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Faltering Balsam Mountain Preserve makes comeback



In an unprecedented turn of events in today's economic times, an upscale development on the Haywood/Jackson county line that hit rocky financial waters has made a comeback. After a six-month hiatus, Balsam Mountain Preserve has resumed club operations and marketing and sales of its remaining 120 home sites.

Balsam Mountain Preserve's former owner, Chaffin/Light Associates, defaulted on bank loans last year and Vestlyn BMP LLC foreclosed on the property. Now, just six months from the beginning of foreclosure to gaining control, Vestlyn has stepped in and is moving forward with selling the remaining 120 lots on the property. The company has reopened the property's facilities, including the award winning Arnold Palmer Signature golf course.

The entity is represented by TriLyn LLC, an institutional real estate investment company that had held the debt for the development since 2005. The development is debt-free since the original lender is now the equity owner.

"I think people are pleased with what has happened," said Bruce Fine, VP of sales and marketing at Balsam, of the 170 owners in the preserve. "What happened here demonstrates both the commitment of the new owner and the passion that Balsam's property owners have for the community."

Last year, amenities at the development, including golf course, fitness center, pool, activity center and nature center, were either closed or scaled back as financial details were sorted out. Only 20 employees were retained through the winter of the original 90 employed.

Like other communities in Western North Carolina, Balsam Mountain Preserve was a victim of the recent economic downturn, Fine said. The development had no debt until 2005, when the original developer started frontloading amenities at a time that homeowners in the community were low, Fine said. The developer got behind, went to the open market in search of money and then the market soured.

“TriLyn ended up basically taking the reins through the foreclosure,” he said. “Balsam now has the advantage of stable, institutional ownership and no debt. We are moving quickly to complete this extraordinary property and as the economy continues to recover we expect to see increased demand of our homesites.”



“We’ve had two closings this month, five lots are under reservation, and we’re rehiring people we laid off,” Fine said. Forty-four employees are now on staff, 11 of whom were recently called back, Fine said, and there are plans to hire another dozen or so to bring employee numbers back to full force.

Fine has been the managing property broker at Balsam Mountain Preserve for three years and has been helping with the ownership transfer.

Balsam Mountain Preserve is now in an enviable position with solid, capital that’s in it for the long term, completed amenities and lots left to sell.

“I can count on one hand the communities that have all of that in place,” Fine said. “Prospective buyers will look for communities that are already well established. This is a good time for buyers who are truly looking for property in the area.”

The average lot price in the development is now in the low \$300,000 range, whereas three years ago, lots were selling for an average of \$550,000, he said.

“Those are pretty compelling values, but not distressed values. It is the price lots sold for in 2001 when nothing was here. It is almost like a predevelopment value in an established community. I think that will resonate.”

There are about 60 homes and 120 home sites left to market in the 4,000-plus acre preserve based on low-density homes with plenty of wide open space.

Sam Belfore, a Balsam homeowner since 2007, sings the praises of the development.

“Balsam Mountain Preserve offers such a wide array of attractions to its home and property owners. It has one of the finest mountain golf courses in the country, along with numerous amenities and miles of beautiful hiking trails, and a fully staffed Nature Center for families to enjoy. However, I think that the strongest feature of the development is the enormous feeling of community and friendship among its members,” he said.



Melanie Murphy, a Balsam property owner since 2007, concurred. “I enjoy the opportunity to go on vacation and only travel a few miles from home. My time spent at Balsam — an hour, a day, a weekend — is a wonderful escape into the magic of our mountains. As a member of the local Jackson/Haywood County community, I am thankful that the new owners share the vision and recognize the potential of our area.”

Fine said the development is an important economic engine for the area, “not just for people who work there, but for the builders and road contractors. At one point, there were probably 20 homes under construction. Think about the families supported by that. Now half a dozen homes are under construction and three more ready to start. That’s good for the community.”