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Can Woods help sell property at the new Cliffs site?

Mark Barrett

Everyone knows Tiger Woods can play golf.

The question people at developer Cliffs Communities and in the local real estate industry are considering now is whether Woods can sell property.

So far, the answer appears to be yes, although only time will tell how much and for what prices given the weakened state of the national economy and local real estate market.

About 50 lots in the first phase of luxury community The Cliffs at High Carolina had been sold as of Saturday for a total of more than \$40 million, Cliffs President and CEO Jim Anthony said.

"We're past our expectations," Anthony said

More than 1,000 people rode in an army of luxury SUVs Saturday to the property, roughly 3,000 acres straddling a high ridge separating Swannanoa and Fairview, for the unveiling of Woods' design for a golf course on the Fairview side of the ridge. The Cliffs has been showing buyers property for several weeks but only officially released the first lots, which are located near the course, for sale Saturday.

Some of the first buyers said the fact that High Carolina will contain the first golf course Woods is designing in the United States was a big factor in their decision.

The big name

Richmond, Va., resident Chris Moore said he is buying because of "the combination of a beautiful area, a mountain retreat and the small added incentive of the first Tiger Woods golf course. That's 'small' in quotation marks."

Heidi Stewart of Vero Beach, Fla., said she and her husband, Chuck, take Woods' involvement as a guarantee of quality.

"I knew he would do it right and our investment would be safe, and, it is absolutely gorgeous property," she said.

High Carolina will be the eighth community that South Carolina-based Cliffs Communities has developed in Upstate South Carolina and Western North Carolina. High Carolina lots range from about \$500,000 to more than \$3 million. Cliffs officials have said that High Carolina could eventually contain 1,000 to 1,200 homes.

The golf course is scheduled to open in 2011. Amenities like a wellness center and inn will be built in the next couple of years, Anthony said, but lots will be sold in phases over several years.

The local real estate market has cooled dramatically over the past couple of years — the number of existing homes sold in Buncombe County in September was barely more than half what it was in September 2006 — and the upper end of the market has been particularly hard hit.

There are currently 237 homes on the market in Buncombe County priced from \$1 million to \$6 million, according to figures compiled by Mark Morris of Professional Appraisal Services in Asheville. But only 36 of those kinds of properties sold in a 12-month period that ended Friday.

"It's going to be a very interesting situation up there," Ann Skoglund, a local Realtor who specializes in

high-end homes, said of High Carolina last week.

“The question is with our biggest feeder market, Florida, on its knees in the real estate area, will those people be willing to invest in our area,” she said. “They have been brought to a new reality, and that is that real estate does not always go up.”

Taking the plunge

Skoglund said high-end buyers recently have been more interested in living closer to the middle of Asheville and that established neighborhoods like Grove Park, Biltmore Forest and Beaver Lake are selling better than lots or homes in more rural parts of Buncombe County like High Carolina.

“I am as curious as probably you and the readers are” to see how sales go over time, Skoglund told a reporter.

Stewart said she and her husband are “a little bit cautious” because of upheaval in the stock and real estate markets, but, “You have to be brave.”

“It's a long-term decision from a value standpoint,” said Moore, the Richmond resident.

People in the industry say buyers from outside the immediate area make up the vast majority of buyers in Cliffs developments, including The Cliffs at Walnut Cove in Avery's Creek. Cliffs Communities advertises nationally in publications like The Wall Street Journal.

Skoglund said the progress of High Carolina will affect what happens with other real estate in the Asheville area.

“As a Realtor ... I would like to see them succeed because I think it's good for our market. All of us are likely to benefit” by the increased profile High Carolina gives the area and the prospective buyers it will bring to town. Some have come to the area to see The Cliffs of Walnut Cove and end up buying another property in the area, she said.

Tough market

Anthony said people seeking cooler climates and the property's beauty, his company's reputation and record and Woods' involvement will all drive sales.

“There's no better property. There'll never be another first Tiger Woods golf course” in the U.S., he said.

Woods, whose playing success has made him one of the most recognizable figures in sports, is also designing courses in Dubai and Mexico.

The Cliffs has not changed its pricing because of the economic downturn, although it did give buyers a break on memberships, Anthony said.

He said potential buyers can visit other Cliffs projects in the area for reassurance that his company will do a quality development. Area Realtor Rowena Patton said the company has “this massive base of satisfied buyers” in its other developments that may also look to buy at High Carolina.

Membership in one Cliffs communities allows buyers to use amenities in the others and members of other communities made up the vast majority of those attending Saturday. One, The Cliffs at Glassy resident JoAnne Noakes, said she had no plans to buy but simply “wanted to see the latest and greatest.”

The Cliffs generally sells lots only and other companies actually build the homes. That makes a purchase easier for buyers, especially in the current economy, giving them “a little bit of breathing room” between buying the land and then paying to build a house on it, Patton said.

Cliffs associates were working out sales with buyers moments after Anthony and Woods spoke to the crowd.

“It's a tough market we're in, but Tiger Woods' name is going to appeal to people,” Morris said.

