

Top 5 Places to Buy Caribbean Real Estate

Published on: Monday, August 20, 2007 - Nuwire inc.,

<http://www.nuwireinvestor.com/article.aspx?id=209>

Written by: Melana Yanos

Owning a small piece of paradise in the Caribbean might seem like a mere pipe dream for most real estate investors. However, lucrative opportunities for investment are like buried treasure: there's great potential for profit, as long as one knows where to look.

Buccoo Bay, Tobago

Below, NuWire presents our Top 5 picks for best places to buy property in the Caribbean. These islands offer the natural beauty and divine weather that the Caribbean is famous for, with fewer drawbacks; common downsides include high cost of land, risk of hurricanes and high poverty and crime rates. With a little digging, the tropical enthusiast might discover that owning a piece of paradise is both possible and profitable.

1. Trinidad and Tobago

As the Caribbean's leading producer of oil and gas, Trinidad and Tobago stands out as a relatively industrialized country. Its economy relies primarily on the oil industry, although tourism is a growing sector that utilizes a large percentage of its labor force. The country enjoys a high per capita GDP of approximately \$19,800, as well as a 12 percent GDP growth rate, according to 2006 estimates provided by the CIA World Factbook. Unlike most other Caribbean hotspots, Trinidad and Tobago sits safely below the hurricane belt, where risk of natural disaster is considerably lower. However, the country's rising crime rate presents a potential liability, so investors should focus on purchasing property in safer parts of the islands.

2. Aruba

Aruba's official motto is "One happy island." With a booming tourist industry and prosperous residential population, that certainly seems to be the case. The island welcomes more than 1.5 million visitors each year, 75 percent of whom are from the U.S. The services industry comprises 66 percent of Aruba's total GDP; the country also wields a per capita GDP of

\$21,800, the second-highest in the Caribbean after the Cayman Islands. Another major advantage for visitors and residents is the island's low crime rate, according to Frommer's travel guides. Like Trinidad and Tobago, Aruba is located below the hurricane belt and is relatively safe from the threat of natural disasters.

3. Dominican Republic

The Dominican Republic is not located below the hurricane belt. But what the island lacks in terms of location it makes up for in size. The Dominican Republic is large compared to most other countries in the Caribbean (it's twice the size of New Hampshire) and it offers a wide range of opportunities for affordable real estate. The country's economy relies heavily on tourism; the tourism industry generates 58.2 percent of the total GDP and employs more than half of the labor force.

Punta Cana, Dominican Republic

The Dominican Republic struggles with unemployment, inflation and income inequality, but its development prospects have improved with the implementation of the Central America-Dominican Republic Free Trade Agreement (CAFTA-DR), which lifted tariffs on U.S. exports to the region. Recently, the country has attracted large investments from tycoons such as Donald Trump, who is pouring more than \$1 billion into resort and residence development on the island.

4. Netherlands Antilles – Bonaire and Curacao

Bonaire and Curacao, known as the Windward Islands of the Netherlands Antilles, are located off the coast of Venezuela, below the hurricane belt. The economy, which is primarily based on tourism and some oil production, has struggled with slow growth in total GDP; however, the islands maintain a well-developed infrastructure as well as a fairly high per capita GDP of \$16,000. Curacao offers a new airport terminal and several hotel developments in hopes of attracting more visitors. Bonaire has become an ideal destination for visiting divers; the water surrounding the island has been designated an official marine park and possesses incredible visibility of between 100 and 150 feet.

The islands await drastic change in light of a declaration that the country of the Netherlands Antilles will be disbanded on December 15, 2008. Curacao will become an autonomous

country within the Kingdom of the Netherlands, similar to Aruba. Bonaire, on the other hand, will become a special municipality with a more direct relationship with the Netherlands. Under this agreement, the Dutch government will be able to better support improvement of Bonaire's economic policy as well as provide the island's citizens with benefits such as voting rights and induction of Dutch law.

5. Roatán (Honduras) and Corn Islands (Nicaragua)

Lesser-known tropical destinations such as Roatán and the Corn Islands offer visitors beautiful Caribbean coastline with a secluded charm. According to Lonely Planet, Roatán has seen a rise in tourism and has experienced increasing popularity as a diving hotspot; conservation efforts are in place to maintain the beauty of the reefs as more visitors flock to the island. Roatán is also becoming an increasingly attractive residential area. (See our article on self-directed IRAs for more on investing in Roatán.)

Tourism is also growing in the Corn Islands of Nicaragua. These islands are relatively isolated and undeveloped, so they have not yet become prey for large resorts. Beach property on the Corn Islands may prove to be a profitable investment as Nicaragua undergoes improvements in its infrastructure and economy. (See our article on investing in Nicaragua for more information.)

Investors should note that Roatán and the Corn Islands are both within reach of hurricanes; those interested in financing development projects on the islands should take the appropriate steps to ensure that buildings can withstand potentially destructive weather.

Copyright © 2006-2007 NuWire, Inc., All rights reserved.
[Login](#) | [Contributing Writer/Experts Programs](#) | [About Us](#) | [Privacy Policy](#) | [Terms & Conditions](#) | [Contact Us](#) | [Sitemap](#) | [RSS](#)