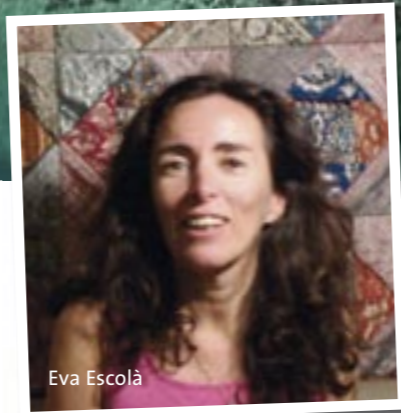


Real Estate Views

Three Caribbean real-estate agents give their views on the market and recommend properties hot for investment. Compiled by Polly Evans



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I was born in Spain and had been working in global marketing for 24 years. Six years ago I decided to take a

sabbatical with my partner and, after travelling for one year, we landed in the Dominican Republic, specifically in the Samana Peninsula. Real estate started booming at that time and the majority of realtors were only addressing the French-speaking market. I saw an opportunity there, specially having in mind my background addressing different types of customer needs.

The Dominican Republic is one of the most stable countries in the Caribbean and Latin America area. It also has a strategic geographic location

Above: Little Peter Caye is one of the smallest islands available for development off Belize

and very low labour and living costs. Additionally, Dominican Republic law is very friendly to foreigners. And, of course, we have great weather all year round, beautiful beaches and warm people who welcome visitors from their heart.

Considerable foreign funds are currently being invested in the development of real estate projects geared towards travel and tourism. Resort communities of upscale villas and apartments are being developed to serve as vacation rentals or second homes. For example, Donald J. Trump has just signed a partnership agreement with Cap Cana, S.A. in the Dominican Republic to develop a luxury resort valued at over two billion dollars.

Dominican Republic appreciation rates have been 20% annually. Fast-growing regions may see appreciation rates as high as 50% in the coming years. I see Samana as one of those regions. I've been living here for the last five years. Limited communications have previously hindered development. Last November, however, Samana International Airport (El Catey) opened, with flights coming from Europe, Canada and very soon from the US. As soon as the first international plane landed, major development groups started big developments – not just five-star hotels but also upscale residential projects to satisfy the increasing demand for beach front and ocean view properties. And the new highway from Santo Domingo shortens the distance by road from five to two hours.

A new golf course and a harbour are also under construction in Las Terrenas. In my view, we still have three or four years to find good investment opportunities. After that, the prices, already high in certain locations, will become less attractive in this region.

Top investment choices at the moment include an ocean-view property with four acres of land, a total of 17 bedrooms, a thousand-square-foot activities room and an eating area that could be used as a restaurant. We also have a brand-new three-bedroom Caribbean-style villa with pool, 10 minutes' walk to the beautiful Bonita

Beach and a five-minute walk to the new golf and marina projects, and plots within an upscale beachfront residential project at Coson Beach.



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Belize is amazing: the sand is soft, the palm trees sway on the gentle breeze and the aquamarine water is so clear that you can see the coral below. Not only is Belize the diving and snorkelling capital of the western hemisphere but it also boasts incredible old-growth rain forests, rushing rivers, majestic mountains, intricate cave systems and ancient Mayan pyramids. It is the only English-speaking democratic country in Central America. Its property values follow that of the Caribbean circle, while the benefits and low wages are representative of Central America.

Belize promises to be one of the strongest emerging markets in which to invest. There are no barriers to foreign investment and, as a member of the British Commonwealth, Belize has a legal system based on British law. In addition, Belize has no capital gains or inheritance taxes and a growing private offshore banking sector.

Belize boasts well over 400 cays, and almost all are untouched. Great examples of the diversity of these are one of the smallest available for development, Little Peter Caye at 1.3 acres, and one of the largest – Grand Bogue Caye at approximately 429 acres.

Little Peter Caye is located between the resort communities of Placencia and Hopkins, lying only eight miles off

the mainland shores of Belize. With 1,275 feet of beach front, it forms a perfect circle of colourful natural life, including Caribbean fish and lobsters, combined with crystal clear water. It also features a natural 37-foot deep pool surrounded by a stunning coral barrier.

Grand Bogue Caye is the largest private island left for sale in Belize, and unlike many mangrove islands, this island has superb beaches and high ground 14 feet above sea-level. It is an ideal location for a large-scale luxury resort or multiple large developments.

Grand Bogue is part of the Turneffe Atoll, which offers a fantastic variety of saltwater fishing and a diverse number of activities for non-anglers and divers looking for a relaxing tropical vacation. The variety of marine life is astounding – colourful sponges, countless species of coral, tunicates, anemones, starfish, turtles, spectacular fish and dolphins.

Unless you are travelling by helicopter, or pave your private airstrip immediately, the boat run out takes 90 minutes and is a pleasant trip through palm-fringed islands surrounded by sparkling open waters.



Ltd is a small boutique realty brokerage, providing personal and highly focused property development, acquisition or research services to buyers or sellers. For the private island community of Pine Cay, I created a new specialty realty service exclusive to Pine Cay, developed dedicated websites to reach appropriate new members, and now discreetly market available properties to maximum advantage while maintaining the privacy so important to its members.

Pine Cay is a private 800-acre island with an exquisite white-sand beach, a natural marina harbour, and a small membership determined to keep the island tranquil, unspoiled and safe. The special niche realty market of private island communities is expanding, and Pine Cay offers the rare opportunity to own a home on a pristine Caribbean island with an established member community, acres of common preserved land, an exclusive 12-room hotel and a private airstrip – all less than an hour and a half from Miami. The Meridian Club hotel on Pine Cay is renowned for its gourmet restaurant, guest services and intimate atmosphere – and the members utilize it as their club and central social meeting place.

The Turks and Caicos Islands has been the fastest-growing economy in the Caribbean for several years, with consequent soaring real estate prices. A needed correction is underway and real estate prices in the country overall have softened. Interestingly, the private

Above and right: In the Dominican Republic, high-end villas are being developed as vacation rentals and second homes



island communities have held their prices, and even continue to increase in value. Both vacant land parcels and homes are currently on the market at the various private communities, which each offer excellent investment value in this British dependent territory.

Properties available on Pine Cay include five acres of beachfront on the sparkling turquoise sea with a spectacular building site established and long clear views assured to east and west. For those ready to move in, there's a simple spacious home right on the water, with extensive decks and the club marina nearby. Or, if the social life of the community is more your style, a three-bed, three-bath home with peaceful stone atriums and a magnificent master suite is available near the hotel. Pine Cay properties may only be purchased by those approved for membership and most sales take nearly two years from the initial visit to Pine Cay, to membership approval, and to final property transfer. **CW**

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I'm a Canadian, educated in the USA and UK, and I've been living in the Turks and Caicos Islands since 1994. My partner Daniel O. Forbes and I started our own company in 2002 to offer realty services for discerning private clients. Forbes, Forbes & Forbes

Funding the Dream

Sarah Woods negotiates the complexities of taking out a mortgage on your Caribbean home.

Although the Caribbean mortgage market may lack the sophistication of the more mature financial sectors of Europe and North America, foreign house-hunters can take advantage of six-figure loans to snap up that idyllic palm-shaded pad. Funding is simplistic, however, and lacks the variety of lesser embryonic financial markets. Options also vary from island to island with criteria assessed on a case-by-case basis, making it difficult for buyers to second-guess their eligibility for a loan. That there is no single set way of financing a property purchase is further complicated by the fact that each Caribbean island does business in a slightly different way. While some islands follow English law, others use the American legal framework or the French and Dutch systems. Understanding these quirks from the outset is important if you're to combat mortgage stress. The only constant is the laid-back pace of the region's business world – nothing moves quickly in the Caribbean, certainly not banking.

"A mortgage is a financially efficient way of purchasing property in the Caribbean, and the process is not too dissimilar to what's in place in the UK," observes Roy Watkinson, a director at Property Growth International. "The bureaucracy isn't as bad as it could be – and is well worth navigating in order to own an ultimate dream home in the sun."

Big players in the Caribbean's mortgage sector include First Caribbean Bank who will lend on residential property in Anguilla, Antigua, Aruba, Bahamas, Barbados, Belize, Bonaire, the British Virgin Islands, the Cayman Islands, Curaçao, Jamaica, St Kitts and Nevis, St Lucia, Tobago and the Turks and Caicos Islands. The majority of lenders offer finance for up to 70 per cent of the purchase to a maximum of US\$2.5 million – anything costing more

is eligible for up to 60 per cent. New builds are usually restricted to financing at 50 per cent of the construction cost. Owners of existing Caribbean property can also obtain financing for up to 50 per cent of its value to finance alternative investments. In most cases, mortgages are for a period of up to 20 years and have restricted loan-to-value ratios and repayment terms.

"Seeking proper legal and financial advice is an important part of the purchase process," says Jayson DeLeon, US and Caribbean sales director at MRI Overseas Property. "There is no substitute for diligence when dealing with large sums of money."

Generally speaking, mortgages are available in US or Canadian dollars, sterling and euros, with variable interest rates linked to US LIBOR upwards at around two to three per cent. Capital and interest-repayment loans are the standard mortgage products of the Caribbean with rates that can be fixed for two, three, five and ten year periods

– and even longer on request. Interest is accrued on the daily balance and charged quarterly for LIBOR-linked loans. An initial five-year interest-only is also available in some jurisdictions. This is subject to a one-off arrangement and eligibility with loan terms and conditions that differ significantly from island to island. In the absence of non-status mortgages, buyers are required to supply proof of income in all cases. Most lenders will also set a minimum loan amount of US\$250,000.

"The weakness in the US dollar currently provides an opportunity for property buyers to take advantage of the strong pound when investing in dollar-based economies," says currency specialist HIFX's Mark Bodega. "Managing currency is an important factor in maximizing real estate investment. Changes in the exchange rate can not only impact the sterling equivalent of the debt but can make a huge difference to the final price you pay for your property."

CARIBBEAN MORTGAGE RATES

All figures are in US dollars and amount quoted is the minimum loan available.

(courtesy of Mortgages.co.uk)

ANGUILLA Max 70% LTV Max term 15 years \$300,000 Repayment mortgages Rates US prime + 2.0% up to \$500,000 Rates LIBOR + 3.0% over \$500,000	BARBADOS Max 70% LTV Max term 15 years \$300,000 Repayment mortgages Rates US prime + 2.0% up to \$500,000 Rates LIBOR + 3.0% over \$500,000	CAYMAN ISLANDS Max 70% LTV Max term 15 years \$300,000 Repayment mortgages Rates US prime + 2.0% up to \$500,000 Rates LIBOR + 3.0% over \$500,000	ST KITTS Max 60% LTV Max term 15 years \$300,000 Repayment mortgages Rates US prime + 2.0% up to \$750,000 Rates LIBOR + 3.0% over \$750,000	TRINIDAD AND TOBAGO Max 75% LTV Max term 25 years \$300,000 Repayment mortgages Rates from approx 9.50% variable
ANTIGUA Max 70% LTV Max term 15 years \$300,000 Repayment mortgages Rates US prime + 2.0% up to \$500,000 Rates LIBOR + 3.0% over \$500,000	BELIZE Max 70% LTV Max term 15 years \$300,000 Repayment mortgages Rates US prime + 2.0% up to \$500,000 Rates LIBOR + 3.0% over \$500,000	JAMAICA Max 70% LTV Max term 15 years \$300,000 Repayment mortgages Rates US prime + 2.0% up to \$500,000 Rates LIBOR + 3.0% over \$500,000	ST LUCIA Max 70% LTV Max term 15 years \$300,000 Repayment mortgages Rates US prime + 2.0% up to \$500,000 Rates LIBOR + 3.0% over \$500,000	TURKS AND CAICOS Max 70% LTV Max term 15 years \$300,000 Repayment mortgages Rates US prime + 1.5% up to \$500,000 Rates LIBOR + 3.0% over \$500,000
BAHAMAS Max 70% LTV Max term 15 years \$300,000 Repayment mortgages Rates US prime + 2.0% up to \$500,000 Rates LIBOR + 3.0% over \$500,000	BRITISH VIRGIN ISLANDS Max 70% LTV Max term 15 years \$300,000 Repayment mortgages Rates US prime + 2.0% up to \$500,000 Rates LIBOR + 3.0% over \$500,000	NEVIS Max 60% LTV Max term 15 years \$300,000 Repayment mortgages Rates US prime + 2.0% up to \$750,000 Rates LIBOR + 3.0% over \$750,000	ST MAARTEN Max 60% LTV Max term 15 years \$300,000 Repayment mortgages Rates US prime + 2.0% up to \$750,000 Rates LIBOR + 3.0% over \$750,000	