

Landslide

Contributed by Owen Waters
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The Benefits of Buying Land in Today's Economy - There does not seem to be a midrange or starter's market when looking at houses in the British Virgin Islands. Property Guide visits and reviews multimillion dollar homes, dream homes, that to the average person are just that—dreams, and unattainable in reality.

New homes are expensive, and in the islands a niche market exists, mostly for luxury second homes. But for those who aren't millionaires and live here year-round, a new home under a million dollars is hard to find. Builders cater to the luxury market. The alternative is to build from the ground up. Right now, building is more affordable, and land is available. Then there's the potential to rent out the property, or part of it, in this price bracket which can cover the costs of a mortgage; whereas, renting a multimillion-dollar home long term does not come close to covering the costs.

According to Maritha Kiel from Caribbean Realty, there is an opportunity via the purchase of land and then building, to own a home in the market of \$600-\$800K. The demand is high and that route is achievable.

For expats who want to own property, a Non-Belongers Land Holding License takes approximately six months to be approved and then building must be completed within three years, preferably two. The government, as Maritha states, is not being difficult but allows speculation. Rules are rules. In reality, if you were going to buy the land, you would be planning to build a house, right? There is no point going into a lifetime commitment unprepared. Once the license is approved, it takes up to three months to get the green light to build. During that initial year is the time to plan, meet with architects and surveyors and get everything organised. There are project managers who can handle the whole project, and this is highly recommended. Getting materials to the island and local knowledge of building has never been more precise. The learning curve is over.

Everyone has different tastes, and the island's building professionals, from architects to interior designers, are aware of that. Caribbean Realty is one of the island's most experienced real estate agencies, and in their experience, everyone is looking for something slightly different. Most people building on Tortola favour a hillside home with a breeze and a view of Sir Francis Drake Channel. Hurricanes are an issue and also sunsets and sunrise; which will make a big difference to which side of the island you want to build. Ideally, building into bedrock, or excavating down to it, is crucial for solid structural engineering. The ideal home on steep land will mean the additional cost of a large retaining wall. The goal is to be solid from the ground up, start to finish and according to the recommendations of the structural engineers.

Another positive factor of buying land is the reduced stamp duty. For Belongers, this is four percent, and for Non-Belongers, it is twelve percent. The duty is paid on the land only and not on the value of the house once it is built. This automatically ensures your investment return is higher on the resale. Another convincing factor is that you would get your own design from start to finish. So it is your dream home, not someone else's that you are building. Locations are available on the beach and other waterfront properties, and this increases your return also. Whilst the security of planned communities and resorts is compelling, the independence of ownership is very attractive. The developments usually include paved roads, underground utilities and the benefit of a Home Owner's Association which all adds to the price of the land.

Maritha has a wide selection of land available. There appears to be a phenomenal variety: from Arundel—just over three acres for \$950,000 that has sunset views looking over Cane Garden Bay to the northwest and St Thomas, Jost, Tobagos, Thatches and many more toward the southwest; then Havers—one acre for \$250,000 part way up the hill; and then, at the top of the estate, lots are currently being priced as the roadways are being constructed, with views of the whole of Drake's Channel from Virgin Gorda to St John; then Cooten Bay 3/4 to one-acre hillside lots and waterfront from \$180,000 to \$450,000, with paved access, underground utilities and communal areas; then Cane Garden Bay with incredible views toward Jost and St Thomas and the islands to the west, with prices as low as \$70,000 for 1/4 acre up to approximately \$130-150,000 for 1/2 to 3/4 acre that have cool breezes, mature vegetation and tremendous views.

Maritha says, "Due to the drop in economy, builders are supposedly hungry for work and construction costs have

come down. Architects are also keen to design.”

“If people are nervous about building by themselves,” she adds, “then they can consider Plantation Estates where the contractors will give a turnkey construction contract, high-end finishes of granite and marble, quality hardwoods in custom designed, ecologically friendly homes, with R30 ratings, where they can choose between beachfront home-sites and hillside home-sites ranging from \$400-\$1 million, sandy beachfront, including underground utilities, town water, communal beachfront pavilion, lush fruit trees and floral landscaping with meandering golf cart pathways to the beach pavilion, barbecue facilities and ice-maker or fridge, covered beachside tables and chairs, all part of a private estate and secluded beach only ten minutes from the airport.”

What we notice at Property Guide is choice, and that is crucial. There is something for everyone, and a good realtor will guide you through the process, rather than sell you what you do not need or cannot afford. After all, isn't that how all the trouble in the US property market started? Maybe, as things turn around, the Island has the benefit of learning from that mistake. You can contact Maritha Keil at 284-542-9006 or Dietmar Lichota at Caribbean Realty Limited 284-494-3999 to discuss the available properties.