VANGUARD LAND
FINANCING & DEVELOPMENT

CONCESSION DEVELOPMENT SHAKES OFF RECESSION BLUES

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At a recent Girls Inc. fundraising dinner held at new home models in The Concession, builder Randy Turkovics described the golf community as “a great neighborhood.”

Until recently, that statement — by the president of Neal Signature Homes, no less — would have been a stretch at best.

Conceived during the past decade's residential real estate boom, the luxury Concession, despite its Jack Nicklaus-designed golf course, suffered through anemic lot and home sales when the Great Recession took hold.

Many completed streets contained few houses, if any. The place had a plantation feel to it more than a neighborhood one.

But now, if you were to pick the high-end face of the recovering Southwest Florida real estate market, it would likely be The Concession.

After years of stagnation, the development is filling in with new — and big — expensive houses, including a series of models priced in the $1.5 million-to-$2 million range on Lindrick Lane.

With 55 lot sales in 2014 and 87 since a second phase was rescued from foreclosure and relaunched in December 2012, The Concession has regained lost ground.

It's not just land that is moving. Sixteen houses were completed last year, 22 are under construction and 14 more are planned.

“The pace of sales and the recent pricing strength we have achieved certainly exceeded what we anticipated,” said John Peshkin, whose land investment company bought Phase 2's land in a $7.9 million deal with Wells Fargo three years ago.

Today, the lots Peshkin's firm bought for about $69,000 apiece are selling for $250,000 to $350,000.

“There has been a significant amount of appreciation,” Peshkin said.

Models in Phase 2 average 4,000 square feet, and are priced from $1.4 million to $2.2 million. Many have guest suites or “casitas,” a popular option among new buyers.

It appears that many new buyers don't consider The Concession — long derided as being too remote with a location at the very end of University Parkway, nearly seven miles from I-75 — too far out of the way at all.

Concession lot owner Don Ragley, recently retired from a Defense Department career that required a 90-minute commute from his home in Virginia, says driving 10 or 12 minutes to the interstate is not an issue.

“We are big golfers, and The Concession is gorgeous,” said Ragley, who is building a 4,000-square-foot house with Johnson Homes.

“We like the natural beauty of the property and the nice-sized lots, with a nice view out of the back.”

The Concession has gotten a boost from both the newly completed $315 million Mall at University Town Center, a 12-minute drive, and increased amenities in nearby Lakewood Ranch.

“The people who think it is remote are people coming from downtown,” Concession co-developer Kevin Daves said. “But the people in the Lakewood Ranch area don't consider it remote at all.”

Nearly 60 percent of recent buyers are moving from Lakewood Ranch, said Mark Bruce, director of sales for The Concession Realty Co.

“The Lakewood Ranch people moving out are in the 38- to 50-year-old category,” Bruce said. “Maybe they built in there in 2005 and are looking for a change. They want a gated, truly luxury-type setting. I am not trying to throw darts; it's just what we are hearing.”

Bruce said the balance of buyers have come from Virginia, Connecticut, New Jersey and New York.

But Peshkin attributes the increase in sales to something else: “The homeowners' association has made a lot of improvements to the common areas,” such as a fresh layer of asphalt on the roads and new landscaping, he said.

“When we bought the property, a number of homesites or homes were in various stages of distress,” Peshkin added. “Almost all of those have cleaned up or are under construction.”

He said that push accelerated development.

“Once you get momentum in a community and everything looks good, and you see starts all over the community, suddenly it is the place to be, and all of those negatives that existed at the time we acquired the lots have now gone away,” said Peshkin, former chief executive of homebuilder Taylor Woodrow N.A.

“So it is building on its own momentum. It has taken a couple years, but now the Realtors and the public are comfortable that it is all positive. We are the beneficiary of that.”

Thanks to a soaring stock market and an improving economy, many buyers have snapped up Concession lots at a significant discount to boom-time prices.

In 2013, for example, the average lot sales price was $113,000. Last year, the average was $253,000, Daves said. Lakefront lots are now pushing $350,000.

Ragley, for one, is thrilled. He bought his lakefront lot in early 2013 for $200,000. A lot next to his recently sold for $307,000.

Even longtime owners — Lakewood Ranch businessman Lou Marinaccio, for instance — say they are pleased with the upturn.

Marinaccio bought in 2006, when Concession lots started at $500,000 and topped out at $1 million.

“We are business people, we are not retirees,” said Marinaccio, who moved his commercial insurance brokerage to Lakewood Ranch from Chicago in 1999. “If I were a retiree, I probably would be more concerned. But it is the nature of pricing that sometimes things become less expensive. It is possible that the land was somewhat overpriced at one time.

“I think the developers are very smart to realize that they now have absorbed the low-hanging fruit and now the pricing will start to go back up.”

Marinaccio is pleased by another Concession development, too — the addition of more families. Nearly two dozen new homeowners have children at home, he said, a shift that is creating the neighborhood Turkovics spoke of recently.

“Because of market conditions and pricing, it has offered itself to a broader base of people,” he said. “I am happy to see young people come out, and families.”

Marinaccio, his wife and their dog share a five-bedroom, 10,000-square-foot mansion built by John Cannon Homes.

He smiles as he says that they are so squeezed for space, they're building a guest house next door.

Many new Concession buyers seem to feel the same way.

“The implication a couple of years ago was that homes were going to be smaller. . . . Nobody was going to be building big homes anymore,” Daves said.

“Now we have people looking at three (adjoining) lots and building major houses,” he added.

Still, Daves acknowledges that the vision for The Concession remains incomplete.

“I looked at this as a three-prong stool,” he said. “Build a great golf course, build a great clubhouse and have 234 great homes out there that people live in.”

Of the three, the first two goals have been accomplished.

“Let's get the last house completed and then we will consider this project done. We are four or five years away from that.”