

BAJA BOOM



Thirty years after Manual Diaz Rivera unveiled Pedregal, the spotlight continues to shine on Cabo's luxury real estate market

BY SCOTT RESCH

On the southern tip of Mexico's Baja Peninsula, on a piece of terrain perched high above a unique rock formation in the shape of an arch, it's still possible to take in what Manual Diaz Rivera did from the same vantage point more than 30 years ago: the mighty Pacific Ocean, miles of unspoiled beach, and that rock formation, now commonly referred to as Land's End.

What's different about the majestic spot that overlooks Cabo San Lucas these days? The 360-acre plot Rivera purchased in 1974 is no longer barren—he turned it into a luxury community called Pedregal—and Pedregal is no longer the only luxury community around.

Not even close.

The property that started it all has more competition now than ever before. And those who have watched this development, those who have lived in this area and witnessed its evolution from a sleepy fishing town to a region now described as "Scottsdale meets the sea," believe the real estate boom hasn't even reached its peak.

"I didn't even know where this place was when I moved here 12 years ago," says Bob Gaudet, sales director for Diamante Cabo San Lucas, a private development that recently broke ground just north of Land's End. "Now, there's such a stronger base of amenities here. The creature comforts have crept in, and there's no reason to leave."

Residents of Diamante should agree—especially if they are golf fanatics. Its centerpiece will be a pair of inimitable courses—an oceanfront links designed by Davis Love III and a high-budget "Shadow Creek"-style





Villa at Querencia

COURTESY OF QUERENCIA



Site of Chileno Bay Club

COURTESY OF CHILENO BAY CLUB



View from El Dorado

COURTESY VILLAS DEL MAR

design by Phil Mickelson—and its 4,500-square-foot, four-bedroom villas will overlook both.

Having golf as a development's core is a popular and successful approach in Cabo. Although Pedregal was established as just a luxury residential community, its high-end followers all embraced a blueprint that included the sport. And why not? With a near-perfect climate, Cabo provides ideal conditions for the game Jack Nicklaus introduced at Palmilla Resort (now One&Only Palmilla Hotel) in 1992.

"I tell people there are about 25 bad weather days a year," Gaudet says. "There are no rainchecks here."

No property to date has capitalized on golf the way Palmilla has. In addition to the ultra-upscale resort, it features Villas Del Mar, a collection of 185 private homes, some of which are available for rent. More high-end housing options are on the way, too. A pair of new neighborhoods, Las Haciendas and Las Entradas, will follow the recent debut of Oasis Palmilla, home to 40 estate plots, showcased by single-story, ranch-style homes. All owners will receive Palmilla Golf Club memberships.

Across the street, Cabo's first private golf course, Querencia, is now a full-fledged community. With a Tom Fazio-designed layout and a secluded, mountaintop location, the property offers views unparalleled in Cabo.

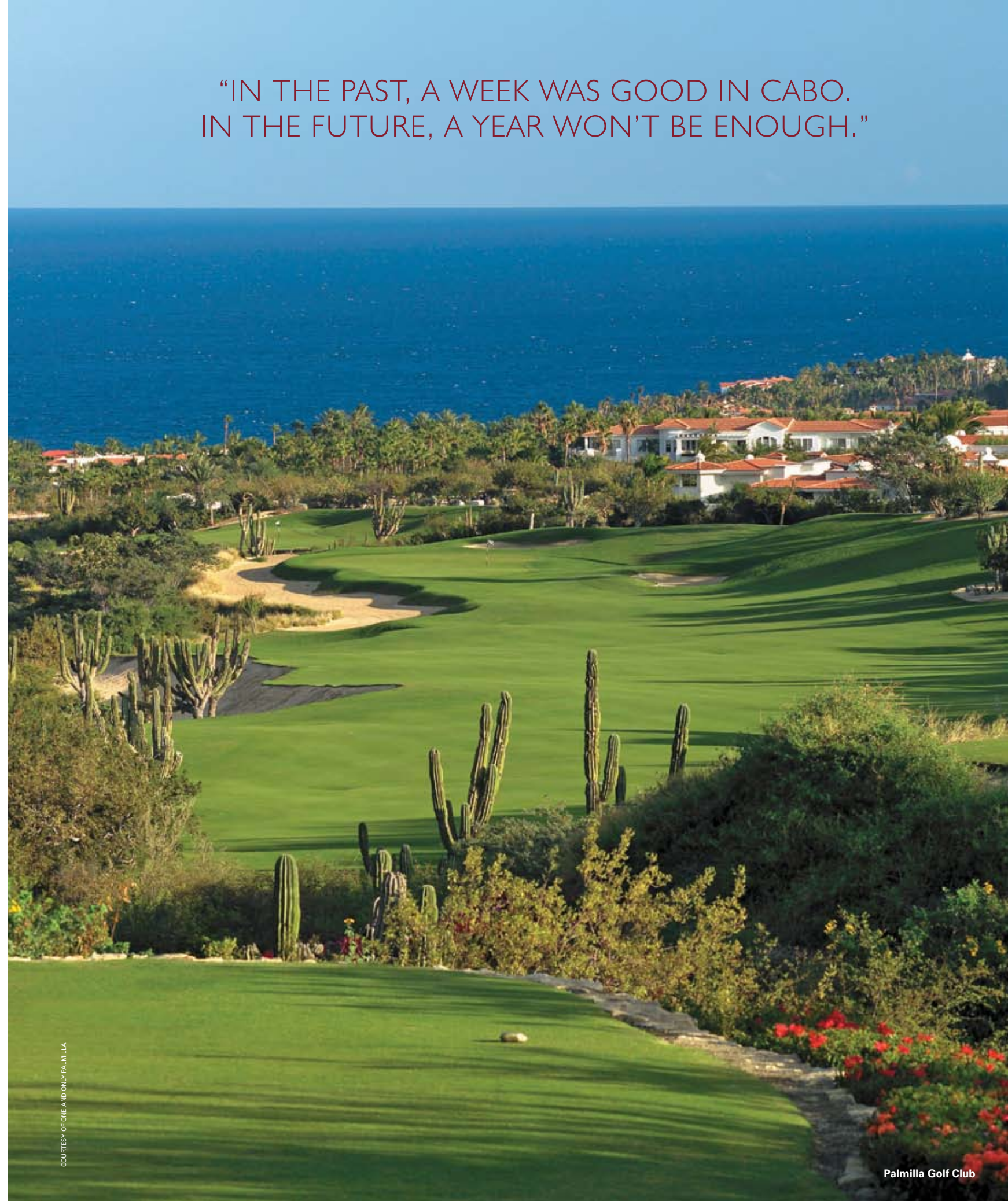
"You'd never know this side of the highway looked so good," says director of real estate and development Jon Savage. "People just always assume the beach side of the corridor is the best. But then they come up here and are blown away."

Querencia is striving to further impress. Recently, it hired seasoned luxury resort industry veteran Andre Boersma as general manager, finished construction on a second Tuscan-inspired clubhouse facility, and released a limited number of one-acre custom estate homesites with vistas stretching to Punta Gorda. It also is planning to add 18 more holes of golf.

"The underlying thing for us is we're a private club," Savage says. "All the members are as pampered as they would be if they were visiting the finest hotel."

Farther west on the corridor and closer to Cabo San Lucas, dirt is now being moved on a piece of land that will eventually be home to Chileno Bay Club. The 1,300-acre property is still site of the third-oldest hotel in Cabo—Hotel Cabo San Lucas, built in 1962—but its position on two miles of reef-protected coastline should generate a lot of new interest, especially among those familiar with the walking-only, Nicklaus design at Mayacama Golf Club in Sonoma County.

"IN THE PAST, A WEEK WAS GOOD IN CABO. IN THE FUTURE, A YEAR WON'T BE ENOUGH."



COURTESY OF ONE AND ONLY PALMILLA

Palmilla Golf Club



COURTESY OF DIAMANTE

Sunset at Diamante Cabo San Lucas

“The thought was to create a club like that on the water,” says Jim Costello, a founding member of both clubs. “Only instead of Jack [Nicklaus], we’re using Fazio.”

Ultimately, Chileno Bay will feature: two Fazio courses (the first broke ground in January), a full-service marina, an inn for guests and employees, and a village influenced by old Mexican architecture. It will also be a place where a variety of ownership options are offered, membership privileges are extended to parents and children, and community spaces dominate the oceanfront areas.

“We want members to enjoy every bit of this property,” Costello says. “It’s amazing. If we had the No. 1 draft pick [of land in Cabo] since time began, we’d pick this.”

For now, though, the only private club on the Sea of Cortez is El Dorado, whose recently redesigned Jack Nicklaus Signature Course possesses 2,000 more palm trees than it did before and an array of special touches, such as range-ball buckets upholstered with old leather and well-stocked “comfort stations” every few holes. It’s all part of a commitment made by Mike Meldman’s Discovery Land Company (see page 50), which is also responsible for Kuki’o Beach Club in Hawaii and Estancia Club in Arizona.

“Mike spent what he had to in order to make everything perfect,” says Donnally King, El Dorado’s director of sales. “I actually had a construction guy tell

me, ‘Your dirt’s not even dirty.’”

Owners of an El Dorado lot, villa or not-so-little casita (some run up 11,000 square feet) will also have access to a plethora of non-golf amenities, including: a private screening room above the waterfront restaurant, beach toys like WaveRunners and catamarans, and “Muscle Beach,” an open-air workout facility just steps from the sea.

Such flexing is necessary to keep pace in Cabo these days. Which is why Cabo Pacifica, another upscale community slated to be built around a pair of Jack Nicklaus courses and developed between Pedregal and Diamante, has partnered with one of Mexico’s leading hotel flags, Pueblo Bonito Oceanfront Resorts and Spas. And it’s why places like Pedregal will continue to evolve with projects such as Capella Pedregal, an extravagant Mediterranean-style resort set for completion in 2008.

“Today’s developers have maintained what yesterday’s developers envisioned,” says Chris Snell, founder of Snell Real Estate, the largest independent real estate brokerage in Baja. “They’ve honored the high-end, low-density, master-planned concept. That’s kept things under control and helped create quality communities with their own unique list of amenities.”

Which is why there may be no end in sight. Adds Gaudet: “In the past, spending a week in Cabo was good. In the future, a year won’t be enough.” ■