

# Orlando Sentinel

Monday, June 30, 2014

## Reunion Resort re-emerges with new kind of international buyer



The Encore Club Real Estate Sales Center -- Reunion Resort, on Monday, June 24, 2014. One of the icons of Florida's real estate meltdown - Reunion Resort in Osceola County - is re-emerging and finding a new kind of international buyer. The Encore Club, Reunion's most recent phase, reports more Chinese and Brazilian buyers than in the pre-bust days. And buyers are more skeptical than in the past. (Ricardo Ramirez Buxeda, Orlando Sentinel)

By **Mary Shanklin**, Orlando Sentinel

When the market hit bottom in 2011, Florida was getting almost of third of the international buyers purchasing property within the U.S., but that number dwindled to 23 percent last year as prices in the Sunshine State grew by more than 20 percent from their low point. California was second, with 17 percent of the international buyer market within the U.S.

Among international buyers in Florida, Canadians accounted for 39 percent; Latin Americans, 29 percent; and Europeans, 23 percent. Asians and buyers from Africa and the Middle East made up the rest of Florida's international buyer pool.

Carlos German, a real-estate broker based in Celebration, said he has seen stronger interest from Canadian buyers as the market has recovered. German, a board member for Florida Realtors, said that getting buyers from China and other countries can be challenging because so much of real-estate marketing in the U.S. is based on getting a high presence in **Google** searches. Buyers in China rely more on personal contact with real estate agents than Internet searches.

"Here in Florida, we're not seeing that bridge yet to those markets," he said.

Veronica Malolos, a broker with Re/Max Premier Properties in Kissimmee, said she has seen an increase in buyers from Brazil and more Canadian buyers of Chinese descent.

Regardless of buyers' origins, she added, they are asking more questions about risks during this market cycle. More than in the boom days of 2005, real-estate investors from other areas are searching the Internet and reading blogs to investigate developments and properties.

"Definitely, I think that international buyers and buyers from other states are very curious about what happened in this area, and of course they don't want to see a repeat of what happened in 2006," she said.

At the Reunion development in Osceola County, Newell said, about one in 20 boom-era buyers asked hard questions about a project's financial backing, but now 19 out of 20 want to know how a development is financed.

"The buyer today is much more skeptical than they were about the bust," Newell said. "People still have a memory of what happened in the past."

The Ginn Cos. billed the 2,300-acre Reunion as Central Florida's grandest vacation and golf resort when they launched it in 2001 near Walt Disney World with three golf courses, million-dollar mansions, half-million-dollar condos, a water park and more. After the real-estate bubble burst in 2007, lenders foreclosed on hundreds of properties that investors had purchased. Half-built houses and condos framed the roads, and property values have plummeted by as much as 80 percent.

In 2012, Encore Development began acquiring 960 acres of Reunion and announced plans last year for Reunion West. A spokesman for Encore Resorts & Homes said the company later changed the project's name to the Encore Club at Reunion to better position it in the market.

Since earlier this year, it has closed on 43 contracts for about \$20 million worth of sales, Newell said. Construction is expected to start this summer on construction of amenities including a pool complex with a restaurant that will be completed next summer.

During the Central Florida's boom-and-bust years, it was not unusual to see international investors buy into developments that were never completed. Newell said that even though buyers raise concerns about Reunion's wave of foreclosures in the past, they are heartened to learn that the land portion of the project is not mortgaged and that the pool complex is in the permitting process.

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Reunion Resort, the boom-to-bust vacation club in Osceola County, is re-emerging from Florida's real-estate meltdown, and this time it's finding a new kind of international buyer.

Customers are more skeptical than they were in the boom days and are asking more questions about the financial underpinnings of projects, developers say. In addition, developers at the Encore Club at Reunion are seeing more Brazilians, Canadians and Chinese than they did a decade ago.

"At Reunion, I was with the original developer from 2001 to 2004, and the U.K. [United Kingdom] market was strong back then. But what we didn't see was the number of buyers from China and Brazil that we are seeing today," said Myles Newell, vice president of sales for the Encore Club at Reunion. Encore is the newest development at Reunion, which is west of **Kissimmee**.

Like the rest of Reunion, the Encore Club includes mostly homes purchased by investors and leased out for short-term rentals. Encore houses have four to 10 bedrooms and prices from \$339,900 to \$535,000. Newell has hired salespeople who speak Mandarin, Portuguese and Spanish to deal with overseas buyers

Florida has long been the top state for international real-estate investors, attracting buyers mostly from Canada, Europe and South America, according to a study released last year by the National Association of Realtors.

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