

Robb Report

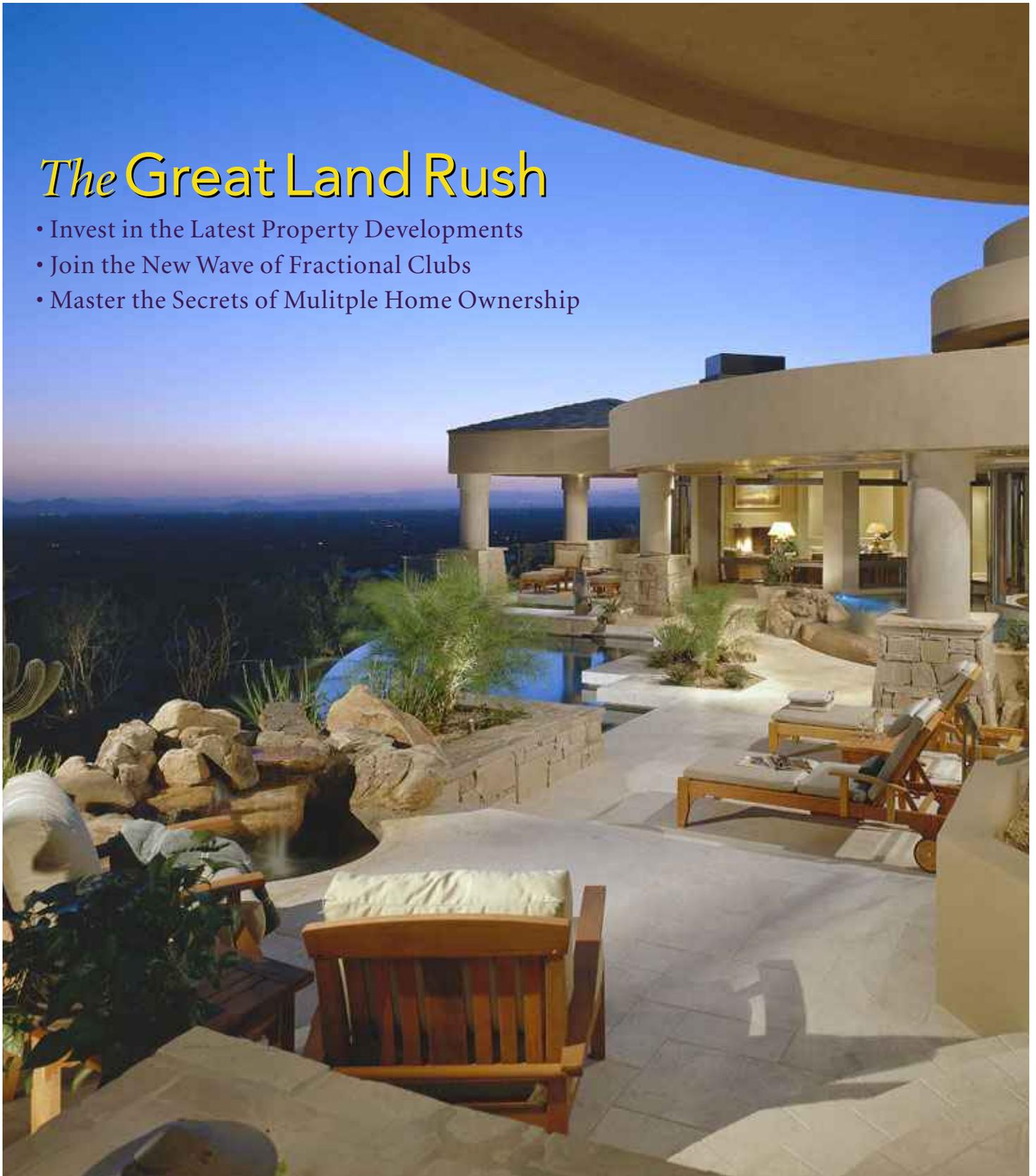
Vacation Homes

PREMIERE ISSUE

EXCEPTIONAL WATERFRONT, GOLF, COUNTRY, MOUNTAIN AND VINEYARD PROPERTIES

The Great Land Rush

- Invest in the Latest Property Developments
- Join the New Wave of Fractional Clubs
- Master the Secrets of Multiple Home Ownership



One Man, Many Homes

A multiple-home owner shares his secrets for success

by JEAN PENN

We shall call him Tony Hopper. This former computer and food industry executive, who prefers to remain anonymous, counts as hobbies playing golf, collecting vintage cars and racing sailboats. But for the past dozen years or so, Hopper's most lucrative and consuming pastime has been building, occupying and then selling luxury vacation homes.

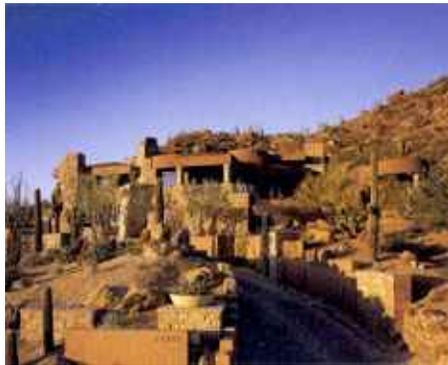
Right now, he owns six sumptuous getaways—three on the Big Island of Hawaii, one in Montana and two in Scottsdale—and is building and planning at least three more. That means that he and his wife, accompanied by their dog, devote large chunks of their time NetJetting hither and yon. Over a two-week period, they have been to three resort communities and on city. “We couldn’t do this without fractional aircraft ownership,” Hopper says from the home office in his newest residence in Arizona, one eye on his Creston display panel to check on a visitor at the front door. His getaway at the Estancia Club in Scottsdale is an architectural vision that merges with its stunning, arid surroundings. Like all his houses, it is fully loaded with every technological gadget, including the latest in automated lighting, control and audiovisual systems.

Hopper buzzes in a messenger with a package of mail forwarded by his assistant in Hawaii. As always, Hopper was up with the sun, prioritizing tasks, hoping to get through his “to do” list in time for a round of golf in the afternoon. He is never rushed, however. He particularly savors his daily phone conversations with Hugh Huddleson, who describes himself as “Hopper’s private architect.” Huddleson is only half-joking. Although he has a handful of clients for whom he builds multiple homes, he has designed 17 for Hopper in the past 15 years. Their fruitful relationship began with Hopper’s former family residence in Santa Barbara, followed by a spec beach house in Montecito and then five homes in Colorado. Together, they even transformed a non-descript motel into Rainbow Ranch Lodge, a destination inn and restaurant outside Big Sky, Mont.

Today, they are focused on plans for one of their three current projects: a gentleman farmer’s house that is being built for Hopper and his family in the middle of a 5-acre

vineyard in Napa Valley. Huddleson had asked the local architect on the Napa project to check some angles on the house. “If we rotate the guesthouse just a little, we can have a better view that is framed by the trees,” he says. While they talk, Hopper gazes with satisfaction at a “mind-boggling” view of Pinnacle Peak, the towering granite spire that is a well-known Scottsdale landmark.

All of Hopper’s homes have panoramic views. A few days before, he was admiring a very different vista at his up-country retreat in Waimea, Hawaii. Designed to



resemble an early-20th-century ranch manager’s home, with green board-and-batten siding, white trim and lattice skirting and a red corrugated tin roof, it sits amid 20 acres of organic produce. Huddleson artfully positioned the house to take advantage of the rows of lettuce. Hopper can sit on the lanai and gaze at the fields and ocean beyond; the other side of the ranch house looks out at

snowcapped Mauna Kea.

Although Hopper is very methodical, he is, says Huddleson, like a kid at Christmas when he falls in love with a property. “He treats homes as adventures along a journey, and we both enjoy finding out what’s magical about a place,” Huddleson says. The object, they agree, is to create an architectural vocabulary that captures the heart and soul of the very special locations Hopper finds.

Despite his preference for privacy, Hopper is generous with advice for anyone considering buying or building a new vacation home.

• *Choose the most upscale golf community in the desired area, with all the right amenities.*

Most of his vacation homes are in gated golf club havens, where the fitness centers include world-class spas, the activities are varied, services are turnkey and staffers will do everything but tuck you in with a lullaby at night. The à la carte menu offered at these communities ranges from doing the laundry to stocking the refrigerator to forwarding your mail. Security forces patrol the area and homeowners are systems as well as into police and fire stations. “Personalized security is very important in vacation homes, so that when you are gone, they can drive by and check your house daily.”



• ***If you are building a vacation home in a new community, make sure the developer has a proven track record and a high-quality reputation.***

For the most part, Hopper has been following Discovery Land Co. of San Francisco (for a closer look at the company, see p.104) and getting in on the ground floor of its new communities because “all eight of its projects so far have been financially successful.” He likes the fact that the golf communities enhance the character and spirit of the area and are designed for multigenerational family living. For example, Iron Horse, near the quaint town of Whitefish, Mont., is nestled between a ski resort and a lake, minutes away from Glacier National Park. The 315 home sites range from a half-acre to 12 acres, and the clubhouse looks like a national park lodge, with dining rooms, a private dining and conference room, a pool and tennis courts. The rustic lodge called Fish Camp, overlooks a trout-filled pond, where the well-heeled grandpa can relax while his son and daughter, their spouses and his two grandchildren can hone their flyfishing skills under the watchful eye of an instructor.

In winter, the pond becomes a skating rink and the lodge serves as the trailhead for snowshoeing, cross-country skiing and dogsledding.

Hopper came to Iron Horse shopping for one of the smaller four- to five-bedroom member cabins that surround the clubhouse to live in while building a new family home on another site. Instead, he fell for a 28-room lodge build by developer Doug Gamble with native stone and 100-year-old timbers from the Elkhorn Mine. It has a wine room, media room, cigar lounge, bar room, library/study and formal and informal dining rooms. It was actually a spec home says Jeff Wirth,, who is director of sales for Iron Horse. “After I showed it to him, we went out to dinner and he kept talking about all the people he knew who would love the house. My wife said, ‘Just watch. He’s going to buy it for himself,’ and he did,” chuckles Wirth.

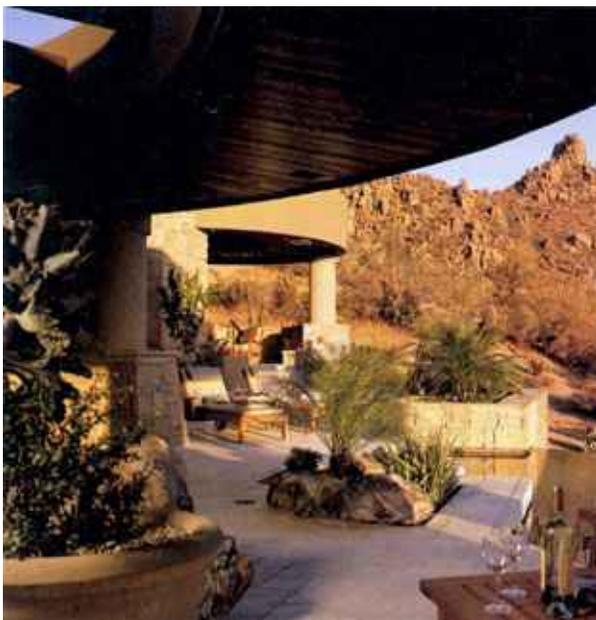
Hopper’s family has enjoyed the house for two years, and it is now for sale for \$4.495 million through Wirth. Meanwhile, Hopper bought a second lot at Iron Horse, and Huddleson is drawing up plans for another home.

The terrace of the house in the Estancia Club, Scottsdale, Ariz., overlooks a stunning desert vista.



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The Estancia Club house is an architectural tour de force that is also loaded with state-of-the-art lighting, control and audiovisual systems.



• *Getting in on the ground floor of new projects means you get the pick of the litter, at better prices.*

“In the beginning of a project, we are selling vision,” says Mike Meldman, chairman and CEO of Discovery Land Co. He therefore considers the first buyers in new developments as investors who should be handsomely rewarded. And they have been, he says, in all the company’s projects thus far. The Estancia Club, a 640-acre community with a Tom Fazio golf course that was developed in 1993-94, is the oldest of Discovery’s properties. “About 85 percent of all 267 lots were sold in the first six to nine months,” Meldman says. “Phase One lots went for \$150,000 to \$400,000. A year later, those lots were worth \$400,000 to \$1.2 million.” At Discovery’s newest development, Kuki’o Beach Club, with two miles of frontage on Kohala’s white-sand beaches and 375 homes spread over 1,200 acres, Hopper has built one spec home that is for sale for \$11 million and is working on another. Lots originally sold for \$900,000 to \$15 million. “There has been only one resale, which jumped from \$2.6 million to \$3.8 million in one year for the land,” Meldman says.

One Man, Many Homes

- ***Find an architect with great capability who resonates with you, and assemble a team you trust.***

Hopper and Huddleson create a basis for the home that includes the floor plans, the elevation and the model. Then they hire a local architect who develops construction drawings and a contractor to oversee the project. Interior designers, sometimes local, are always part of the project, at least to work on surfaces. Hopper receives 12 recommendations for every candidate, and has every one of them checked out.

Occasionally, Hopper asks Huddleson to draw up floor plans before he buys the site. Such was the case with his family home built in an exclusive community along the Kohala coast in Hawaii. He wanted to make sure the house would have five bedrooms, a guesthouse, a pool, a two-car garage and a lawn for the kids to play on, within a 25,000-square-foot lot. It also had to have great entertainment spaces, indoors and out. He figured that was the type of house he would need to justify what he would spend.

- ***Rushing into building a vacation home without a budget is a big pitfall, and people fall into it all the time.***

“People fall in love with a property and feel the clock is ticking. They want to move as quickly as possible so that they can invite their families and friends on the next vacation. So they rush through the architectural phase, hire a builder and say, ‘Get going.’ It takes two to three months to get a budget and they don’t want to wait to get the building permits and start construction.

“In developing a budget, subtract what you paid for the land and then figure what the comps are per square foot on houses around you,” he advises. “That tells me the building cost and decorating cost, per square foot, or what it should be. If my home will cost more per square foot than comparable homes in equal locations, I know I am making a big mistake. Even if you’re building just for yourself, you will still have to pay a real estate commission if you have an emergency and have to sell. You would never intelligently buy a home that costs more than you expect to resell it for. But a lot of people don’t do the math.”

- ***Don’t build something so personalized that it is going to be a hard sell.***

“Custom homes built to very specific needs might not be very marketable. I’ve seen couples go into a golfing community and build a one-bedroom house that is 7,000 square feet. Or they might build an extremely modern house that appeals to them, but doesn’t have a larger appeal. Of course, modern has a following if it’s done really well, and there is a buyer for every home. However, when you vary significantly from a typical home in that area and make it very unique to your taste, you limit the market,” Hopper says.

“Make sure, whether buying or building, that everyone in the family has the same criteria. There is, for example, no sense in buying a three-bedroom house if a couple plans to entertain a lot and play golf, because that generally involves two foursomes. Which is why, in most golfing communities, four-bedroom houses are much more popular and sell faster than three-bedroom homes.”



TOBY HOOGS



BRIAN POWERS / HAWAIIAN IMAGES

- ***Set a realistic budget for furnishing the house.***

Vacation homes, especially in places like Hawaii, where shipping costs must be taken into consideration, are often sold furnished, unless the buyers are moving from a nearby residence. “Quality furniture is almost unavailable anywhere in Hawaii,” says Hopper.

He figures the budget on the square footage of the house, depending on whether he wants top-of-the-line or medium-range quality. “It’s \$2.50 per square foot for decorators to just do finishes. Then you can furnish it yourself or pay them to do it at an hourly rate and a percentage of the cost. You can decorate an 8,000-square-foot house for as little as \$300,000, but you could probably comfortably spend up to \$1 million, and neither price range includes artwork. Sometimes I’ve told the decorator what I want without giving a

The home on the Big Island of Hawaii was modeled after a turn-of-the-century ranch manager’s house.

budget. That's fine as long as you trust the decorator, he presents his recommendations and you approve them on an item basis. Any good decorator will make presentations that give you a breakout, line by line, of every item. You have the right to approve or disapprove."

- *People want more casual homes, but they should be loaded with technological amenities and luxuries.*

Hopper's homes, which are typically 5,000 to 6,000 square feet, have become less formal and more open, with more amenities and creative indoor/outdoor living. There is less division between the kitchen and the dining room. At the same time, there are private meditation gardens, shower gardens and sun terraces. "Things we've incorporated into his homes along the way—media centers, wine cellars, exercise rooms, his and her offices, outdoor heating and fireplaces—have now become standard," says Huddleson. As the Hopper family has grown, so have the homes. "He's had two weddings in his homes and large Christmas gatherings," Huddleson says. "Now they might not just require guest rooms, but guest rooms with attached sitting rooms."

- *Buying a spec house or a resale instead of building one yourself can save you from costly mistakes.*

Hopper always uses a realtor to sell his homes, and estimates that he makes 10 to 20 percent profit on each one, depending on how long a sale takes. He says he earns

it. "My wife and I make thousands of decisions every step of the way on every single project. For me, it's fun. I've always been project-oriented and interested in architecture and building. However, someone who doesn't have experience and enjoy doing this will find building a new home a lot of work."

Huddleson says that Hopper is much more generous with adding all the upscale amenities than some of his other clients, who build strictly for themselves. "They might want to save by cutting out things they don't really need or use, because they aren't necessarily thinking about resale. But he always says, 'A house at this level on this land in this community has to have all of this plus a media room, a three-car garage and wine cellar,' whether or not he is going to use it personally."

Ultimately, though, Huddleson designs every home around the Hoppers. "If it works for them, it will sell."

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Recycled timbers from a local mine gave the residence in Whitefish, Mont., the look of a rustic but elegant mountain lodge.



ROGER WADE



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