

Caribbean-like lagoons give homebuyers the benefits of the beach without the risk

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KEY POINTS

- Crystal Lagoons has five lagoon communities open in two states, Florida and Texas. Seven more are expected to open this year, with California and Pennsylvania added to the mix.
- At Epperson, seven builders, including public companies Lennar, Pulte and D.R. Horton, are putting up more than 1,000 homes around and next to the lagoon.
- “It’s really it’s a differentiator for us,” said Sean Strickler, Pulte Group’s West Florida division president.



WESLEY CHAPEL, Fla. — The water is a crystal, Caribbean blue, and the palm trees sway over white sand. The only things missing are the smell of salty sea air and the sound of waves slapping on the shore.

It’s not a real beach. It is an 8-acre, 16 million-gallon, man-made body of water about 25 miles from the Tampa coast. The Lagoon at Epperson, a community in Wesley Chapel, opened just over a year ago.

Crystal Lagoons, which began building these massive oases in South America and the Middle East, is now rapidly expanding into the United States. It has five lagoon communities open in two states, Florida and Texas, and seven more are expected to open this year, with California and Pennsylvania added to the mix.

“We’ve got 30 signed projects and it’s really been kind of an inflection curve in the last couple of years,” said Eric Cherasia, vice president of Crystal Lagoons.

One of those is in Pittsburgh, where the company is part of the redevelopment of a former industrial area into a retail, residential and entertainment center. In the winter, the lagoon will be a massive skating rink.

Crystal Lagoons works with local developers, licensing the technology and having them build the developments. In Epperson, the company worked with Metro Development Group.

“When you see this thing, it really, really pops and is spectacular,” said Greg Singleton, Metro’s president. “It’s way cheaper than a golf course, and it appeals to so many different people. It just became a cost benefit analysis for us. We thought we’d sell more homes quicker and get a price premium when it’s all said and done.”



Epperson Community, Wesley Chapel, Fla.

Steve Washington | CNBC

And that was the case even before the development opened. Seven builders, including public companies [Lennar](#), [Pulte](#) and [D.R. Horton](#), are putting up more than 1,000 homes around and next to the lagoon. And those homes are selling faster than comparable homes not along the lagoon.

Epperson saw a 21% sales increase at its model homes during the preconstruction period, over a seven-month time frame, compared with 1% to 5% increases at competitor communities, according to Builder Magazine.

“It’s really it’s a differentiator for us,” said Sean Strickler, Pulte Group’s West Florida division president. “We’ve been building homes across Tampa for several years, and the lagoon provides a unique take on a new amenity our residents can enjoy. Now for years we’ve built golf courses and traditional club houses, and to see a beautiful 8-acre lake lagoon has been a tremendous draw.”

Strickler says the homes at Epperson, which start in the \$200,000 range, sell at about a 9% to 10% premium to comparable homes in the Tampa area, all because of the lagoon.

“We have just over 400 home sites in the community, and when we opened it was absolutely nuts,” he said.

The lagoon itself is something of a technical feat. It is constantly filtered, and there is a vacuum-like machine that runs around it all day, sucking up any foreign matter. The lagoon is monitored by a control center in Florida. It can see any foreign matter almost immediately, like an alligator. That happened once at the Epperson lagoon, but it was quickly detected and removed.

“It is a patented technology, so I’m only able to go into a little bit of detail, but it works through a disinfection process, pulsed disinfection ... with some ultrasonic systems,” Cherasia said. “We use 100 times fewer chemicals than conventional swimming pools and about 2% of the energy, which is really what makes this work.”

There is a huge water slide in the pool, as well as kayaks and an island float. It is surrounded on one side by a sandy beach and the other by a large Tiki bar. A new restaurant scheduled to open soon.

“My wife had seen this area, and as soon as I got to the bridge that overlooked the area and saw that pool, the rest is history,” said Dennis Svoboda, who moved here from Michigan’s upper peninsula to retire. He bought a Pulte home.



Pulte Homes at Metro Lagoons by Crystal Lagoons, Wesley Chapel, FL
Lisa Rizzolo | CNBC

His daughter, Natalie Farrell, and her husband followed with their toddler. They are expecting another child soon. She said living at a real beach, unlike this one, has its downsides.

“We love the beach, but the schools aren’t the greatest and it’s kind of expensive, more expensive to live out there,” she said.

And there is a benefit when it comes to the risks of climate change.

“The thing with the real beaches is, you got to pay flood insurance. I don’t have to pay flood insurance in the middle of Florida here, so it’s a lot cheaper,” said Svoboda.

The lagoon water level can actually be lowered in advance of a storm, so there is little chance of overflow.

Crystal Lagoons has had little push-back from communities, although it has had to go through the rigorous regulatory processes.

“We’ve had to work with the regulators here in Florida, but generally being sustainable, providing almost drinking-water-clean standard of water, compared to anything out there, I mean you look at a golf course, we’re using 30 times less water than a traditional golf course,” said Cherasia.

Crystal Lagoons is expanding outside the housing development model as well, planning to build more lagoons in the U.S. that will be open to the public, as stand-alone attractions.

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