

# The WELLINGTON LAND Report

Prepared by Atlantic Western Realty Corporation

2023 EQUESTRIAN LAND SUMMARY: “Scarcity: Demand vs. Supply?”

November 2023 • Volume XVII

## Introduction

Celebrating our 43<sup>rd</sup> 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 published *The Wellington Land Report*. In this edition, we highlight large land transactions and trends that have occurred in the last 12 months ending September 2023.

## Current Market Summary

Our last 2022 report was headlined “*Is this Time Different?*” wherein we predicted a slowdown in sales volume and questioned if historic price appreciation could be sustained.

In the past year only 31 major Wellington equestrian land transactions were recorded, comprising 314 acres and totaling \$220,684,000 in sales; reflecting a **66% decrease** in sales and acreage volumes, yet at a 2% increase in overall average p/ac pricing (now at \$703,000 p/ac – the highest ever). Pricing on improved properties increased 23% to an astounding \$954,000 p/ac while prices on the few unimproved land sales fell 31% to \$313,000 p/ac. Our take away from these metrics reflects the market being extremely selective and demonstrating fewer buyers paying premiums for only best-of-class assets, while discounting raw land that is exposed to increased regulatory, permitting and development cost burdens.

Last year’s trends continue with current listing inventory. At the writing of this report, there are now fewer than 30 major Wellington Equestrian properties listed for sale, translating into the fewest number of available properties, with fewer transactions occurring, at the highest asking prices ever, hence this report’s title: “*Scarcity: Demand vs. Supply?*”.

## Macro-Trends & Market Forecast

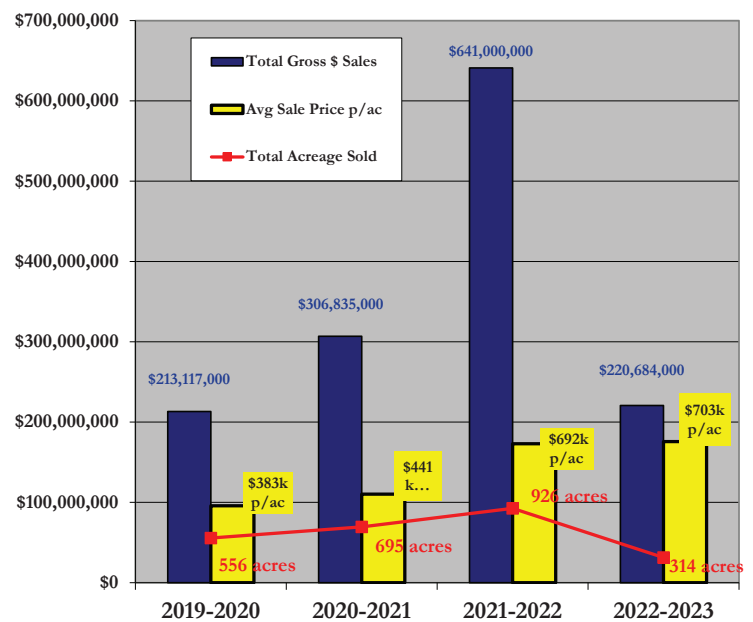
In last year’s report, we accurately predicted that the combination of higher interest rates, financial market instability and a decline in inventory would result in a material slowdown of transactions which the current numbers prove out. In the past year, nationwide real estate sales volume (across most asset categories) has declined as much as 75% due to low inventory, high prices, and higher interest rates. And while these headwinds are impacting all markets and asset classes in varying degrees, Florida’s real estate market continues to out-perform virtually all others, particularly for the most supply-constrained and barrier to entry markets such as Wellington’s unique Equestrian market. It remains to be seen what lasting impact a potentially steepening yield curve and higher interest rates - for longer, may have on our market, if at all. Economists often like to cite “*ceteris paribus*” in their forecasts (“all other variables remaining the same”) which of course is seldom the case. While we predict the current environment to continue in the near term with fewer transactions and little adjustment to pricing, those leveraged properties most exposed to variable interest rates could certainly increase the supply of listings and perhaps impact pricing on select opportunities.

## Proposed New Developments

Last year, WEP founder Mark Bellissimo and his partners announced their entitlement applications for impressive commercial and intense residential redevelopment of Wellington’s Global Dressage and the adjoining White Birch polo field properties, as well as the “Firehouse Polo” grounds on S. Shore Blvd., in concert with the possible expansion of the horse show grounds. For the past year, final plans for these projects evolved and responded to community opposition to the proposed removal of some of these tracts from the protected Equestrian Overlay Zoning District (EOZD) and what would be the corresponding impact of increased development density and intensity. On November 16, 2023 Wellington Village Council granted the preliminary approval of such projects. It remains to be seen what near term impact these approvals may have on the horse show and dressage operations, as well as future applications to extract other lands from the EOZD. Irrespectively, these developments’ eventual urbanization, if and when completed, certainly diminishes those portions of Wellington’s limited equestrian lands, and we predict will likely result in higher land prices.

The Village of Wellington government is also considering the possible annexation of 38 parcels comprising over 250 acres of county land north of Southern Blvd. and immediately west of Loxahatchee; which if ultimately approved (by referendum vote planned in March 2024) would be the first time Wellington has successfully annexed north of Southern Blvd. *Atlantic Western* anticipates this annexation would considerably expand residential and commercial entitlement potential to what is currently low density agriculturally orientated uses, and present new development and investment opportunities.

WELLINGTON EQUESTRIAN MARKET  
TOTAL GROSS SALES 2022-2023



### 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.** Sales within Wellington's most exclusive equestrian communities have slowed. During the current survey period only 1 major transaction occurred at \$1,500,000 p/ac representing substantial pricing decline from previous averages. At present only 5 properties are listed for sale in these sections at average listed pricing of \$3,869,000 p/ac; reflecting a 43% increase to last year's average pricing.
- **Southfields/Sections 21 & 22.** Wellington's original equestrian enclave contains the highest concentration of trophy polo & equestrian developments including the 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 only 4 improved sales averaging \$1,752,000 p/ac; record pricing for this sub-market.
- **Saddle Trail** is Wellington's premier equestrian smaller lot alternative, offering homes and stables within close proximity to the showgrounds. In the past 12 months, only 4 Saddle Trail improved sales were recorded at an average of \$1.5mm p/ac; reflecting an annual decline of 75% in sales volume and 6% price decline, respectively. Currently, only 5 improved properties are listed and available for sale in this section at an average list price of \$2,468,000 p/ac; reflecting a 23% increase in asking price since our last report and a 165% bid-ask spread..
- **Palm Beach Point & SunGlade Ranches.** Palm Beach Point has always demonstrated healthy metrics in our previous surveys. In the past 12 months, this gated equestrian and residential community recorded 7 sales. While this volume is a 61% decline from last year, these sales averaged over \$1,000,000 p/ac; reflecting another consecutive 20% annual price increase since our last report. Currently 10 major properties are listed for sale in this section at average asking prices of \$1,222,000 p/ac, reflecting a fairly tight 120% bid-ask spread.
- **Palm Beach Point East/ Sections 29 & 32.** In the past 12 months, only 4 sales occurred in this area averaging \$620,000 p/ac, 1 of which was executed by *Atlantic Western*. Currently, only two improved tracts remain listed for sale at an average asking price of \$1,496,000 p/ac; a very wide (and perhaps unrealistic) bid-ask spread of 240%.
- **Section 28.** Located between 40<sup>th</sup> & 50<sup>th</sup> St. and between 130<sup>th</sup> Ave and 140<sup>th</sup> Ave. S. and bisected by prestigious South Shore Blvd., during the past 12 months, over \$26,700,000 in substantial property sales were executed including *Atlantic Western's* re-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, where *Atlantic Western* just sold another farm for \$3,700,000. Call *Atlantic Western* for availabilities.
- **Section 34.** Otherwise known as Wellington Preserve, this area has transformed into one of Wellington's most exclusive large equestrian and tightly controlled polo communities including Valiente Polo, Santa Rita Polo, Pilot Polo, and SD Farms Polo. In the past 12 months, 3 land tract sales were executed in this section at an average of \$360,000 p/ac.
- **Rustic Ranches.** Rustic Ranches, located off Flying Cow Rd. in western Wellington, has continued to enjoy robust absorption by offering a Wellington address at comparable Loxahatchee pricing. In the past 12 months, 10 sales occurred (the highest sub-market sales volume in our current survey) trading at an average price of \$421,000 p/ac for improved property and \$169,000 p/ac for unimproved land; reflecting a 100% increase in improved sale prices vs. no relative change in raw land pricing. This underscores the market's willingness to pay premiums for developed properties vs. endure the costs, time and materially constrictive regulatory burdens being increasingly imposed by governmental authorities on new land development projects.

### Select Offering

Consistent with the market being more selective and focused on best of class assets, *Atlantic Western* is pleased to exclusively offer the Villa Gubbio residential estate in the Bridle Path Section of Palm Beach Polo, comprising one of the largest properties in the sub-division and one of only 3 homes in Bridle Path to abut the Big Blue Cypress Forest preserve area; offering the utmost in privacy and natural beauty. Originally constructed in 2000 by the renown luxury builder Laszlo Wagner, the 2 story Tuscan designed residence encompasses approximately 10,500sf with unique imported finishes and features.

Call *Atlantic Western* for details.



## Other Notable Land Markets

**Loxahatchee:** Loxahatchee's land market continues 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 well over \$350,000 p/ac including one of the most recent sales transacted by *Atlantic Western* at over \$400,000 p/ac. As we previously forecasted, this sub-market's historical value proposition (when compared to Wellington pricing), continues to narrow with current pricing.

**AG Reserve & PB County Rural Tier:** Located along the 441 corridor from Lantana Rd. south to Clint Moore Rd., the AG Reserve and Rural Tier contains the largest amount of farm land remaining in central Palm Beach County; much of which is protected by either very low zoning and/or conservation easements that only allow for equestrian and bonafide agricultural uses. For the past several years, GL Homes, the largest residential developer in PB County, has been seeking a complicated land exchange and approvals to re-entitle and develop certain AG Reserve lands encumbered by conservation easements. Investors' anticipation of GL's success in these endeavors, and generalized speculation that the AG Reserve would eventually open up to conventional development, has pushed un-entitled/conservation eased AG Reserve land values to well in excess of \$150,000 p/ac. In November 2023, Palm Beach County voted against the GL proposal; an unexpected reversal from previous hearings. While trying to predict the AG Reserve's long term political future is impossible, in the near term we forecast this particular entitlement denial may help cool near term speculative price appreciation and could provide opportunities for more equestrian/bonafide AG investment.

Meanwhile, Pulte Homes has just achieved preliminary entitlement approvals to develop over 90 acres along 441 within Palm Beach County's Rural Tier and Heritage Farms area. Combined with other developers' plans to develop the adjacent former Trotting Center property, and a corresponding County resolution to limit other higher density/intensity uses within this particular area, it remains to be seen what such conflicting approvals and uses will have on the pricing of remaining/surrounding AG parcels.

**Martin County:** In last year's report we highlighted Martin County's dramatic price appreciation in both agricultural as well as non-agricultural and/or development speculation trades; particularly centered on a number of exclusive golf course developments located along the prestigious Bridge Rd. & Kanner Highway corridors. This past year *Atlantic Western* exclusively represented the seller of one of the most iconic legacy tracts on Kanner; namely the 250+ acre Payson Stud Farm which we sold to private interests for \$5,100,000.

In May 2023 FPL purchased the 8,000 acre King Ranch Tesoro Holdings also on Kanner Highway for \$93,400,000 (equating to just under \$12,000 p/ac). This major sale, when combined with the Dupuis Preserve conservation area, and *Atlantic Western's* 2008 sale of the major 2,200 acre Lakepoint project permanently eliminates any significant land inventory from ever being available along Kanner Highway from Indiantown west all the way to Lake Okeechobee. These sales, combined with planned developments extending from Palm City to Indiantown, together with Martin County's strict environmental, land use and zoning regulations, will continue to constrict Martin County land availabilities, and favorably impacting land pricing.

In addition to selling a number of Martin County ranch parcels, for the past 10 years *Atlantic Western* has also 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. Earlier this year *Atlantic Western* completed the sale of the Postage Stamp Polo Farm at Port Mayaca, and we have just listed, new to the market, the 40 acre H & S Farm at Port Mayaca Polo Club; improved with a tournament grade polo field, paddocks, barn pad (ready for vertical construction) and irrigation infrastructure and equipment. Priced at only \$2,250,000 this is the best polo field value on the market. Call *Atlantic Western* for details or go to the Port Mayaca website:

[www.portmayacapolofarms.com](http://www.portmayacapolofarms.com)



# WELLINGTON



Pierson Rd.

Deeridge

Rustic Ranches

Saddle Trail

Horse Show Complex

Grand Prix

Palm Beach Point

Glenspur/Tonkawa

Orchard Hill

La Lechuza

Palm Beach Point East

Global Dressage

Maiter Hill

GC Polo

Iron Springs Farm

Jan Pamela

Jedi Polo

Windsome

S 40 Polo

Arellano Polo

Peppacorn Polo

San Saba Polo

Equeluss Polo

Pony Express

Patagones

Santa Clara Polo

INTL POLO CLUB

Lake Worth Rd.

50th St. South Rd.

Villa del Lago

South Shore Blvd

Saddle Club

Las Palmas

Santa Rita Polo

La Indiana Polo

Iroquois

Valiente Polo

SD Polo

Everglades Polo