



MARKET FOR HIGH-END RESIDENCES ROBUST IN SARASOTA

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One segment of the Florida real estate market always excels at stirring the imagination with stunning images. Luxury residences — be they Palm Beach estates, Miami Beach penthouses or Naples mansions — capture attention.

Sarasota also belongs on the list of places with millionaire homeowners, and the high-end housing market here is on a hot streak. Home and condominium buyers keep pumping millions into purchases in the region, many in

cash deals.

As of the end of last month, a total of 355 luxury properties — typically defined as residences listed for \$1 million or more — changed hands in Sarasota County, a 26 percent increase over the same time frame in 2016, according to Coldwell Banker's Monthly Action Report. The median and averages sales prices in October almost match the year-to-date figures: \$1.5 million and \$1.85 million, respectively.

At the peak of the luxury market pricing — homes listed far above the median and average sales prices — potential buyers

will find some price cuts.

In October, Roger Pettingell alone listed 16 homes for a total price total of \$47.7 million, a personal record.

"With a steady increase in luxury inventory, we're also seeing many of these properties selling," said Pettingell, a perennial leader in luxury sales and listings and an associate with Coldwell Banker Residential Real Estate.

"We saw a similar uptick in luxury activity in the spring, a more traditional selling time for luxury sales in Sarasota," he said. "I think that these early fall sales in the high end is a good

harbinger for the 2018 season."

Jennifer Horvat, the chief marketing officer for Michael Saunders & Co., compiled a list of top locations for luxury sales. "The only area not exceeding last year's numbers is Longboat Key," she said. "Every other area is already exceeding the total number of sales and pending sales through October."

During the first 10 months of 2017, the hottest spot is also the largest — described in a sales chart as Sarasota "West of 75." With 130 million-dollar-plus homes sold (29

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This home on Gulf of Mexico Drive on Longboat Key is listed at \$6.6 million. Coldwell Banker Realtor Roger Pettingell, who represents the owner, listed 16 homes for a total price total of \$47.7 million in October, a personal record. [PHOTO COURTESY OF ROGER PETTINGELL]

LUXURY

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new) and 151 pending sales, business surpassed all of 2016 by more than 40 homes in each of the two categories.

"The number of new homes to sell increased nearly 30 percent," Horvat said.

In sales and pending sales in this year's first 10 months, Longboat Key logged 94 and 85, respectively; Siesta Key, 72 and 85; Lido Key-St. Armands, 22 and 20.

Budge Huskey, president of Naples-based Premier Sotheby's International Realty, reported "significant increases" in the number of luxury units over \$1 million sold in Sarasota County.

"Interesting enough, the pace is now beyond a million dollar home sale per day in the county, which certainly confirms its status as a luxury market," he said. "The most significant increase is being seen in the \$1 million to \$2.5 million range in both condos and single family, while the above-\$2.5 million (market) is relatively stable in single family and lower in condos. The latter decrease year-over-year may be explained by project completion cycles."

A buyers' market

Sellers should not, however, assume prices will increase just because it is season, Huskey said. "We have consistently increasing demand, but the potential for price growth is dependent on the yet-to-be-seen supply levels and quality in 2018."

Trendgraphix, a Sacramento-based real estate reporting company, found sales of properties over \$1 million in Sarasota, Manatee and Charlotte counties are up 13 percent

compared with November 2016.

In the \$1 million price range in Sarasota County, the number of new listings this year over last year is down just slightly, at 1 percent, but the number of completed sales is up 15 percent — and pending sales are up nearly 29 percent, Horvat said.

"What's interesting is the price trend," she said. More sellers have dropped their price this year, from 89 percent of sellers getting their full original list price in January to as low as 85 percent in October. In 2016, the sold-to-original-list price waffled from 91 percent in January to 88 percent in October.

"That is a significant swing," Horvat said. "2017 was the year of the buyer and their ability to negotiate prices. Once sellers brought the price to a more reasonable number in the buyer's eyes, product began to move."

That falls in line with national trend, which the Institute for Luxury Home Marketing described as a "cool, buyer's market" in a report earlier this month.

Fewer inquiries at the top

One of the listings of Saunders Realtor Kim Ogilvie rests on a scenic spot on Casey Key with panoramic views of both the Gulf of Mexico and Blackburn Bay. The asking price now has fallen almost a \$1 million — to a shade under \$8 million.

"As you can imagine," she said, "inquiries at this end of the market are far less than those, say, for a \$1 million property. With that said, I can't complain. We have had some serious inquiries."

Michael Saunders & Co. cites year-to-date Trendgraphix data to show the firm dominates the



This property on Hillview Drive was listed for \$4.7 million and sold in two weeks. As of the end of last month, 355 properties listed for \$1 million or more — changed hands in Sarasota County, according to Coldwell Banker's Monthly Action Report. [PHOTO COURTESY OF ROGER PETTINGELL]

luxury market by sales volume with a 27.5 percent share, almost double the closest competitor's 15 percent. In the third quarter of this year, Saunders agents accounted for 53 luxury sales. In August, its agents completed the \$9 million closing of a Gulf-front, Asian-inspired retreat in the Sanderling Club on Siesta Key — the highest sale in the area to date.

Pettingell, though, holds the individual title as the top-producing sales associate in Sarasota County this year, likely extending his five-year streak. He expects to surpass the \$100 million mark soon.

"This is the busiest fall I can remember," he said.

This month, Pettingell is listing an \$8.4 million property set in the Longboat Key Club that features 130 feet of water frontage on the Gulf. He sold a \$5 million Longboat Key condominium within a week of listing, and a \$4.6 million Harbor Acres property went under contract just two weeks after listing. That's way faster than the

average number of days on the market, which year-to-date stands at 164.

"We are finding the luxury market to be vigorous at this time," Ogilvie said. "Quality homes in 'A' locations which buyers perceive as good values are moving."

Sarasota cannot compete with the ultra-luxury estates on the market elsewhere in Florida. Palm Beach features some 18 homes listed at \$20 million or above, topping out at \$64.9 million, Zillow figures show. Naples only has four in that price range, with the highest at \$51.9 million. Miami Beach, though, wears the price crown with an estate listed for \$65 million and the listing title with 21 homes at \$20 million or more.

The builder's perspective

Ryan Perrone, president and co-founder of luxury homebuilder Nautilus Homes, sees the market from the builders' side. "The Sarasota luxury home market is extremely strong

right now, with a great deal of pent-up demand. And the supply of available property within Sarasota proper is tightening up.

"I'd encourage those interested in acquiring waterfront property in Southwest Florida, with an eye toward building soon, to look farther outside of the municipal areas in order to find waterfront properties in neighboring areas such as Osprey and Nokomis, where half-acre bay-front sites can still be found for under \$1 million and the location is becoming more and more desirable."

Trendgraphix statistics for November versus a year ago show that in the \$2 million-plus market, inventory of residential properties is down 26.7 percent, sales are up 11 percent and pending sales are up 100 percent, Ogilvie said in an email.

"The key is pricing. The 2M+ market has seen price adjustments by sellers recently and, as a result, buyers have responded favorably."

Pettingell attributed some of the robust luxury sales to gains in the stock market that boosted income from assets, providing extra money to spend. Plus, some buyers are pulling investments out of stocks to invest in tangible assets. "That has a lot to do with the luxury and second home market."

And, several luxury real estate specialists said, the buyers are mostly local residents.

"This market is largely our local market," Pettingell said. "They are already committed to our market."

Horvat echoed that remark. "We saw people leaving Lakewood Ranch to come downtown. We saw people leaving the islands to go to Lakewood Ranch. Our lifestyles are so diverse here that there is something for everyone."