

THE WELLINGTON LAND REPORT

PREPARED BY: ATLANTIC WESTERN REALTY CORPORATION
MARCH 2004 • VOLUME VI

2003-4 EQUESTRIAN LAND SALES SUMMARY

Since our firm's last report in 2001, Wellington's land market has accelerated to unprecedented levels; in volume, absorption and price. During the 2002 – 2003 sales season over 100 transactions, encompassing over 800 acres of developed and undeveloped properties were recorded in Wellington's South District alone. This volume approaches an astounding \$100,000,000 in total sales during this period. The recent trend has lifted unimproved property values to record levels, now exceeding \$120,000 per acre on average, which reflects a 50% increase over the average values recorded in 2000. The fast declining supply of vacant land, combined with accelerating demand from equestrian buyers and investors has propelled market prices for the few remaining unimproved parcels. We anticipate this trend continuing as the supply of undeveloped sites dwindles.

The following is a summary of recent real estate activity within Wellington's South District neighborhoods.

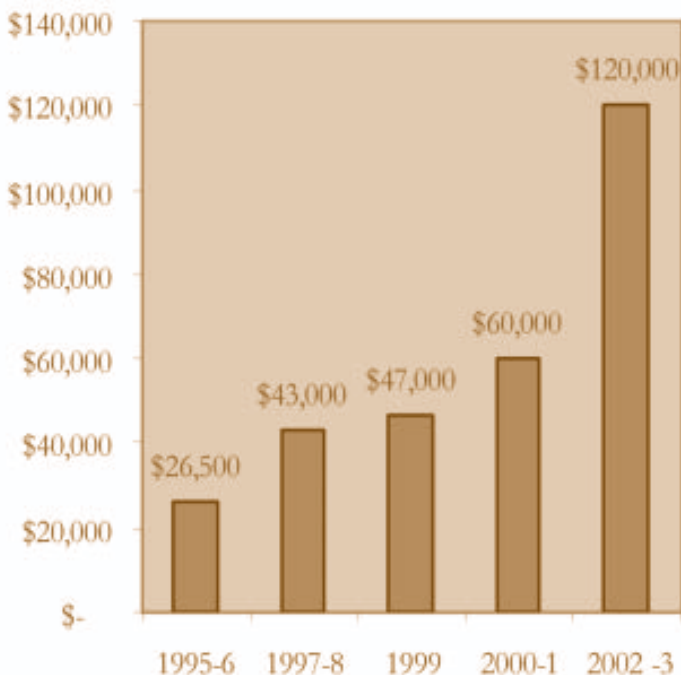
- **Grand Prix Village**, an exclusive gated equestrian community adjacent to Grand Prix Equestrian Center, has seen acreage prices double to the highest equestrian prices in the Village, now exceeding \$400,000 per acre. In the past year, there have been six separate land sales totaling 48 acres. All of these sales involved the assemblage of contiguous lots for the construction of very large courtyard style barns with living quarters and grand prix rings.

- **Palm Beach Point**. In our last report, *Atlantic Western* predicted that the conditions were right for this early development to experience significant price appreciation. In the past two years, sales volume accelerated with over 40 different transactions closing, encompassing over 300 acres. Pricing for unimproved lots has increased to over \$70,000 per acre with high points of over \$100,000 per acre. Improved property sales averaged over \$164,000 per acre with high points exceeding \$200,000 per acre.

- **Palm Beach Point East** and Section 29 has dramatically increased in popularity as the market has recognized this location's easy access, private un-congested atmosphere, and strategic proximity to the horseshow. In the past two seasons, *Atlantic Western* completed sales representing over 90 acres of improved and unimproved properties to equestrian users including the Lechuza Polo complex, which is currently under construction. This activity also included *Atlantic Western* achieving the highest price points for acreage in this section, which now exceeds \$130,000 per acre. Currently, we have several strategic parcels remaining for sale in this section which offer superior locations for large equestrian farms and/or sub-divided lots (See attached offerings by *Atlantic Western*).

- **Section 21 & 22**: The biggest and most important event in the equestrian/polo world since our last report has been the successful formation and development of The International Polo Club of Palm Beach. Founded and

Wellington Equestrian Land Value Trend
avg \$/acre



THE ATLANTIC WESTERN WELLINGTON LAND REPORT

managed by Mr. John Goodman, this club includes a new polo stadium, 7 tournament fields and clubhouse. In its first year of operation, this development has already achieved over 200 members and has attracted a record number of teams and participants to world class level polo competition, including hosting the 2004 US Open Tournament. We predict this important amenity will significantly impact the equestrian real estate market in the near term.

- **Section 27** commonly referred to as the “Meadows”, saw a record breaking increase in acreage changing hands since our last report. This area, located south of Lake Worth Rd. and east of South Shore, experienced ten individual transactions for a total of 122 acres, with high points exceeding \$136,000 per acre for improved property. This included *Atlantic Western’s* sale of a 40 acre polo complex to the famous actor and polo enthusiast, Tommy Lee Jones.

- **Section 28** immediately south of Palm Beach Polo & Country Club along South Shore Blvd. is one of the more mature and closely held equestrian areas in the Village; evidenced by few undeveloped or available parcels for sale. This section includes the very successful South Forty Polo Club where *Atlantic Western* has continued its position as the market maker of these unique polo orientated stables; completing a sale in 2003 at the highest price ever paid to date.

- **Section 33** bisected by South Shore Blvd and bordered by South Rd. to the north and the Loxahatchee Wildlife Refuge to the south, has emerged as one of the most preferred equestrian neighborhoods in the South District. During the 2003 sales season, over 125 acres were bought and sold in 11 transactions, including two conducted by *Atlantic Western* at record pricing. Improved property sales now average \$130,000 per acre with hi-points exceeding \$150,000 per acre.

- **Section 34**, situated on the south side of South Rd. west of the Homeland development, is the last vacant section of land within the incorporated boundaries of Wellington. At present this parcel, now referred to as the Wellington Preserve, is being sub-divided and offered into 2.5 and 5 acre parcels. Prices are starting at \$100,000 per acre for unimproved lots. Call *Atlantic Western* for details.

Government, Infrastructure and Development Report
 In the past 3 years, major commercial and residential development pressure has contributed to the area’s accelerated real estate values. Some notable impacts include the strong absorption of residential communities along the SR 7 corridor, the success and impact of the Wellington Commons Mall, major new roadway projects including the widening of Southern Blvd., and various internal Village roadway projects in planning.

AVAILABLE STRATEGIC EQUESTRIAN DEVELOPMENT TRACTS OFFERED BY ATLANTIC WESTERN



59 acres on South Road

This tract is located on the “big curve” of South Road, south of Palm Beach Point Blvd. The land is a cleared, fenced tract which is currently being used as a tree nursery. The property is mitigated, filled, ditched, fully irrigated and ready for development. For Sale at \$5,600,000.

52 acres on South Road

Located just north of Orchard Hill Farm on the west side of South Road, adjacent to the Littlewood horseshow grounds, this property is cleared, fenced and includes a dedicated equestrian easement to the Grand Prix horse show facility. For Sale at \$6,240,000.

For these and other land opportunities call *Atlantic Western*.

THE ATLANTIC WESTERN WELLINGTON LAND REPORT

The past 3 years has been a critical transition period during which the Village and its municipal government significantly expanded including various annexations, new parks and recreational facilities, and improved infrastructure and services, which are anticipated to result in improved services and potentially higher property taxes.

Another significant development has been South Florida Water Management District's drainage project known as STA 1 E, located immediately west of Flying Cow Rd. Over 10,000 acres has been acquired by this agency and transformed into a massive water catchment area to manage storm water quality and quantity. This single government project has and will continue to materially impact Village landowners; including the permanent elimination of otherwise developable land, the anticipated resolution of long term drainage issues for the South District, the creation of new annexation areas and tax bases including neighborhoods such as Rustic Ranches, and the implementation and enforcement of new waste and water management practices for land owners.

Since all of these issues have direct and indirect long term impacts, we recommend equestrian and land owners actively participate in the Village government's planning and execution of public policies and projects. Venues such as the Village of Wellington Equestrian sub-Committee present excellent opportunities for land owners and equestrian interests to become better informed and express positions in a public forum on important land use issues. Brad Scherer, President of *Atlantic Western*, is a seated member on this sub-committee.

Village Roadway and Traffic Patterns

The biggest "traffic" news in our last report focused on the US 441/SR 7 expansion project. In just three years, this project is already at or above projected capacity resulting in concurrency limitations for new commercial and residential developments. The Southern Blvd. expansion, now underway from Congress Ave. at Palm Beach International Airport all the way to Forest Hill Blvd. in Wellington, will dramatically improve and accelerate access to West Palm Beach, the airport and interstate highways including the new Turnpike interchange.

Pierson Road's extension to SR 7 is being planned and is anticipated to commence in the next 12 months. This roadway will open an important east – west access to the Village and is anticipated to serve new developments along

this right of way including Centex's 100 acre planned residential community at the current Palm Beach Trap & Skeet Club location, the planned mixed-use commercial development on the adjacent 200 + acre Lanier Property, and the planned 40 acre Village Park to be constructed on SR 7.

South Shore Blvd. is planned to be improved to four lanes to Pierson Rd., then transition into a divided, landscaped, single lane thoroughfare to the Lake Worth Rd. intersection. In connection with the development of Section 34, portions of South Rd. are anticipated to be paved. On the west side of the Village, portions of Flying Cow Rd. are being paved as well.

Traffic performance standards and related impacts have emerged to be a key issue for new development approvals in the Village and throughout Palm Beach County. *Atlantic Western*, together with key engineering and traffic specialists, can provide comprehensive advisory and strategic marketing services to owners and prospective purchasers of land impacted by these issues.

Recreational Land Opportunities - Golf

In the past several years, recreational properties and most notably golf assets have experienced a cyclical decline throughout S. Florida and particularly in Wellington. Within the Village boundaries, there exists six separate golf courses totaling over 900 acres and 117 holes; including four championship/designer named courses. Several of these courses, including Greenview Cove and Binks Forest are currently closed.

Golf courses, like many open space recreational assets are extremely important to the unique land use and development patterns of a community. The Village Government's recent enactment of a golf rezoning moratorium reflects the public's desire to preserve these amenities. We see particular opportunity for investors in the current environment where golf, and other out of favor recreational properties may be acquired at significantly below replacement value. Like all cycles, current imbalances present patient investors the opportunity to acquire one of a kind assets at a fraction of replacement value, ahead of a maturing market with compelling "recreational" demographics. *Atlantic Western* has unique insight into many of these opportunities including its exclusive representation of the owner of Binks Forest Golf & Country Club, Southern Pines Driving Range and its advisory activities to other golf and recreational owners.



1. Southern Pines Golf Center – 19.6 acres on Southern Blvd. Driving Range, 9 hole golf course. Interim Business with long term rezoning opportunity. For Sale - \$1,800,000
2. Binks Forest Golf Club. 217 acres with 18 hole golf course and 30,000 sf country club facility. For Sale - \$8,000,000.
3. 30,000 sf Medical Office Building located on Southern Blvd., Royal Palm Beach/Wellington. Under Contract.
4. 52 Acres with equestrian easement to horseshow. Sub-division and development opportunity. For Sale - \$6,240,000.
5. 59 Acres Nursery for equestrian redevelopment/sub-division. Filled and ready for development. For Sale - \$5,600,000
6. Commercial Outparcels at Woods Walk Publix. Two, half acre commercial outparcels ready for development. For Sale - \$750,000 each.
7. 8.9 Acres zoned AR with long term rezoning potential on SR 7. For Sale at \$990,000.

Author's Note: In connection with our presence in Palm Beach County and the Wellington market, Atlantic Western Realty Corporation and the related Atlantic Western Companies have prepared our sixth newsletter to update our clients on current events affecting the Wellington market with an emphasis on the major equestrian properties in the South District. Atlantic Western continues to offer value added services to investors and clients in the S. Florida markets; both in land as well as commercial real estate assets.

THE ATLANTIC WESTERN COMPANIES

3175 S. CONGRESS AVE., SUITE 208, PALM SPRINGS, FLORIDA 33461

561-966-5878 telephone / 561-966-9534 facsimile

The Atlantic Western Companies are a family of affiliated corporations offering full service real estate brokerage, advisory, finance, asset and property management, leasing and disposition services to investors and owners of real estate and real estate based assets Statewide.

Brad Scherer, President • Jay Romfh, Director of Leasing, Investment Sales • Lester "Red" Armour, Salesman