

A blue wooden boat is filled with three men and their catch. The boat is loaded with several wooden crates, some of which are overflowing with bright red lobsters. The men are dressed in casual, light-colored clothing. One man in the foreground is leaning over the side of the boat, while the other two are positioned towards the back. The boat is on a body of clear, turquoise water. In the background, a white sandy beach and a line of buildings are visible under a bright blue sky with scattered white clouds. The overall scene is vibrant and captures a moment of traditional fishing activity.

House Hunting in ...

CAPE VERDE

Small, rocky, and miles away from anywhere – how on earth did Cape Verde become the hot spot of the moment? Jamie Liddell sets off to find out.

In today's world of rapidly emerging markets, few markets have emerged quite as rapidly as Cape Verde. A couple of years ago few members of the public, let alone overseas house hunters, would have been able to point out this small Atlantic archipelago on an atlas; now it's one of the hottest hot spots on anyone's map, and potential buyers from across the world – and from Ireland in particular – are flocking to see exactly what all the fuss is about.

“Located off the west coast of Africa, Cape Verde is Europe's closest tropical island paradise,” says Dominic McGlynn of Sambala Developments. “It shares the same latitude as Barbados and boasts the same glorious climate – classified as dry tropical with low humidity. Average air and sea temperatures are between 23 and 27 degrees Celsius, with ten to 12 hours of sunshine (cloudless skies) from November to July and six to seven hours between August and October, when you can also expect a little rain. Cooling trade winds provide year-round relief on the coast, but – unlike the Caribbean – Cape Verde does not lie in the path of damaging hurricanes.”

Jonathon Milne, managing director of Edinburgh-based agent FM Developments, says that such a delightful climate provides the perfect foundation for an array of the kind of recreational pursuits that cater for the needs of modern holidaymakers and homebuyers alike.

“The beautiful beaches and warm waters are perfect for sunbathing, swimming and general

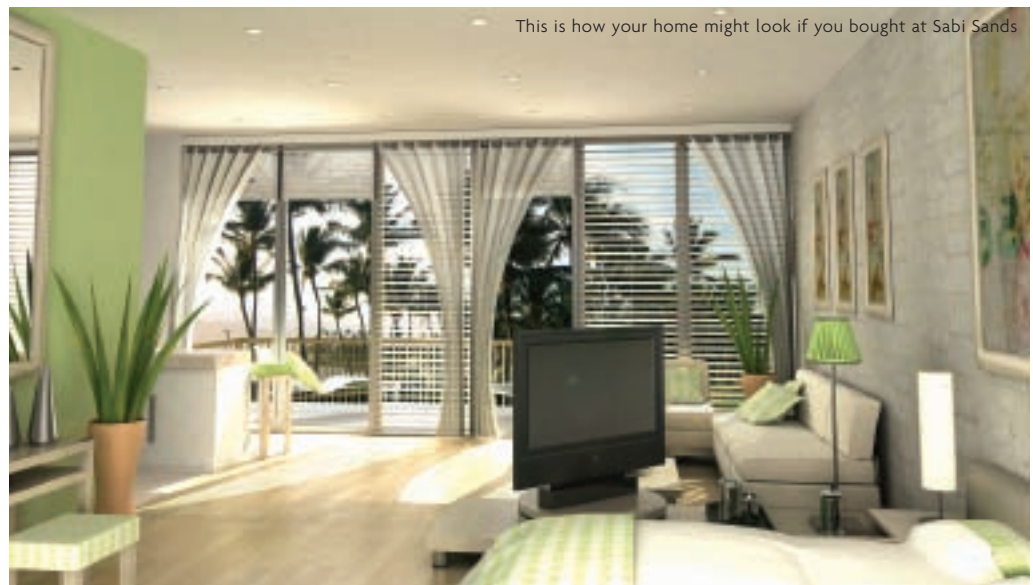
relaxation. The stunning views make walking, cycling or just driving round the islands a real pleasure. Available activities include sailing, surfing, bodyboarding and kite-surfing, diving, shopping, exploring historical sites, cruising the islands, fishing and birdwatching,” Milne says.

With that in mind it's easy to see why Cape Verde is currently proving such a tempting proposition for lifestyle buyers. But the islands are equally attractive as an investment location too; their very newness as a buying market ensures comparatively low entry levels, and with such interest being generated in such a short space of time it's hard to see how a hefty dose of capital appreciation won't be on the cards for the next few years at least.

“Cape Verde is an ideal investment for pure property investors primarily because it is essentially a virgin new-build property market, offering exceptional value when compared with other established tourist destinations,” says McGlynn. “The government transparently acknowledges that the islands' future lies in tourism and is committed towards the provision of infrastructure to ensure that annual tourism figures double to over 500,000 by 2015. This increase in tourism drives the rental market, which benefits from the year-round climate, providing promising rental yields.”

Trevor Byrne, the sales director of GEM Estates, believes the promise of good rental yields is a key factor in assuring investors of the solidity of what Cape Verde has to offer. >>

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“Given the year-round holiday season appeal, investors can be sure that their property will seldom be left empty,” he says. “Tourism in Cape Verde has been increasing by at least 25 per cent over the past four years and given that direct flights from the UK are due to start in November, we can’t see this slowing down for a long while. Unlike Eastern European destinations that have proved popular with Irish investors recently because of the low entry price, Cape Verde offers the opportunity to maximise on rental yields.”

Byrne also points to the Cape Verdean government’s desire to limit construction as evidence of that other key to investment security: capital appreciation.

“Because of its relatively small size and its sympathetic attitude towards low-density building, Cape Verde will never become overdeveloped. It is very unlikely that Cape Verde will ever see a glut of unsold property like some markets are experiencing at the moment. With such high demand and such a small supply, investors can expect to benefit from that most basic of economic principles, demand outstripping supply.”

So far, so good – good enough, certainly, to attract growing droves of us over to what is, at first sight, one of the least accessible emerging markets on the property stage. Thus far most of the house hunters hitting Cape Verdean soil are Irish (“the islands really seem to appeal to Irish investors who know a good thing when they see it,” grins Dungarvan man Byrne) and British – “although there is increasing interest from Germany and the Nordic regions,” says McGlynn. While the presence of a significant number of Irish buyers is now pretty much par for the course in any emerging market, the knowledge that a growing mass of other Northern Europeans are also piling in is both reassuring and, perhaps, indicative that those looking to make a real killing should be relatively quick on the draw.

But where should all these house hunters be heading once they land? One of the problems with newly emerging markets is often that the buzz >>

Case Study

Damian Ringwood from Dublin, the chief executive of an Irish-based accountancy body, recently bought a villa off the plans at the Sabi Sands development on Boa Vista through GEM Estates. He describes himself as “both a lifestyle buyer and an investor – but primarily the former”.

“It’s more lifestyle for the moment,” he says. “The immediate attraction is that my wife, who’s Dutch, originally lived in Aruba in the Caribbean and we wanted somewhere similar that wasn’t as overdeveloped – you could say we wanted to step back a little in time!”

Damian saw Cape Verde featured on television a couple of years ago as an up-and-coming hot spot: “It stuck in my mind as an area that looks fantastic and isn’t very developed, and over the last couple of years I’ve done a bit of research. Still, not having bought a property overseas before this is a bit of a step out into the unknown!”

“We’re buying through releasing equity from our house just outside Dublin. The increase in value of our property has allowed us to do that – we bought in 2001 and are very jealous of those who bought in the early 1990s.”

Damian wanted somewhere that would gain in value over the next decade; he and his family plan to hold onto the property for at least that long “to enjoy it – but over time we’re also looking for a good deal of capital appreciation as the facilities develop,” he says.

Dominic will visit his villa, which will be completed in 18 months, at the beginning of next year to check on its progress. After completion the family expect to use it fairly frequently, especially during the summer: “My wife and kids will be able to use it for the whole summer and the long holidays,” he says, somewhat wistfully.

“My wife’s a writer, she writes a great deal, and having somewhere like this will help a great deal with her books.”

As a qualified accountant, Damian is no doubt hoping that a combination of low entry costs and high capital appreciation will work similar wonders on his books too.

Picture 1: Another interior representation from Sabi Sands – good art

Picture 2: Apartments in Cape Verde are still available off-plan at low prices



“Tourism in Cape Verde has been increasing by at least 25 per cent over the past four years and given that direct flights are due to start in November, we can’t see this slowing down for a long while.”



Picture 3: A growing number of villas are being added to Cape Verde’s portfolio
Picture 4: Cape Verdean culture is intimately linked to the sea
Picture 5: Shiny happy interior design

and the hype tend to drown out the important details, at least initially, and while many more people now know where Cape Verde is situated, the depth of knowledge about the location is still comparatively poor.

Independent from Portugal since 1975 and a pluralist democracy since 1990, Cape Verde is made up of ten main islands and five islets; its population of approximately 420,000 is scattered over nine of the islands (Santa Luzia is an uninhabited nature reserve) with approximately half located on Santiago (Sao Tiago in the native Portuguese), the largest island and site of the administrative capital Praia.

Most of the new wave of real estate development is to be found in the three islands of Santiago, Boa Vista and Sal (with building also underway in Sao Nicolau, Maio and Sao Vicente). As is to be expected, each developer and agent is keen to promote the virtues of his or her islands of operation; while the general drivers moving Cape Verdean property forward are the same, it is indeed the case that the islands each have their own individual attractions.

McGlynn’s Sambala Developments is a family-run concern based on Santiago, operating the largest project on the island and perhaps in the country;

the €800-million Sambala Resort project, recently endorsed by Cape Verdean prime minister Jose Maria Neves, will eventually cover 12 square kilometres and will include four ‘tourism villages’, ten villa and townhouse developments, three five-star hotels, a marina and two 18-hole golf courses.

“Santiago benefits from white sandy beaches but also boasts volcanic peaks that rise dramatically to over 1,400 metres and then plunge into the deep blue Atlantic below,” McGlynn says proudly. “The island is home to botanical gardens, and after the rains transforms into an extremely lush island paradise similar to Jamaica or St Lucia. Owing to the early settlement upon Santiago, the island is steeped in culture, particularly music, singing and theatre.”

Jonathon Milne’s FM Developments, meanwhile, is selling homes on Boa Vista, the most easterly of the islands, including the Creola Sands project on a beachfront site on Cabral Beach.

“Beautifully coloured by its green oasis, Boa Vista is hailed as the most spectacular island in Cape Verde, boasting some of the best beaches to be found on the islands: Praia Cabral, Santa Monica, Estoril and Chaves Beach to name a few. Boa Vista is bordered by over 55 kilometres of white sandy beaches,” Milne »

says, adding that Boa Vista’s new international airport will be completed later this year, joining those already in place on Santiago and Sal.

GEM Estates is also selling on Boa Vista, including at the sought-after Sabi Sands development with an optional five per cent two-year rental guarantee, and Trevor Byrne highlights the island’s natural assets as a major draw for lifestyle buyers and, thanks to its appeal to tourists, for investors too.

“Boa Vista is dubbed the ‘Sand Dune Island’ and offers unspoiled nature. Loggerhead turtles flock to Boa Vista’s quiet white beaches to nest; Boa Vista’s coral reefs are some of the world’s most important and the island is also a feeding-ground for dolphins and humpback whales,” he says.

However, Byrne adds, “despite the visions of paradise that this surely conjures up, there are obviously practical considerations. Boa Vista’s infrastructure is a little way behind that of a more established island such as Sal. That said, much is being spent on improving other areas of the infrastructure. When buying off-plan, clients can consider Boa Vista to be approximately one year behind Sal in terms of its infrastructure – meaning it should be well beyond the standard currently seen on Sal when developments are due for completion in two years’ time.”


Why should this somewhat surprising statement be the case? It results from the incredibly rapid arrival on to the property scene of Cape Verde itself. The market is developing so quickly that the type of property on offer has already changed from that being marketed when the country first hit the headlines.

“Prices have risen sharply in the past year but the



quality of the developments on offer has also increased dramatically,” says Byrne, adding that some of the apartments being built a year or so ago “were to a fairly shoddy to average standard”.

“Large five-star developments with world-class facilities are now coming on to the market. The involvement of experienced Irish and more recently a Scottish-based developer ensures that the quality of these new developments will ensure that Cape Verde will also prove popular with the luxury end of the travel market, which in turn will see rental yields increase,” Byrne concludes.

There’s no denying that Cape Verde is still an immature market with, no doubt, a few obstacles to overcome along its path. But the positive indicators are definitely there; while it will never be as easily accessible – nor as popular in terms of numbers – as the Mediterranean or Eastern Europe, its advantages are very different and equally as obvious, and whether for lifestyle or investment purposes this little archipelago looks set to be attracting Irish buyers for a long time to come. 

Read more about Cape Verde on page 148.

Picture 6: A large home in the Tropics with a private pool – yes please

Picture 7: Great views with natural frames

Picture 8: Admit it: this picture makes you just a teensy-weensy bit jealous

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