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# An Old-West Flavor With Down-to-Earth Prices

By Meta L. Levin

**T**exas Hill Country is Dennis DeFelice's idea of paradise. While earning a law degree at the University of Texas at Austin, the California resident traveled all over the Hill Country, and has dreamed of returning ever since.

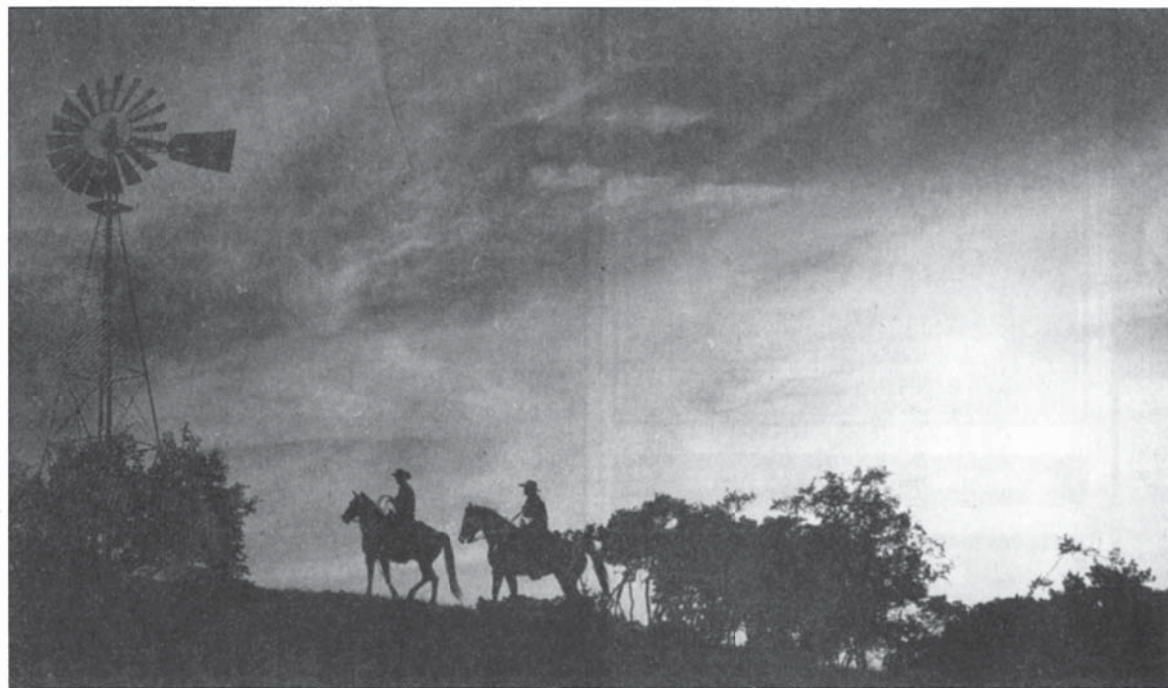
"The Hill Country is green and lush and a little cooler [than other parts of Texas]," he says from his office in Sacramento, Calif. "The culture emphasizes the positive things of American life."

With memories of family centered Texas barbecues and dancing to a country-western band on sawdust-covered wood floors, Mr. DeFelice decided to look for a vacation home there last year, joining a growing number of those with connections to the Hill Country who are drawn back. Some, like Mr. DeFelice, went to school in Austin. Others attended one of the many summer camps that dot the area, or vacationed at guest ranches with their families. Still others are lured by the relatively low land prices and slower pace of life.

Located on rolling hills and pastureland north of San Antonio and northwest of Austin, Texas Hill Country land prices have attracted out-of-state buyers. "The area around Kerrville has turned into a 'little California,'" says Dr. Charles Gilliland, Texas A&M Mays Business School research economist specializing in rural land, from his office in College Station, Texas. "Land is more expensive in California, and Texas looks like a bargain in comparison."

In-state buyers still account for the majority of those looking for second or retirement homes in the area, however, and many now head for the area's new upscale residential developments, like Stablewood Springs Resort in Hunt, Keystone Village and Keystone Place in Kerrville, the planned Heights of Kerrville, Bridlegate Ranch along the Medina River in Bandera, Cielo Rio Ranch and the Hills of Bandera Ranch in Bandera.

Buyers at Keystone Village and Place in Kerrville are from places like Houston, Phoenix, California and Florida, says Conor Harrison, who sells for the developer, Franciscan Trace Brokerage Co. in Kerrville. Some 75% to 80% are baby



Retirees comprise a large percentage of the Texas Hill Country's population. New developments such as Stablewood Springs (right) are proving popular.



boomers planning to retire, many of whom say they will wait to build on their lots. The 300-acre mixed-use Keystone development boasts single-family homes and a gated garden home community. Franciscan Trace will start another 300-acre development, the Heights of Kerrville, within the next year, says Mr. Harrison.

Potomac, Md., resident Ginger Merchant loves country-western dancing and horseback riding. Although she owns some land in Wyoming on which she originally planned to build a retirement home, she decided to look around after retiring from her job as CEO of a conservation agency, and found Texas Hill Country. "The things that were important to me came together there," she says from her Maryland home. Ms. Merchant lists the good climate, pretty countryside and good military medical care as part of the attraction. Her late husband was a career Navy officer, so she is eligible for military health care.

She fell in love with the area after spending five days at a guest ranch near Bandera that offered horseback riding and was located near a natural conservation site. She also toured other parts of the Hill Country in search of possible retirement locations. She now is considering buying in Stablewood Springs Resort, a combination resort and resi-

dential development.

Like many of his customers, Stablewood Springs Resort's developer, Houston-based Tom Fatjo, has been coming to the area in and around Hunt since he was five years old, staying at a guest ranch with his parents and spending summers at Camp Stewart for Boys, one of the dozen or so camps in the area. When he decided to create Stablewood Springs he bought 540 acres along

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Highway 39, which runs through Hunt. "When I am sitting outside at my place there, I look up and the stars are glistening," Mr. Fatjo says. "In Houston, 250 miles away, I don't even see the stars."

Of the 540 acres, Stablewood Springs Resort has developed only 140. That includes 60 villas that are for sale as condo-hotel units. There also are 11 one- to two-acre plots for estate homes — upscale single-family residences. The villas sell for \$714,000 unfurnished

and up to \$785,000 fully furnished, but the estate homes are in the \$1 million to \$2 million range. Four of the 11 lots have homes on them. Of these one is a primary residence for retirees, one a "spec" house, that has yet to find a buyer, but the others are second homes, says Joe DeCola, Stablewood Springs' sales manager in Hunt.

Retirees comprise a large percentage of the area's population. The Rockefeller Foundation published a study of the healthiest places to live in the 1960s and "we immediately began to experience an influx of retirees," Pat Tinley says from his office in the Kerr County Courthouse where he is Constitutional County judge. "They haven't quit coming."

Texas has no income tax and the Kerr County tax base is heavily weighted toward residential property taxes, but state law allows counties to freeze property taxes for those aged 65 and above. Kerr County voted to do that in 2005 and Kerrville residents chose the option last year, further limiting tax revenues. "We are desperate for economic development," says Judge Tinley. An economic development plan is expected to be completed by year end.

Those who work in construction, however, have no trouble finding jobs. Phase one of Bridlegate Ranch, a high-end 1,600-acre development in Bandera

County targeted at baby boomers and retirees, already is 90% sold and it opened last year, says Vicki Browning of Texas Rose Realty in Bandera. Two- to four-acre lots start at \$80,000 and the two homes already built are valued at between \$450,000 and \$1 million. "That's expensive for our area," she says. Ten years ago, a half-acre lot at the nearby Flying L Ranch golf community would sell for between \$2,500 and \$3,500. Now, similar unimproved lots there go for 10 times that, Ms. Browning says. At Cielo Rio Ranch, two- to four-acre tracts along the Medina River can sell for \$45,000 to \$100,000.

In order to cater to baby boomers, many new developments now are golf course communities. "That's the signature development," says Bob Moran of Moran Real Estate in Kerrville. As an example, he points to Comanche Trace, an upscale development with a championship golf course. Developed by Kemmerer Resources Corp. of Chatham, N.J., the six-year-old Comanche Trace features an 18-hole course designed by Tom Kite. Another nine-hole course designed by Jay and Carter Morrish is under construction. Single-family homes with a garden patio start at \$269,000 and go up to \$1.8 million for a "National Golf Dream Home," planned in conjunction with Links Magazine.

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