

The WELLINGTON LAND Report

Prepared by Atlantic Western Realty Corporation

June 2019 • Volume XIII

2019 EQUESTRIAN LAND SUMMARY

“Past the Top?”

Introduction

Operating since 1981, *Atlantic Western* and its principals remain one of Wellington’s and 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 report, our thirteenth volume, we highlight those transactions and developments that have occurred since our 2017 report, and provide forecasts as to where we see the market trending.

Current Market Summary

Our 2017 report was headlined “Did We Already Pass Go?”, highlighting the sales of more acreage, in fewer transactions, at flattening prices. Since then, these trends have continued suggesting that we may have passed a market top. **In the past 2 years, 82 Wellington equestrian land tracts comprising 720 acres were executed for \$352,180,000 in total sales. These metrics reflect an 18% decline in sales activity, 30% decrease in total acreage sold, a 27% decrease in total dollar sales, averaging \$488,000 p/ac; roughly the same price p/ac as the previous two year period.**

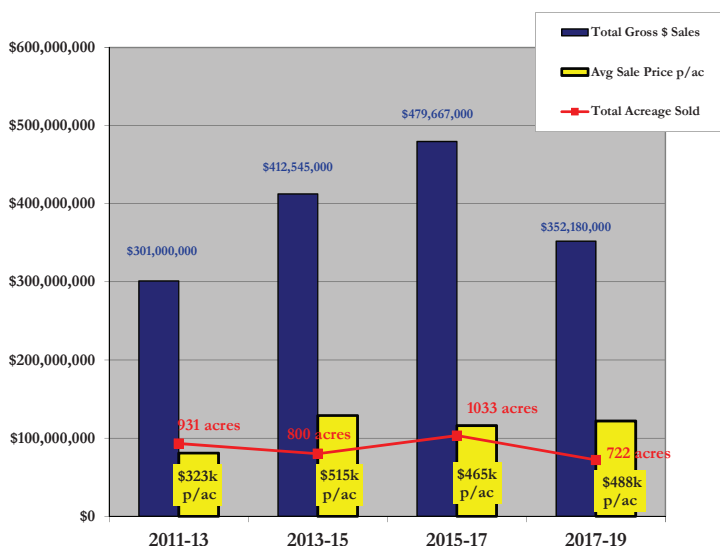
Macro-Trends

Trying to accurately call a market top can be a humbling challenge. Since the 2009-2010 recession, Wellington’s unique and resilient equestrian market has continued on a steady incline, fueled by a diminishing supply of vacant land and steady demand. But as observed in our 2017 report, a growing supply of listings at much higher asking prices than actual sales prices can contribute to a deceleration of sales transactions.

As of May 1, 2019, over 137 Wellington Equestrian properties representing over 1,530 acres are currently listed for sale, exceeding \$1 Billion in total inventory at an average p/ac asking price of \$671,275; all-time-highs in Wellington’s history. Since our last report, these data points represent an 18% increase in supply and a 6% increase in average p/ac asking prices. The Bottom Line: more is for sale at higher asking prices, while actual transaction volume has declined and average pricing has remained static.

In the following report we examine Wellington’s specific and unique equestrian sub-markets:

WELLINGTON EQUESTRIAN MARKET
TOTAL GROSS SALES



• *Grand Prix Village, Grand Prix South & Mallet Hill.*

These exclusive equestrian communities remain the premier equestrian areas in Wellington due to their proximity to the showgrounds. During the current survey period, 50 acres in 8 sales transactions occurred, totaling over \$70,700,000 in sales, representing a blended average sale price of \$1,700,000 p/ac for improved properties. This represents a 52% decline from 2017 metrics. At present 14 properties are listed and available for sale in this section at average listed pricing of \$2,400,000 p/ac, which has remained flat since our last report.

• *Southfields.* Wellington’s original equestrian enclave boasts the highest concentration of trophy polo & equestrian developments including The International Polo Club (IPC), Grand Champions Polo Club, White Birch Polo, the Global Dressage Facility, Palm Beach Equine Sports Complex, Crab Orchard, Lassergut, and Deeridge Farm. During the current survey period, only 2 sales transactions occurred in this section at a blended average sale price of \$514,00 p/ac for improved property. At present, 8 properties totaling 100 acres are listed

and available for sale in this section at average listed pricing of \$1,150,000 p/ac, equating to a 123% bid-ask spread; the highest in our survey.

- **Saddle Trail** remains Wellington's premier residential and equestrian small lot alternative, offering homes and stables within close proximity to the showgrounds. In the past 24 months, Saddle Trail recorded 6 major sales totaling over \$32,000,000, averaging \$1,173,000 p/ac for improved properties. This represents a 26% increase in p/ac sale price, but a 64% decline in actual sales transactions since our last report. Currently over 21 improved properties are listed and available for sale in this section at an average list price of \$1,789,000 p/ac; reflecting a 78% increase in asking price and a 3 year supply based on recent absorption.
- **Palm Beach Point & SunGlade Ranches:** In the past two years, this gated equestrian and residential community recorded an impressive 18 sales, with total transactional volume of over \$94,000,000, with improved properties averaging \$805,000 p/ac reflecting a 29% increase in average sales price since our last report. Currently over 31 properties are listed for sale in this section at average asking prices of \$910,000 p/ac; equating to a reasonable 13% bid-ask spread, the healthiest in our current survey.
- **Palm Beach Point East/ Sections 29 & 32.** In the past two years, 13 sales totaling 234 acres and over \$79,000,000 have been executed in these sections, most notably impacted by the sale and recent re-sale of the 60 acre Lechuza Polo Complex. Improved property sale values averaged \$363,500 p/ac and unimproved land sales averaged \$213,500 p/ac; reflecting significant declines from our previous report. Currently 16 properties are listed for sale in these sections at an average asking price of \$391,522 p/ac.
- **Section 27** is located between 40th & 50th St. and between 120th Ave and 130th Ave. S. This area includes trophy equestrian and polo estates including the Equelus, San Saba, Las Monjitas, Pony Express, Santa Clara and Patagones Polo complexes. In the past 24 months, no major sales occurred in this section while over 10 properties totaling 188 acres are listed for sale including San Saba, Las Monjitas and Skara Glen, at an average asking price of \$565,406 p/ac, reflecting the weakest sub-market in our survey for the second time in a row.
- **Section 28** located between 40th & 50th St. and between 130th Ave and 140th Ave. S. is bisected by prestigious South Shore Blvd. During the past 2 years, improved property sale values averaged \$426,000 p/ac and unimproved acreage averaged \$300,000 p/ac including *Atlantic Western's* 2019 sale of 20 acres within the Windsome Estates Sub-division. 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,

where tightly held farms rarely become available. As of the writing of this report, *Atlantic Western* has just listed the largest polo farm in this private club which presents a unique opportunity for a serious polo user. In addition, Windsome Farm, the largest "trophy" equestrian estate in Wellington is now also offered by *Atlantic Western* at opportunistic pricing well below replacement cost. Call *Atlantic Western* for more details.

- **Section 33** otherwise known as Palm Glade, is bordered by South Rd. on the north and the Loxahatchee Wildlife Refuge on the south and is considered one of the more private locations in Wellington's Equestrian Preserve. In the past 2 years this area recorded 9 sales on 75 acres at an average of \$422,000 p/ac reflecting a slight increase since our last report. Currently only 4 improved properties are listed for sale in this section at an average list price of \$590,000 p/ac; a 19% increase in asking price since our last report.
- **Section 34.** Otherwise known as Wellington Preserve, this section's impressive absorption and development over the past 5 years has transformed this once vacant section into one of Wellington's most important large equestrian and polo communities including Valiente Polo, Santa Rita Polo, La Indiana Polo and SD Farms Polo. Only a few remaining tracts remain available in this area at asking prices of \$275,000 p/ac and higher. Call *Atlantic Western* for details.
- **Rustic Ranches.** For the past 5 years, Rustic Ranches located off Flying Cow Rd. in western Wellington, has enjoyed robust absorption by offering the best Wellington value at comparable Loxahatchee pricing. In the past two years, 19 sales occurred at an average price of \$186,350 p/ac for improved property and \$70,000 p/ac for unimproved land. At present the inventory listed for sale in this neighborhood has over 23 properties offered for sale, at an average asking price of \$217,000 p/ac; reflecting a 21% increase since our last report.

Market Forecast

Current metrics suggest a market inflection point, with historically more for sale at higher asking prices, and fewer sales occurring at static overall p/ac prices. As outlined herein, some select sub-markets are performing much better than others depending on relative values, and driven by unique locations and attributes. Similar to other high-end luxury real estate markets where asking prices can occasionally over-shoot actual demand and thereafter revert/adjust to the mean, our forecast is that these conditions will continue to evolve in the near term. As such we are advising motivated sellers to accurately price their offerings in order to make them most competitive in an otherwise crowded field, and we are advising buyers to be selective in identifying the very best values available.

Offering Highlight

One of the best examples of extraordinary value opportunity currently available is the prestigious Windsome Farm offered by **Atlantic Western**. Situated on 80 acres, Windsome Farm is Wellington's largest and most iconic trophy equestrian estate on the market today. Commanding the entire block between Indian Mound Rd. and 50th St. along prestigious South Shore Blvd., Windsome offers a completely turn-key facility; fully developed, extensively landscaped, irrigated and engineered for storm water management, together with a meticulously maintained 52 stall stable, all at substantially below replacement value and at the lowest p/ac price of any of the largest estates on the market. Considerable portions of the property offer sufficient dimension to either build a tournament grade polo field or the ability to sub-divide into multiple 10 acre equestrian estates; subject to regulatory permitting. This presents a buyer the unusual opportunity to acquire one of Wellington's most important properties at a great value together with upside potential. Call **Atlantic Western** for details, or go to our website www.atlantic-western.com.

Surrounding Land Opportunities

Atlantic Western is currently offering a variety of interesting and affordable farm land listings situated along the US 441 corridor just south of Wellington. Such tracts afford very close proximity to Wellington, entitlements that allow for equestrian uses, potential long term upside potential at fractions of Wellington land prices.

Atlantic Western is also currently offering lots for sale within the Port Mayaca Polo Club; a 200+ acre polo club with 8 polo fields, located just an hour's drive from Wellington. 20 acre improved farm parcels that surround this club are combined with exclusive club-memberships, at prices starting at \$25,000 p/ac. In just the past year, 8 of the 18 total lots offered are already sold, reserved or under contract. To see more, visit the project website at www.portmayacapoloofarms.com, or call **Atlantic Western**.

Located only minutes from Port Mayaca, **Atlantic Western** is also currently offering the Portales Polo Horse Ranch. Originally developed by USPA Polo Hall of Fame legend Memo Gracida, this turn-key 162 acre ranch is improved with 2 polo fields, 3 barns, and supporting infrastructure. Priced to sell far below replacement cost at \$1,875,000.



Windsome Farm

THE ATLANTIC WESTERN COMPANIES

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WELLINGTON

Rustic Ranches

Palm
Beach
Point

Glenspur/Tonkawa

Orchard Hill
Polo

La Lechuza
Polo

Palm Beach
Point East

Saddle Club

Las Palmas

Saddle Trail

Horse Show
Complex

Grand Prix

Mallet Hill

Global
Dressage

White
Birch Polo

Pierson Rd.

Deeridge

Crab Orchard

Isla Carroll

INTL POLO CLUB

Southfields

GC Polo

Mida

Jan
Pamela
Polo

Jedi
Polo

Windsome

S 40
Polo

Arclano
Polo

Pony
Express

Equus
Polo

Saba
Polo

Paragones

Santa Clara Polo

50th St. South Rd.

324

South Shore Blvd.

Villa
del lago

Everglades
Polo

Santa
Rita
Polo

La
Indiana
Polo

Valiente
Polo

Iroquois

Dantata Polo