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From: Kim Lund [Kim.Lund@remax.ky]
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Real estate activity in Grand Cayman has slowed down a bit, while residents, tourists, and investors assess how Cayman will be impacted by the global slowdown. There is still good activity, but it is too early to accurately gauge conditions for this winter season. Up to this point, I am seeing enough real estate activity to be optimistic. Below are a few scenerios that I see unfolding:

- 1) There is little to no slowdown in development and construction, other than for smaller projects that had never gotten off of the ground, anyway. For example, Camana Bay is continuing full speed on their 550 acre multi-billion dollar development and are now finishing off their Phase One town center of over 500,000 sq. ft. of residential, commercial, and retail, including their second office building (129,000 sq. ft.). The Seven Mile Beach condominiums of Renaissance, Beachcomber, and South Bay are well along in their construction and almost completed. Watercolours, Cayman's most prestigious condominium development, which will be built on the site of Beach Club Colony, has confirmed a construction start in February 2009. Waterford Private Residence Club has started construction of their first 2 buildings of 5 in total. Right next door is Grand Caymanian and they are completing construction of their second and final phase, by next summer. The Ritz-Carlton is building homes and condos on their golf course. On the east side of Grand Cayman, a new 89 residence 5 star plus condo/tel, The Island Resort and Residences, are starting construction this month. Not to mention the new cargo port construction, new cruise ship port construction, and the construction of new buildings downtown for the financial industry.
- 2) While I am seeing concern about the global slowdown and impact of the financial crisis, I am not seeing a lack of confidence in the Cayman Islands real estate market – just a small slowdown, to date. The Cayman Islands missed the high run up in values experienced in other resort and real estate markets, so prices were already attractive here. With some even better opportunities surfacing, smart investors who look beyond two to three years should take advantage of this downturn. We are seeing some interest building already, but it is still a bit early in this cycle to confirm its strength.
- 3) Unique properties that rarely become available and some exceptional commercial, revenue producing opportunities are coming to market. In some cases, these are from wealthy property owners who are just tired of waiting for better market conditions. In other cases, they are to satisfy a real need to liquidate an asset. Unless the world is coming to an end, time has shown us that these properties will be worth substantially more, in just a few years.

With difficult times come some of the best opportunities! I have highlighted below, a few exceptional opportunities, which make good investment sense even in today's shell shocked market:

PARK PLACE CONDOMINIUM - 2 BR condo in mixed use development across the street from Meridian, Beachcomber, and Water's Edge on Seven Mile Beach. Ideal for guests or staff or as a good long term income investment. The original price paid about 3 years ago was CI\$319,000. The contract was then assigned for a price of CI\$352,600 to the current owner.

The very best price for a similar condominium in this development is currently CI\$359,000. There is easy beach access to Seven Mile Beach and this area is developing into a trendy residential and commercial location for condos, shops, restaurants, and offices. By far, one of the best opportunities in a prime location. Construction completion will be February 2009. Priced to sell at JUST CI\$295,000.

PACKAGE OF 6 CONDOS – Grand Caymanian Resort, located on the North Sound, next to the Ritz-Carlton, is completing its Phase Two. There is a block of six 2 BR condominiums in Phase One being sold for US\$450,000 each, fully furnished, and heavily booked through high season, so rental income is strong and estimated to net around US\$30,000+ per condo. In Phase Two, these same condos are selling for over US\$600,000. And even better news, the resort has just branded with Ramada International and now has access to an international reservation system. There is solid upside appreciation potential, as the property is being improved. It is next to the 5 star Waterford Private Residence Club on one side, and the new Ritz-Carlton golf course/future development. An independent valuation in Phase Two indicates a value of approximately US\$600,000 per condo. Below market value at US\$450,000 each or a negotiated bulk purchase price.

SEVEN MILE BEACH PARCEL – Extremely rare offering! This lot is between Grandview Condominiums and George Town Villas on the southern end of Seven Mile Beach. It can be simply land banked for capital appreciation, developed into approximately 25 condominiums, or used to develop your private residence/estate. Area is 1.23 acres, 100 feet on Sea, and 515 feet deep. A gorgeous estate with main house, guest cottage, tennis court, and pool could easily fit on this site. It is on a quiet, side road, just off West Bay Road. Look to the future. Only US\$4,995,000.

PLEASE CONTACT ME FOR MORE INFORMATION ON ANY OF THESE OPPORTUNITIES.
THANKS... Kim



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