

INTERNATIONAL
Herald Tribune

Properties



Belize: Coming of age

Ready or not, this tiny nation is undergoing a construction boom

By Kevin Brass

Published: August 2, 2007

PLACENCIA, Belize: Plans to build a 582-acre residential development and resort have stirred controversy on this remote Caribbean peninsula, where long sections of the only road are unpaved and manatees lounge in the nearby lagoons.

The design for the 1,000-home project, called Ara Macao, includes a golf course and full-service marina in a total area equivalent to 236 hectares. "Ara Macao is not what the country can support," said Dianne Bulman, a local developer. "The infrastructure is not here."

But, ready or not, large-scale development is coming to Belize. Several large projects are moving forward, bringing unprecedented construction to the former British Honduras, which has a population of only 294,000.

The list of projects includes the recently announced Smuggler's Run Plantation, a 1,000-acre residential development north of Belize City. The project will consist of 1,440 townhouses and condominiums, 370 lots for custom homes, a marina, a hotel, retail space and a golf course designed by Arthur Hills/Steve Forrest and Associates.

Construction on the first phase is expected to begin in January, including a variety of homes priced at \$160,000 to \$1.2 million. Most top-end real estate in Belize is priced in U.S. dollars.

"I see Belize at a point now that it's on the verge of a major change," said Trevor Miles, president and chief executive of the company developing the Smuggler's Run project.

Historically, Belize has been the great underachiever of the Caribbean. It is an English-speaking democracy with a relatively stable government, lush, unspoiled jungles and dozens of islands grouped around the world's second-largest barrier reef.

Yet there has been little large-scale development other than the main tourist destination, Ambergris Caye, an island off the north coast. Builders and investors remain wary, industry experts say, largely due to persistent reports of corruption and the lack of basic infrastructure, like the poor state of the roads.

"Services as a whole are very limited," said Luke Romero, managing broker of Cameron & Tate Properties, a real estate firm based in Houston and active in Central America. "The government is not very sophisticated, in the sense of having infrastructure in place to support builders."

However, Belize's popularity as a tourist destination continues to grow. The number of visitors swelled from 199,521 in 2002 to 247,309 in 2006, according to government statistics. One of the country's biggest fans is the film director Francis Ford Coppola, who has built two luxury resorts in Belize, including Turtle Inn, a collection of thatched hut-style cabanas near Placencia.

Placencia was little more than a fishing village 15 years ago, primarily accessible by boat. But the thin 16-mile, or 26-kilometer, peninsula offers one of the few stretches of white sandy beach on the largely swampy coast and the local government is supporting development, citing the need for jobs and outside revenue.

"We would love to be the South Beach of the central Caribbean coastline," said Brian Yearwood, referring to the trendy Miami neighborhood. Yearwood, who is chairman of the Placencia Village Council, also is in the real estate industry.

In the past year there has been a flurry of land purchases on the peninsula, local agents report. As a result, prices for beachfront land have soared, moving from \$3,000 a linear foot to close to \$6,000 a linear foot for choice beachfront properties, according to Bradley Rinehart, managing director of Century 21's Placencia office and owner of Placencia Properties, a local development and contracting company. Many countries in the Caribbean region use prices per linear foot to compare the prices of beachfront land; sales, however, are priced by the acre.

"There's not a lot of beachfront land left," Rinehart said.

In January, the Canadian developer Carlton Watson bought an eight-acre parcel that includes both oceanfront and lagoon-front land on the narrow peninsula. He conducted extensive research on land prices in Central America and the Caribbean before paying about \$3,000 a linear foot for the land.

"It's still far below the prices for the rest of the Caribbean," said Watson, who found beachfront property elsewhere averaged closer to \$12,000 a linear foot. Watson plans to build a hotel-condo development with units ranging from 800 to 3,000 square feet, or 75 to 280 square meters, priced at \$320,000 to \$450,000.

Nearby, CocoPlum, a master-planned residential development is offering 110 ocean- and lagoon-front home lots, ranging from a half-acre to three-quarters of an acre, with prices from \$109,000 to \$469,000. According to the developers' master plan, buyers will be able to build on only 25 percent of their land and structures can be no taller than 46 feet, or 14 meters, to preserve the ambiance of palm trees and white sandy beaches.

(Page 2 of 2)

"The whole goal is to build a high-end, low-density development, which is not really being done in Belize," said Boris Mannsfeld, who is marketing The Villas at CocoPlum, a 100-unit complex covering 12 acres within the development.

Maintaining Placencia's low-key atmosphere has turned into a hot topic of debate. A group of local activists, many of them expatriates, filed a lawsuit against Ara Macao - by far the largest project in the region - charging that it did not follow the country's environmental guidelines. The case reached the Belize Supreme Court, which in May ruled in favor of the developers, a Chicago-based company called ioVest.

The company is primarily targeting second-home and retirement buyers from the United States, Canada and Britain.

"There is rising demand from baby boomers looking for something different," the ioVest president, Paul Goguen, said.

The project will get a boost if the government makes good on its promise to finishing paving the peninsula's one road. Local developers have been told the road will be finished by the end of the year, although many locals remain skeptical.