



# G.A. FARRELL & ASSOCIATES LTD.

CHARTERED VALUATION SURVEYORS

*"Tobago Closeup" - your quarterly update.*



## Investing in Tobago

If you are considering investing in real estate in Tobago you should be aware first of the several factors and nuances that make the Tobago real estate market different from the one in Trinidad.

### **The first question is "Why Tobago?"**

One of the tenets of investment choice is the need to diversify both in terms of type (real estate, shares, Government Bonds) and geography (Port of Spain, Arima, Tobago).

Within the last few years, the Tobago real estate market has been battered by several forces including the Land Licence which was introduced in 2007 that restricts foreign ownership in Tobago, the downturn in the national economy and the drastic drop in the tourism sector where arrivals have decreased from around 90,000 in 2006 to roughly 18,000 in 2018.

Consequently, the Tobago real estate market is currently depressed, and with proper research it may be possible to find attractive buys.

**Having made the decision** to invest in Tobago, you need to consider the three most important factors in choosing a property - Location, Location, Location. This will play a big part due to:

- a. As with everything else, your budget plays an integral part. If your budget is modest (\$1.5m to \$2.5m), then the Bon Accord area could work as well as places like Carnbee, Sherwood Park, Buccoo or Lambeau. A more generous budget (up to \$3.5m) would allow consideration of Samaan Grove, Courland, Grafton and Bacolet. With larger budgets, you would be able to buy almost anywhere, including Mt Irvine, Grafton or Tobago Plantations, and the choice then becomes a question of stand-alone villa (Mt Irvine) or gated development with monthly charges (Samaan Grove, Grafton and Tobago Plantations).
- b. The reason for purchasing also has to be considered in selecting a location for, as small as Tobago is, each distinct area has a different character. If you are buying a guesthouse or "villa" to attract short-term, holiday makers, then you want to be close as possible to the airport, Pigeon Point and Store Bay. The Bon Accord Development for example, is popular for short-term holiday stays by people mostly in 'party mood'. If you are looking for a family or retirement property, you need to know which are the quiet residential spots, while buying in the "country" can be problematic unless you are serving the needs of niche markets like dive or soft-adventure.
- c. Following on the Land Licence mentioned above that restricts foreign ownership in real estate in Tobago, certain areas have been named as Designated Development Areas where licences will be readily granted. These areas are: - Arnos Vale and Culloden; Bacolet Estate; Englishman's Bay; Buccoo and Golden Grove Estate; Crown Point, Lowlands and Diamond Estate; Mt. Irvine and Grafton Estate. By selecting a property in one of these areas, there will be a wider range of possible purchasers if and when it is decided to sell in the future.

*We would like to thank Dawn Glaiser of SeaJade Investments for the significant input to the above*

*Part 2 of this report will be continued in the November issue*





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## *Profile of Crown Point Hotel*



Within walking distance of the ANR Robinson International Airport and a short distance from Pigeon Point, the Crown Point Beach Hotel is located at perhaps the best spot in Tobago, overlooking the Caribbean and famous Store Bay, and enjoying sunsets you must see to believe.

Originally a typical hotel, it was constructed around 1960 with several subsequent additions. Long regarded as the premier hotel in Tobago, Queen Elizabeth II and Prince Phillip visited in 1966 and photographs of their historic visit are displayed in the hotel lobby showing the Royal couple with local dignitaries of the past such as Sir Solomon Hochoy, Dr Eric Williams, Kamaludin Mohammed and A.N.R. Robinson.

In 1975, the hotel was converted into 109 condominiums for private sale. Of these, 59 are in a rental pool and make up the hotel room stock. They comprise studios, cabanas (duplex-type structures scattered around the grounds) and 1-bedroom units and there are an additional 32 units owned by the Johnston family and operated as Johnston's Apartments.

The hotel facilities and services include a fresh-water swimming pool, two hard tennis courts, table tennis, shuffle board, guest laundry, free Wifi, and kitchen facilities in each room. The on-site Restaurant and Bar, Superette, Gift Shop and Casino are independently operated. In terms of security, Crown Point Beach Hotel offers guests video surveillance and physical grounds patrol.

Thanks to its location, the hotel enjoys high annual occupancy, but like all other hotels on Tobago, it has been adversely affected by recent air and sea-bridge problems. The hotel Manager is running special promotions this summer to win back guests, and information on packages can be obtained from the website or by contacting the hotel directly. Every effort is being made to ensure that this iconic Tobago hotel will survive current challenges and continue to offer visitors their dream vacation - as it has done for almost sixty years.

*Disclosure: At the time of writing, author Mark Farrell is a Director of both G. A. Farrell & Associates Limited and Crown Point Beach Hotel Limited*

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