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DEALS OF THE YEAR



Plus: Best Brokerages & Top Auction Houses

**IDEAL LOCALE**

Neighbors include Hilton Head, Edisto Island, and Fripp Island.

SOLD

A Tale of Two Islands

South Carolina's **OAK ISLAND** is acquired by neighboring **DATAW ISLAND**.

BY CORINNE GAFFNER GARCIA

This spring, the Dataw Island Club, an oceanfront community located on the Atlantic coast, acquired neighboring Oak Island, a pristine 32-acre sanctuary some 15 minutes east of historic Beaufort, South Carolina. On paper, the transaction made perfect sense: Access to Oak Island is limited to a single bridge from Dataw Island or by boat. If ever there was a no-brainer, this would be it. Yet Oak Island languished on the market for more than two years.

"Dataw was the natural buyer from the beginning, but it took some convincing," says listing agent CJ Brown of Jon Kohler & Associates. "Several brokers were trying to sell the island, and it had been listed with one or two others before me," he adds. So if it was such a natural fit, what took so long? **CONTINUED ON PAGE 158**

COURTESY OF JON KOHLER & ASSOCIATES



RICH HISTORY
South Carolina's coastal islands have supported settlers for millennia.

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Private lifestyle communities are not uncommon, but Dataw Island — which is approximately four miles long and two miles wide — enjoys some noticeable differences. For one thing, the Dataw Island Club is member-owned. Secondly, approximately 70 percent of the members are year-round residents on the island.

“While other communities like us are more for snowbirds, we tend to be a full-on residential community,” says Laura McCarthy, the director of communications for the club.

In addition, Dataw’s history is nothing short of remarkable. Using carbon dating, Amerind artifacts on the island have been identified as 10,000 years old. Spanish explorers first discovered the island in 1513, just a decade after Columbus’s last voyage to the Americas. The Dataw Island Club was developed in the 1980s by ALCOA, the Pittsburgh-based industrial giant. In 1996, the company turned over management to the club members, who run it through a board of directors. “The members are invested in its preservation,” McCarthy says. “They love Dataw and want to make sure their community maintains the look and feel that they bought into.”

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Today, there are 900 homes on Dataw Island; the master plan allows for a total of 1,100. While growth has led to the development of numerous amenities — including two 18-hole golf courses, multiple tennis courts, and a marina — it has gobbled up green space in the process.

By comparison, Oak Island is relatively untouched save for a few hiking trails and a 725-foot deep-water dock. “About 10 years ago, one of the more recent owners purchased it with the intent to develop high-occupancy housing and condos,” McCarthy says. For a variety of reasons, including limited access via Dataw Island, none of the proposed development ever took place. Ultimately, Oak Island was donated to The Nature Conservancy, which put in place a conservation easement that restricted future development to a maximum of three residences.

Dataw members continued to hike on Oak Island, but eventually The Nature Conservancy limited access. “When members saw the ‘Keep Out’ sign go up, they felt they were losing a valuable recreation area,” McCarthy says. So when The Nature Conservancy listed the property for \$2.49 million, why didn’t Dataw jump on it? CONTINUED ON PAGE 156

CONSERVATION CONSIDERATION

Thanks to an enhanced easement, The Nature Conservancy accepted a steep price reduction.

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Brown felt so strongly that Dataw was the perfect buyer that he immediately started fostering a relationship with the club's principals.

"Still, I had it listed for a year," Brown says, adding, "but it took until the last couple of months to get in the right direction and have an offer in place."

According to McCarthy, the leadership of the Dataw Island Club really did want to purchase Oak Island, but when it hit the market, the community had just spent a great deal of time and money purchasing a marina. "We knew that if someone purchased Oak Island, we'd lose it forever," she says. "But the timing was not ideal to go back to members and draw up excitement."

What happened next was a happily-ever-after ending to a fairy tale of sorts. "Our knights in shining armor came along," McCarthy says, referring to an anonymous group of members who formed an LLC to purchase Oak Island and then donated it to the Dataw Island Club.

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"The purchasers wanted no recognition whatsoever," McCarthy says. "It was done for the community and the love they have for the island. And they wanted Oak Island to be preserved for members for generations to come."

The \$650,000 sale price, a figure that was first reported by *The Island Packet*, represented a 70-plus percent discount off of the original \$2.49 million listing price. One of the key drivers behind the substantial price reduction was that Oak Island will be preserved as-is in perpetuity. The Nature Conservancy's initial easement, which permitted the construction of three residences with an aggregate footprint of 15,000 square feet, was modified prior to the sale to restrict all future development.

"When they negotiated the deal," Brown says, "part of the buyers' offer was to tighten the easement to eliminate any future development. So now it's just like a park. It's going to stay just like it is, and that's wonderful." 🌴