

Port Royal real estate sales still hot despite market struggles

By LAURA LAYDEN

Thursday, May 20, 2010

NAPLES — Back in March, Naples Realtor Bill Earls quietly sold a six-bedroom, two-story mansion in Port Royal for \$22 million.

Million-dollar homes continue to move in the posh neighborhood that sits between the Gulf of Mexico and Naples Bay. Sales have picked up during the past six months.

"There have been a lot of big sales lately," said Earls, a broker with John R. Wood Realtors.

Sometimes, these luxury homes are sold privately, meaning they're never marketed for sale in the multiple listing service, or MLS. These sales can happen under the radar, generating little attention in the media or anywhere else. You may never even see a for-sale sign in the yard.

"The very nature of ultra high-end sales demands a certain amount of confidentiality," Earls said.

His \$22 million sale is one of the highest made in the Port Royal neighborhood since 2007.

Known as "La Capanna," the palatial estate overlooking the Gulf of Mexico stretches 16,215 square feet, with six bedrooms and eight bathrooms. It includes everything from a home theater and beach-side game room to "his" and "her" studies and a five-bay garage designed for a luxury car collector.

Other recent activity in Port Royal includes a home at 3750 Rum Row that sold for \$5.2 million on Jan. 7 and one at 801 Spyglass Lane that closed Feb. 25 for \$6,050,000. In December, another 6,406-square-foot estate in the neighborhood went for \$9,560,000.

There have been more than a dozen closed sales in Port Royal this year, with more contracts pending, said Philip Collins, a broker associate with Premier Properties of Southwest Florida Inc.

"We are ahead of sales from last year," he said.

"These things don't happen overnight," Collins said. "These are people who look for a year or two years."

In Port Royal, he said, it's not unusual to see owners moving from one house to another.

"Maybe they are in a little bit of an older house and they want the newer bells and whistles," Collins said.

The record home sale in Collier County still stands at \$40 million. That happened in 2007 when Arthur L. Allen Jr., the founder of a Naples-based software provider, bought a waterfront mansion on the outskirts of Port Royal. The home was marketed privately, and never appeared in the MLS.

There are fewer than 600 families living in Port Royal. Nearly all of the homes and lots in the neighborhood are on the water.

Membership in the secretive Port Royal Club is limited to those who buy in the neighborhood. The exclusive beach club offers a fitness center, an Olympic-sized pool, tennis courts and waterfront dining.

Developed in the 1950s, Port Royal is named after the 17th century Jamaican city where pirates once roamed. It was the dream of John Glen Sample, an advertising executive who developed the radio soap opera. He envisioned the neighborhood as a winter retreat for the wealthy.

Sample began carving out the waterfront development in the late 1940s. The names of the streets are all in keeping with his theme, including Gin Lane and Galleon Drive.

Port Royal continues to attract wealthy executives and retirees. It's luring more international buyers, too.

"They are not celebrities," Earls said. "No one would recognize their names or who they are. They are just simply industrialists and entrepreneurs."

Port Royal is getting more attention from buyers because home prices have dropped in the neighborhood, as they have across Southwest Florida. Homes in Port Royal are selling for less than their list price.

"Most of them have sold relatively close to the asking prices," Earls said. "And I think we have proven that we are really a viable market here for significant real estate."

At the high-end, prices have dropped an average of 10 percent to 15 percent in the Naples area during the past two years.

In January, a Gulf-front estate at 4200 Gordon Drive in Port Royal sold for \$16.7 million. It was originally listed at \$23 million in July 2009.

The Mediterranean-style house, built in 2002, spans more than 12,000 square feet. It has six bedrooms and seven bathrooms. The buyer's agent on that sale was Gulf Coast International Properties in Naples. Since Jan. 1, the boutique firm in downtown Naples – with nine agents – has handled nearly \$70 million in sales, mostly in Port Royal, making it one of the most active in the elite neighborhood.

"I think many people feel that prices are near the bottom or at the bottom and are starting to go up," said Pete Savage, Gulf Coast International's broker. "There is a lot of pent-up demand because people haven't been buying the last few years."

Most buyers in Port Royal pay cash. That means they can buy what they want when they want, without worrying about the turmoil in the mortgage market.

"There are good properties coming up all the time," Savage said.

With consumer confidence rebounding and the stock market improving over the past few months, some affluent buyers are finally jumping off the fence.

"A lot more buyers are coming from Canada and Europe, including England and Switzerland," Savage said.

Even in the slower summer months, northerners in the U.S. will come down to buy waterfront real estate, he said.

"We usually have a pretty good June and July," he said. "Then it slows down more."

His company has been involved in another three sales in Port Royal this year that have yet to close. Those deals are valued at more than \$28 million.

After spending more than 15 years in the real estate development world, handling sales for builders and investors in Port Royal, William Bayes recently joined Gulf Coast International.

Since then he's handled \$10.5 million in sales in the neighborhood.

Bayes takes a different approach than most Realtors. He holds open houses almost daily at available homes in Port Royal. He starts at 7:30 a.m. and often works until 7 p.m.

He offers potential buyers and other passersby free coffee. Every day, he picks up the Wall Street Journal for his visitors to read and he's armed with a laptop that he uses to project statistics and other market information on the wall for serious buyers.

"It's almost like a classroom," Bayes said. "It makes it more valuable to people, whether or not they are buying today or a year from now. It helps educate them on where the market is."

He plans to write a book on Port Royal, along with a 40-year resident of the neighborhood.

"Port Royal is an interesting study, a microcosm of entrepreneurship," he said. "Not everyone is a trust fund baby. There are really some great stories."

On top of the increase in resales, new homes continue to sprout in Port Royal. Older homes are getting demolished, making way for fancier custom estates. A few homes are being built on spec, meaning they don't yet have buyers.

In the past three to four months, Stofft Cooney Architects has seen more business coming from Port Royal, where most of its jobs are tear-downs, said John Cooney, a principal partner in Naples.

His firm has about a dozen active projects in Port Royal and Old Naples, including two 10,000-square-foot estates and a 30,000-plus square foot mansion going up next to the Naples Beach Hotel & Golf Club off Gulf Shore Boulevard.

"The number of projects have decreased from the heyday, but in general I'm very fortunate with the workload we are getting at this time," Cooney said.

"The real estate market has gotten beat up everywhere," said Bayes, with Gulf Coast International. "But the message is positive that Port Royal marches on."

___ *Connect with Laura Layden at www.naplesnews.com/staff/laura_layden*



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