
NEWS BULLETIN

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Water, Water, Everywhere

The exclusivity of waterfront real estate

Wherever people live, a common dream theme runs something like this; Sunset, balmy breezes bathe you as you're sitting on a large veranda at your home in The Bahamas, drink in hand, love by your side, watching a fiery sun slide into turquoise waters.

For those who can afford it... and many can...the dream is becoming reality. Housing market scare headlines in other places have not dampened the interest in high-end getaways or the market for a second home and there has perhaps never been a wider selection.

In Rum Cay in the southern Bahamas, in Harbour Island, at Grand Isle in Exuma, at Cape Santa Maria in Long Island, at Bimini Bay, at Emerald palms in South Andros... from one end of the 5,000 mile log archipelago to the other, the sound of construction is everywhere.

On Paradise island, one real estate broker with ERA Dupuch Realty sold three units in The Reef in less than a month. Least expensive, \$2 million, most expensive, \$7 million. In Nassau, Caves Heights with 46 condominiums directly across from the sea ranging from \$695,000 to just under \$1 million is 50% sold and construction just began.

At Harbour Island, home of world famous pink sand beaches, construction on the Romora Bay Resort 40

slip marina is underway where a 50s era hotel on nearly six acres of magnificent property is being transformed into a tropical island nautical resort. Pre-construction prices on Romora Bay's 40 villas start at \$750,000 ranging to \$2 million.

Home prices especially in exclusive enclaves such as Lyford Cay, Old Fort Bay and Ocean Club Estates on New Providence, the island where Nassau is located, are soaring. The reason for the high price wars over waterfront? Basic market dynamics of supply and demand.

"Oceanfront property has always been highly desirable," explains George Damianos, of Damianos Sotheby's International Realty, with offices throughout the islands of The Bahamas.

"Over time the most desirable coast of the more popular Bahamian islands has been purchased, so prime land is becoming scarce and when it comes on the market, it is being gobbled up at prices we wouldn't have dreamed possible a few decades ago."

In the past year, Damianos Sotheby's (www.sirbahamas.com) has sold a 1.8 acre, 3 bedroom beachfront bungalow for \$12 million is under contract. That's only part of it... "we hesitate to use the word recession-proof but so far... it just seems to get better as more people who can afford to be anywhere choose The Bahamas."

Another ultra-luxury market specialist who has sold hundreds of millions of dollars worth of property, Mario Carey, founder of Mario Carey Realty (www.mariocareyrealty.com) says oceanfront is often the first choice, and for many, the only consideration.



Oceania Heights Development Ltd.

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“They realize that oceanfront property holds its value well thanks to supply and demand. That along with the benefits of living in The Bahamas and the lifestyle that enclaves like Ocean Club Estates offer is what drives the prices we’re seeing.”

Waterfront properties typically feature another attractive element to wealthy clientele... privacy. Whether in gated communities such as Old Fort Bay, Lyford Cay or Ocean Club Estates, private apartment complexes such as Caves Point and Bayroc or every man’s Robinson Crusoe fantasy, usually enables owners to sit back, relax, and get away from the world. At least until the BlackBerry begins to vibrate.

The price for this kind of lifestyle? Mind-blowing. There’s water everywhere, but only a select few can take advantage of it. While most of the world is counting pennies and tightening their belts, those who can afford luxury waterfront homes are acquiring them quicker than ever.

Although the current uncertainty throughout the world’s economic markets certainly affects the lower to middle market, recessions tend to be short lived, says Chris Herrod, luxury Bahamian property developer and founder of Seaview Properties (www.seaviewproperties.bs), which is building Caves Heights.

“The luxury property market in the Bahamas, fueled by a limited supply of quality inventory and a vast demand by a discerning market tends to outperform in both up and down markets,” he adds. “We have sold

more luxury properties and land for investment in 2008 than in the last two years before combined,” notes Herrod.

Certainly, the caliber of client opting for their own \$19 million Exuma cay or a \$10 million home in Ocean Club Estates on Paradise Island has the financial freedom to purchase property whenever they want, rather than playing the waiting game to see if the real estate market settles like the rest of us.

“Waterfront property is a premium product,’ says Mario Carey.” “As a result, it tends to be immune to the fluctuations that affect other markets.”

Iola Knowles of veteran Bahamian real estate firm HG Christie credits American investors and the weak U.S. dollar for the strength of the Bahamian market. “We are continuing to see strength in the luxury sector of the real estate market especially for waterfront properties and properties in established successful communities,” she says.

“In the first half of 2008 we experienced a mix of Europeans buying due to the low dollar coupled with Americans buying to invest their U.S. dollars into real estate in a strong international market,

The firm has a number of high end waterfront listings currently on the market, including a \$2.95 million condominium in the Ocean Club Residences and a 7,000 square foot home in Staniel Cay, Exuma, going for \$9.9 million.



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