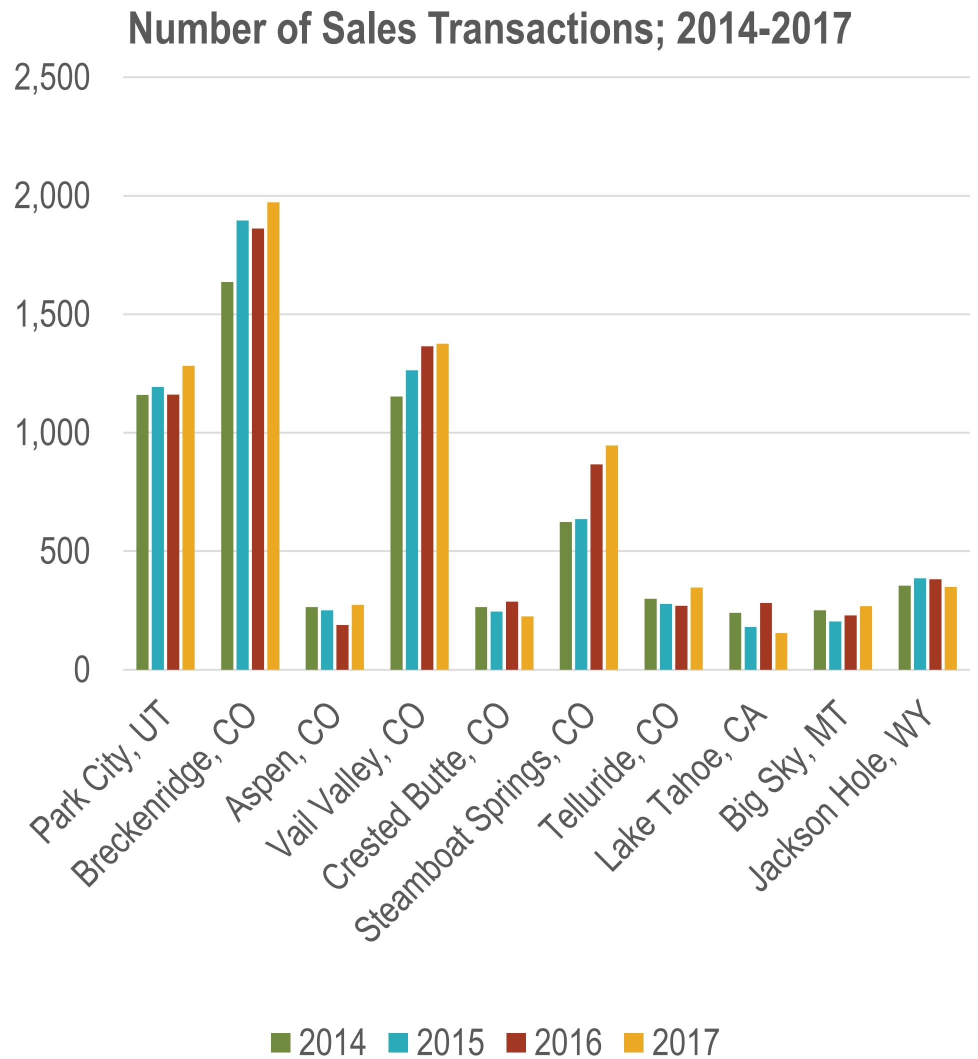
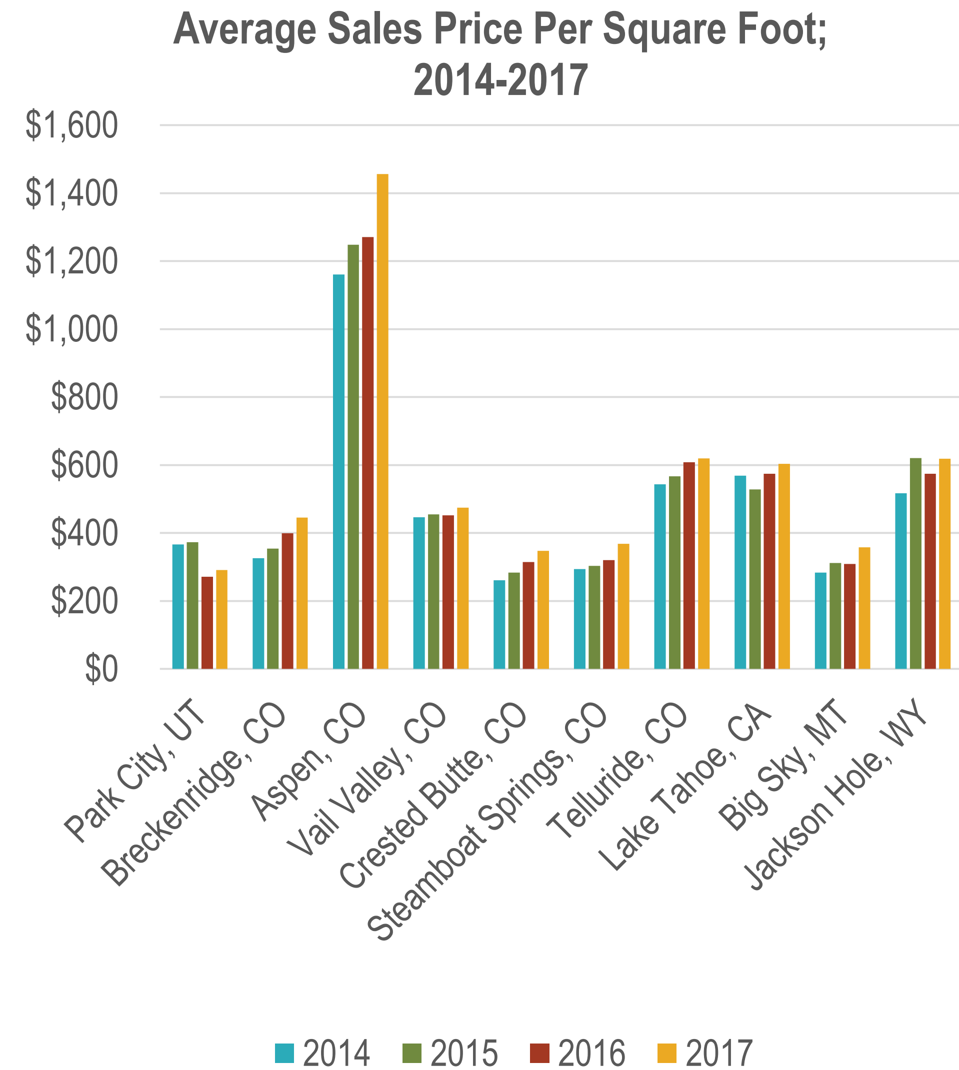
Source: National Skier Association; RCLCO

TRANSACTIONS IN PROMINENT MOUNTAIN RESORT MARKETS





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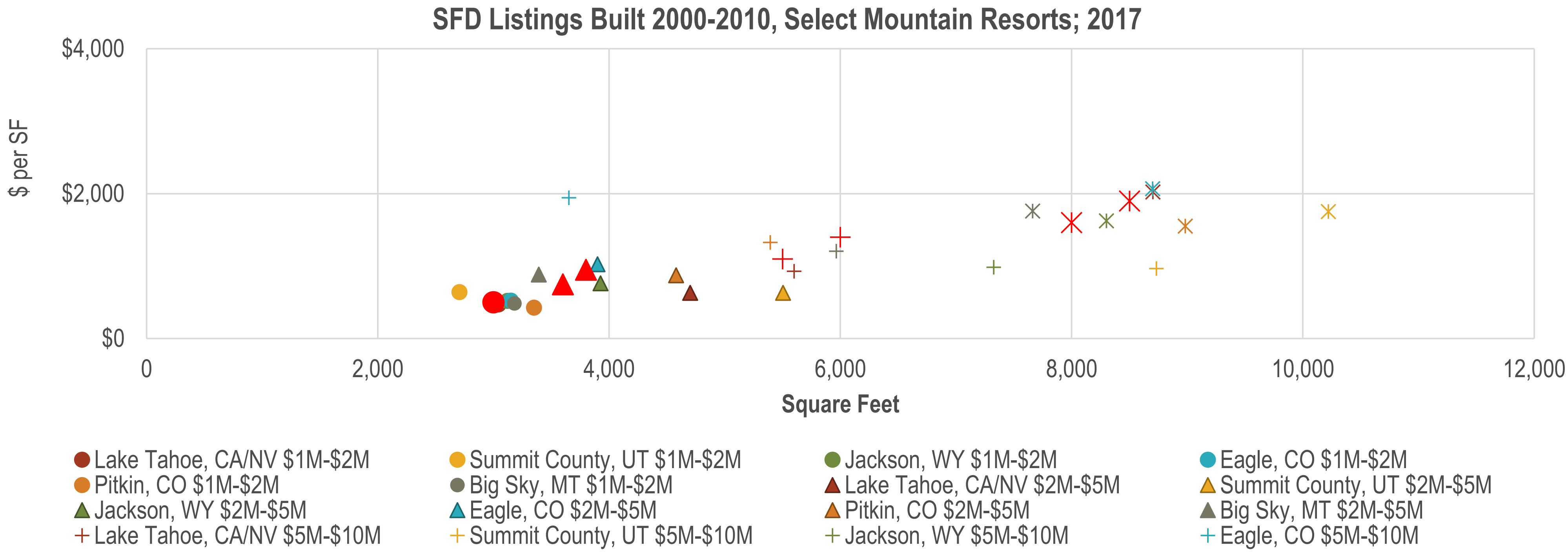
Note: Includes SFD and condo sales transactions
Source: Sotheby's; RCLCO

HISTORIC SINGLE-FAMILY LISTINGS



CURRENT LISTINGS/PRICING	$1M-$2M SFD LISTINGS			$2M-$5M SFD LISTINGS			$5M-$10M SFD LISTINGS			$10M+ SFD LISTINGS		
	MED. SF	MED. $/SF	# LISTED	MED. SF	MED. $/SF	# LISTED	MED. SF	MED. $/SF	# LISTED	MED. SF	MED. $/SF	# LISTED
Lake Tahoe, CA/NV	3,045	$473	69	4,700	$630	76	5,600	$930	25	8,703	$2,024	10
Summit County, UT (Park City)	2,705	$640	35	5,505	$632	62	8,734	$967	51	10,221	$1,752	5
Jackson, WY (Jackson Hole)	3,121	$519	6	3,925	$763	12	7,327	$983	8	8,300	$1,627	6
Eagle, CO (Vail and Beaver Creek)	3,150	$524	4	3,900	$1,024	16	3,652	$1,944	9	8,700	$2,069	2
Pitkin, CO (Aspen-Snowmass)	3,350	$427	6	4,579	$872	16	5,393	$1,326	33	8,983	$1,553	4
Big Sky[1], MT	3,180	$486	25	3,392	$883	12	5,965	$1,207	31	7,663	$1,762	13
Average	**3,005**	**$517**	**145**	**4,752**	**$707**	**194**	**6,623**	**$1,141**	**157**	**8,522**	**$1,800**	**40**

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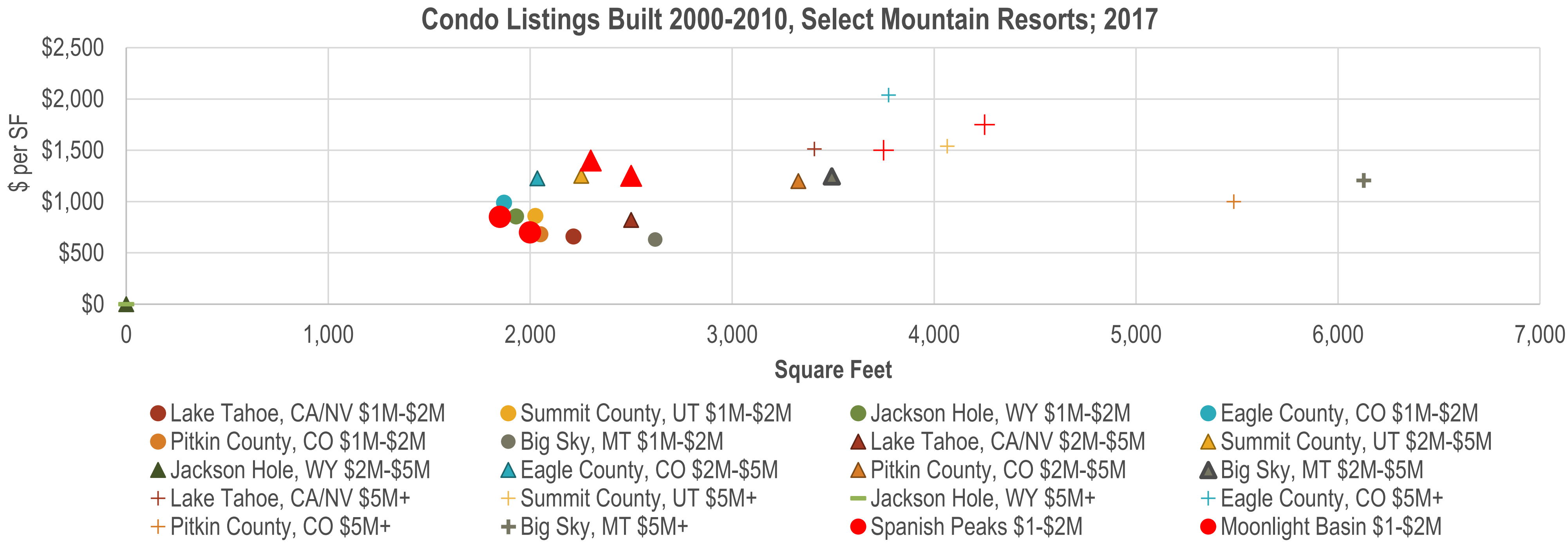
Source: Redfin; Realtor Reports; Zillow; RCLCO

HISTORIC CONDO LISTINGS



CURRENT LISTINGS/PRICING	$1M-$2M CONDO LISTINGS			$2M-$5M CONDO LISTINGS			$5M+ CONDO LISTINGS		
	MED. SF	MED. $/SF	# LISTED	MED. SF	MED. $/SF	# LISTED	MED. SF	MED. $/SF	# LISTED
Lake Tahoe, CA/NV	2,214	$660	66	2,500	$822	14	3,407	$1,512	1
Summit County, UT (Park City)	2,025	$861	79	2,253	$1,251	116	4,065	$1,540	9
Jackson, WY (Jackson Hole)	1,930	$855	11						
Eagle, CO (Vail and Beaver Creek)	1,870	$989	3	2,035	$1,226	30	3,775	$2,038	16
Pitkin, CO (Aspen-Snowmass)	2,050	$683	10	3,328	$1,200	10	5,484	$998	10
Big Sky[1], MT	2,620	$630	4	3,493	$1,245	41	6,128	$1,207	20
AVERAGE	**2,104**	**$771**	**173**	**2,530**	**$1,215**	**211**	**4,961**	**$1,466**	**56**

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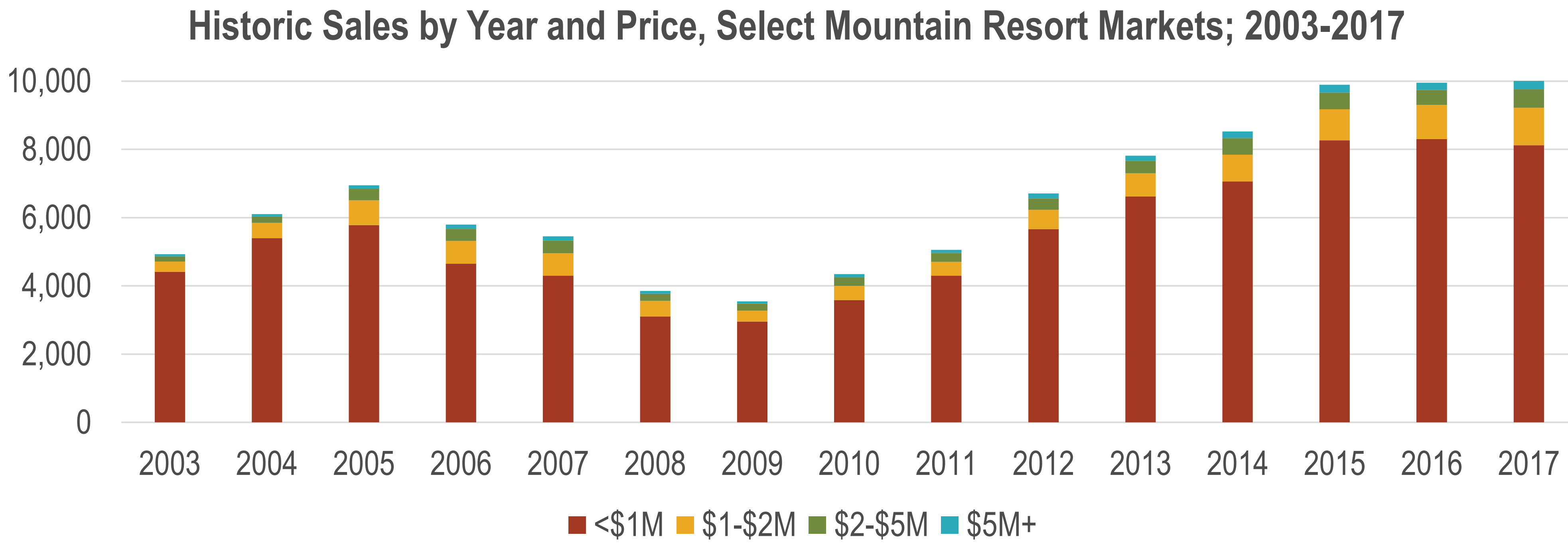
Source: Redfin; Realtor Reports; Zillow; RCLCO

AGGREGATE MOUNTAIN RESORT TRANSACTIONS EXCEED PREVIOUS CYCLE



ALL MOUNTAIN RESORT SALES	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<$1M	4,412	5,401	5,779	4,654	4,302	3,109	2,956	3,584	4,301	5,666	6,618	7,062	8,266	8,301	8,125
$1-$2M	297	445	729	665	656	453	318	421	407	566	683	785	910	1,001	1,099
$2-$5M	159	193	346	352	365	207	203	249	258	331	366	486	488	442	538
$5M+	62	68	96	126	129	88	67	89	92	144	149	190	233	206	242
TOTAL	**4,931**	**6,107**	**6,949**	**5,797**	**5,452**	**3,857**	**3,545**	**4,343**	**5,058**	**6,708**	**7,817**	**8,523**	**9,897**	**9,950**	**10,003**
SALES OVER $1M	519	706	1,170	1,143	1,150	748	589	759	757	1,042	1,199	1,461	1,631	1,649	1,879

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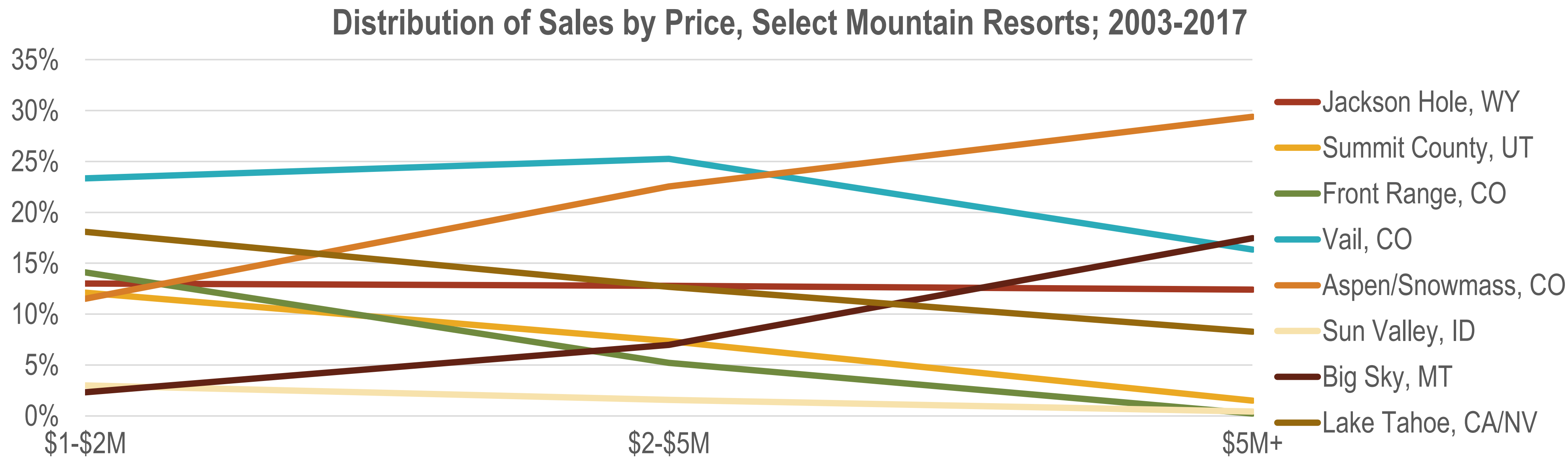
Source: RealQuest; RCLCO

DISTRIBUTION OF SALES BY PRICE RANGE

NOT ALL MOUNTAIN RESORTS ARE THE SAME…



	$1-$2M		$2-$5M		$5M+		TOTAL	
	# OF SALES	% OF TOTAL	# OF SALES	% OF TOTAL	# OF SALES	% OF TOTAL	# OF SALES	% OF TOTAL
Jackson Hole, WY	1,133	13.2%	620	12.9%	267	12.4%	2,020	13.0%
Summit County, UT	941	10.9%	313	6.5%	27	1.3%	1,281	8.2%
Front Range, CO	1,229	14.3%	253	5.3%	5	0.2%	1,487	9.6%
Vail, CO	2,034	23.6%	1,226	25.5%	352	16.4%	3,612	23.2%
Aspen/Snowmass, CO	1,004	11.7%	1,094	22.7%	633	29.5%	2,731	17.5%
Sun Valley, ID	260	3.0%	76	1.6%	9	0.4%	345	2.2%
Big Sky, MT	201	2.3%	338	7.0%	376	17.5%	915	5.9%
Lake Tahoe, CA/NV	1,577	18.3%	615	12.8%	178	8.3%	2,370	15.2%
TOTAL	**8,603**	**55.3%**	**4,809**	**30.9%**	**2,148**	**13.8%**	**15,565**	**100.0%**

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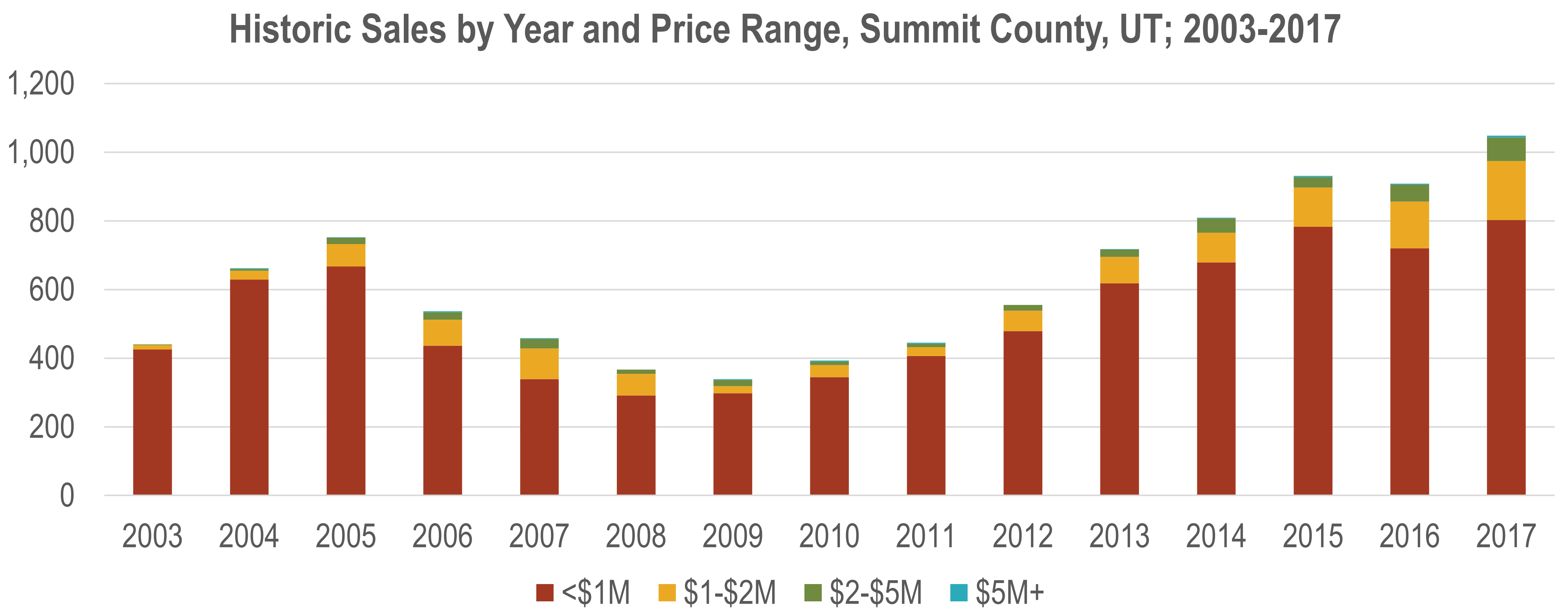
Source: RealQuest; RCLCO

IN SUMMIT COUNTY, UT, SALES SURPASS PREVIOUS CYCLE PEAK



SUMMIT COUNTY, UTAH															
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<$1M	425	629	667	436	339	291	298	345	406	479	618	679	783	720	803
$1-$2M	13	26	65	76	89	63	20	35	26	59	77	86	114	136	171
$2-$5M	2	5	19	22	28	13	19	10	10	17	21	42	30	49	69
$5M+	0	2	1	3	2	0	2	3	3	0	2	2	4	3	5
TOTAL	**440**	**662**	**752**	**537**	**458**	**367**	**339**	**393**	**445**	**555**	**718**	**809**	**931**	**908**	**1,048**

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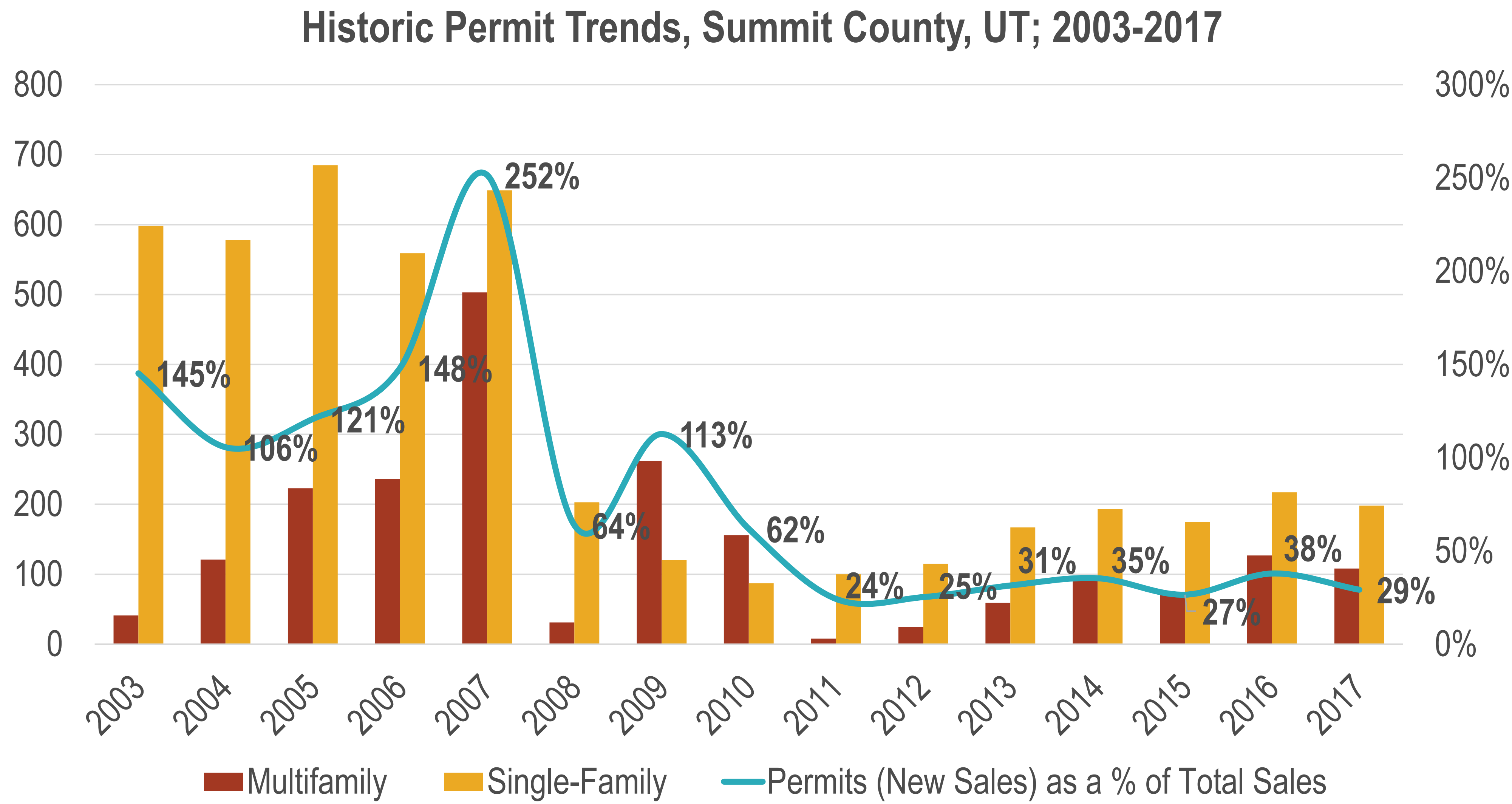
Source: RealQuest; RCLCO

…BUT PERMITS REMAIN WELL BELOW PREVIOUS CYCLE LEVELS



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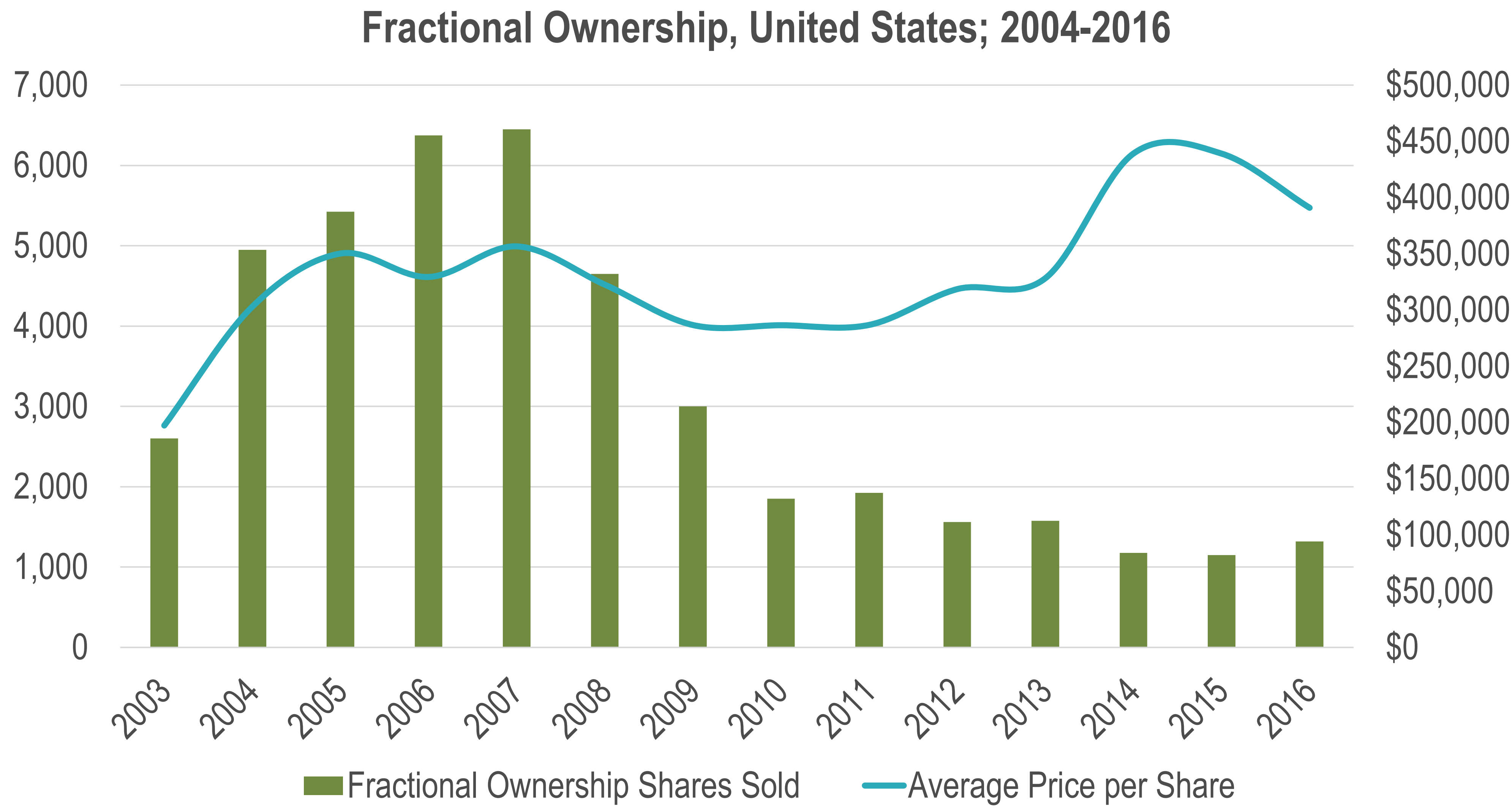
Source: HUD; RCLCO

ACCOMMODATION BEYOND TRADITIONAL OWNERSHIP

FRACTIONAL: SHALLOW PENETRATION THIS CYCLE (SO FAR) POSSIBLY DUE TO HIGHER PRICES

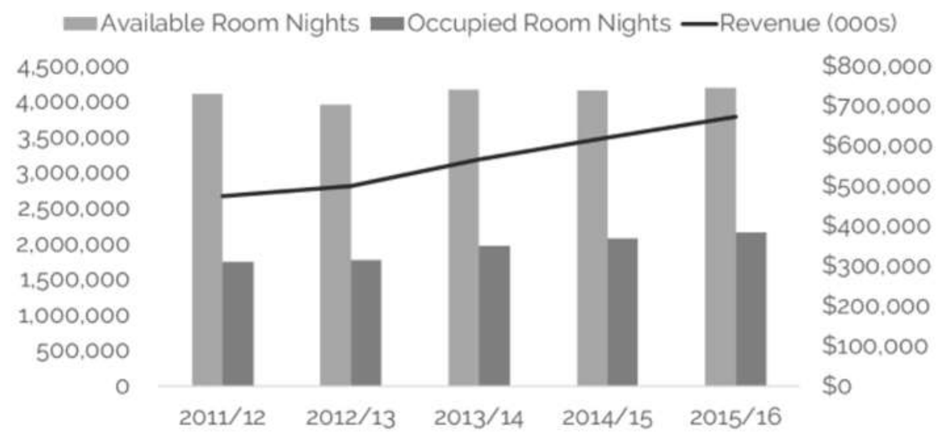


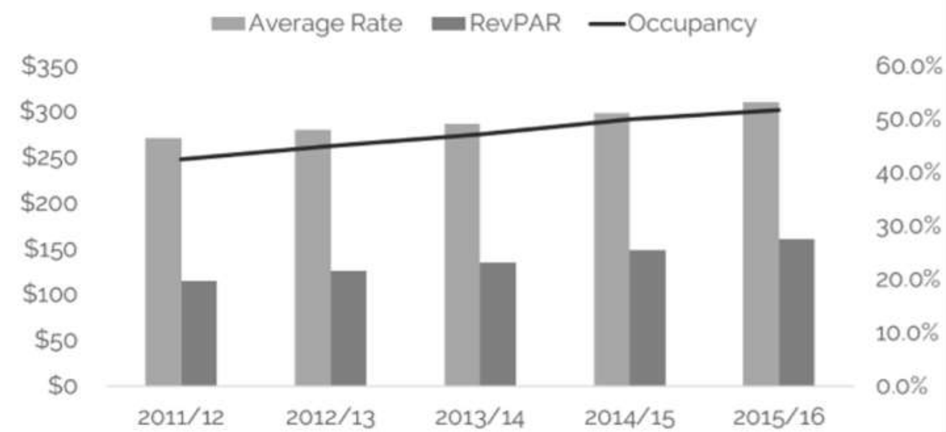
Source: Ragatz

MOUNTAIN RESORT HOTEL TRENDS

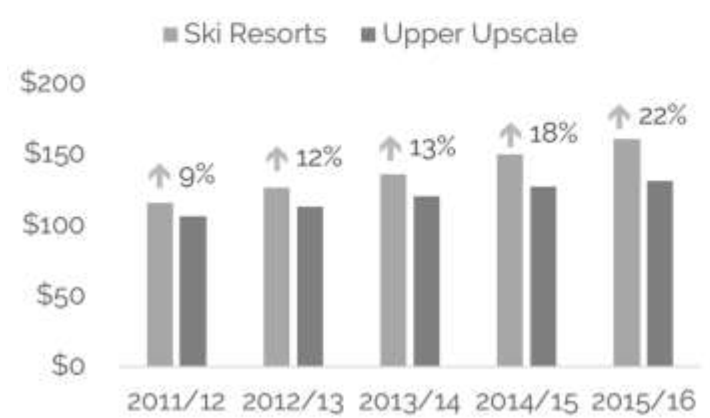
LESS SEASONALITY → MORE APPEAL

Hotel Revenue Growth and Occupancy Growth, 20 Select U.S. Ski Resorts; 2011-2016





Ski Resort Hotel Vs. Upper-Upscale Hotel Performance; 2011-2016



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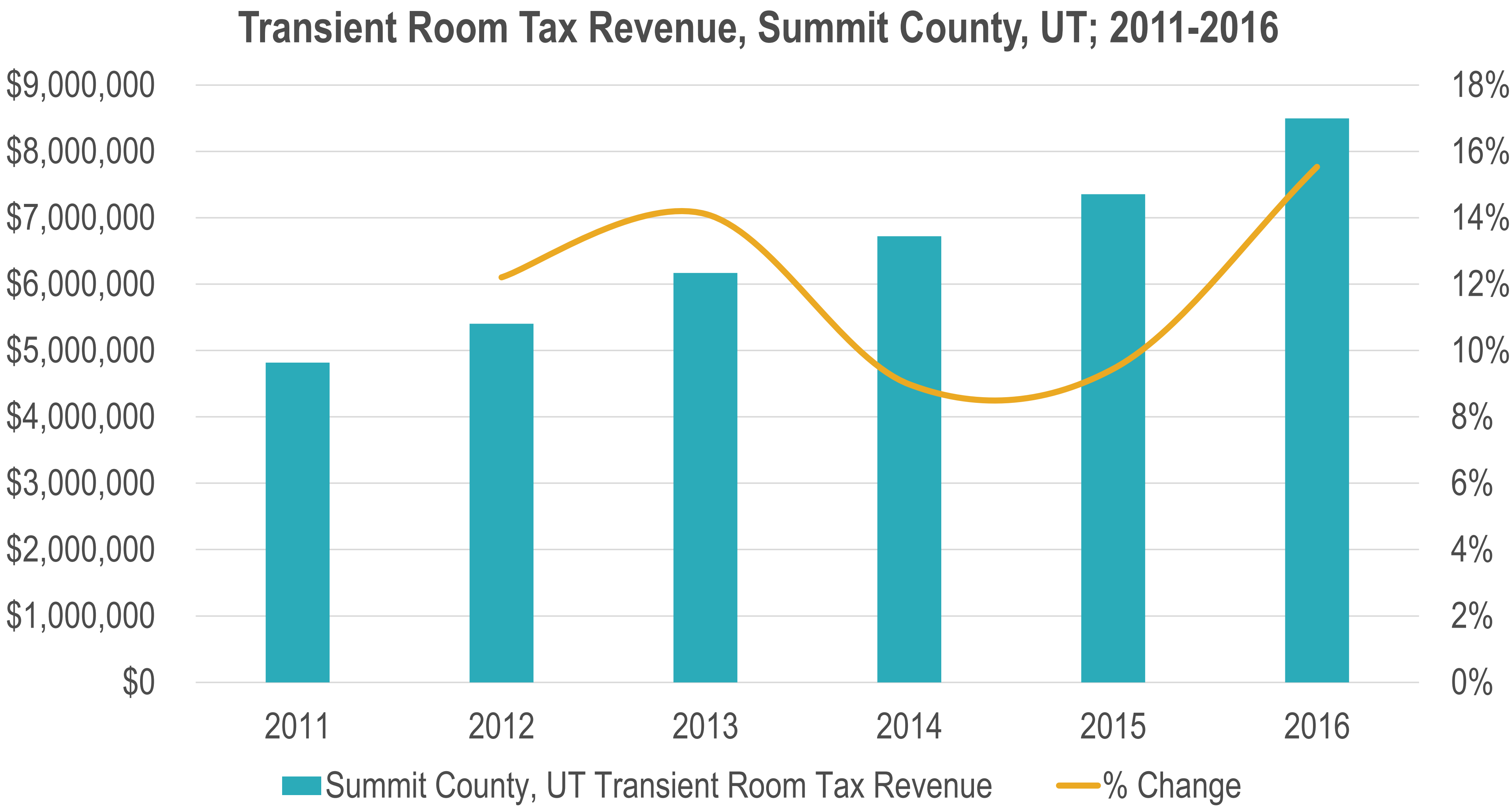
Source: HVS; STR; RCLCO

SUMMIT COUNTY HOTELS
HOTEL INDUSTRY GROWTH ACCELERATES IN SUMMIT COUNTY



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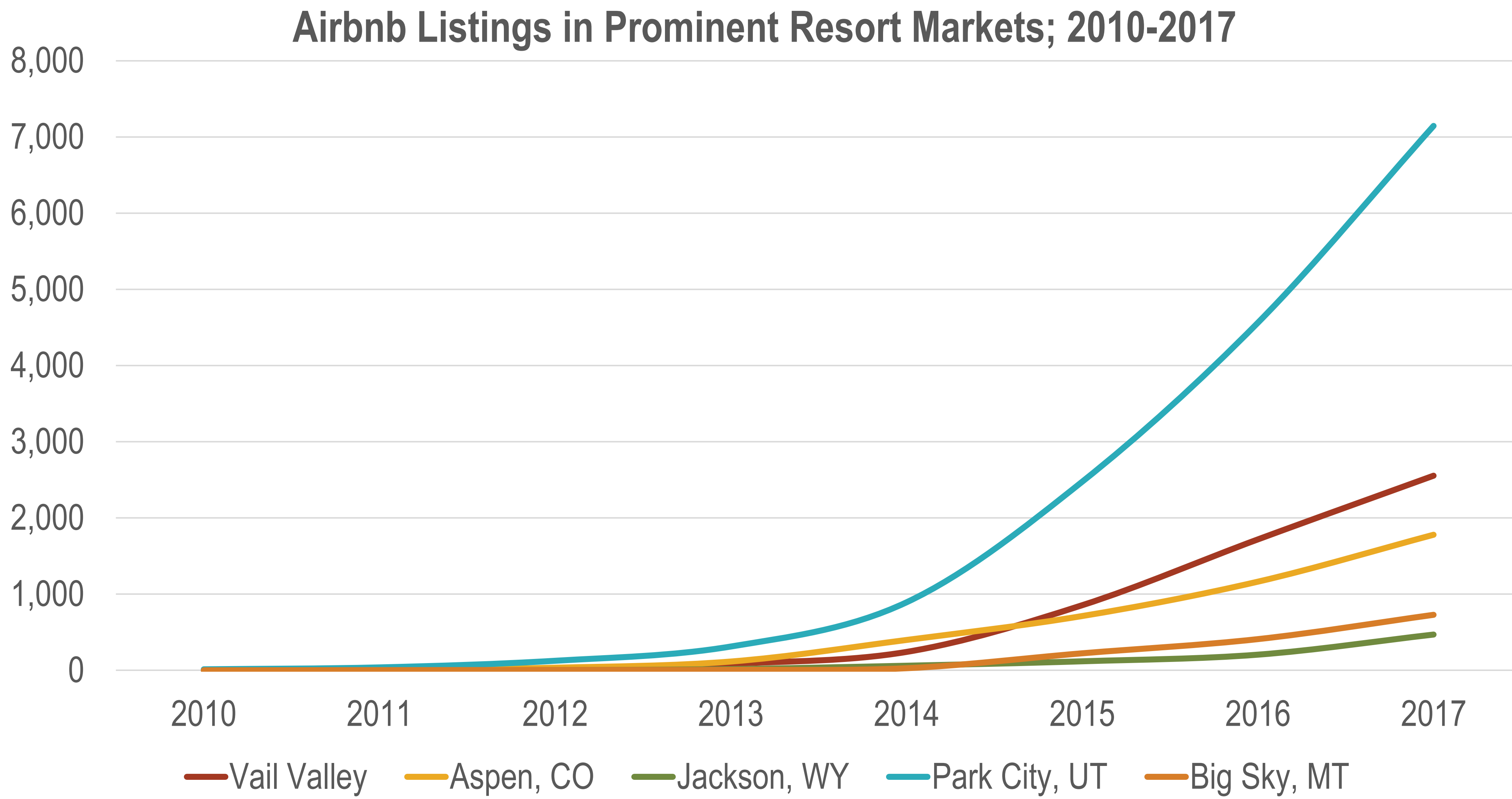
Source: Park City Chamber & Visitor's Bureau; Ken C. Gardner Policy Institute; RCLCO

SEEMINGLY EXPONENTIAL GROWTH IN AIRBNB LISTINGS

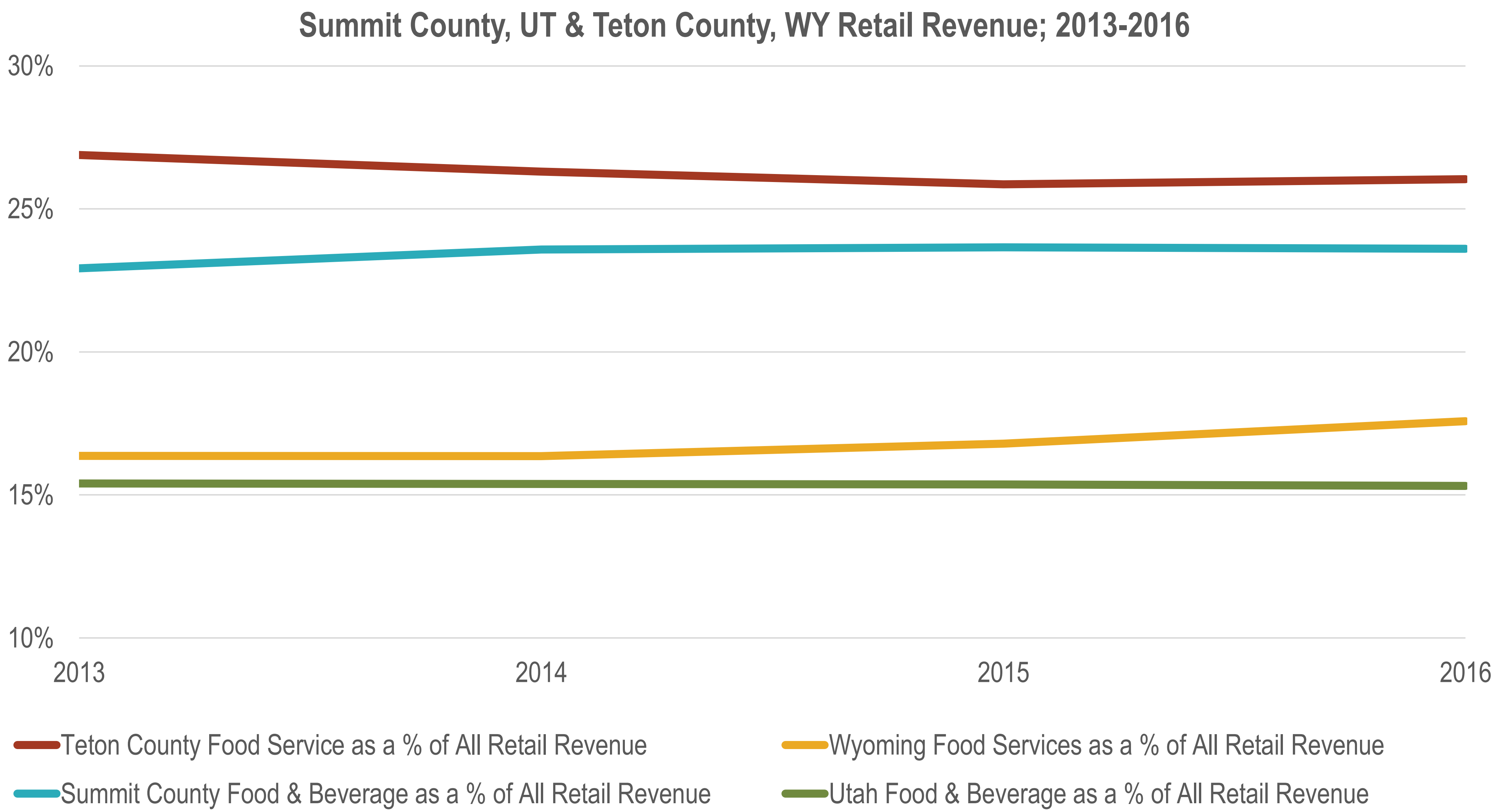


Source: Airdna

MOUNTAIN RESORT RETAIL: PAY TO PLAY

EXPANSION OF FOOD AND BEVERAGE INDUSTRY

PART OF THE SHIFT TO MORE EXPERIENTIAL RETAIL



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Source: Utah State Tax Commission; Wyoming Department of Administration and Information, Economic Analysis Division; RCLCO

ON-MOUNTAIN DINING NEVER LOOKED BETTER

ON-MOUNTAIN REAL ESTATE, FOOD RE-DEFINED

FOUR POINTS HUT, STEAMBOAT SPRINGS, PRE-2013 RENOVATION

FOUR POINTS LODGE, STEAMBOAT SPRINGS, POST-2013 RENOVATION

Source: *Steamboat Today*

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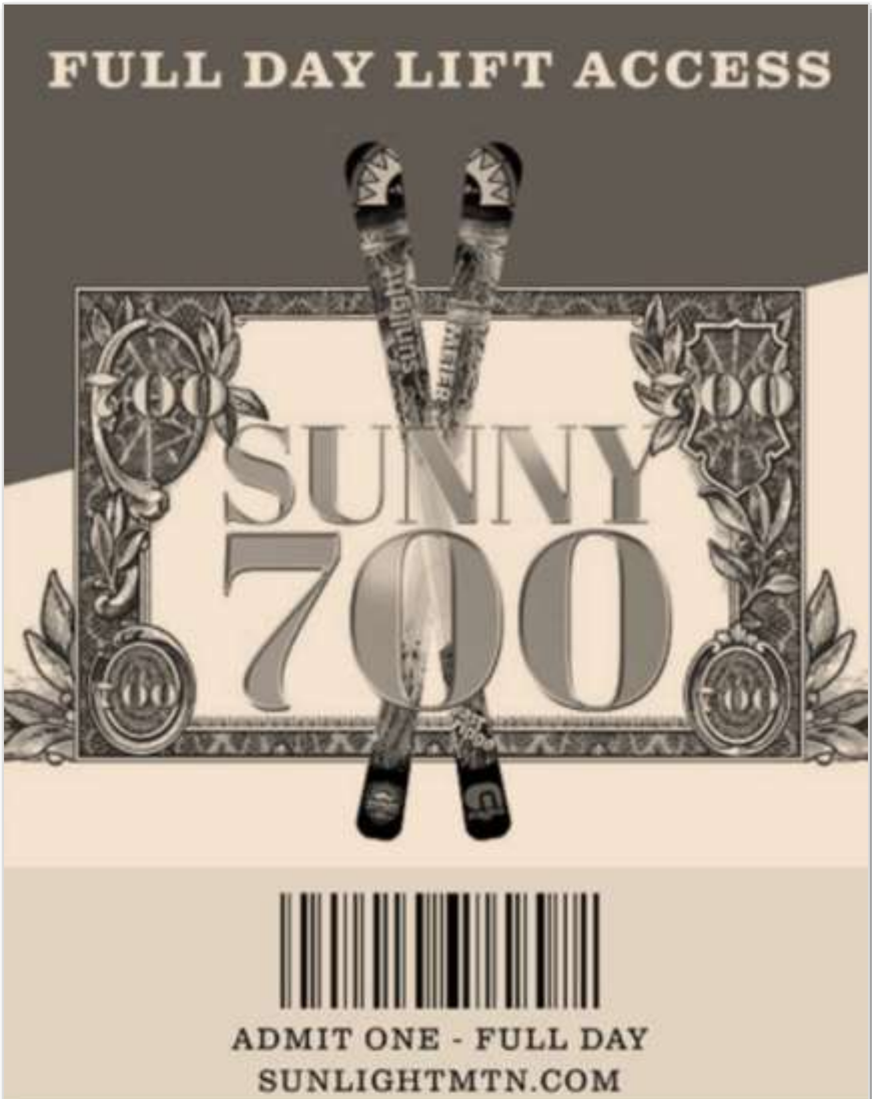
EXPERIENTIAL MOUNTAIN RESORT RETAIL

HIGH PRICE ON TRADITIONAL ACCESS → DIVERSIFICATION



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Source: Forbes, Singletracks.com, 303 Magazine

PRODUCT PROFILES

LIMELIGHT HOTEL—ASPEN, CO/SUN VALLEY, ID

BOUTIQUE HOTEL & SELECT RESIDENCES

ASPEN REBRANDED IN 2012 WITH 126 KEYS, 11 RESIDENCES

SUN VALLEY OPENED IN 2016 WITH 99 KEYS, 14 RESIDENCES

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Note: Limelight in Snowmass to open in 2018/2019 season.
Source: Limelight Hotel Website; Curbed; RCLCO

MOUNTAIN MODERN HOTEL—JACKSON, WY

RENOVATED BOUTIQUE MOTEL DOWNTOWN

FORMER MOTEL CONVERTED TO BOUTIQUE OFFERING WITH 135 KEYS

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Source: Buckrail

DANCING BEAR—ASPEN, CO
LUXURY FRACTIONAL

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Source: Dancing Bear Website

MOONLIGHT BASIN CABINS—BIG SKY, MT
FOR-SALE SINGLE-FAMILY

LESS SPACE, AND THE GREAT OUTDOORS (INCLUDING LAKE ACCESS) AS AN AMENITY

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Source: The Big Sky Real Estate Co.

WALDORF ASTORIA MICRO UNITS—PARK CITY, UT

FOR-SALE CONDOS

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Source: Curbed

MARTIS CAMP LODGE ESTATES—LAKE TAHOE, CA

FINAL PHASE OF HOMESITES FOR CUSTOM HOMES SELLING OUT

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Source: Martis Camp Blog; Martis Camp Instagram

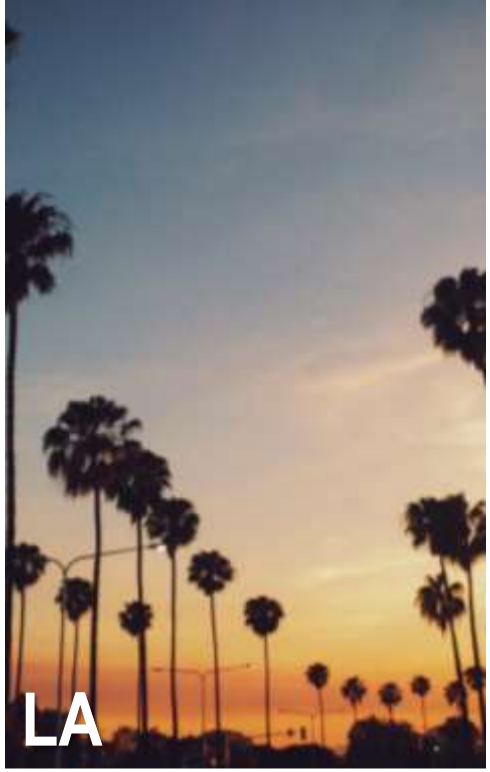
WHAT'S NEXT FOR MOUNTAIN TOWNS?

MOUNTAIN VILLAGES AS MINI URBAN HUBS

- Increasing density at mountain-base villages and in downtown areas of resort towns
- Mountain-base villages as lodging hub, but core downtowns are destinations for retail/nightlife
- Continued consolidation of ski industry (Aspen & KSL, Vail)
- Several mountain-base redevelopments in the pipeline (Snowmass, Northstar, Canyons Village, Big Sky Master Plan)
- Shift towards year-round activities and tourism
- Mountain resort markets experience similar trends to core urban markets, but tend to lag a few years behind

Source: RCLCO

221 W 6th St
Suite 2030
Austin, TX 78701



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