

MANSION GLOBAL

ISLAND

Serendipitous Timing Sparks Sales Boom for Caribbean Developments

From record sales to buying sight unseen, these beach resorts are hotter than ever



Lion Heart, a two-villa estate, is located within the Oil Nut Bay development and features a stone boulder waterfall and spans 12.55 acres.
OIL NUT BAY

Second-home ownership in the Caribbean, for decades, has been resigned to either standalone residences overseen by a villa management company or condo-hotel residences offering little more than expanded accommodations and hotel amenities.

In recent years, however, a new wave of luxury resort developments has emerged, catering not only to home ownership but those seeking a sense of community, with the pandemic further boosting buyer interest.

“The wealthy are busier than they have ever been, and the pandemic has focused people’s minds on what kind of lifestyle they want to lead,” said James Burdess, head of Caribbean sales for Savills. “Without airlines flying into the region, it’s quieter than ever, but inquiries are up threefold, and sales have been sight unseen, which was unheard of before.

“We’re also seeing a lot of large-scale development come back to the Caribbean and big brands like Mandarin Oriental, Aman Resorts, Rosewood, Soho House and One&Only all looking to develop,” he added.

It's also worth noting that Dellis Cay, an ambitious resort development in Turks and Caicos—which was set to accommodate a series of residential neighborhoods from seven of the world's leading architects, including Chad Oppenheim, Zaha Hadid and Piero Lissoni, before it fell through following the global financial crisis of 2008-09—is rumored to be coming back, revived by pandemic-related interest to the region.

But for a slew of resort communities already in the works prior to the pandemic, the timing could not be better for buyer interest and sales, with inquiries and interest exceeding expectations.

Pandemic Fuels Interest in the Caribbean

Developer David V. Johnson began his project Oil Nut Bay in the British Virgin Islands in 2008. After creating 43 master-planned communities throughout Michigan, he and his wife, Pam, sailed all over the world in search of what they thought the best land for a boating community would be, and they found it at the northeastern edge of Virgin Gorda, where they have developed a 400-acre resort community, which when completed will contain 117 homes, along with three restaurants, a beach club, an extensive health and wellness center, tennis courts, a kids club, two helipads, and a Marina Village with an overwater restaurant and bar, a games room, a 93-slip marina and retail. Prices at Oil Nut Bay currently range from US\$2.95 million to \$39.5 million.



The 400-acre Oil Nut Bay project will have more than a 100 residences, all with access to share resort amenities.

Oil Nut Bay

Sales started in 2010 and have been steady ever since, but the pandemic has ignited interest in the region in a way the developer had not experienced pre-covid. “In the first 20 days in February 2021, we did \$54 million in sales,” said Mr. Johnson, who splits his time between Michigan and the British Virgin Islands. “Over the holidays, we were at 100% occupancy, which was double what it was the year prior. And people are staying longer. We had a lot of people stay for 14 days [instead of the typical sevendays], and of those, seven became new homeowners.”

Mr. Johnson points to an array of factors that have helped boost sales. For starters, the British Virgin Islands were closed to visitors from March through November, allowing for construction to go at full throttle, with more than 200 workers on-site every day. That allowed the community to complete and deliver 11 homes in 2020, helping to solidify the project as not just a resort community, but a residential community.

“At first, people were forced to work from home, but now that they realize home can be anywhere, they’re actually enjoying it,” Mr. Johnson said. “They can Zoom and watch Netflix anywhere, but here, they can also go paddle boarding, snorkeling with turtles, and kids can get outside, away from screens, and enjoy nature.”

The pandemic has not only made buyers feel a sense of urgency, it has motivated people in their 40s, 10-15 years younger than the average age of the pre-pandemic buyer and a cohort that wants instant gratification.

“In our Marina Village area, near our shops and restaurant, we have two- and three-bedroom spec homes that are all selling before we can finish them. We’ve chosen to invest in having a minimum of eight spec homes in a variety of neighborhoods because demand has been so strong,” Mr. Johnson said.

The community started construction of the Marina Village homes, which are priced from \$2.95 million to \$4.68 million, before the pandemic, and due to the borders being closed, they sold three homes and two lots virtually. The latest real estate offering, the new Ocean Neighborhood, features eight new homesites called Ocean Villas, three of which have just sold. The timeline for accelerated construction and sales has been an unforeseen blessing during these times.

But timing has also helped newer communities underway.

“We had been looking for a property to develop in the Caribbean for years,” says Tina Necrason, vice president of residential at Montage International. “Our partners Sterling Global Financial had acquired this property [now Montage Cay] in 2019, and Montage got involved in February 2020, with the intention of announcing it in June/July 2020. Of course, then Covid hit. But, we still announced in July 2020 and things took off almost immediately.”

Montage Cay, a 53-acre private island in the Bahamas, within the Abacos, will host 50 all-suite hotel rooms, an outdoor pursuits program, a 46-slip deep-water marina that can accommodate boats up to 110 feet, and a total of just 26 estate residences and 22 villa residences. “To date, all of our sales have been sight unseen,” Ms. Necrason said. “By comparison, during the pandemic, sales at our other properties have jumped from 10% sight unseen to 25%.”

Indeed, the appeal of a branded private island community located just a 45-minute seaplane ride (or two-hour boat ride) from Fort Lauderdale has an undeniable appeal in current times. The first phase of seven estate homesites were released in mid-January, with starting prices of \$3.9 million to \$7.2 million, and five were reserved within five weeks. Villa Residences, their fully furnished, single-story offerings are still being priced, but interest is expected to be high. “People have been accelerating their decision-making at this time,” she says. “It’s no longer an ‘if’ it’s a ‘when,’ and people are realizing that the timing is now.”



Montage Cay in the Bahamas will offer 26 estate residences and 22 villa residences among a host of amenities, including a 46-slip, deep-water marina.

Montage Cay

Other islands in the Caribbean previously lacking much activity are now seeing it, too. Discovery Land Company, famous for its hotel-free resort communities that lure under-the-radar billionaires and celebrities alike, has just announced its latest project in Barbuda.

“Barbuda has not been commercialized. It’s not crowded. It’s a very natural, safe and healthy environment,” says Discovery Land Company’s chairman and CEO, Mike Meldman.

The lack of crowds and other resort offerings have made the project appealing for buyers more concerned about privacy and safety than ever, but its location within the Caribbean has it uniquely situated as well. “The weather is literally perfect for 10 months of the year, as it’s seemingly always sunny and 80 degrees. And while remote in some respects, it is still close to St. Barths, St. Kitts and Nevis, Antigua and other islands—all of which have been longtime hubs for the North American and European markets,” Meldman says. The property, which launched sales in 2019, has already reserved or sold \$250 million worth of real estate, much of which has happened since the pandemic. (At build out, there will be no more than 495 residences, with prices starting at \$3 million.)

Other aspects that Meldman has found well suited to buyers during the pandemic include their on-site medical teams and global partners who have helped establish Covid safety protocols that have allowed their clubs to stay open, providing havens for members.

“At Barbuda Ocean Club, all visitors [and prospective buyers] are double tested before they arrive, so everyone feels extremely comfortable and safe. And, all of our properties have medical clinics on-site, which are run by Patronus Medical,” he says. Along with safety protocols, Discovery has also earned accolades from its members for their Discovery Learning Centers, which provide students with a structured, supervised environment for distance learning. These added amenities are especially resonating with buyers, who are also attracted to the club’s 700 acres, filled with pink sand beaches and crystal-clear water. While buyers at Discovery Land Company projects have been making deals virtually, should prospective buyers wish to visit, there is currently a safari-style tent village with six luxury accommodations to give buyers a taste of what the development will be like.

A Changing Buyer Profile

Further south in the Caribbean, St. Lucia was the ideal spot for the developers of Nova Scotia's acclaimed Cabot Cliffs to develop its warmer-climes project, Cabot St. Lucia. The property, located on a 375-acre peninsula on the island's northern tip, features 1.5 miles of coastline and a stunning golf course designed by Bill Coore and Ben Crenshaw, which traverses through lush greens, jagged rocks, and sandy beaches.. With the first phase of sales launched in late 2020, land sales have exceeded expectations, bringing in more than \$60 million to date (prices range from \$2 million to \$11 million for homesites and townhomes).

And it's not just golf lovers who have taken to the development, according to Ben Cowan-Dewar, CEO and co-founder of Cabot.



A view of the beach club pool at Cabot St. Lucia.

Cabot St. Lucia

“People came thinking that the golf would be good, but when they stood on the site and soaked it in, there are so many layers to it with the culture here and the surrounding landscape,” he said. “Plus, people are realizing that the Caribbean isn’t just a place to spend two to six weeks a year in anymore. Our buyers realize that they can actually spend three to four months out of the year here and have quality family time.”

While nearly every resort development has reached heightened sales, the pandemic has shifted not only the focus on home and the fact that it can be anywhere, but has broadened the regions where buyers are coming from. No longer is the U.S. East Coast the key market. From California to Canada, buyers have been drawn to the region, and with more projects and homes underway, there are no signs of a slowdown.