Islands in the Sun
Buying a vacation home in the Caribbean

By Robyn A. Friedman

If you love the Caribbean – the unspoiled beaches, the soft breezes, the reggae beats – you’ll be happy to know that now is a great time to purchase the vacation home you’ve been dreaming of. Prices on many islands are more competitive than they have been in years, and living in South Florida makes it easy to grab a flight and enjoy a weekend – or more – away.

Location is Key for Best Deals

The old adage in real estate is that the most important feature of a property is “location, location, location.” That applies to vacation homes as well, particularly in the islands.

Photos: Wymara Villas, on the island of Providenciales, or Provo, in the Turks & Caicos
“Most of the sales we have seen are in branded hotel residential projects,” says Neal Sroka, a real-estate broker with Douglas Elliman Real Estate who specializes in selling property in the Caribbean and Mexico. “Very few people want to go through the time and expense of buying an individual home that’s not either part of a hotel or a larger community. They want the amenities, they want the service and, unlike owning a home in Florida, the Caribbean requires a little more upkeep and somebody to watch over the house.”

Many islands were affected by Hurricane Irma in 2017, and last year was a rebuilding year. According to London-based brokerage Knight Frank, some islands were able to reopen hotels, restaurants and marinas within months, but for others, such as the British Virgin Islands, rebuilding has been a slower process. According to Knight Frank’s 2019 Caribbean Insight Report, there are huge price variations in the islands. In Bermuda, for example, the price per square meter ranges from about $6,000 to $8,000. Prices in the Turks & Caicos and Bahamas are considerably lower – in the $3,000 to $4,000 per square meter range – while pricing in Puerto Rico, which is still suffering aftereffects from Irma, are less than $2,000 per meter.

Still, Sroka says it’s a good time to buy. “The luxury market is fairly soft right now,” he says. “It’s a buyer’s market.”
The Bahamas
The 700 islands of the Bahamas are popular spots for vacation homes because of their easy access to South Florida by plane or boat. Bimini, for example, is just 60 miles from Fort Lauderdale, and Nassau is 188 miles, or a quick one-hour flight. Several airlines, such as JetBlue and Bahamasair, offer nonstop flights.

According to Knight Frank, sales in the Bahamas slowed slightly in 2018, but sales volume was still quite strong compared to other islands in the Caribbean. One popular project is Baha Mar, a $4.2 billion resort that recently unveiled Baha Mar Residences, two branded residential projects by Rosewood Hotels & Resorts and SLS Hotels.

Baha Mar Residences includes one- to three-bedroom condominiums and three- to six-bedroom villas that provide owners with access to the services and amenities of the hotels. Buyers can also put their homes into the hotels’ rental pool to recoup some of their expenses. Residences are priced from $726,500.

Turks & Caicos
The Turks & Caicos, an archipelago of 40 islands southeast of the Bahamas, also presents opportunities to South Floridians seeking a vacation home.

“Islands like the Bahamas, the Caymans and the Turks & Caicos are all roaring in terms of real estate sales because of a huge increase
in tourism this season,” says Ian Hurdle, managing partner for the Turks & Caicos office of The Agency, a real-estate brokerage. “People are looking for opportunities to have a vacation home that provides a little profit.”

That’s why branded residences associated with a hotel project, where the unit can be put into the hotel’s rental pool, are in demand, Hurdle says.

One example is Wymara Villas, located just a short drive from Wymara Turks & Caicos Resort, on the island of Providenciales, or Provo. Starting at $4.75 million, the four- and five-bedroom homes in Phase 1 range from 7,979 to 8,871 square feet and feature infinity pools, sunken fire pits, indoor-outdoor living and full access to the Resort’s facilities.

**Hire Trusted Advisors**

No matter where you decide to purchase in the Caribbean, it’s essential to surround yourself with trusted advisors: a real-estate agent familiar with the advantages and disadvantages of each island, as well as the pricing and where the best deals lie; a financial advisor who can discuss tax consequences; and a legal advisor to guide you through both U.S. and local legal issues.

While a number of islands have advantages such as no personal income tax, capital gains taxes or inheritance taxes, and some even offer citizenship or residency through investment, remember that you are dealing with a foreign country and that you may face restrictions on your ownership or tax consequences by purchasing without doing your due diligence.