



## **Property Development in Barbados: Going Global and Going Green**

Written By Richard Eames

Today some of the world's most prestigious hotel brands are investing in the region. In Barbados and throughout the Eastern Caribbean this interest is intricately shifting the Caribbean's marketing position and simultaneously creating new demands. Reliance on our existing clientele will change as we begin to assume more interest from the portfolio of large-scale developers with a US and European market base. Typically the developments offer Villa residences for sale from one-bedroom suites to large custom-built homes offering the amenities and services of the worlds leading hotel operators.

This global marketing by major developers, international real estate agents and hotel chains, will impact our tourism by creating new demands and expectations, potentially changing the seasonality of the industry. This clientele is essentially young, affluent and interested in a range of amenities and activities being available on request. The upswing in world housing markets has increased prices in the Caribbean and the rising tide of affluence continues to stimulate demand for prime residential property in the region. Barbados, with a reputation for exclusivity, has been one of the most popular Caribbean property destinations for many years. The current buoyant market is attracting a new supply of buyers. The developers recognize that Barbados has long been one of the most desirable places to live, visit and is a magnet for the rich in Europe and North America. Four Seasons, Banyan and Ritz-Carlton's decision to invest in the region reflect a general commitment to the future of these islands, politically, economically and culturally.

Four Seasons is one of the world's leading managers of luxury lodgings, with 64 hotel and resort properties and three residence clubs, containing about 16,400 guest rooms and units. Properties are operated mainly under the Four Seasons and Regent brand names in principal cities and resort destinations in 28 countries in North America, Europe, Asia, the Middle East, Australia, the Caribbean and South America.

Traditionally these hotel chains have relied heavily on investment in Asia and the Far East, outside of the US home market. Reliant on reduced labour costs and low building costs in a then emerging market, the East emerged as a difficult competitor for the Caribbean. In the last few years terrorism and political instability in the East have played a part in winning new loyal customers and investors from outside of the traditional pool.

With tourism growing 19% in the Caribbean between 2003 and 2005, increased airlift capacity and cheaper flights to major European & US cities plus the promise of two other international airports in the region, interest in the area is only increasing. Now is the rare opportunity for the beautiful islands of the Eastern Caribbean to compete with each other to attract the enormous opportunities that these developers are offering and to manage the investment to the greatest benefit of the economies and environment. This development has led to a range of luxury resorts and villa developments around the

region. Emerging in Barbados, St Lucia, St Kitts, Grenada, Canouan and Dominica, recognizable branded Hotel and Villa chains are establishing themselves, ready for a new future, a new generation of development in the Caribbean.

Hospitality research indicated that there continues to be an ample supply of money available for hotel lending and equity investment. In a report on the Caribbean Hotel Industry, Scott Smith, VP of the Atlanta offices of PKF, says "Many nations and their governments have declared tourism a national priority, with government implementation of many new business and expansion policies to attract foreign investment, we expect that the hotel transaction market will continue to be active and profitable for both buyers and sellers."

In this new stage in the development of tourism in the Caribbean the emphasis has become the discerning clientele. They bring with them a penchant for excellent service and expectation of value for the large amount of dollars they spend. These are clients whose tastes extend to the luxurious. They are well travelled and well read. They expect service but also they expect responsible action towards sustainability for the future.

Here in the Caribbean with our limited natural resources and small economies we have the difficulty of servicing the requirements of international developers who require high-end products and services. Their needs are being met increasingly through importation of products and services, which leads to higher operating expenses. More importantly for small island economies it leads to a reliance on imported products for the welfare of its entire population. True growth really however can only be measured by a country's wellbeing. By that it is implicitly expressed that a country is not only her people but also her land and her natural environment.

Sustainability has therefore come to mean something different than twenty years ago, referring now more specifically to the continued ability to sustain development. The value of development now equates not only with what you put in but also with what you are taking from. With the level of interest and investment in the Caribbean, governments are now in a position to begin emphasizing their policies on sustainable development and start creating investment in the future infrastructure of a Green State. In effect we want to Green Up Globalization and activate our leaders and spokesmen to create an enduring legacy.

Many of the major investors in the region as well as independent investors have a commitment to the environment. As responsible partners we can affect this by inviting investment in renewable energy resources, wind and solar power, the utilization of graywater and minimal impact on ecosystems. Additionally and importantly we can encourage use of local artisans and the use of locally grown food products especially organic locally grown fruits and vegetables. These ventures are supported by developers and hotel groups and are in response to an increasing demand by travellers and home buyers to ensure that their vacation home is not at the planet's expense. With the emphasis on the major global problem, saving the world from environmental loss has become a marketable priority!

Most of the hotels investing in the region have a comprehensive environmental policy and all are in the process of writing a company policy that will achieve company wide compliance. Banyan Tree, now

under construction in Barbados, with Bacassa Developments, has a company policy that is complied for every hotel. The company itself was founded on principles of environmental protection and community empowerment. All their resorts are built to have minimal environmental impact and the group has an outstanding policy for matching a \$2 guest surcharge to support The Green Imperative Fund, for educational, environmental and poverty projects. The Barbados development located at Black Bess in St. Peter, intends to use wind and solar power and is installing a sewage treatment plant providing irrigation water and fertilizer for the Golf Course, landscaping and, in partnership with local farmers, to grow organic vegetables for the resort facility. By increasing the requirements for new developments to comply with the usage of renewable energy sources, inviting exercises in wind and solar generation and learning to rethink, reduce, reuse and recycle, we create a current of social and environmental change. The Caribbean Hotel Association (CHA) has a non-profit division, The Caribbean Alliance for Sustainable Tourism (CAST) to promote responsible environmental and social management of natural and heritage resources respectively, within the hotel and tourism sector. Through its programs and services, CAST provides guidance and expertise in awareness raising programmes, environmental management systems (EMS) and best practices in accordance with the goals of Agenda 21. "Agenda 21 for the Travel & Tourism Industry: Towards Environmentally Sustainable Development", is the plan of action for sustainable tourism produced by the World Travel & Tourism Council (WTTC), the World Tourism Organization and the Earth Council following the 1992 Rio Earth Summit held in Brazil. CAST manages the implementation of training and workshops including Green Globe Certification.

Almond Resorts in Barbados has been awarded the prestigious Green Globe Certification, one of 57 properties in the Caribbean. Almond Resorts has a dedicated environmental director and is protecting and enhancing the environment for residents of Barbados as well as guests. They recognize that they have a social commitment to the local and regional community and have involved their staff in setting environmental targets. Importantly they have adopted a purchasing policy that supports environmental products, local producers and services wherever possible. Their goal is to promote all that is local, including food, art, craft, history, music and culture. In this green country such an opportunity exists to lay the foundations for a truly innovative future that will impact generations to come. In the past considerations such as these were based on limited economic ability and a degree of disinterest. Now that the state of the planet, the major global problems and saving the world from environmental loss has become imperative, there is this wonderful turning point in history where a difference really can be made.

As Sigmar Gabriel, Germany's environmental minister, wrote in a BBC article on March 9 2007, "Global biodiversity policy is a fundamental component of economic policy... we need a greening of globalization."

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