

MIAMI: AN INSIDER'S GUIDE TO REAL ESTATE, DESIGNERS & SHOPS

The Robb Report COLLECTION™

Real Estate and Home Design

November 2005

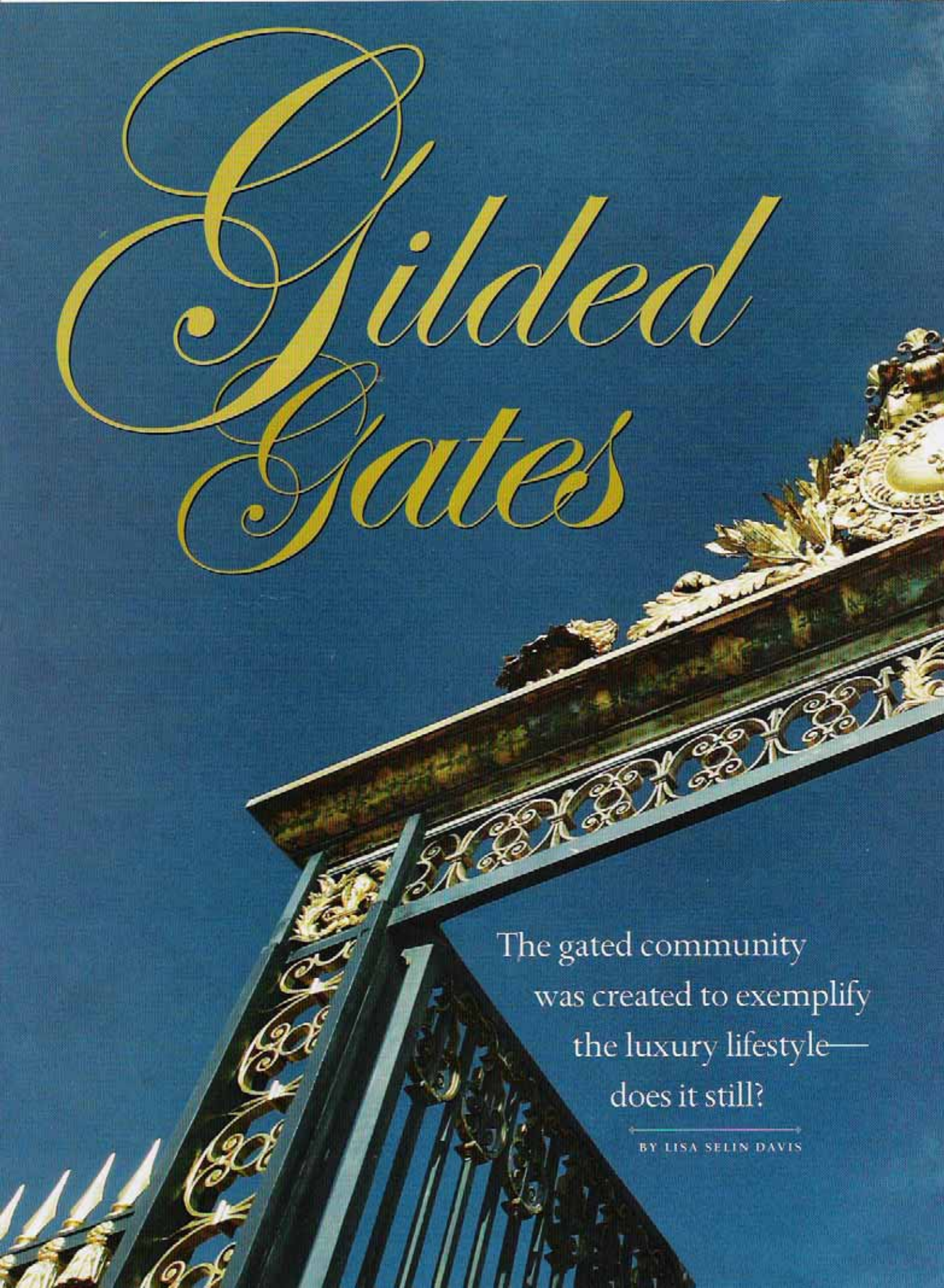


The Great Gate Debate

ON THE MOVE: Are Gated Communities the Wave of the Future?

ON THE FENCE: Myths and Realities About Downsizing

ON THE BALL: Four Impeccably Designed Golf Clubhouses



Gilded Gates

The gated community
was created to exemplify
the luxury lifestyle—
does it still?

BY LISA SELIN DAVIS



AMERICA'S FIRST KNOWN GATED COMMUNITY for the affluent, Llewellyn Park, was built in 1853 in West Orange, N.J., as a private hideaway: grand estates protected behind iron gates. More than 150 years later, the gated community has been democratized. There are upward of 20,000 gated communities and more than 16 million Americans residing in them. They range from gated RV parks to gated luxury communities where you cannot edge past the front gate for less than \$5 million. There are gated communities comprising just a few homes, like the 14-home Maluhia in Maui, or entire master-planned cities hiding behind gates, like Del Webb's Anthem, Ariz., where you can visit shops, golf courses, schools and churches without venturing into the outside world. All incarnations of the gated community lure those looking for what Richard Gollis, principal with the real estate advisory firm the Concord Group, calls "a lock-and-go, low-maintenance lifestyle."

But some say the gated, or "secured," community—defined by the

American Housing Survey as a residential community "in which public access by nonresidents is restricted, usually by physical boundaries such as gates, walls and fences, and through private security"—chips away at civic life and caters to fear. As developers alter their creations to appease the market and local municipalities, there may be a gated community for every kind of American or, in the future, there may be no gates at all.

In the mid-20th century, gated communities blossomed. The first retirement community, Youngtown in Arizona, opened its gates in 1954, followed by an explosion in the 1960s and '70s of golf course communities, such as Leisure World in Mesa, Ariz. In the 1980s, as baby boomers were buying homes in droves, developers began to enclose middle-class subdivisions, as well. These developments grew mostly in the Sunbelt states, where people were retiring or purchasing vacation homes.

Earlier gated communities stretched out over what had been undeveloped land, sometimes supporting the criticisms that gated communities were



Top: A showhouse built in 2004 (\$6.6 million) at the Twin Eagles community near Naples, Fla. Above: A model home (\$5.1 million) there.



environmentally insensitive and contributed to suburban sprawl. "To build out and spread was, at that time, really no big deal," says Paul Grucza, former president of Community Associations Institute, a nonprofit organization for the governing bodies of gated communities. "Now land is at a premium, so compacting communities has come into play."

In fact, many new gated communities are environmentally friendly, either by default (land is too expensive to have the houses spaced far apart) or to attract a more preservationist-minded customer. The houses often remain large, but they are placed close to one another, creating a de facto cluster effect. "The density will be environmentally quite sound," says Grucza.

The Bonita Bay Group, which creates master-planned gated communities in Florida, preserves Florida wetlands in its communities, boasting environmentally sensitive design in an area plagued with ecological ills. Its Bonita Springs development received the Urban Land Institute's Award for Excellence by maintaining the area's fragile ecosystems during construction. Monterra in Monterey, Calif., joins a new crop of eco-friendly gated communities dedicated to preserving land, conserving water, incorporating green design and attracting people interested both in home ownership and in preserving the earth. "The preservation of open space was a big, big factor [in drawing residents]," says Roger Mills, Monterra's developer. This luxury community includes 168 homesites, with prices starting at \$1.5 million (houses average \$3.6 million) on 1,700 acres of pristine former farmland along the California coast; the homes are clustered together to preserve hundreds of acres of parkland.

The luxury communities of today, such as Monterra and adjacent Tehama (Clint Eastwood's new development), make Llewellyn Park seem decidedly middle class. In Beverly Park, near Beverly Hills, homes range from \$7 million to \$23.5 million, and can be as large as 40,000 square feet. Beverly Park offers 24-hour security, practice golf holes and nature trails. Hollywood stars and movie moguls are hiding behind every hedge: Denzel Washington, Sylvester Stallone and Viacom CEO Sumner Redstone all reside there. At Conyers Farm in Greenwich, Conn. (where Ron Howard keeps a house), homes are between 10,000 and 20,000 square feet and range in price from \$4 million to \$15 million. The Sanctuary in Boca Raton, Fla., is boat-patrolled 24 hours a day and features a 20-slip marina. Luxury gated communities now include amenities such as fitness centers, parks, riding trails, stables, polo facilities and thousands of acres of untouched land in some of the world's most beautiful regions.

Gates can serve to keep both the general public and the paparazzi from hounding the famous, but some find it objectionable that such beautiful, open space is available only to the residents. But the restriction of outsiders, Mills says, is both part of the appeal and part of what will preserve the land. "It's such a beautiful area. You'd have a lot of people driving through the area to enjoy the scenery [without gates]," he says. "With the gates, the only traffic you have has a purpose in being there, not just sightseers."

A number of gated communities are master-planned: They incorporate residential and commercial uses and include leisure and recreation activities, all within the

An aerial view of one of 96 private mansions within Conyers Farm, an exclusive 1,500-acre gated community in Greenwich, Conn.



gated perimeters. They are often built in edge cities—the outskirts of suburbs, where the last tracts of untapped land are available—and adopt the look and feel of a small town or miniature municipality. Del Webb is one of the major master-planned community developers; its Sun City complexes comprise entire towns for senior citizens in Arizona, Texas and South Carolina.

But critics complain that such developments not only reinforce the segregation of American society, they also erode the foundations of civic life. “Gated community residents are focusing on the local civic realm rather than the larger civic realm,” says John McIlwain, a senior fellow for housing at the Urban Land Institute. Residents might view their community as existing only within the gates, and may therefore disinvest in the municipality outside it. Gated communities often function like their own cities, even boasting their own zip codes. They are governed by either homeowners associations or community associations, which have their own rules and regulations and their own taxes and fees. They are responsible for the upkeep of their own infrastructures, to which residents must financially contribute. In fact, some residents have to pay these fees to both their homeowners associations and their local governments—called “double taxation.” Some

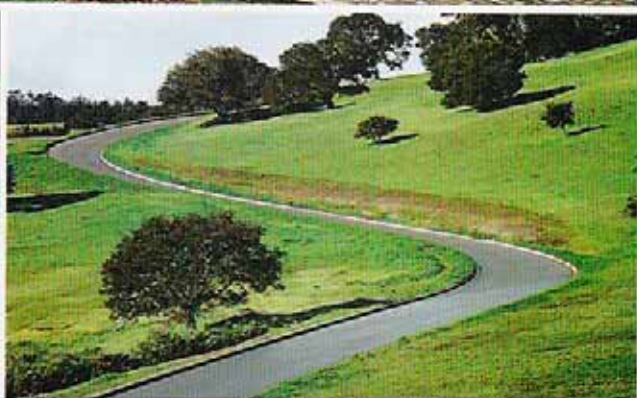
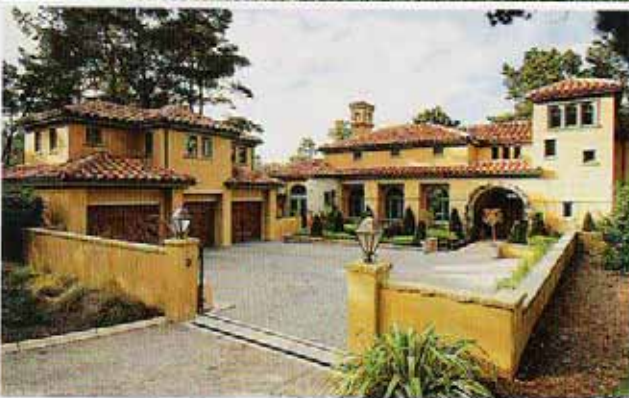
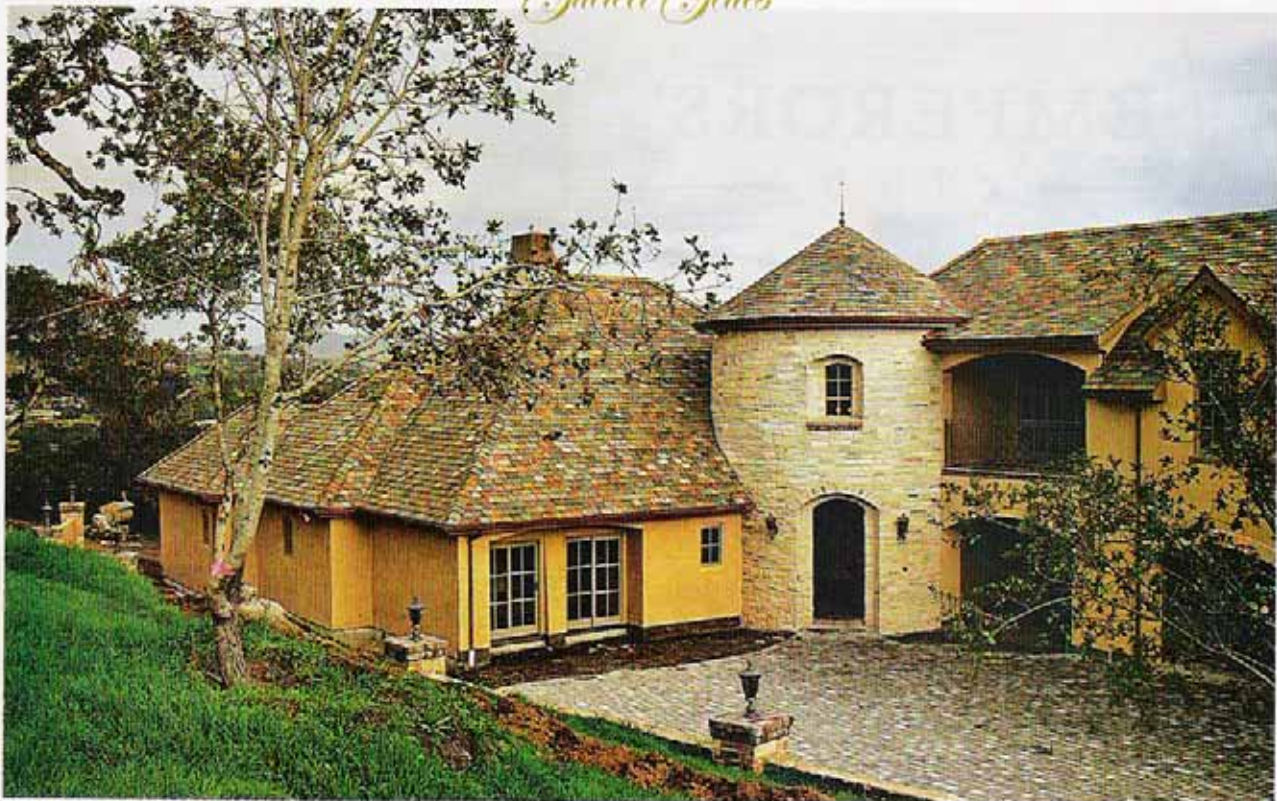
communities have even successfully lobbied to remove state or local taxes. In Arizona’s Youngtown, for example, residents do not have to pay school taxes, because no one in the retirement community has school-age children—essentially withdrawing their financial support from the larger world.

In exchange for the privatization of public services such as garbage collection and street cleaning, homeowners associations establish covenants—rules that often dictate lifestyle choices, from the colors you paint your house to the size of home you can build. “You can’t hang your wash out on line, can’t paint your shutters, can’t leave your car parked in the driveway,” says McIlwain about some of these covenants. Indeed, there is a culture of sameness prevalent in some gated communities—a plus for some, a minus for others.

Because gated communities have their own bylaws and can become influential groups, some municipalities are resisting them. “A gate sends a message to the larger municipality that the townsfolk don’t always like,” says Gruzca. “Cities like to have their turf, and these groups can become a political lobbying force.” Gated communities can lead to an almost militia mentality, an us-against-them feeling that lawmakers wish to dispel. For example, La Habra Heights in California tried unsuccessfully to enact a ban on gated communities, as has Mayor Bryan Baptiste of Kauai, Hawaii. Cities like Portland, Ore., and Minneapolis actively discourage them by instituting maximum wall height regulations and zoning codes.

However you feel about gated communities, most real estate agents agree that homes inside them are good investments. “The property values tend to hold a little bit better in those communities,” says Anthony Marguleas, owner of A.M. Realty in Pacific Palisades, Calif. “It’s a better value from an investment point of view.” Brentwood Circle in Los Angeles, a community of 67 luxury homes, added gates around the neighborhood a few years ago, and

Top: Trophy Point, a \$22.5 million property at Boca Raton’s Sanctuary; Above: A private Sanctuary residence on Osprey Point Circle.



"the minute they put a gate there, it brought up the value about 10 percent," says Marguleas.

Still, the double taxation and added expense of life behind the gates are discouraging some Americans from seeking out the gated life. The American Housing Survey—which only added the "secured communities" category in 2001—showed a slight dip in the number of Americans living in gated communities last year: from 7 million in 2001 to 6.6 million in 2003. Gollis of the Concord Group predicts that, eventually, gated communities will once again return solely to the realm of the very affluent. "Homebuyers might like them, but they aren't paying enough to offset the high cost to developers," he says.

Many new luxury developments are opting not to erect the gates at all; perhaps because we are faced with security

issues—pat downs at the airports and orange alerts—buyers are looking for subtle alternatives. That might come in the form of the "vertical neighborhood," in which entire master-planned communities are funneled into a high-rise building, where the concierge and single point of entry work like a refined version of the gate, as in Yoo's Icon building in Miami. Or it may mean replacing the wall with a line of trees, so boundaries are clear, but that feeling of segregation is alleviated.

While most Americans are still searching for a sense of security and neighborhood, many are finding that those intangibles come more from developing relationships with those who live beside you than from a gate. "A gate doesn't make the community," says McIlwain. "The community makes the community." □

Scenes from Monterra, a gated, environmentally conscious development near Monterey, Calif. Top: A home built by South Valley Developers in Monterra's Paseo Vista neighborhood. Above left: A custom home with bay views. Above right: Old coastal oak trees pepper the landscape.