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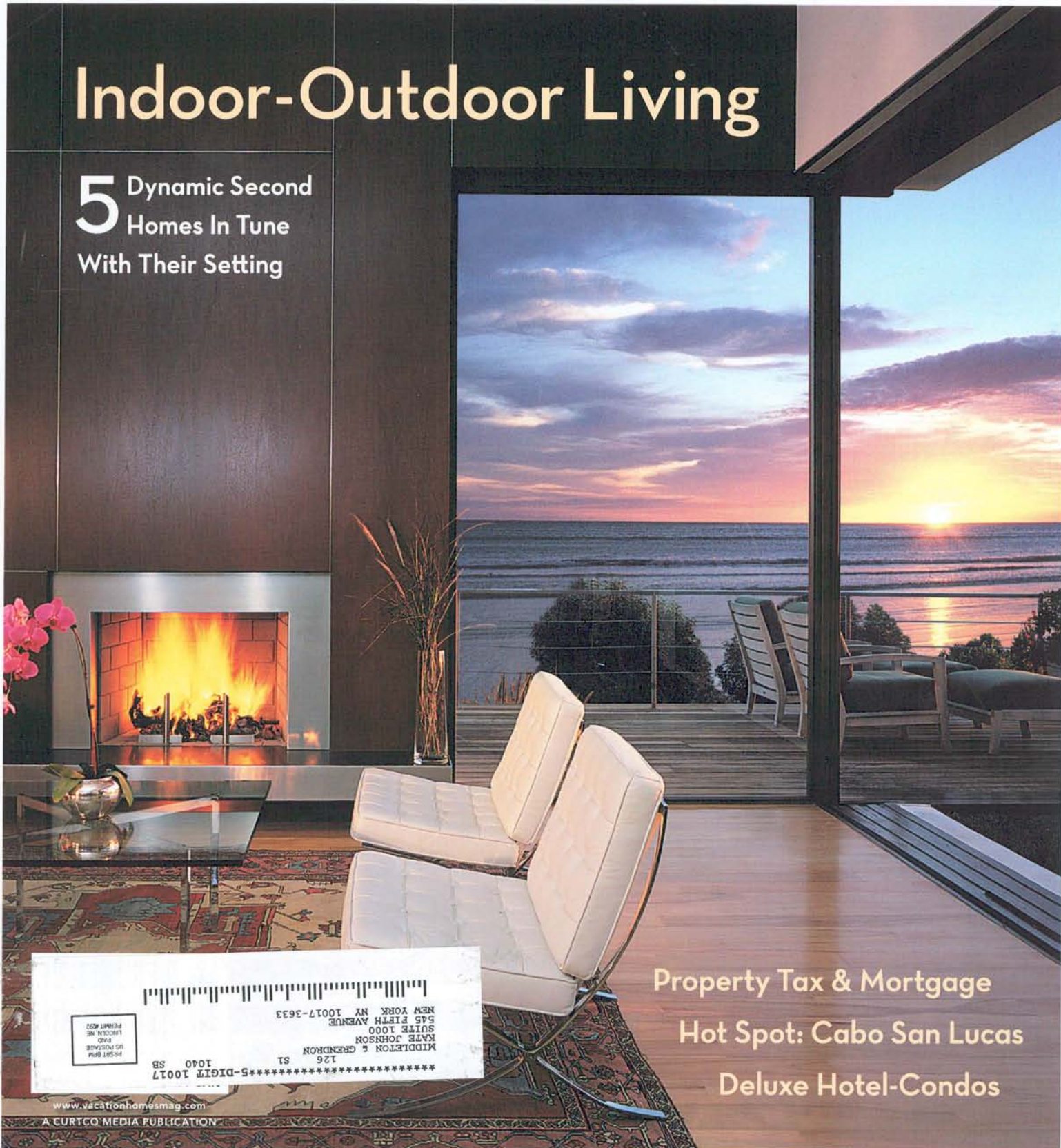
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Los Cabos Fly High

New developments are taking Baja California to the next level BY GEORGE FULLER

Thirty years ago, the far southern tip of Baja California was a remote, largely undiscovered region. There was no paved road to the sleepy fishing villages of Cabo San Lucas and San Jose del Cabo. Visitors had to fly into La Paz, 150 miles north, and make the rest of the trip in a small prop plane. In those days, you would touch down on a dirt runway and bump to a thatched-roof palapa that served as the terminal.

A couple of hotels—Hotel Twin Dolphin and Hotel Cabo San Lucas—were headquarters for the ardent game fishermen who, having heard the stories that Bing Crosby, John Wayne, Dwight D. Eisenhower and other enthusiasts came here for the “really big fish,” sought their own extreme adventures. Cabo’s reputation grew as the marlin

capital of the world, and 1,000-pound black and blue marlin—“granders,” the fishermen call them—were not uncommon. But getting there was no walk in the park.

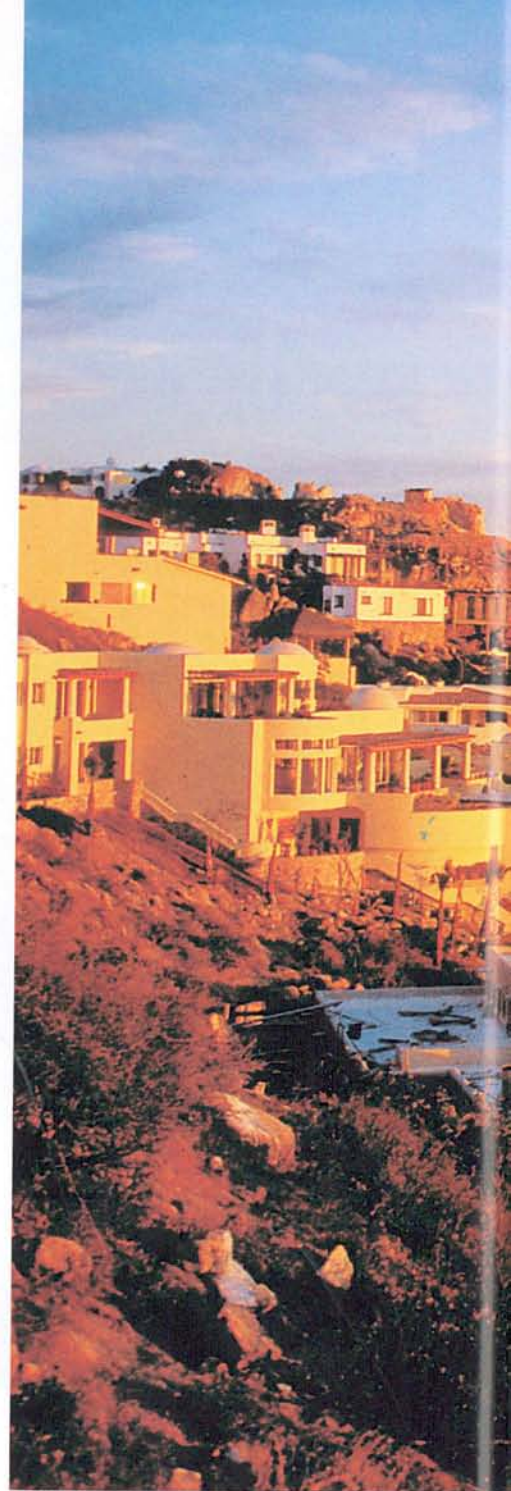
All that has changed. Over the past 15 years, Los Cabos has gone from remote to remarkable. The landscape—rough-hewn desert tumbling down to the sparkling ocean—has been described as “Scottsdale meets the sea,” but now there is a sprinkle of the French Riviera mixed in. A world-class collection of hotels—led by One&Only Palmilla, Esperanza and Las Ventanas al Paraiso—has taken relaxed luxury to new heights, and real estate developments have followed suit.

“Cabo is going to continue to boom,” says Ron Hatfield, whose Villas Del Mar development within Palmilla Resort is one of the most successful residential developments in Mexico. “There’s no end in sight.”

The success of Hatfield’s Villas Del Mar can be attributed to its exceptional location on a hillside overlooking the Sea of Cortez, the first-rate design and craftsmanship of the spacious, fully furnished homes, and service levels that match and exceed the area’s best hotels. Two new enclaves within Villas Del Mar—Las Haciendas and Las Entradas, which will add 14 grand homes and 28 one-story residences, respectively—debuted earlier this year.

Other developers have been watching Hatfield’s success with a careful eye, and several new projects under construction and on the drawing boards along this 24-mile stretch of coastline are hoping for similar results with their ultra-luxury plans.

Two projects in particular will help propel the area into the 21st century.

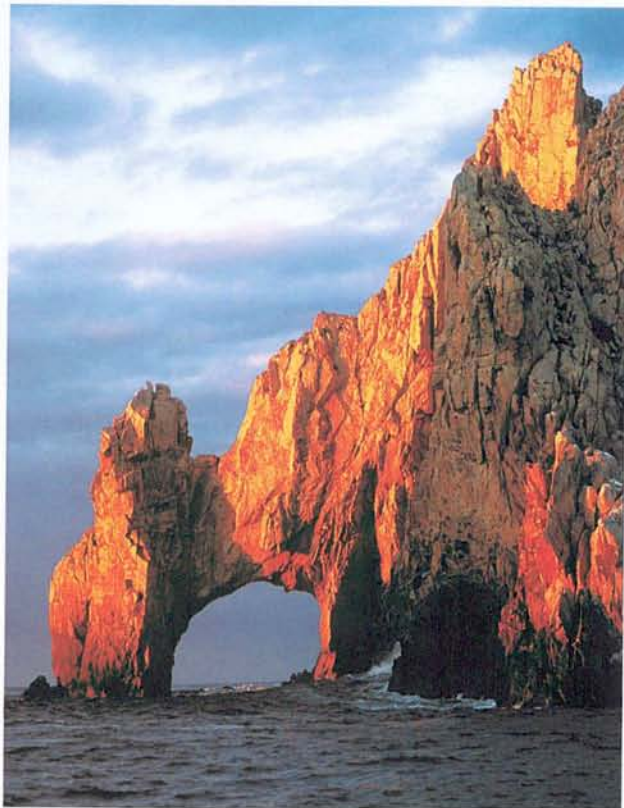


Chileno Bay Club

Developer Mick Humphreys, of Vintage Club renown, acquired the classic old Hotel Cabo San Lucas and its surrounding 1,300 acres and has embarked upon plans to build an exclusive retreat called Chileno Bay Club.

With more than two miles of reef-protected coastline with which to work, this is one of Cabo’s prime locations. The concept calls for a Portofino-style village cascading down the sides of a hill to a town center and marina,

Land’s End Arch, a natural rock formation at the tip of Cabo San Lucas, is near the gated community of Pedregal.





surrounded by recreational amenities, shops and restaurants. A Tom Fazio golf course is under construction, with several holes routed right at the waterline. A second course will be built, but the designer has yet to be chosen.

But Humphreys envisions buyers who “are not just looking for quality golf,” he says, “Of course, they expect great golf, which is why we hired Tom Fazio. But when they come here, they are looking for a maximum amount of quality family time.”

Chileno Bay Club plans to provide that opportunity. Instead of using the maximum amount of oceanfront real estate for high-priced homesites, Humphreys reserved the majority of the coastline for community spaces.

The master plan for Chileno Bay Club calls for a variety of ownership options, including privately owned villas starting at \$2.5 million, ocean estate lots starting at \$5 million, and a Lodging Club, where members (starting at a \$600,000 entry point) are entitled to 90-days-per-

year use of a series of luxury two-, three- and four-bedroom villas, and full access to the golf courses and other amenities.

“Our concept of the Lodging Club is an extension of the NetJets idea,” Humphreys says. “Members can enjoy ultimate luxury at a quarter of the price. Here is a club with great golf courses, a full-service marina, two miles of oceanfront, a private beach club and a huge kids program—and we can offer it for \$600,000. These are legacy memberships, meant to instill a sense of

The sun sets on a hillside in Pedregal, the future home of the Capella Pedregal at Cabo San Lucas resort and residences.



family and community from the start.” Thus, membership includes nonexpiring privileges for children and parents, as well as for the primary buyers.

In addition to golf, a deepwater marina is also planned to accommodate private yachts as well as a fleet of fish-

ing boats rigged for granders and sailboats that will be owned by the club for member use.

“We’ll have no-tee-time golf,” Humphreys says, “and no-tee-time boats; members can just walk up and use them, captain and mate included.”

Model villas will break ground in April, with a five- to eight-year build out expected for the entire project.

Chileno Bay Club

866.684.0005, www.chilenobayclub.com

Capella Pedregal at Cabo San Lucas

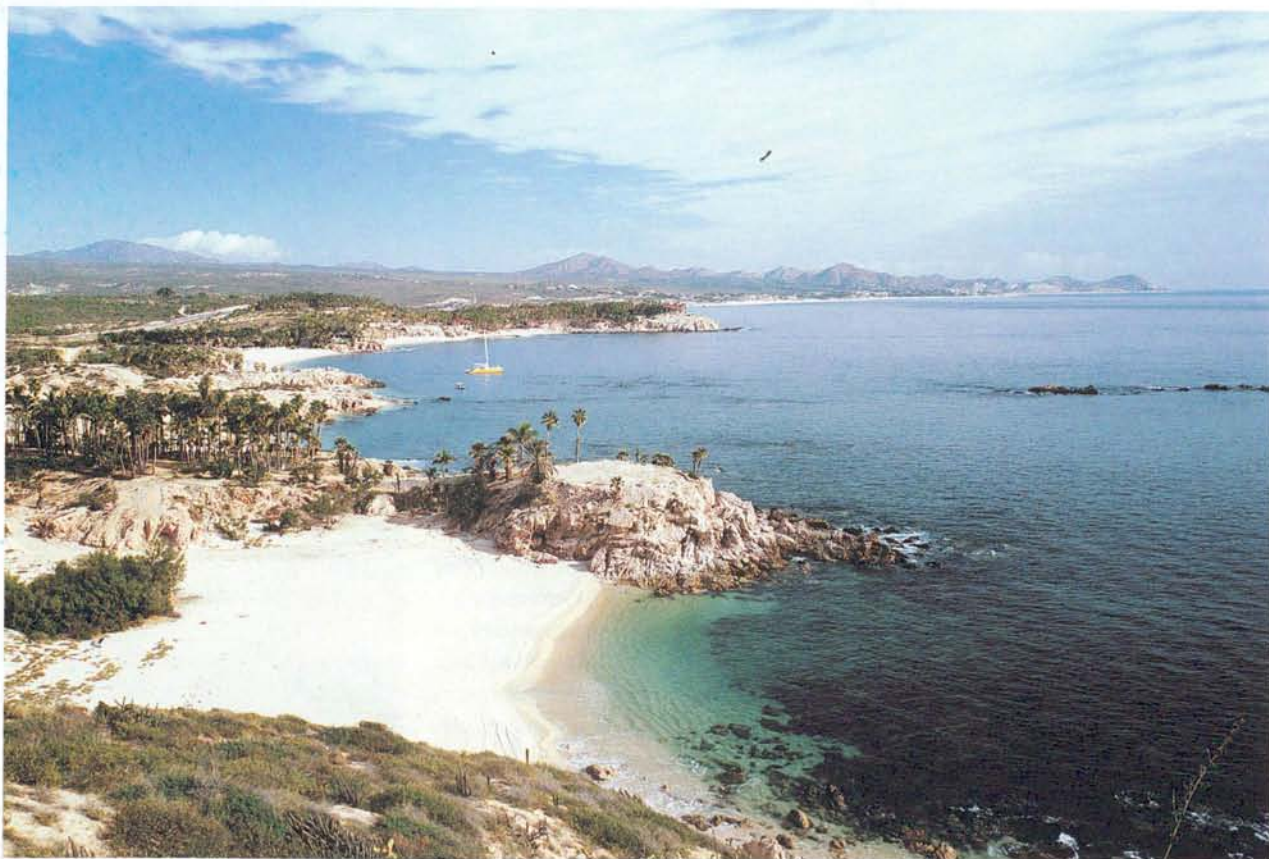
Capella Pedregal at Cabo San Lucas combines the talents of longtime Cabo visionaries, the Diaz Rivera family, with one of the world’s foremost hoteliers, Horst Schulze.

“I grew up watching my grandfather draw plans on his topographic map,” says Juan Diaz Rivera, whose grandfather Manuel Diaz Rivera came to Cabo more than 30 years ago to develop the area’s first luxury gated community, Pedregal. “When I got older, I went to California to do my own thing. But I found I wanted to get back to this special place called Cabo.”

Now, with Capella Pedregal, the younger Diaz Rivera and his family are putting the finishing touches

Above: A rendering of the Mexican-style fractional residences to open in 2007 at Capella Pedregal.

Right: The future site of the Chileno Bay Club, located on two miles of reef-protected coastline.



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An infinity-edge pool cascades into the Sea of Cortez at a private residence in the Pedregal development.

to the patriarch's vision, and to do so they enlisted the help of Schulze, the former president and COO of the Ritz-Carlton hotel company, who is credited with creating and instilling the company's level of service.

"We could never find the right brand," says Diaz Rivera. "The piece of property we reserved for this resort is the best of the best at Pedregal, and we were looking for a resort operator who was the best of the best to match."

After leaving the Ritz-Carlton, Schulze founded West Paces Hotel Group, parent of Capella Hotels & Resorts, and when it came time for the Diaz Riveras to move forward with their resort plans, West Paces and Schulze were a perfect fit.

"There was instant chemistry between my grandfather and Horst," Diaz Rivera

says. "One of the things that drew us to him was his commitment to excellence and the systems he founded to ensure a continuance of that excellence."

Slated for a late 2007 opening, Capella Pedregal is a planned 24-acre resort that will include a destination spa, 31 shared-ownership residences and 20 full-ownership *casonas*. Capella Resort and Spa will have 42 guest rooms, 21 suites and three beach *casitas* in a Mediterranean mountainside village-like setting. A 10,000-square-foot destination spa will be the centerpiece of the amenities, and four mountaintop spa suites with commanding 360-degree views will be available for guest use.

Its proximity to Cabo San Lucas will give resort guests and villa owners access to all the nightlife, shopping and

action of the often-swinging town. It also allows quick access to Cabo's marina. "The fact that we're near the village and that we're doing so much with the marina means that we have the best of both worlds: secluded and exclusive beachfront as well as close proximity to town," Diaz Rivera says.

A fleet of nine yachts, including 61-foot Vikings, will be docked at the Capella Yacht Club. Diaz Rivera envisions owners enjoying the boats for a day of fishing, whale watching or sailing. And, he says, "They're equipped for tournament game fishing."

Sounds like something John Wayne or Bing Crosby might enjoy.



Capella Pedregal at Cabo San Lucas
877.844.4742, www.capellacabo.com

