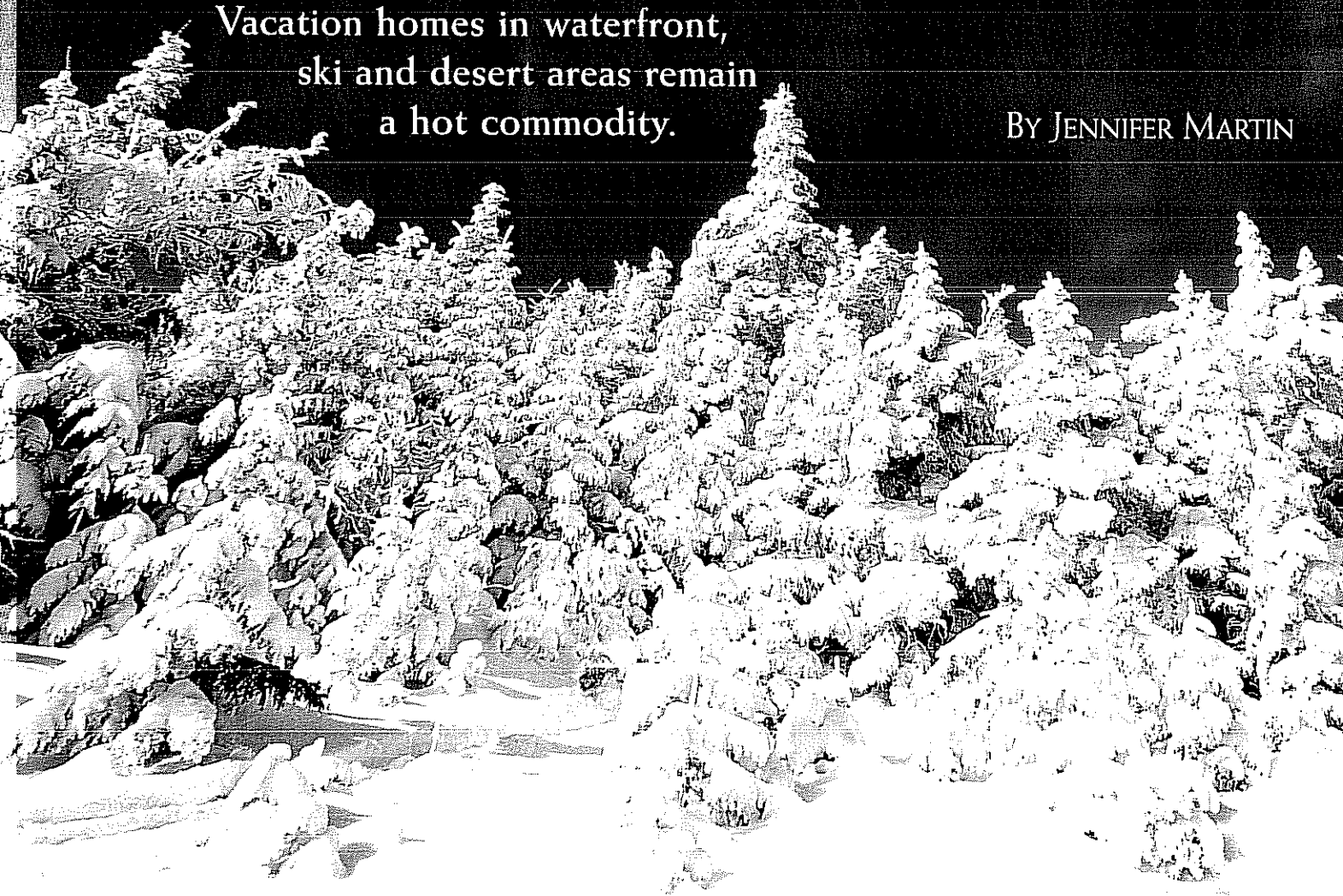


Wet, White or Warm

Vacation homes in waterfront, ski and desert areas remain a hot commodity.

BY JENNIFER MARTIN

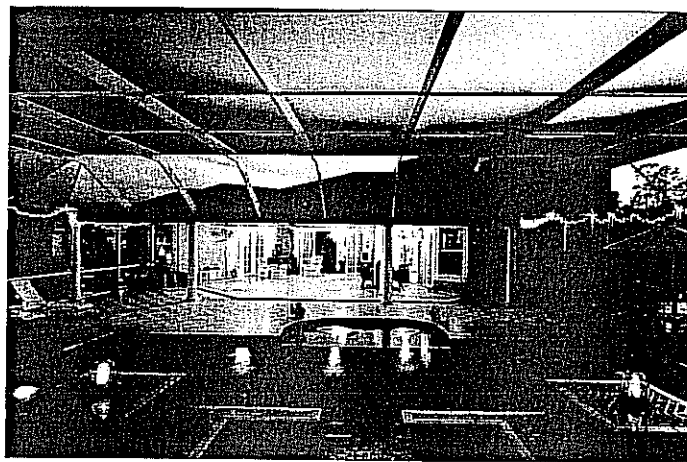


If the devastating hurricanes of 2005 have slowed down the market for second, third or fourth homes, you'd never know it. In desert, ski and waterfront markets, sales of vacation homes are soaring, and Realtors are scrambling to keep up with the demand—even in coastal areas. "It's been an unbelievable summer. Our sales are up almost triple," said Realtor Larry E. White of Amerivest Realty Inc., Naples, Fla.

Maybe the lack of hesitation is rooted in the

fact that buyers of multiple homes, by definition, have at least one other residence to which they can retreat should any damage befall their investment property. In fact, many buy their second and third residences with cash and some don't even bother buying insurance. "A lot of them are just self-insured; they take their chances," White said. "I think people understand that hurricanes are just a way of life down here, the way blizzards and tornadoes are in other areas."

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John's Island, left, is 1,650 acres with 3 miles of beach access and more than 9 miles of Intracoastal Waterway frontage. Above, homes such as this in the West Palm Beach area are eyed by the well-heeled.

A new international airport opened in nearby Fort Myers just a month ago, so the Naples area is expected to boom. European buyers are already booking chartered flights to check out the housing market. Earlier this year, the federal government reported that the Naples/Marco Island area led all major metropolitan areas nationwide in annual home price appreciation (35.6 percent). "Last year, (Hurricanes) Ivan and Charlie hit in October, and we thought it would wipe out our market. It slowed it down a little, but we ended up having the best year we ever had," White said.

Near Vero Beach, Fla., the ultra-seclusive John's Island is also thriving. "I think we have the benefit of the Nantuckets, the Aspens and the Harbor Springs—we're difficult to get to," said Realtor Bob Gibb of John's Island Real Estate. "We're not a weekend sunbathers' place."

John's Island homes are experiencing an annual appreciation rate of 10 to 15 percent. Gibb can remember when an oceanfront home sold for \$100,000 back in 1969, the year St. John's was launched. Now a similar home would be worth \$5 million. "We're right at the breadth of the baby boomers coming in," Gibb said.

While nearby Vero Beach mostly consists of second homes (which constitute 85 percent of the residences there), the area is increasingly becoming a year-round town. "I'm seeing more people wanting to treat this area as a primary residence," Gibb said. "The benefit is that we'll start

seeing more commercial opportunities and year-round stores." Yet it's doubtful the area will ever become "touristy." Its small airport hosts a busy stream of private aircraft, and there's very little interest in turning the airport commercial.

In the West Palm Beach region, development is booming. "Everywhere you go, there's a new project," said Realtor Maggie Sarubbi of Tauriello & Company Real Estate. "There's a tremendous amount of projected growth here in Palm Beach County, and the developers are aligned with the people coming in."

Condos are an especially hot ticket. Sarubbi expects existing condos to soar in value because they'll be a better buy than new ones, with construction costs rising. The country club market is also popular, both among baby boomers and young families. "People are really buying the lifestyle and the amenities," Sarubbi said, mentioning the City of Atlantis as a good example. Lying only eight minutes from the beach, the development has two golf clubs but charges its homeowners no extra fees to live there. Sarubbi lists a new, 4,100-square-foot home there for a very reasonable \$1.2 million.

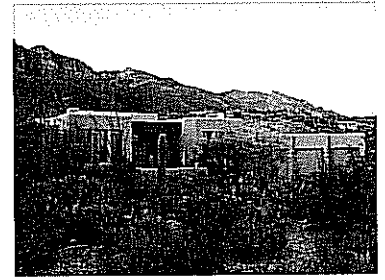
"The community was built in 1962, so there's a balance between beautiful old construction and new Mediterranean homes," she said.

For lovers of the tingling air and powdery slopes, the Northeast is quickly becoming a haven for retirement. Spacious homes and breathtaking mountain views are available at relatively low prices as the housing market embarks on a new round of development in New England.

"People are coming here to vacation, but they're building larger houses they want to use for retirement," said Joy Tarbell, broker/owner of Prudential Joy Tarbell Realty, in North Conway, N.H. "They used to look for a house that was 3,000 square feet. Now they're looking for 5,000 square feet."

Residences that would sell for \$3 to \$4 million in places such as Cape Cod list around \$1 million in North Conway. With home prices appreciating at 12 percent per year, these lower-priced properties are a solid investment. Bearfoot Creek, a new development with detached, ski-in/ski-

PHOTO AT LEFT COURTESY OF JOHN'S ISLAND; PHOTO ABOVE RIGHT COURTESY OF TAURIELLO & COMPANY

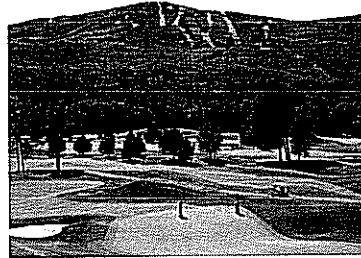


out residences, is expected to heighten interest in Bartlett, N.H., near the White Mountains. The 25-acre development will include 24 trailside homes at the base of the Attitash and Bear Peak ski areas, with copper lantern street lighting to complement the wooded terrain.

Nearby Ludlow, Vt., also is seeing a spike in home development. Like North Conway, it lies only about three hours from Boston, making it an easy commute for city residents who need a country escape. The expanding Okemo Mountain Resort has enhanced the area's appeal and home values in recent years. "Ludlow is one of the fastest-growing resort areas in New England," said Realtor Kathy Burns of Vermont Properties and Development, Inc. "Okemo is really a first-class ski resort. The amount of snow-making and—grooming they do is amazing, and it's very family-friendly."

Resort owners Tim and Diane Mueller have added an extensive trail and lift system, several posh, ski-in/ski-out condominium developments and the Winter Indoor Golf Academy Center, which features indoor winter golf clinics. The resort also has two 18-hole championship golf courses—one even converts into cross-country skiing and snowshoeing terrain in the winter. A children's ski area and day care are among the many amenities that make the resort appealing. Lying just minutes from the mountain is the small, charming village of Ludlow, with shops, restaurants and a wine and cheese store.

Most homes in the Ludlow area are purchased as seasonal vacation residences. Single-family homes range from 4,000 to 5,000 square feet and can start at less than \$1 million, although with prices appreciating 10-to-20 percent per year, those "lower-end" homes are becoming increasingly rare. With a lake region not far from the mountain, summer vacationers can enjoy kayaking and canoeing. "This is becoming New England's fastest-growing year-round resort area," Burns said.



Ski resorts such as the Okemo Mountain Resort (above left) in Ludlow, Vt., attract vacation home shoppers year-round. Desert hideaways such as those shown above right from around Tucson, Ariz., are popular as well.

of buyers coming here from other parts of the country, especially California. In some cases, Californians can double the size of their homes and get better amenities for less money."

Others are using Tucson homes as winter havens. "People are selling their \$7 million properties in Seattle, downsizing to a condo there, and living here five months of the year," Cox said. Many even stay through the summer. At 2,600 feet above sea level, Tucson is 5-to-10 degrees cooler than Phoenix, on average. Its surrounding mountain ranges create spectacular views, and with its range of five-star spas, Tucson has been rated the number-one spa destination by the Zagat Survey.

Cox believes many people come to Tucson because of the lighter population base. Traffic is relatively easy to navigate, and at the area's international airport, lines are short. "It's easy to commute to Mexico, being so close to the border," she said. "There are many direct flights into Cabo St. Lucas, resorts where people can play tennis and enjoy the sun," Cox said.

Scottsdale is also drawing its perennial share of vacation home buyers, and there's now a shortage of exclusive properties available. Realtor Joanne Bradley of Joanne Bradley Realty Executives said buyers frequently spend months looking for homes in the \$2 million to \$5 million range with great views, newer construction, upscale amenities and 4,000 to 5,000 square feet of space. "The buyers don't always have the selection they'd like to see," she said.

Part of the problem is that home sellers also are looking for a new residence at least as attractive as theirs. "Or they're planning to build a new house, and it takes longer to accomplish because of the higher cost of lumber and concrete," Bradley said. "Landscapers and pool labor are also growing more expensive. And the construction prices will probably increase even more this year because of Hurricane Katrina."

Still, there are some hot real estate trends in Scottsdale. Many people, including younger ones in their 40s, are moving to gated communities such as the exclusive Silverleaf enclave in the northeast part of Scottsdale. "They like the 24-hour security," Bradley noted, adding there's one more bonus they enjoy: "Some are getting older, and they like to be where the golf courses are." **UFI**

Tucked away in the desert of southern Arizona is a hidden gem luxury owners are discovering: Tucson, pop. 486,699. Newer homes alongside golf courses are available for \$1.5 million to \$2 million, an unheard-of price in other areas of the country. And while home prices are appreciating 10 to 17 percent per year, "there's not even close to a bubble here," said Realtor Reta Cox of Long Realty Company. "We're still experiencing a lot