

# Forbes

November 3, 2011

## Luxury Beachhouse Bargains



[see photosRealtor.com](#)

[Click for full photo gallery: Beachfront Homes To Beat The Winter Blues](#)

While the rest of the United States suffers from the housing market crash, luxury real estate in Maui, Hawaii is having a pretty good year. Paul MacLaughlin, principal broker and owner of Island Sotheby's International Realty, says his real estate agency has closed on eight properties since the beginning of 2011, with prices ranging in price from \$5.2 million to \$27 million. All told, the company's moved \$98 million in houses this year. And Hawaii's high season for selling, which kicks off in the winter months and runs through April, is just starting. "Many of these are second and third home purchases," explains MacLaughlin, noting that vacation homes comprise a considerable chunk of Maui's housing market.

Surprised? That's understandable. Since the downturn, the U.S. vacation home market as a whole has remained the hardest hit in residential real estate. Sales fell 1.8% from 2009 to 2010 and median sales price was down 11.2% to \$150,000, according to the National Association of Realtors 2011 Investment and Vacation Home Buyers Survey. Yet in places like Hawaii, where some of America's Most Expensive Zip codes are located this year, the market for luxury vacation homes has been inching toward a tentative recovery.

As the cold weather creeps in on the more northerly areas of the U.S., we decided to whip up a list of sun soaked vacation homes on the market that could beat those winter blues. We handpicked beach retreats situated in warm locales across the U.S. and the Caribbean, asking a million dollars or more. Listings were culled from Realtor.com, Trulia.com, Sotheby's International Realty, Coldwell Banker Previews Estates, Engel & Völkers, and others.



Photos: America's Most Expensive ZIP Codes



Photos: 15 Top Homes With Pools, Patios And Gardens



10 images Photos: Welcome To Malibu's Real-Life Sand Castle

### **Gallery: Beachfront Homes To Beat The Winter Blues**

In Maui prices of for sale homes run all the way up to \$55 million. In the swanky Makena area, a \$10.9 million beachfront abode awaits a buyer, touting four bedrooms and an airy layout that opens up onto a secluded sandy beach. On the neighboring island of Hawaii,

Kailua Kona has an oceanfront home in the gated Kukio development asks \$15 million. Boasting views of whales from its seaside perch, it has a pool that flows right up to the edge of house.

Prices for posh secondary homes have not necessarily begun appreciating but the number of sales for such properties has shot up. Secondary home purchases by high-rolling snowbirds have accounted for more of the market in Miami, FL. "We have had a number of extremely high priced sales occur over the course of this year," notes Vanessa Grout, president and chief executive of Douglas Elliman Florida, a luxury realty firm in South Florida. "I haven't seen this kind of activity since 2006, so there's confidence in the market here." This is especially true among wealthy Russian businessmen who accounted for three opulent home sales this year priced \$16 million and up, including vodka billionaire Roustam Tariko's \$25.5 million Star Island purchase (the largest since 2006). The increased sales volume has encouraged other high-end homeowners to list, catapulting 23 South Florida ZIP codes onto the list of Forbes Most Expensive Zip Codes.

Why are rich buyers shelling out for tony vacation homes now? Realtors have different explanations, but the simple answer is they're on sale. Wealthy vacation home buyers are scooping up properties perceived to be a deal, albeit a multimillion-dollar deal.

### **Gallery: Beachfront Homes To Beat The Winter Blues**

Take Palm Beach, the Florida enclave favored by billionaires like William Koch, Jeff Greene and Dmitry Rybolovlev. "The Palm Beach market is booming," asserts Jack Elkins, a real estate agent with Engel & Völkers specializing in Palm Beach County properties. "But it is very price driven: things that have been listed for \$48 million were re-listed for \$24 million and have wound up selling for \$18 million." Elkins says the estates that have sold in the past six months have done so at about 20%-30% off of final listing prices. For example, this summer he represented the sale of celebrity boxing promoter Don King's oceanfront Manalapan compound for \$15.9 million, or a 20.5% discount off the \$20 million asking price. The estate sold in 45 days.

In South Carolina's golf-centric Kiawah Island, sales numbers returned last year. The tony private island, which offers land parcels, condos, and single family homes, racked up roughly 35 sales priced over \$2 million in 2010, including a \$14 million purchase that broke sales records in the Charleston area. This year has seen less high-end inventory for sale and less closings, but activity for the available oceanfront properties has remained strong, says Chris Drury, president of Kiawah Island Real Estate. Two separate buyers purchased multiple, adjoining lots of undeveloped land where mansions will be built, each deal for roughly \$9 million. The priciest property for sale in Kiawah is actually the six-acre Captain Maynards Island. The \$15 million private island offers a 6,500-square foot home, two deep water docks and an outdoor Jacuzzi.