

REAL ESTATE BUBBLE SERIES

Multimillionaire invests big in high-end condos

By MICHAEL BRAGA

michael.braga@heraldtribune.com

SARASOTA -- Don and Linda Carter bought a condominium on Clearwater Beach in 2002 and were prepared to winter there.

But Don spent a weekend at the Ritz-Carlton Sarasota shortly after the hotel opened and the couple's plans suddenly changed.

"I saw the Ritz as a place where I could treat my wife like a queen," said the multimillionaire in his Texas drawl. "If she feels like a queen, that would make me a king."

The Carters not only bought a winter condo for themselves at the Tower Residences, they bought 16 more in the building as an investment.

The total cost: \$39 million.

Carter said the downtown Sarasota condo market was still reeling from the 9/11 terrorist attacks when he negotiated the deal in 2003. That enabled him to pick up the units at what he considered a bargain.

"The bottom line was that I could afford to hold the units and wait for the market to get back to where it should have been if not for 9/11," he said.

Carter hasn't made a lot of mistakes in his business career.

"I would never bet against his interpretation of the market," said Kevin Daves, co-developer of Sarasota's Ritz-Carlton. "He's a long-term investor. He's also a contrarian, which usually spells success."

Carter was born poor in Arkansas in 1933. His mother, Mary Crowley, made a fortune after launching a direct marketing interior decoration and gift business in 1957.

Crowley, who died in 1986, was the sister-in-law of Mary Kay Ash, the founder of Mary Kay Cosmetics.

Both women were masters of the Tupperware party sales technique, recruiting thousands of agents to sell their products in neighborhoods throughout the U.S.

Crowley's company, Carrollton, Texas-based Home Interiors & Gifts Inc., still makes and markets artificial flowers, candles, framed artwork and furniture.

Carter worked with his mother from the day she started the business, helping to build

Home Interiors into an enterprise that generated more than \$450 million in annual revenues, employed 1,450 people and relied on a direct marketing sales force of 48,000.

The buyer, Dallas investment firm Hicks, Muse, Tate & Furst Inc., paid \$920 million for the family's shares. Given that Carter owned 51 percent of the company, it's likely that his take was about \$470 million.

The sale of Home Interiors is by no means Carter's only source of wealth.

When the recession hit the Dallas suburban office market in the early . . . the early 1990s, Carter bought 14 towers with more than 2 million square feet of space. In 1997, he sold them to a real estate investment trust for \$332 million, more than doubling his initial investment.

At about the same time, he parlayed a \$12 million stake in the Dallas Mavericks NBA franchise into a \$125 million payout from Texas billionaire Ross Perot Jr.

Through the years, Carter has owned banks, trucking firms, hotels, rodeo rings, cattle ranches and even a Rolls-Royce dealership.

But now he is into condos.

About 15 months have passed since the Carters closed on their purchases at the Tower Residences. They've sold eight of the units for \$21 million, or about \$5 million more than they paid.

Carter said the pace of sales has been slower than he expected, but he's not unhappy. He still thinks his investment is a good one.

"I've got four penthouses for sale now," Carter said. "There's nothing on the market that can touch them, and those that are planned are still two years off."