Real Estate

HEATON UNVEILS GRAND PLANS FOR ORCHID BEACH RESORT

Heaton unveils grand plans for Orchid Beach Resort

By Alan Snel | Staff Writer
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Artist's renderings of a beach cottage and the hotel veranda (below) at George Heaton's planned Orchid Beach Resort.

Developer George Heaton, who built the Vero Beach Hotel & Spa on Ocean Drive, has just submitted plans to St. Lucie County for an ambitious project that includes a 10-story, 160-room hotel, 45 condos, nine cottages and two restaurants on 12 acres at the old Radisson Hotel site at the southern end of our barrier island.

Heaton, who is building the Tarpon Flats subdivision a short distance north of the hotel site, said he has a contract on the hotel property, slated to close in the fall, and that he plans to start construction in spring 2017. He is currently taking deposits from prospective buyers of the condos and cottages.

Heaton is buying the oceanfront land from Las Vegas heavyweight billionaire Phil Ruffin, who owns Treasure Island casino on the Vegas Strip and is pals with Donald Trump.

He said the project, named Orchid Beach Resort, will cost approximately $70 million. He hopes to get site plan approval from St. Lucie County in November.

The hotel's room rates will average about $200 per night, with a customer demographic mirroring that at Vero Beach Hotel & Spa, Heaton said. He envisions people from South Florida and the Orlando area booking rooms at the new resort in the summer and tourists from the Northeast and the Midwest coming in the winter.

The 45 condos will be 1,000 square feet and priced at $495,000 each, while the nine cottage homes will go for $1.8 million to $2.5 million each.

Heaton is already taking reservation deposits on the condos and cottages, with the earliest buyers getting first pick of the housing.

The resort will include a spa and fitness center as well as a free-standing 5,000-square-foot restaurant and a 4,000-square-foot restaurant in the hotel. Heaton also plans a 5,000-square-foot specialty retail store that will front on A1A.

He expects construction to take about 15 months after it begins in April or May of 2017. His architect is Delray Beach-based Randall Stofft, who designed Vero Beach Hotel & Spa.

The site design includes a large lawn event area between the beach and the hotel that can be used for weddings, family reunions and corporate events. Plus, there will be about 5,000 square feet of meeting space in the hotel. In total, the project will encompass approximately 170,000 square feet, Heaton said.

He described the resort look as "old Florida architecture" and said he has met with the St. Lucie County commissioners individually about the project.

Leslie Olson, St. Lucie County planning and development services director, said she has not seen Heaton's plans yet, but she confirmed they were submitted in mid-July.

"Plan packages don't go out instantaneously," Olson said. "Once our administrative staff has entered all relevant information into the system, they distribute the packages."

Olson said the property was recently re-zoned to CR, Commercial Resort, to accommodate the type of project Heaton has in mind. "My understanding is that Mr. Heaton is proposing a small amendment to the text of the Code to permit a type of cottage unit and ownership not contemplated under the adopted Code," Olson said.

Generally speaking, "it appeared his vision for the resort was in line with the purpose and intent of the Commercial Resort zoning district. We look forward to processing the applications and seeing a high quality resort development occur on this excellent beachfront location," Olson told 32963.

Ruffin and his local agent, Bob Lowell, shepherded the property through the re-zoning process and Ruffin originally planned to develop a resort there himself before deciding to sell the land.

The property sold at the height of the real estate boom for $17.9 million, but lost value in the downturn. Ruffin bought it for $6 million in 2013.

The price in the current sale has not been disclosed. ■

A preliminary sketch of the resort grounds, showing the 10-story hotel and beach cottages.

HEY, HOMEOWNERS: IT PAYS TO KNOW THE EQUITY YOU CAN TAP

By Kenneth R. Harney | Washington Post

Are millions of homeowners sitting on much bigger equity nest eggs than they think? Do you know how much equity you've got? If not, could you be missing opportunities to tap into it for worthwhile projects at close to all-time low interest rates?

Academic and financial industry research suggests that large numbers of Americans don't keep track of their equity and don't really know how they could use it. That's curious because home equity has almost never been higher or easier to access.

The Federal Reserve estimates that, thanks to rising prices and principal pay-downs, total home equity surpassed $13 trillion in the first quarter of this year, more than double what it was in 2011. Black Knight Financial Services, a mortgage data and analytics company, estimated last week that $4.4 trillion of equity is immediately "tappable" – that is, owners can withdraw funds via equity credit lines, equity loans and cash-out refinancings, and still retain a healthy equity cushion in their homes.

Equity is the difference between the market value of your home and the total mortgage debt you've got against it. A $350,000 house with $175,000 in mortgage debt has equity of $175,000 – a 50 percent equity position. Thirty-eight million owners nationwide have at least 20 percent equity, averaging $116,000 per owner, according to Black Knight. Many lenders will allow owners to tap into that equity to the extent that their total debt does not exceed 80 percent of the home's appraised value.

So in the example of the $350,000 house with $175,000 in equity, you might be able to borrow another $100,000, bringing your total debt up to $275,000, or just under 80 percent of your property value. If there's no need to pull out that much – maybe you need some cash to renovate the kitchen and add a bathroom – you could borrow considerably less, say $25,000 or $50,000.

But before any of that happens, you need to know the basics about equity, starting with how much you've got.

Research by mortgage investor Fannie Mae and analytics firm CoreLogic has documented that owners frequently underestimate the home equity they've accumulated. Millions of owners saw their property values plummet during and after the financial crisis and recession. Following that nightmare, many seem to have tuned out news of home value rebounds, which have been substantial in many metropolitan areas and spectacular in others.

If you don't know your home's approximate value, it's tough to calculate your equity position, even if you know your unpaid mortgage balance to the penny. There are multiple resources online (at redfin.com and realtor.com, for example) to help you keep up with local sales trends and provide rough estimates of almost any property's value. Just type in an address and see what pops up. You can also talk with local realty agents and, if you're willing to spend a few hundred dollars, hire an appraiser to get a professional opinion.

Then there's the knowledge gap about equity-tapping tools and uses. New consumer survey research by Navy Federal, the world's largest credit union, found that 55 percent of survey participants reported having "little or no knowledge of home equity loans or lines of credit." Eighty-eight percent were generally aware that home equity funds could be used for renovations to their homes, but between 32 percent and 48 percent didn't know they could spend equity dollars on medical bills, weddings and "unexpected expenses." In fact, lenders do not restrict your use of equity cash.

Equity credit lines, popularly known as HELOCs, allow you to pull out funds

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