



Real Estate News and Information for Palm Coast, Flagler County, Florida

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Sawmill Creek and Grand Landings Change Hands

A trail of developers shows how uncertain the real estate development business can be. Buying these distressed properties into an expanding market bodes well for Maury Carter & Associates.

By Toby Tobin

Palm Coast, FL – May 5, 2013 – Orlando-based real estate investment firm Maury Carter & Associates recently acquired property in two unfinished Palm Coast developments ([Sawmill Creek](#) and [Grand Landings](#)) for pennies on the dollar. "We are bullish on the Palm Coast market," says Daryl Carter. "We have a history of working with Palm Coast Holdings, having bought and resold several of their properties in the mid to late 1990's."

Converting raw land to a completed development is a long, arduous and expensive process with no guarantees of a profit at the end. Palm Coast and Flagler County have plenty of properties on which zoning changes and entitlements have already been granted. These properties attract investors and developers wishing to avoid the entitlement process.

Sawmill Creek

For example, Sawmill Creek is an un-built but entitled 1,000-acre master-planned community. It was to include approximately 1,350 homes and a wide variety of amenities, including a championship golf course designed by Jim Furyk. ([Planned Clubhouse](#))

Located west of US 1 between Matanzas Woods Pkwy and Old Kings Road, Sawmill Creek is one of the residential components of Palm Coast Park, a multi-use Development of Regional Impact (DRI) developed by Palm Coast Holdings. Palm Coast Park's 4,700 acres stretch along a 6-mile segment of US 1 from Palm Coast Pkwy to Old Kings Road.

Lowe Enterprises (as Lowe Destination Development Southeast) contracted to buy the land to develop Sawmill Creek from Palm Coast Holdings in phases. The first phase included land fronting US 1 with land for the golf course and surrounding homes. Lowe paid \$13,055,000 for the phase one land in 2007, just about the time the real estate bubble was bursting. Preliminary plat approval was granted by the City of Palm Coast and some lot reservations were taken for a while but development was soon suspended.

Maury Carter & Associates (as Carter Sawmill Creek LLLP) purchased the two parcels comprising phase one for \$406,000 in April. Palm Coast Park CDD assessments and property taxes tacked another \$183,593 onto Carter's cost, but still a bargain.

The company does not plan to develop Sawmill Creek itself. Instead it will land bank (hold for appreciation) the property until the timing is right to sell to a developer/builder. A golf course is not likely to be in Sawmill Creek's future. Passive amenities are now more in favor by developers and in demand by new home buyers.

Palm Coast Holdings retains the remainder of the original land on which Lowe did not complete the purchase.

Grand Landings

Grand Landings was originally developed by Landmar, who contracted in 2004 to buy approximately 1,500 acres from Florida Landmark Communities Inc. (Palm Coast Holdings) in stages. The master-planned club community south of the Flagler County Airport was to include an 11-court championship tennis center with a stadium court and spectator seating. There was talk of a fly-in community in one of the later phases. The first stage of the purchase was completed, a portion of which was platted for 89 lots for single-family homes. Infrastructure was finished and about 10 homes were built. But then the housing market faltered.

Prior to the market collapse, Landmar sold 240.22 acres of their acquisition to Levitt and Sons for \$9,360,000. Levitt's plan for an age-restricted community never got off the ground. Following Levitt's bankruptcy in 2007, the Levitt land was conveyed to creditor Bank of America. That parcel is now held by Seminole Woods Blvd LLC.

Maury Carter (as M.L. Carter Development Corp) purchased the remaining 63 unsold platted Grand Landings lots from Landmar (as Reserve LLC) for \$283,000 in September 2012. In a simultaneous closing, it sold 15 of the lots to KB Homes, adding \$412,000 to the transaction value. At the same time Carter (as Citation Boulevard Investments LLC) purchased the remaining undeveloped phase one land for \$1,605,000.

Daryl Carter says they will continue selling the Grand Landings lots to home builders while land banking the undeveloped land. Landmar never completed subsequent phases of the purchase contract. Florida Landmark Communities retains that land.

As the poster child of the housing bubble, Palm Coast and Flagler County are rife with examples of unrealized development dreams. Yet the abundance of residual entitled land (including hundreds of the originally platted Palm Coast lots) is a plus as the area market moves into a growth phase once again.