

BLUEPRINTS | Jamaica

Frantic Hotel Development on the Mellow Island



Island Outpost

Jamaica is known for its mellow lifestyle, tropical vistas and soothing reggae music—but there is nothing laid back about the pace of hotel room construction on the Caribbean island.

By 2012, 10,000 rooms are expected to be completed, raising the country's total hotel room inventory 53% to an 29,000 from 19,000 this year, says Horace Peterkin, president of the Jamaica Hotel and Tourist Association. The island also has 8,000 existing resort-related villas and apartments.

The style of the new hotel and resort properties vary. The 856-room Riu Ocho Rios is one of several larger new hotels to offer all-inclusive packages. Florida-based Tavistock Group entered a joint venture last year with the Jamaican government to act as the master developer of Harmony Cove, a 2,200-acre luxury resort that is expected to include several hotels, golf courses and an equestrian center. The Palmyra Resort & Spa at Rose Hall, which bills itself as Jamaica's first beachfront luxury condominium hotel, is expected to be completed next year.

Construction also is set to begin in June to expand Goldeneye, a small resort on the former estate of Ian Fleming, the late author of the James Bond spy novels. Now owned by Island Records founder Chris Blackwell's hotel company Island Outpost, Goldeneye's new beach cottages and villas are being marketed for sale at prices ranging from \$600,000 to \$3.5 million. The boutique resort rents its existing villas. Mr. Fleming's original three-bedroom property is available for \$3,800 a night during the high season and for \$2,800 from mid-April through mid-December.

Jamaica is the birthplace of activist Marcus Garvey, poet Claude McKay and reggae star Bob Marley. In the 18th century it was infamous as a center of piracy; by the 20th century, before the rise of moderately priced jet travel in the mid 1970s, it became known to outsiders as an idyllic retreat for the well-off. While high-end resorts are still part of the mix, in recent decades the island's lower-cost land and labor have fueled the development of hotels that appeal to price-sensitive travelers.

Some in the tourism industry say they are concerned that the rising number of dense and often midpriced developments needs to be monitored so that the island's unique beauty is not lost. "We welcome development

Guests at the **Goldeneye** resort in Jamaica can rent the original villa of Ian Fleming, the author of the James Bond spy novels.

By the Numbers: Select Caribbean Hotel Markets

	February	
	2007	2006
Jamaica		
Occupancy	69.2%	82.4%
Avg. daily room rate	\$173.33	\$175.14
Cayman Islands		
Occupancy	79.5%	74.4%
Avg. daily room rate	\$428.94	\$356.40
U.S. Virgin Islands		
Occupancy	87.3%	88.1%
Avg. daily room rate	\$380.65	\$359.70

Note: Statistics are based on reports from a select group of properties in each market.

Source: Smith Travel Research

wholeheartedly and need employment," says Jason Henzell, president of Island Outpost. "But...there are parts of the country that need to be zoned, if not we will have ad hoc development and it's going to be a shambles."

A number of brokers point to another local problem: Jamaica's real-estate values have been held back in part, they say, because it has struggled to combat a stubbornly high crime rate. Efforts to crack down on crime in 2006 were dealt a setback last month by the high-profile death of a Pakistani cricket coach found strangled in his hotel room. The case is still under investigation, according to a spokesman for the Jamaica Constabulary Force, and no arrests have been made. Tourism officials say the murder has not affected tourism to date. "People realize that it could have happened anywhere," says Mr. Peterkin.

Investors are seeing opportunity in the disparity between property prices in Jamaica and other parts of the Caribbean such as the posh Cayman Islands or Barbados, says Gordon Langford, managing partner with Langford & Brown, a Kingston, Jamaica-based property appraisal and sales company. Jamaican luxury properties still aren't cheap but a beach-front villa that might cost about \$2.5 million in Jamaica could run as high as \$10 elsewhere in the Caribbean, Mr. Langford says.

—Maura Webber Sadovi