

Luxury housing boom leads to waitlists at Palm Beach's private clubs

"Can you imagine telling a guy, 'Yeah, you can look at that golf course behind your backyard, but you can't play it?'"



In Palm Beach, the winter retreat of the wealthy and powerful, life revolves around private clubs. But a pandemic-induced luxury home buying craze has created a backlog to get in the door — or on the greens.

While applying to the island's elite private clubs has never been easy, during the past two years membership has surged to capacity, and waitlists have grown to unprecedented lengths.

Loose covid restrictions, the lack of a state income tax, warm weather and a flurry of corporate moves to West Palm Beach's "**Wall Street South**" have all contributed to the **island's migration wave**. Palm Beach has always attracted wealthy buyers, but never before have so many of the hedge funders and CEOs who have bought homes stayed as year-round residents.

To boot, the pandemic fueled a resurgence of golf and golf club membership. Nationwide, club membership hovered at about 25 percent capacity before the pandemic, and jumped to 50 percent this year, according to the industry group Club Benchmarking.

Every corner of Palm Beach life is experiencing growing pains as a result, including the area's **private schools**, which are teaching record numbers of students. In some cases, parents unable to get their children into the desired private school are delaying home purchases.

Club membership isn't as crucial to buyers as are schools, brokers say. But buyers have moved away because they couldn't get into a club.

"I did have a client buy a house on Palm Beach that ended up selling it because it was too long of an unknown wait to get into a club," said Gary Pohrer of Douglas Elliman.

Pohrer said the client flipped the house in six months for a 50 percent profit, and bought in a gated community in the northern part of Palm Beach County, where gated golf developments are in abundance.

"He wanted the whole package. I just know how long the waitlists are at all the clubs," Pohrer said. Of the clubs he belongs to, Pohrer said one has a waitlist of three years, and "Another, I believe, is indefinite." Pohrer declined to disclose where he holds memberships.

While golf and other private clubs are plentiful across Palm Beach County, only seven are on the island of Palm Beach. They are: the Everglades Club, the Bath and Tennis Club, the Palm Beach Country Club, the Beach Club, the Sailfish Club, the Breakers, and of course, Donald Trump's Mar-a-Lago Club.

Each club offers different amenities. Only the Breakers, Palm Beach Country Club and Everglades Club have golf courses. The Everglades Club is notoriously secretive, prohibiting phones according to the Palm Beach Post, and eschewing 21st century norms by not having a website.

The clubs, some more than a century old, are woven into the social and historical fabric of Palm Beach. Henry Flagler's heirs maintain ownership of the Breakers, the part-hotel, part-club developed by the Florida founding father and Standard Oil baron at the turn of the 20th century.

Before the pandemic, membership bases had room to grow.

“In the past, if you moved into the island of Palm Beach, you stood a pretty good chance of getting in,” said Kelly Smallridge, president of the Business Development Board of Palm Beach County. “I’ve had people tell me the lists are five years deep.”

Now, she said, “Second and third-tier golf courses are even hard to get into.”

Demand is so high for club memberships that entry fees and dues are starting to go up as well, said Premier Estate Properties broker Margit Brandt. That doesn't deter prospective members, though.

“[An] entry level house is \$8 [million] to \$10 million, really more like \$10 [million] and up,” she said, “Adding on a club for half a mil, you just add that onto the cost of getting here.”

Brandt said initiation fees average about \$500,000, but some are as high as \$1 million. Annual dues are about \$25,000, she said. Clubs do not publicly disclose their membership costs.

For Palm Beach newcomers, Brandt recommends getting on waitlists as soon as possible. “You get the process started so you’re in the running,” she said.

In the meantime, many buyers are prioritizing properties with beach access, while they wait to get into clubs with the amenities they crave.

“Not all streets have beach access,” Brandt said, “Even more coveted than that are the beach cabana streets. People are paying up.”

Such streets on Palm Beach’s north end have seen teardowns, **lots** and **spec homes** sell for unprecedented prices.

Otherwise, buyers looking for golf and other club amenities are heading north, to communities like Jack Nicklaus’ Bear’s Club in Jupiter. But waits are long there, too, said Illustrated Properties broker Vince Marotta.

“Buy a house in the Bear’s Club, you gotta wait two years to play golf,” he said. “Can you imagine telling a guy, ‘Yeah, you can look at that golf course behind your backyard, but you can’t play it?’”