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TOURISM

LUXURY BUILDING RETURNS TO THE BAHAMAS

Resort communities from New Providence Island to Eleuthera are targeting South Floridians.

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Located on the beaches of Great Abaco in the Bahamas, the Schooner Bay community is built around a safe harbor.

NASSAU, Bahamas -- Nature trails, a yoga platform on a rocky cliff overlooking crashing waves and a starry midnight blue sky are among the hooks for potential buyers at the Schooner Bay resort community in the Bahamas. "I walk that beach at night and I've never seen so many stars in my life," said South Floridian Mark Pordes, whose Aventura company is doing the sales and marketing for the laid-back boutique residential project.

It's the perfect weekend antidote for the hustle and bustle of South Florida, he says.

But the developers of the Albany, on the southwestern tip of New Providence Island, have another vision.

"Our goal is to become a Monaco in the Caribbean," says Christopher Anand, managing partner at the 600-acre luxury oceanfront community that is jointly owned by Tavistock Group — a Bahamas-based private investment firm — and golfers Tiger Woods and Ernie Els.

From New Providence, location of the Bahamian capital Nassau, to the outer Family Islands, new hotel and second-home projects are coming out of the ground or are expected to get underway soon. Established properties also are making significant upgrades.

Although Florida has its own abundance of sunshine and sand, a number of the new resorts and residential communities are courting Florida residents. For some, the draw is more affordable prices for waterfront getaways. When price is no object, proximity, convenience and luxury on the ocean are the draws.

When Sidney Torres IV began prospecting for guests for The Cove, his 75-room high-end resort on Eleuthera, he targeted Florida.

“I asked what’s the easiest and quickest place to get to and from,” he said. He estimates that about 45 percent of visitors at The Cove, which opened a year ago, come from South Florida.

“We lost some numbers in Florida and New York and we want to reintroduce ourselves in Florida in particular,” said Bahamian Tourism Minister Obediah Wilchcombe.

It’s time for a tourism resurgence in the Bahamas, he said.

While other Caribbean island were adding hotel rooms, Wilchcombe said, the Bahamas wasn’t building and the inventory of rooms actually declined. Ministry of Tourism figures show there were 14,836 hotel rooms last year — a 4 percent decline from a decade earlier and fewer than in the 1980s.

But Baha Mar, a \$3.5 billion resort and casino on Cable Beach that is expected to open for guests in December, will do a lot to change those statistics with its 2,200 new rooms and 700 refurbished rooms.

Robert Sands, a senior vice president of Baha Mar Ltd., said that the resort and its marketing campaigns will benefit the entire country. “This is business that no one else has at this time,” he said. “The reality is that we’ll grow stop-over arrivals to the Bahamas.”

But there is plenty of building going on in the Bahamas beyond Baha Mar and beyond New Providence Island, including the new Marina Hotel at Resorts World Bimini and a Club Med expansion on San Salvador.

Canada’s Sunwing Travel Group and Hutchinson Whampoa partnered in a [complete](#) renovation of the former Reef Village in Freeport. Rebranded as the 500-room Memories Grand Bahama Resort & Casino, a Blue Diamond resort, it officially opened March 24.

There are also smaller boutique projects on islands such as Eleuthera, Exuma and Grand Abaco. “There are so many islands and we are seeking economic sustainability for each,” Wilchcombe said.

The 2008 [global meltdown](#) hit tourism in the Bahamas especially hard because so many visitors are from the United States. “A recession in the U.S. is a depression in the Bahamas,” said Eddie Lauth, one of the developers of French Leave Harbour Village, a seafront cottage project in Eleuthera. The economic downturn prompted massive layoffs of hotel workers, paralyzed work on some projects and wiped out others.

“Many of the projects that we were entertaining before the recession were heavily dependent on institutional financing,” said Khaalis Rolle, minister of state for investments. “Lehman Brothers was quite active here. When Lehman went, a number of these projects went, too.”



View from an oceanfront cabana at Schooner Bay, a sustainable community that is trying to woo Floridians. Great Abaco, Bahamas

Now many of the projects going forward are self-financed and free of construction loans at a time when U.S. second-home buyers are returning to the market.

Throughout the downturn, Rolle said, two Bahamian projects were considered recession-proof: Albany and 585-acre Baker’s Bay Golf & Ocean Club, an oceanfront community on Great Guana Cay of homesites, cottages and beach bungalows in the tradition of the Abaco Islands.

“Land sales at these two projects were amongst the strongest,” said Rolle. “Now we’re seeing significant activity and rebound in new projects and second-home communities across the Bahamas.”

The idea for the Albany project was hatched about 9 1/2 years ago. The concept was fairly simple. “We wanted to develop a place where the four primary shareholders would like to spend time,” Anand said.

Tavistock chief Joe Lewis, Anand, Woods and Els all own properties at Albany, which was master-planned by Miamian Andrés Duany.

“The bet was that we weren’t such a particular group of people and other people would like what we do,” Anand said.

So a 71-slip marina that can accommodate 300-foot mega-yachts was built, and an Els-designed championship golf course and short-game facility were carved out of the coastal property. Pools, a water park, tennis courts, restaurants and bars, a fitness center, and a spa with an anti-aging center were added.

But then the plans got bigger. While some of Albany’s homes are used for vacation getaways or are placed in a hotel rental program when not in use, Anand said Albany also wants to appeal to those interested in making the Bahamas their full-time home.

To make Albany a true live, work and play option, a financial center to house turn-key offices for residents and the banks, trusts, law firms and accounting firms that they patronize is planned. A 10-acre medical center also is on the drawing board.

A sports academy with a school is planned, too.

When the community is fully built out over the next five years, it is expected to have 350 residences.

“With the dislocations in Europe, we’re seeing people leaving Switzerland and Monaco now,” said Anand. As a tax haven, there are benefits in the Bahamas for residents of some countries.

“But we have also had relatively good success with buyers from Florida,” Anand said. About 10 percent of the 165 families that have purchased at Albany are from the Sunshine State.

He attributes some of that interest to the success Tavistock has had in Florida with its Isleworth and Lake Nona golf resorts: “Thirty-five of the world’s top golfers have homes there and I think our success with Floridians at Albany has something to do with our track record there.”

The developers broke ground at Albany the same day when Lehman Brothers announced its bankruptcy filing. “The American buyers absolutely were not there until 2012, but now they are strong,” said Anand.

Lauth, co-founder of Shaner Bahamas, the development company working on French Leave, agrees. “The timing is now the best I’ve seen for tourism development in the Bahamas with the advent of the new airport terminal in Nassau, Baha Mar and the Albany project.

“But the unique opportunity we have is that we’re the other Bahamas,” Lauth said. “This place is kind of what it would have been like driving down A1A 50 years ago.”

When it’s finished, French Leave, which overlooks Governor’s Harbour and stretches from the oceanside to the seaside of Eleuthera, will have about three dozen Bahamian-style cottages with wide verandas, mahogany doors, shutters and stone walls. The first phase of the project also includes the “1648” bar and grill, a wedding pavilion and a beach pavilion.

Thirty-two acres of French Leave sit on property that once was occupied by a Club Med, but the rest of the property has a more colorful past. The former owner and the man who christened the site French Leave was Alfred de Marigny — son-in-law of Sir Harry Oakes. A suspect in Oakes’ notorious 1943 murder, de Marigny was acquitted and deported.

“When I first got involved, we were approached by major hotel companies that wanted to do a much larger project,” said Lauth, who was born and raised in Miami.

“But we wanted to keep everything low-impact, low-scale,” said Lauth, whose investor group includes several South Floridians. “We didn’t want to ruin what we fell in love with ourselves. I want to hear the wind going through the palm trees.”

The project, which draws on the Bahamas’ historical heritage, has been a long time coming. Lauth said he began working on it nearly 10 years ago. During the midst of the economic crisis, 10 lots were sold and it came to light that 240 of the 270 acres in the project had defective titles, said Lauth.

Even though title insurance was purchased, the title insurer wasn’t qualified to write policies in the Bahamas, he said. Now all the properties have good titles, Lauth said, but fixing the problem set the project back years.

New York-based Douglas Elliman is doing sales and marketing for both French Leave and the Honeycomb, a new condominium being marketed at Albany.

While Anand says his potential buyers aren’t the kind of people who balk at high prices, French Leave may appeal to South Floridians who want direct ocean access at more affordable prices.

French Leave bungalows will sell for \$640 to \$850 a square foot, compared to \$1,800 to \$2,500 per square foot for the privilege of stepping out on the sand in Miami Beach, said Ann Nortmann, an Elliman broker associate in Miami Beach.

Three distinct models just steps from the pink sand beaches will be offered. They range in price from \$675,000 for a one-bedroom bungalow up to \$1.15 million for two-bedroom homes.

Three cottages have been completed and five more are under construction. Sales are expected to start as soon as legal documents are ready, said John Sandberg, director of luxury sales at Elliman’s Miami Beach office.

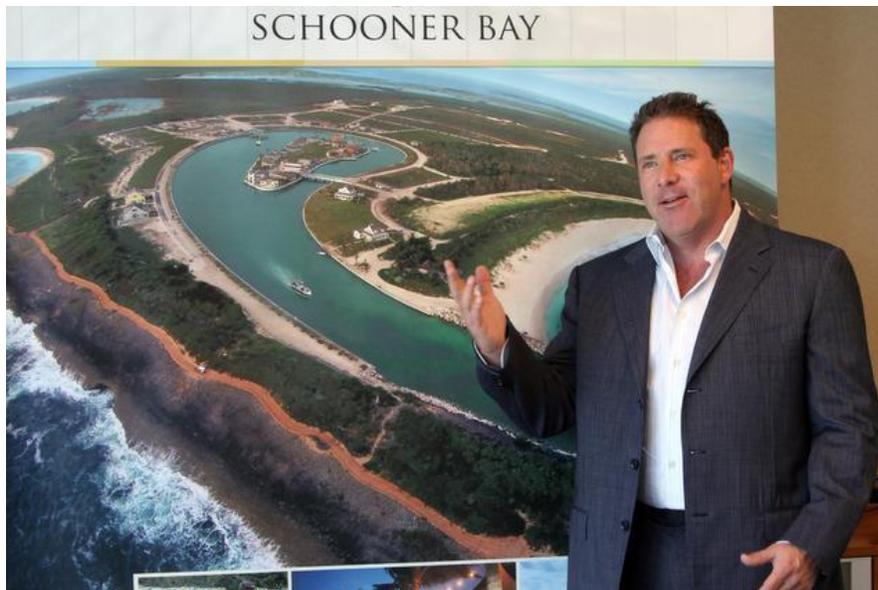
“Eleuthera offers a very chilled-out existence. It’s a real difference in lifestyle that’s only 45 minutes away,” Sandberg said.

That’s also the appeal of Schooner Bay, which is being developed on Great Abaco Island.

Pordes, who recently began holding a series of meetings to familiarize South Florida brokers with Schooner Bay, points out that the resort community is just a short flight from Nassau and South Florida.

The broker previews — combination cocktail parties and informational meetings — are designed to bring brokers up to speed on Schooner Bay and selling real estate in the Bahamas, said Pordes, chief executive of Pordes Residential Sales & Marketing.

There are 450 home sites at Schooner Bay. About 40 cottages, villas and estate homes have been completed and construction is under way on another 40, Pordes said. The average home price is \$800,000 and prices for a 900-square-foot cottage a block away from the water start in the \$400s.



Mark Pordes is marketing the Schooner Bay development in the Bahamas for Pordes Residential Sales and Marketing.

“What’s happening is that pricing in Miami has gone so crazy in the last 12 months that people are beginning to look for other options for second homes,” Pordes said. “A home you’d pay \$3.5 million here, you’d pay every bit of \$6 million to \$8 million in Miami.”

Among the draws at Schooner Bay are a safe harbor, a marina with 40 slips that can

accommodate boats of up to 75 feet and room for more, and Blackfish Lodge, where anglers can purchase flats or bluewater fishing expeditions and get tips on bonefishing.

The project also features a 60-acre natural forest with hiking and bike trails and golf-cart-only transportation. “This is about unplugging and enjoying the natural beauty of the site,” Pordes said.

Schooner Bay developers have invested about \$80 million in the project so far and plan a host of other amenities, including an oceanfront pool and grill, an inn, a clubhouse with spa, gym and business center, hydroponic gardens and a sports complex, Pordes said.

When Torres thought of the Bahamas, he also thought of relaxation. The serial entrepreneur who made his mark redeveloping properties in New Orleans’ French Quarter and starting a garbage-hauling business after Hurricane Katrina, was looking for a personal getaway.

He initially passed on The Cove, which was built in the 1960s and was in great disrepair. But two years ago when he heard the bank was foreclosing on the property, he pounced.

Within 24 hours, he had transferred \$2 million into an escrow account while he awaited Bahamian government approval for the purchase.

“I was going to make it my house, but after I cleaned it up and built a villa, I really liked the way it looked,” he said. So he kept going.

Acting as architect, engineer and general contractor, he said he was able to save a lot on construction. But he still has \$20 million invested in the oceanfront project.

“I got a bit carried away. It’s just a part of me, being an entrepreneur. I built this from the heart — what I really believed belonged here,” Torres said.

The Cove now includes 75 rooms, three restaurants, an oceanfront infinity pool, a sushi chef, and spa and fitness center. Rooms are equipped with 50-inch flat screen televisions, 500-thread-count sheets and Nespresso machines.

Torres isn't interested in a big, glitzy resort. "Large doesn't fit into the landscape here. This is a totally different animal than Baha Mar."

Even at daily rates that range from \$319 for a studio to \$4,275 for a three-bedroom villa on a bluff with a private pool, Torres said he's had a 60 percent occupancy rate so far this season. "And it's picking up," he said. "I'm shocked we're doing this well when we've only been open a year."

But development in the Bahamas isn't for the faint of heart. First of all, nearly all construction materials need to be imported.

Lauth said the Bahamas' Hotel Encouragement Act, which waives taxes and fees on materials to build and equip hotels and other tourism facilities, helped offset the extra costs of imports at French Leave.

"That was a great inducement for us," he said. "It represented a savings of 30 to 35 percent for us."

Because construction is difficult, Torres said that with the uptick in Bahamian tourism, he expects investors will begin looking at existing properties with an eye toward cleaning them up and making them better.