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## As Tampa Bay real estate slows, luxury housing dominates

Sales of the most expensive homes have outpaced the market as a whole in the bay area.

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Real estate markets across the country have slowed thanks to high interest rates and stubborn home prices. But in the Tampa Bay Area, wealthy buyers are still snapping up luxury homes left and right.

October data from Greater Tampa Realtors showed that sales for the most expensive homes outpaced the market as a whole.

Across all price points, single-family home sales in the Tampa metro area increased 8.3% from this time last year. Condo sales increased 23.7%.

But for single-family homes

priced at \$1 million or more, sales increased 49.1%. Condo sales in that range increased 30%.

Many wealthy buyers are able to pay in cash or get financing through alternative channels, said David Moyer, director of sales at Smith & Associates Real Estate in Tampa. That means they're not deterred by rising mortgage rates, which have shot as high as 8% in recent months.

C.R. Herro, CEO of the luxury homebuilder AR Homes, said poor performance in the stock market has driven some to invest in real estate instead.

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The view from the 16th floor as construction continues on The Nolen luxury condominium tower in St. Petersburg. The new building will have 23 floors with 31 total units.

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"Cash is hard to make right now," he said. "Dream homes are easy."

The Tampa Bay area has long been a hot spot for vacation homes. Still, wealthier buyers have historically favored Sarasota or Naples for their winter getaways, said Moyer.

The shift to remote work during the pandemic drew hordes of new buyers to Tampa Bay, including high earners.

"We don't have the Miami traffic yet, we've got a great airport and a waterfront lifestyle," Moyer said. "We're considered one of the top markets in the country"

Bowen Arnold, principal of DDA Development in Tampa, said the demand for luxury has ramped up so much in recent years that builders are scrambling to keep pace.

"The pricing has not gone down, and inventory is limited," Arnold said.

400 Central, which is set to become the tallest building on the Gulf Coast, has reached \$250 million in sales in the past two years, with units starting at \$1 million. The Pendry, a luxury building in Tampa where units start at \$1.5 million, has done \$230 million in sales in that same time.



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Twenty-five of 31 units in The Nolen in St. Petersburg have already been snatched up since the end of 2021.

At The Nolen, a condo DDA is building in St. Petersburg, 25 of 31 units have been snatched up since the end of 2021, totaling \$63 million in sales.

"It's just the perfect building in the perfect location," said Peter Kageyama, who is buying a unit in The Nolen with his wife, Lisa Wannemacher.

When the couple got married last fall, they wanted a fresh start at a new place. But they knew it would be tough to match the quality of life that Wannemacher had become accustomed to. From her 16th-floor unit in the Bliss Condominium on Beach Drive, she enjoys sweeping waterfront views and easy access to downtown St. Petersburg.

"When we found out we'd be able to move to a higher floor at The Nolen and get a bigger unit, it just checked all the boxes for us," she said.

It didn't hurt that the building was on the same

block as Wannemacher's current place. And just like at Bliss, there will be no more than two units per floor, each with its own private elevator.

For buyers like them, the priority is not to snag a deal, but rather to find a home that enhances their lifestyle, said Herro.

As the Tampa Bay market has become more popular, the greatest challenge for luxury builders has been finding available land on the water and in ritzy neighborhoods where the top earners want to live.

Moving forward, Herro expects to see more older homes and condos getting torn down to make way for state-of-the-art buildings with all the amenities luxury buyers have come to expect.

"The secret of Tampa Bay is out, and prices will continue to appreciate," he said.

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