

Turnkey, built-on-spec mansions hit new heights of luxury



This 10,000-square-foot home on Red Mountain overlooking Aspen is for sale, fully furnished, for \$5.4 million.

By Lettice Stuart

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BOCA RATON, Fla. — At night, Sam Caliendo lies awake thinking of interior waterfalls, indoor lagoons and rooftop pools. He is always thinking of unusual features for the multimillion-dollar homes he designs and builds to sell on speculation here.

By day, the 40-year-old builder travels the world selecting art, artifacts and furniture to adorn his showcase residences, which he sells fully furnished.

Caliendo is among a handful of people who specialize in building multimillion-dollar mansions speculatively.

Most such homes are built as vacation retreats in resort areas, but some are also built as primary residences in metropolitan areas.

"We're not seeing the wild speculative building of luxury homes that was the national craze in the mid to late '80s," said Stuart Siegel, executive vice president of Sotheby's International Realty Co. But there still is activity in areas with high concentrations of wealth, he said.

In Palm Beach, Fla., the dream of home ownership has catapulted into the realm of fantasy.

The most expensive speculative house on the market there now is an Italian villa-style oceanfront mansion for \$11.5 million.

The 27,300-square-foot home has seven bedrooms; 10 full and four half baths; a heated saltwater swimming pool of marble with a 2,200-square-foot cabana; a tennis pavilion with a fireplace and wet bar, and separate tasting rooms for red and white wine.

The house has been on the market a year. "But it usually takes 18 to 24 months to sell this kind of property," said Martha Gottfried, the listing broker for the property and the wife of the builder, Robert W. Gottfried.

The demand for such luxury has slackened somewhat because of the recession, said Ken Dodson, a real estate agent here, but by no means has it dried up.

Typically, the people are impulse buyers, Dodson said, weighty on cash but short on the time, patience and imagination necessary to have homes custom-built for themselves.

They are usually retired executives from the North looking for a vacation

home where they can spend a month or two a year in a tropical climate.

Most of the "megahomes" are sold turnkey — fully furnished so buyers can move right in.

But Caliendo has elevated the turnkey concept to new levels. His homes come complete with monogrammed bathrobes and custom-designed nightclothes in the closets.

Caliendo's most recent creation is a \$4.5 million home on a half-acre waterfront lot in Boca Raton's Royal Palm Yacht and Country Club. It is a 10,000-square-foot, 17-room house.

The developer, who also builds equally grandiose custom homes, said he builds his speculative homes "out of pocket" with his own capital or puts up 50 percent equity and borrows the rest from a bank.

Not all builders in Boca Raton are so fortunate, however.

Lack of real estate financing has not hurt buyers because they buy with cash, Dodson said, but there is no question it has hurt builders.

Even in Aspen, where the average price of a single-family home has risen to \$1.1

million, the unavailability of financing has thrown a wet blanket on the once-hot, speculative homebuilding market.

"Banks here are only lending 50 percent of cost or one-third of the final appraised value on spec homes," Robert D. Ritchie, a real estate broker with Coates Reid & Waldron, said.

Gordon Mathews, a Pittsburgh real estate developer, has been building multimillion-dollar homes in Aspen and the Snowmass for 10 years.

He recently completed a 10,000-square-foot home on Red Mountain overlooking Aspen that is on the market, furnished, for \$5.4 million. It has five bedrooms, six baths and a pool.

The biggest mistake a speculative builder of such houses can make is not providing sufficient living area.

"But if done right, a builder can get \$400 to \$500 a square foot," he said. Most multimillion-dollar speculative homes in Aspen sell within months of completion, but Ritchie cites the example of one poorly planned home still on the market after 3½ years, despite a price reduction of \$200,000 to \$2.5 million.