

Looking to escape the crowds and be master of all you survey? You might just be ready to buy your own private island. Phin Foster investigates what it takes to buy into the world's most exclusive property market.

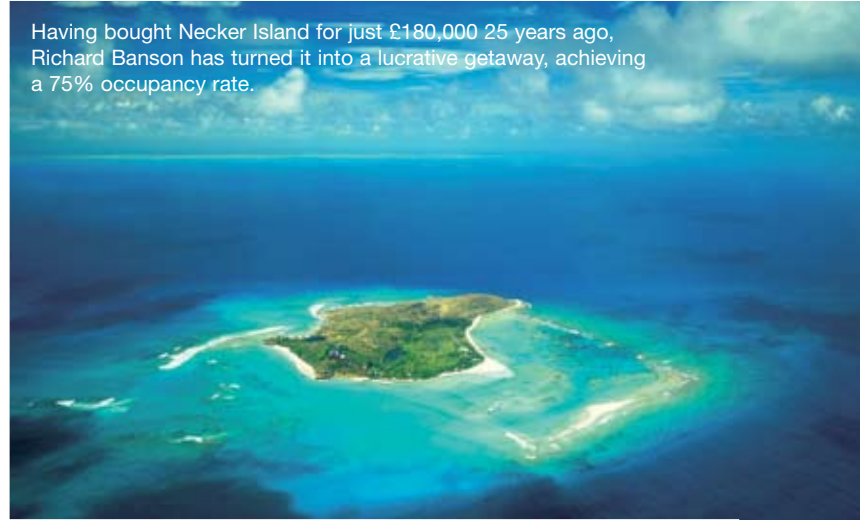
treasured ISLANDS



Stairway to heaven: David Copperfield claims to have discovered the 'Fountain of Youth' on his island, Musha Cay.



Having bought Necker Island for just £180,000 25 years ago, Richard Banson has turned it into a lucrative getaway, achieving a 75% occupancy rate.



When choosing an island, it is sensible to check out the transportation links – a seaplane is one option.



As international travel becomes more widely available, is privacy now the ultimate luxury? Disregard the wine cellar, the art collection, even the West London football club: if you are looking to merge status symbol with canny investment, why not buy your own island?

No longer the preserve of shipwrecked sailors and Bond villains, islands are now big business. The specialist real estate market has developed steadily since shipping magnate Aristotle Onassis's high-profile 1963 purchase of Skorpios in the Ionian sea, with public figures such as Sir Richard Branson, Bill Gates and Ted Turner following in his wake.

And the roll call of celebrity Robinson Crusoes continues to grow. In 2006, illusionist David Copperfield announced his discovery of the 'Fountain of Youth' amid a cluster of four islands he recently bought for \$50 million. According to Copperfield, it is capable of bestowing perpetual youth, and he claims that biologists and geologists are investigating in the Bahamas.

Where to look

The first step is knowing where to look. Most popular are areas of Western Europe, the Caribbean and the Southern Pacific, although availability within these markets can be somewhat limited. The majority of sales occur along the north-east coast of Canada, British Columbia and the US.

But why limit yourself to just one region? Prior to the enforced sale of his island portfolio in a costly divorce settlement, author Edward de Bono had acquired four separate landmasses. 'It started with one and then just grew,' the eminent psychologist and physician recounts. 'Once I had bought the first property in Venice, it was always the plan to continue collecting – islands are cheaper and less trouble than women.' Properties in Australia, the Bahamas and Ireland soon followed.

De Bono acknowledges that island life might not be for everyone: 'One certainly needs to be self-sufficient,' he reveals. 'If you depend on other people for stimulation, it will not work. I love the isolation and tranquillity; you can escape, it's a wonderful environment for both work and relaxation. And with no neighbours to bother you, can there be anything more blissful?'

De Bono bought both polished and unpolished properties. 'Venice was rather developed already,' he explains. 'There were not many changes needing to be made. In Australia, however, I did everything: cleared the ground, designed and built the accommodation and installed the power supply. The process was relatively painless, it was just a question of finding the right people.'

Despite seeing 'a moderate return' on his investments, letting the islands go was a heart-rending experience. 'I may not have been spending as much time on them as I would have liked,' de Bono admits. 'But, if not entirely necessary, it would have never been my decision to let them go. With the money again, I would certainly consider getting back in the market.'

ALL-STAR CASTAWAYS

- Marlon Brando** – Te'tiarao, French Polynesia
- Mel Gibson** – Mago Island, Fiji
- Gene Hackman** – Island in British Columbia, Canada
- Diana Ross** – (formerly) Taino, French Polynesia
- Ted Turner** – St Phyllis Island, South Carolina
- Malcolm Forbes** – Laucala Island, Fiji
- Sir Richard Branson** – Necker Island, British Virgin Islands
- Aristotle Onassis** – Skorpios Island, Greece
- David Copperfield** – Musha Cay, Bahamas
- Bacardi family** – Island near Granada
- Lawrence Rockefeller** – Sandy Cay, Jost Van Dyke BVI
- Baron Rothschild** – Bell Island, Bahamas
- Princess Nina Aga Khan** – Pellew Island, Port Antonio, Jamaica
- Gianni Agnelli** – Dino Island, off the Calabrian coast

The ultimate in exclusivity
If he does ever enjoy such a windfall, de Bono could do worse than contacting Vladi Private Islands. The German company has sold over 2,000 properties since its inception in the early 1980s and boasts approximately 120 freehold islands on its books at any one time. Pedro Arez, Vladi's second in command,

says: 'We are talking about a piece of real estate that cannot be reproduced. Once bought, many islands will not come back onto the market for another 250 years. Look at the Rockefeller family: they own around ten properties on the eastern seaboard and it is unimaginable that they would ever sell.'

High demand for properties in the Caribbean has resulted in Arez 'realising prices I never expected to see'. He continues: 'Rates are so high that sales have been made difficult. The air is very thin at the top of the pyramid.'

Instead, Arez cites Australasia and Canada as good places to invest: 'Off the Canadian coast you can buy at a very reasonable price and still have three to four months of extremely good weather,' he explains.

Avoiding trouble

Just as important as knowing where to look, is knowing which destinations to avoid. Arez offers two vital considerations: 'Political stability and a good working legal system'. The Philippines, for example, insists on installing a local 50% stakeholder. For Arez, this can lead to trouble down the line. His company will generally refuse to deal in any real estate where conditions are not absolutely right. To avoid complications, Vladi offers a checklist for island buyers (see box, below right).

On the issue of whether polished or unpolished properties typically make the better investment, Arez believes that it is about finding a balance between romance and practicality: 'If the island is bare, then the land is often cheaper and you can create your own vision. We had one investor buy swampland in the Caribbean and import his own sand. From landscaping to architecture, one has a blank canvas.'

Self-contained world

Developments in alternative energy sources are making island ownership a lot easier. 'One no longer faces the massive costs of bringing in underwater power,' he explains. 'And besides, organising your own energy is far more enjoyable.'

Vladi Private Islands has a client who has just purchased a large island in the Seychelles equipped with its own coconut plantation, for example. He plans to develop an energy source based on copra extraction from its bounty.

Sir Richard Branson's Necker Island in the British Virgin Islands is another island project that demonstrates how self-sufficient one can be. 'We are not connected to any sort of government grid,' explains Necker general manager Gordon Overing. 'Phone is by satellite, we generate our own power and there is even a reverse-osmosis plant creating drinking water.'

One cannot ever be entirely independent, however. 'Everything is taken care of by boat,' Overing explains. 'Food and beverage, refuse disposal, fuel – we have to look ahead and ensure that we're ready to deal with every conceivable scenario.'

If any private island is a testament to the opportunities ownership affords, it's Necker. When not being used for Branson family get-togethers and Virgin annual meetings, the resort charges from \$46,000 per night for up to 28 guests or around \$24,000 per couple/per week for individual rooms. A 75% occupancy rate proves that the market is out there. 'The longest break that I've had since starting here is ten days,' Overing sighs.

Such success did not come overnight: Necker's function has evolved steadily over the 25 years since Branson's £180,000 bargain purchase. 'Initially, Sir Richard was not that concerned with running it as a business,' reveals Overing. 'This was just his own little place, with a very small staff maintaining it for him, and he would send his friends down here for holidays. It is only over the last ten years or so that it has become a real commercial venture.' In a 1995 interview with *Villa Magazine*, Branson

Explosive price tag

With an asking price of \$75 million, the south-east Pacific island of Vatu Vara is currently the most expensive island on the market. Nearly two miles in diameter, with limestone cliffs, dense forest and an aquamarine lagoon, this extinct volcano is overgrown by coral reefs and forms part of the Lau islands – widely recognised as the last undiscovered islands of Fiji. Its 305m summit can be seen from up to 35 miles away.



Buried treasure: did Joe Thompson bury his gold on Vatu Vara?

If loneliness ever strikes, Mel Gibson is only 18 miles away on his island of Fajo – but don't resent the fact that he bought his property for a mere \$15 million.

Vatu Vara was at one time owned by mysterious American seaman Joe Thompson. It was rumoured that he had a large haul of gold coins buried somewhere on the island, though he took the secret of their whereabouts to his grave.

Website: www.luxuryrealestate.com/647747

offered some insight into why he was opening his property to a wider audience: 'It's important to share beautiful things like that, and I think it would be an indulgence not to.'

Necker is certainly a picture-perfect example of the island paradise, with an estimated \$10 million invested in its development and upkeep over the years. 'What Sir Richard has done in terms of landscaping and trying to develop a real jungle atmosphere, even going so far as importing wildlife, has transformed Necker into a Garden of Eden,' adds Overing.

However blissful that may sound, there will always be those who do not take to island life. 'I can tell very quickly who will make it and who won't,' reveals Overing. 'Those that stick it out tend to be active, outdoorsy types. I'd say that you should spend a few weeks trying island life out before investing.'

So, if you are considering joining the island set, perhaps renting is a logical first step. 'We have people call up looking for a short island experience,' says Arez, whose company also boasts a large rental department. 'They spend two weeks with the solitude and return either ready to buy their own or to check into the nearest hotel. It's a great life, but those that want to sip champagne in high heels and a cocktail dress might be better off a little bit nearer to civilisation.' ■

THE ISLAND BUYER'S CHECKLIST

- ✓ **Title:** only unencumbered freehold title is acceptable.
- ✓ **Medical:** medical services must be within a 90-minute radius.
- ✓ **Fauna and flora:** familiarise yourself with trees and plants.
- ✓ **Host country:** check out the social environment, and acceptance of foreign investment.
- ✓ **Access:** is the island accessible; does it have a harbour, anchorage, landing etc?
- ✓ **Infrastructure:** check for water, sewage, electricity, telephone and internet.
- ✓ **Building permit:** check the availability of a permit, the size of the house and the type of development.
- ✓ **Climate:** are the weather and climate conditions acceptable?
- ✓ **Island surroundings:** check out amenities, services and crime level.
- ✓ **Island value (investment):** is the island market locally driven and/or by foreigners?
- ✓ **Island seller:** are you dealing with a licensed agent?