



The latest amenity at The Wharf in Orange Beach is The Oasis, a palm-tree-lined resort pool that includes a 3-acre wave pool, Hammock Island with 30 hammocks, a lazy river, sandy beaches, water games, kids' pool and poolside refreshments. Above, Maddy McDonald, 5, left, and Jacob McDonald, 6, play in the wave pool with dad Bill McDonald on Thursday. The McDonalds, including mom Lindsay, are from Hardinsburg, Ind.

The Wharf expands turf with beachfront land buy

By **KATHY JUMPER**

Real Estate Editor

A slow sales market and presale buyers who don't want to close on their condominium units has not stopped The Wharf's developer from expanding its turf to the beach.

AIG Baker has purchased 3.5

acres on the Gulf of Mexico, just west of Phoenix West in Orange Beach, and plans to build The Beach Club of The Wharf, according to Alex Baker, president of the Birmingham-based firm.

The Wharf's condo owners and their guests will be shuttled from

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their resort on the Intracoastal Waterway to the Beach Club, which should be open by next spring, according to Baker.

The property has 100 front feet on the Gulf, and Baker paid an estimated \$4 million, or \$40,000 per front foot, according to court records.

This will be another amenity for owners and guests, Baker said. The Wharf is a mixed-use development on 220 acres with a 210-slip marina, 15-screen movie theater, retail shops and restaurants. Its 10,200-seat amphitheater has hosted five sell-out concerts with acts such as Hank Williams Jr., and Widespread Panic.

More than 30 buyers in The Wharf's Levin's Bend condo tower have filed lawsuits in either state or federal court seeking to get out of deals to buy 37 condo units — nearly 20 percent of the 190-unit total. The units were presold in 2004 when south Baldwin real estate was hot, but the market changed dramatically after Hurricane Katrina hit in August 2005.

The buyers' suits allege a hefty increase in what the developer estimated it would cost to maintain and insure the building; that the units were not finished in the agreed two-year time period; and note construction delays in the pool and fitness center.

Of those involved in the 33 lawsuits, several owners have closed on their units, and five or six other additional buyers have forfeited their 20 percent deposits, Baker said last week.

"Without exception, it's the flippers" who have backed out of the purchases, Baker said, alluding to the practice of investors buying unbuilt units, then trying to re-sell them for quick profits.

"We never want to have disappointed people," he said. "But if they'd been buying stock, would they now say they don't want to honor their agreement?"

At least 65 units at Levin's Bend were ready for occupancy in early July, and more are coming on line each week, he said. And 120 of the 210 units in the next condo building, Boggy Point, have been re-

served, he said.

The stagnant market has taken the investor flippers out of the picture, according to Eddie Canaday of Cullman, a partner in Bon Secour Village on the Intracoastal Waterway in Gulf Shores.

To spur sales, Bon Secour plans to use a fractional ownership plan for homes and condo units on the 945-acre mixed use development. Fractionals are typically sold in 1/6 shares to 1/25 shares with the owners sharing the costs of homeowner association dues, property taxes, insurance and potential assessments.

"We're going to be very patient with that program, and we do not expect an immediate boom" in sales, Canaday said. "The market is slow. Buyers are picky right now, and they can be. If we can get through the season without a storm, we'll see the buyers coming to the market and getting off the sidelines."

The Wharf's concert headliners have brought attention to the Gulf Coast, and many of the music acts have come back with their families and rented units at The Wharf, according to Baker.

Condo buyers who have heard that the pool amenities were changing are correct, according to Baker. Instead of a single pool, the developers designed The Oasis, which opened last month and includes a 3-acre wave pool, Hammock Island with 30 hammocks, a lazy river, sandy beaches, water games, kid's pool and pool-side food and drink.

Two additional pools will be built in the future, a lagoon pool for snorkeling and a formal lap pool, Baker said.

In February, Baker purchased the Gulf Shores Golf Club in downtown Gulf Shores for almost \$6 million, and will shuttle The Wharf guests to the course.

The company has developed more than 30 million square feet of retail in 22 states and has a partnership with AIG Global Real Estate Investment Corp., a subsidiary of American International Group, Inc. The worldwide corporation has an asset base of more than \$678 billion.