

The WELLINGTON LAND Report

Prepared by Atlantic Western Realty Corporation

2022 EQUESTRIAN LAND SUMMARY: "IS THIS TIME DIFFERENT?"

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Introduction

In our 42nd year in business, Atlantic Western remains one of South Florida's leading brokers in significant land and equestrian real estate transactions. To assist our clients in identifying market trends, opportunities and values, we periodically publish *The Wellington Land Report*. In this edition, we highlight larger land transactions and trends that have occurred in the last 12 months ending September 2022.

Current Market Summary

Our 2021 report was headlined "At the Top... Again" wherein we illustrated the market's impressive growth and tightening supply conditions; and accurately predicted these trends would strengthen even further.

In the past year, 93 major Wellington equestrian land transactions were recorded, comprising approximately 926 acres, totaling \$641,000,000 in sales. These metrics reflect a 100% increase in total dollar sales, a 33% increase in acreage sold, and a 56% increase in average p/ac pricing (now at \$692,000 p/ac overall - equating to \$776,000 p/ac for improved and \$455,000 p/ac for unimproved land) since our last report. **This is Wellington's strongest annual performance ever recorded.** Moreover, there are now fewer than 35 major Wellington Equestrian properties listed for sale (an astounding 50% decline in inventory from a year ago) yet at a 130% increase in average pricing; translating into the fewest number of available properties, at the highest asking prices, since we began publishing market data 30+ years ago. While these impressive statistics are certain record breakers, financial markets have most recently experienced a significant correction with dramatically higher inflation and interest rates, together with many experts forecasting a near term recession; so a most poignant question now for our land market is: *"Is this time different?"*

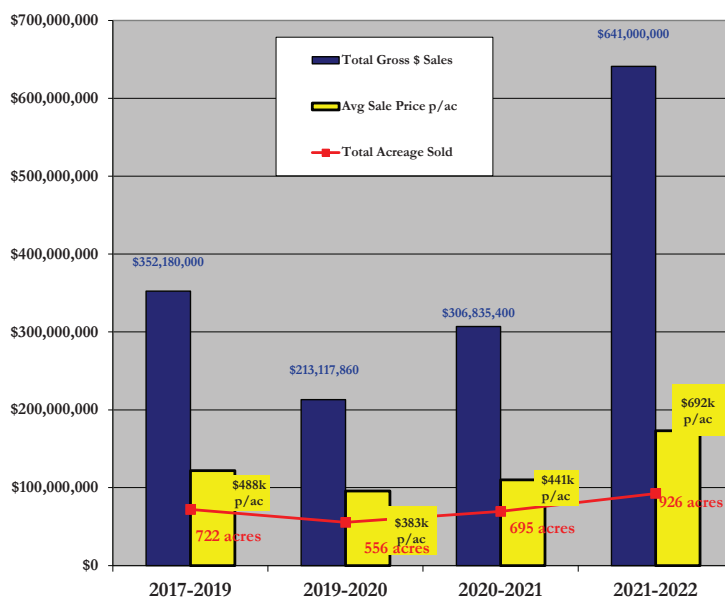
Macro-Trends & Market Forecast

Wellington's Land market has well-earned its reputation as the most valuable equestrian land market in the world; evidenced by relatively consistent price trends, large ownership base and healthy turnover absorption. For over 50 years, this market has impressively withstood various economic cycles, conflicting and encroaching urban development, and increasingly restrictive and burdensome government regulations. And while current financial market conditions create some uncertainties, Wellington's Equestrian Land market and available supply has never been tighter, nor in tighter hands. That being said, we do predict that the current combination of much higher interest rates, financial market instability and fewer sellers will likely result in a slowdown of transactions, perhaps more so than dramatic price fluctuation, over the next year. As such, we continue to advise buyers and sellers to both seek and offer the best values, respectively.

From a historical perspective, Wellington's Land market has been materially impacted by a few "mega events" involving either the development and/or sale of major equestrian venues which thereafter greatly influenced market metrics. A few of these historical events notably included: (i) the original development and subsequent transformation of Palm Beach Polo; (ii) the development of the horse show grounds, its expansion by WEP into the "world's winter equestrian capital" and its sale last year to its newest capital partners; (iii) the development and operation of the International Polo Club (IPC); and WEP's development and operation of the Global Dressage venue. And just this year another one of these seismic and "mega events" transpired which deserves particular emphasis. In June 2022, The United States Polo Association (USPA) completed its \$110,000,000 acquisition of the IPC Polo Club and grounds; now rebranded as the USPA National Polo Center. **Atlantic Western** was honored to advise the USPA in this historical transaction, creating permanency to high goal polo's future in Wellington; which we forecast will favorably impact equestrian and polo land values for the indefinite future.

Meanwhile, WEP founder Mark Bellissimo and his partners recently announced their entitlement applications for impressive commercial and intense residential re-development of Global Dressage and the adjoining White Birch fields, together with the relocation of Global Dressage as an expansion of the horse show grounds. If approved and completed, we predict such will be yet another one of these "seismic" events which could fuel materially higher land prices in the near term.

WELLINGTON EQUESTRIAN MARKET
TOTAL GROSS SALES



Wellington Equestrian Sub-Markets

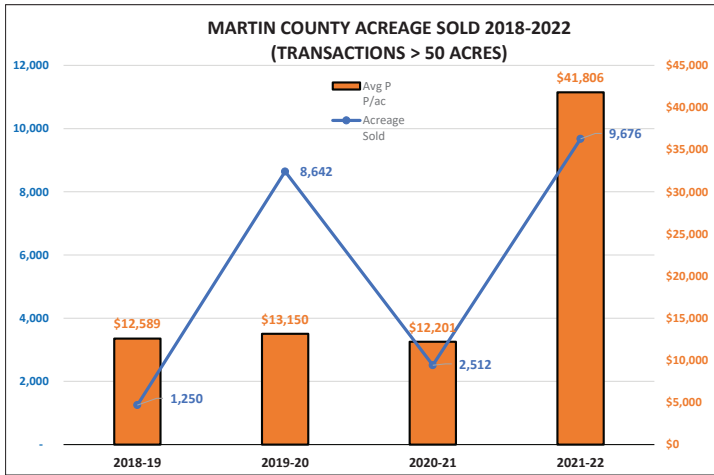
Wellington's specific and unique equestrian sub-markets are more closely examined below:

- **Grand Prix Village, Grand Prix South, Mallet Hill & Southfields.** These exclusive equestrian communities remain the premier equestrian areas in Wellington due to their proximity to the showgrounds. During the current survey period, 9 major transactions occurred, at a blended average sale price of \$2,730,000 p/ac for improved properties, representing an impressive 28% increase in pricing. At present only 8 properties are listed for sale in these sections at average listed pricing of \$2,700,000 p/ac; reflecting unusual "par" pricing and underscoring the elasticity of this important sub-market.
- **Southfields.** Wellington's original equestrian enclave boasts the highest concentration of trophy polo & equestrian developments including the new USPA's National Polo Center (NPC), Grand Champions Polo Club, Global Dressage, PB Equine Sports Complex, Crab Orchard, Lassergut, and Deeridge Farm. During the current survey period, this section reported the highest gross sales, including the \$52,000,000 sale of the Isla Carroll Farm, \$21,000,000 sale of the White Birch Polo Fields and the headline sale to the USPA of NPC for \$110,000,000; the average of which sales equated to \$678,000 p/ac.
- **Saddle Trail** remains Wellington's premier equestrian smaller lot alternative, offering homes and stables within close proximity to the showgrounds. In the past 12 months, Saddle Trail recorded 16 major sales averaging \$1,600,000 p/ac for improved properties. This represents an impressive 30% increase in p/ac sale price in the past 12 months. Currently, only 5 improved properties are listed and available for sale in this section at an average list price of \$2,000,000 p/ac; reflecting a 34% increase in asking price and 60% reduction in listings since our last report.
- **Palm Beach Point & SunGlade Ranches.** Palm Beach Point has consistently demonstrated healthy metrics in all of our surveys. In the past 12 months, this gated equestrian and residential community recorded 18 sales, averaging \$840,000 p/ac reflecting a 20% increase in average sales price since our last report. Currently only 6 major properties are listed for sale in this section (a material reduction since 2020-1) at an increased average asking price of \$1,500,000 p/ac, reflecting a 178% bid ask spread.
- **Palm Beach Point East/ Sections 29 & 32.** In the past 12 months, an impressive volume of 14 major sales occurred in this area averaging \$600,000 p/ac, 2 of which were executed by *Atlantic Western*. This average sales price reflects a 115% increase over the past 12 months. Currently, only a few tracts remain listed for sale at an average asking prices of \$1,100,000 p/ac for improved and \$385,000 p/ac for unimproved, respectively.
- **Section 27** is located between 40th & 50th St. and between 120th Ave and 130th Ave. S., with trophy equestrian and polo estates including Equelus, Iconica, Las Monjitas, Santa Clara and Patagones Polo complexes. Historically, this section records fewer sales in a typical season, however, in the past 12 months, 8 sales were recorded including the notable \$15,200,000 sale of Pony Express Polo, and \$4,900,000 sale of Bostwick Polo; with average improved p/ac sale prices increasing to \$518,000 p/ac, greatly influenced by one major improved equestrian sale at \$1,100,000 p/ac. Currently, only 3 properties totaling 20 acres are actively listed for sale in this Section.
- **Section 28.** Located between 40th & 50th St. and between 130th Ave and 140th Ave. S. and bisected by prestigious South Shore Blvd., during the past 12 months, over \$24,000,000 in substantial property sales were executed including *Atlantic Western's* sale of the 40 acre Windsome Estates. Section 28 is the also the location of the very successful South Forty Polo Club, the only fractional-equity polo club in the United States. Call *Atlantic Western* for more details.
- **Section 33** is bordered by South Rd. on the north and the Loxahatchee Wildlife Refuge on the south and is considered one of the more private non-gated locations in Wellington's Equestrian Preserve. In the past 12 months, 4 major sales were executed in this Section at an average of \$916,000 p/ac.
- **Section 34.** Otherwise known as Wellington Preserve, this section has transformed into one of Wellington's most exclusive large equestrian and polo communities including Valiente Polo, Santa Rita Polo, Pilot Polo, and SD Farms Polo. In the past 12 months, 4 land tract sales were executed in this Section at an average of \$340,000 p/ac. Currently, there are 3 land tract listings available at an average ask of \$463,000 p/ac reflecting a 136% bid ask spread.
- **Rustic Ranches.** Rustic Ranches located off Flying Cow Rd. in western Wellington, has enjoyed robust absorption by offering a Wellington address at compelling pricing. In the past 12 months, 11 sales occurred trading at an average price of \$207,000 p/ac for improved property and \$167,000 p/ac for unimproved land; reflecting the recent appreciation of raw land vs. properties with older improvements. At present, the inventory listed for sale in this neighborhood has fewer than 5 properties offered for sale, at an average asking price of \$410,000 p/ac, reflecting a 198% bid ask spread – the highest in our current survey. As we predicted in previous reports, the market has fully recognized the values previously offered at Rustic Ranches at lower price points.

Other Notable Land Markets

Loxahatchee: Since our previous report, Loxahatchee's land market has continued to record robust price appreciation due to its proximity to Wellington, improved services and what was historically a less restrictive regulatory environment. Improved property sales now routinely average over \$300,000 per acre with some current listings now exceeding \$600,000 per acre. As we previously forecasted, this sub-market's historical value proposition (when compared to Wellington pricing), has narrowed considerably with current pricing. Together with newly expanded municipal codes and enforcement, we predict current prices may slow absorption in the near term. *Atlantic Western* advises buyers to do their homework and conduct thorough pre-purchase due diligence.

Martin County: Martin County is best known for its environmental/conservation orientated politics and corresponding land use policies. Over 40% of Martin County is permanent conservation area, controlled by various State, County and municipal agencies; equating to one of the highest percentages of conservation areas within any county in the entire United States.



These unusually restrictive environmental, land use and zoning regulations have historically created material barriers to entry, and a restricted supply of available land. But the county has most recently adopted new zoning rules that allow for large acreage tracts to achieve clustered residential development in concert with conservation dedications. We forecast these changes will have a profound impact on Martin County land prices and availabilities.

In just the past year, 25 large acreage transactions totaling approximately 10,000 acres have sold at an average price of over \$41,000 p/ac equating to a **240% increase in average land pricing in less than 2 years**. While these sales price averages are heavily influenced by a number of non-agricultural and/or development speculation trades, the value increase experienced in the past 12 months is nevertheless profound.

In addition to selling a number of large ranch parcels in Martin County, for the past several years *Atlantic Western* has exclusively represented the owners of the **Port Mayaca Polo Club**; a 200+ acre full-service polo club located less than an hour's drive from Wellington; offering ranch parcels that surround this unique polo club.

Atlantic Western is currently offering the prestigious Postage Stamp Polo Farm at Port Mayaca Polo Club. This turn-key, newly constructed 40 acre polo facility offers the unique combination of a private-tournament grade polo field, together with the highest quality equestrian improvements including a 28 stall barn, separate 3 bedroom groom's residence, Honomobo club-house/lounge overlooking the polo field, extensive paddocks, as well as club membership within the immediately adjacent Port Mayaca Polo Club; where no other properties are currently available for sale. Favorably priced at below current replacement cost, the Property offers exceptional newly built improvements with a private polo field; attributes not otherwise currently available in the S. Florida market, at a small fraction of Wellington price points.



To see more about this opportunity visit both the *Atlantic Western* website (www.atlantic-western.com) and the Port Mayaca Polo real estate project website (www.portmayacapolofarms.com), or call *Atlantic Western*.

WELLINGTON

Rustic Ranches

Palm
Beach
Point

Glenspur/Tonkawa

Orchard Hill

La Lechuza
Polo

Palm Beach
Point East

Saddle Trail

Horse Show
Complex

Malibu Hill

Global
Dressage

GC Polo

Iron Spring
Farm

Jedi
Polo

Jan
Pamela
Polo

Windsome

S 40
Polo

Arellano
Polo

Pierson Rd.

Deeridge

Crab Orchard

Isla Caravel

INTL POLO CLUB

Lake Worth Rd.

Pepacron Polo

San
Saba
Polo

Equeluss
Polo

Paragones

Santa Clara Polo

Pony
Express

50th St. South Rd.

Villa
del lago

South Shore Blvd

Saddle Club

Las Palmas

Glenspur/Tonkawa

Everglades
Polo

La Indiana
Polo

Santa
Rita
Polo

Iroquois

Valiente
Polo

SD Polo