

The real estate
investment outlook
is as attractive as
the landscape in the
historic but modern
New Mexico capital.

New Santa Fe

by DENISE GEE

STYLE

Perched some 7,000 feet above sea level, in the southern foothills of the Rockies, Santa Fe, NM, is beloved for its magnificent lipstick-red sunsets, cornflower-blue skies, invigoratingly clean air, 1.6 million acres of national forest and nearly 300 art galleries. The city brims with creative and lively people, including an estimated 12,500 individuals working in the arts amid a total population of 65,000.

Property owners and developers treasure Santa Fe for its distinctive, historic style. (For more on the architecture of this New Mexico town see “Reinventing Santa Fe Style” on page 31.) But it’s not just the look of commercial and residential holdings that’s attractive. “The economy in Santa Fe is strong,” says Anthony Johnson, a Vice President with Sedberry & Associates Commercial Real Estate. “When people start talking about investment, we typically shrug it off. We never have huge peaks and valleys here. That’s because the workforce in New Mexico is strong and stable. And the quality of life and cost of living is good.”

Santa Fe is at a crossroads in real estate development, says Bob Cardinale, a broker with Sotheby’s International Realty. “I don’t think there’s any city in America that has such identifiable architecture” — a trait that draws nearly 1.5 million tourists to the region each year and such resident celebrities as Julia Roberts, Ali MacGraw, Gene Hackman and Shirley MacLaine.

“Yet 60 to 70 percent of the people who want to move here because of what they see and love say they want a fresh, contemporary look. They don’t seem to want Old Santa Fe,” he says. That hasn’t kept the city from thriving. It’s just doing so in new ways.

New Homesteads

For years, many of Santa Fe’s most prominent residents have lived close to the Plaza (adjacent to the Palace of the Governors) on the historic east side, with most lots ranging from one-tenth to one-half an acre. Though some date back to the mid-1850s, these teens, ’20s and ’30s-era homes now fetch \$1.5 million and up.

Restrictions have mostly kept these properties to one or two levels, making the 2,000- to 3,000-square-foot homes smaller and boxier than what modern-minded homeowners demand.

Santa Feans in search of open living — and better yet, mountain views — began moving north, northwest and southeast to expand both their homes and design options.



Above: shopping in Santa Fe for elegant, colorful textiles. Opposite page: the sleek lines and dramatic lighting of a contemporary Santa Fe home’s reflecting pool and exterior.

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REAL ESTATE INVESTMENTS

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Photos this page, clockwise from top left: an expansive kitchen in wood and stainless steel; Michael Hurlocker, whose homes are known for their sustainable, renewable and green technologies; a modern pueblo building in one of Hurlocker's developments; signs of a healthy real estate market; traditional pottery atop a contemporary table at Victoria Price Art & Design. Opposite page: cowboy chic seating.

“The tide is turning,” says architect Trey Jordan. “To attract educated, entrepreneurial people, we have to move away from the adobe theme-park village mindset.”

In 1992, the community that led the way toward new thinking in housing was Las Campanas, the first and only resort-like master-planned community in New Mexico.

Homes in Las Campanas' neighborhoods now sell for \$1 million to \$12 million. Las Campanas features two Jack Nicklaus Signature Golf Courses, an equestrian center and a clubhouse of nearly 50,000 square feet. The buildings all have traditional exteriors and contemporary interiors.

Those wanting all-contemporary turn to Hurlocker Homes, which are designed by architect Robert Zachry. Zachry's building designs are heralded for bold colors, attention to light, sensitive siting and the use of sustainable, renewable and green technologies — “the ultimate modernization of Santa Fe Style,” developer Michael Hurlocker says.

One of his newest communities is Tessera, with 88 single-family contemporary homes ranging from \$1 million to \$3 million — located less than six miles from Santa Fe Plaza.

Another notable community is La Mirada, where Gayle Monahan and her husband Chuck moved from Laguna Beach, CA, several years ago.

She thinks the contemporary architecture is very Santa Fe, reflecting the pared-down desert landscape. Referring to the more traditional style, she adds, “When you look at the layer upon layer of Santa Fe Style attributes inside and out, it doesn't truly reflect the organic-ness of the land.”

Financially Favorable

What doesn't take a lot of thought to understand is Santa Fe's affordability in comparison to California, Florida, New York and other states with major metropolitan and cultural areas. Santa Fe's median single-family home price (city and county) is \$450,000 — a plus for people seeking to live or invest in a thriving community.

Currently 25 percent more homes are on the market than during the same period last year. For investors, that's a good thing, because they have more choices. “And though upper-end (\$1 million or more) prices aren't declining, for those looking for second homes — typically priced from \$500,000 to \$800,000 — we've seen a lot of price reductions,” Cardinale says.

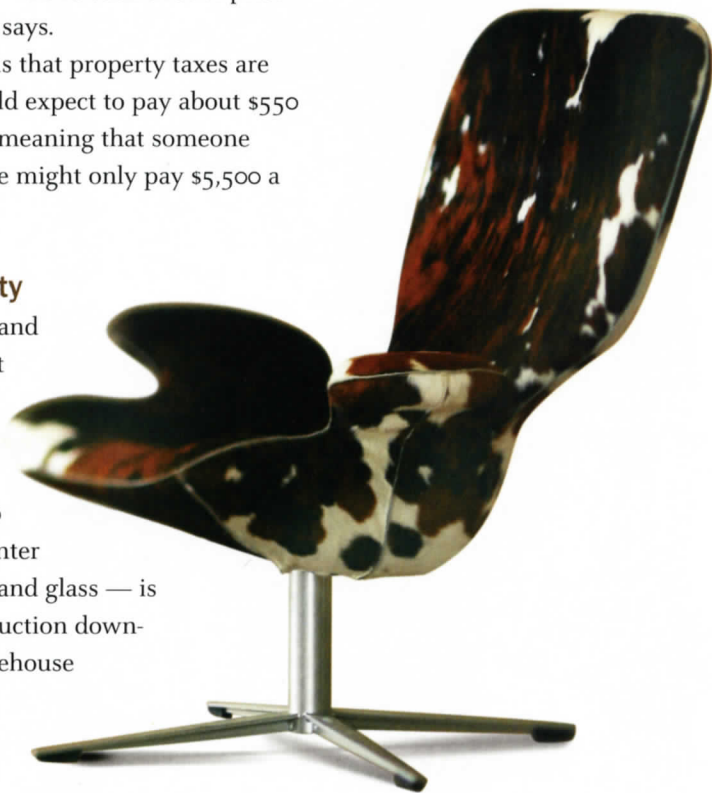
Another attraction is that property taxes are very low. “People should expect to pay about \$550 per \$100,000 in value, meaning that someone with a \$1 million house might only pay \$5,500 a year,” Cardinale says.

Commercial Quality

Many new businesses and public buildings reflect the capital's progressive economic and architectural outlook. The Railyard — a \$100 million commercial center in contemporary steel and glass — is currently under construction downtown. This former warehouse and freight-business district is being transformed into a new commercial, recreational and cultural center.

The Railyard is drawing Santa Fe contemporary art downtown; many art spots have moved here, rather than congregating along the more touristy Canyon Road gallery district, which features traditional Southwestern art and antiques.

With the ultra-sleek SITE Santa Fe and its changing installations, downtown is the new pulsating center of the city's contemporary and international art scene.



PHOTOS: (OPPOSITE PAGE, CLOCKWISE FROM TOP LEFT) BEN TREMPER; STEVEN VOTE; (THIS PAGE) STEVEN VOTE

“It’s got a great diversity of people, movies, arts, galleries, food and culture,” says Santa Fe architect Joseph Andrade. “I can’t imagine living anywhere else.”

Santa Fe has added 2.5 million square feet of space for stores, offices and community buildings in the last decade.

“Santa Fe is finally coming into its own,” says Johnson of Sedberry & Associates. “Private developers along with local government realized we’ve got some pretty property — property that could be redeveloped for better usage.”

In the southwest sector, a new 60,000-square-foot theater is being built next to a new Lowe’s home improvement center and a large shopping complex. “Another half-million-square-foot power center will be just south of a new mall, The Plaza at Jaguar,” Johnson says. Santa Fe is also getting another half-million square feet of mixed-use commercial space, including a Wal-Mart Supercenter. “Plus 29,000 residences have been approved for development,” Johnson adds.

Santa Fe Living

Architect Joseph Andrade is working and living the new,

fresh Santa Fe style. His own ultra-modern home in the South Capitol area is filled with pop art and has been called “Santa Fe Style re-imagined.”

That mindset greatly appeals to him because he appreciates the city’s complexity and variety.

“It’s got a great diversity of people, movies, arts, galleries, food and culture,” Andrade says. “I can’t imagine living anywhere else, except someplace in Europe maybe.”

Such diversity is becoming more noticeable everywhere. One surprising example is Ten

Thousand Waves, a Japanese-style spa and inn where locals and visitors can get pampered in lush mountainous surroundings.

Restaurant diversions are increasingly more eclectic and worldly. Downtown’s Trattoria Nostrani features inventive northern Italian food that *Gourmet* deemed some of the best in the country. Not far away, in an equally cozy, homey setting, La Boca is jam-packed for tapas, while the venerable Inn of the Anasazi’s menu even sports a contemporary flair in its luxe-Southwestern setting. A bit farther afield, Ristra serves inventive cuisine in a Victorian-era home that, inside, looks more SoHo than Santa Fe.

For home décor, locals and visitors are seeing more contemporary art and furniture mixed in with antiques and ancient finds. Think a Le Corbusier chaise underneath a Native American textile. Customers can find the mix at such “curated” home-design shops as Shiprock Trading Company, Santa Fe Modern and Victoria Price Art & Design.

Santa Fe Style as an aesthetic fad “has ended, as all fads do,” Victoria Price says — a fact that has temporarily left the city with a bit of an identity crisis.

The good news is that a new Santa Fe style is emerging to fill the void. “The influx of newcomers mixed with so many dynamic people here is creating a new kind of sensibility,” says Price, “one that beautifully mixes the old with the new — which is precisely what attracted people here in the first place.” R

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Above: making time for romance and relaxation at Ten Thousand Waves spa resort. Opposite page: the privacy and blue-sky views afforded by a modernist Pueblo home.

REINVENTING SANTA FE STYLE

Nothing represents Santa Fe more than its architecture.

Santa Fe's earliest buildings are the Native American Pueblos and carefully preserved early-17th-century colonial structures.

Later buildings intentionally drew from those roots. Around the time New Mexico became a state in 1912, the founding gentry of the capital city set out to distinguish Santa Fe architecturally from California and its popular Spanish Mission style. They hoped to attract tourists by mixing Pueblo and Spanish Colonial styles. Dubbed Spanish-Revival, Pueblo-Revival and Territorial-Revival, collectively it became known more simply as Santa Fe Style.

In 1957, to ensure Santa Fe Style stayed cohesive and unique, the city codified the key structural design elements: earth-color mud or stucco plaster to mimic adobes (traditionally made of mud and straw); flat roofs with parapets (low wall railings); vigas (projecting wooden beams) and canales (roof drains); deep window and door openings; thick walls with rounded edges; stepped roof lines; and kiva (rounded front) fireplaces.

But within those codes, Santa Fe Style is evolving. Like artist Georgia O'Keeffe — who adored the region and became the unwitting patron saint of its innovative thinkers — many of Santa Fe's best and brightest don't want to live in architectural homogeny.

"The tide is turning," says modern architect and Houston native Trey Jordan. "I'm one of the many people who moved here after falling in love with the city. I love its tradition and definitely want what's historic to stay preserved. But to attract educated, entrepreneurial people, we have to move away from the adobe theme-park village mindset."

Suki Shepard agrees with Jordan. Indeed, she agrees so much that she lives in a home on the historic east side that he designed. Formerly an upscale real estate broker, Shepard moved three years ago to the 2,700-square-foot space with her husband, Jake Foley. Before, she owned a more traditional Santa Fe-style house.

She loved the first home's look — indeed, that's what drew her and many others to the city. "I got very tired of the triteness of some of its features," she says. "I wanted something cleaner, more contemporary. A lot of my contemporaries feel the same way." — D.G.

