



ANNUAL REPORT 2023/24

Cayman Islands
Property Market



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A MESSAGE FROM JEREMY HURST

As we reflect on the global financial landscape of 2023, it has become very evident that the Cayman Islands remains a key jurisdiction of choice for discerning investors even amidst significant global uncertainty. In fact, turbulent times serve to highlight the stability, reliability and lifestyle that Cayman offers for those looking for both a great place to invest and in many ways an ever better place to live.

The Cayman Islands stands as a beacon in the region and globally for its resilience, stability, safety and opportunity for both international investors, residents and locals alike. Cayman is one of the few places where these groups generally work hand in hand to everyone's benefit. In this dynamic environment, exploring the potential of the Cayman Islands for your portfolio or as simply a great place to live is not just a prudent choice; it is an invitation to partake in the continued success story of this thriving tropical haven.

As the Cayman Islands' exclusive member of Leading Real Estate Companies of the World and Luxury Portfolio International, IRG has curated a team of global/local experts with extensive experience within the luxury, residential, development and commercial market sectors with a enviable 29 year track record for delivering success.

Within this report we invite you to join us in an exploration of the Cayman Islands real estate landscape in 2023, with an eye on the best opportunities for 2024. Welcome aboard!



President & Broker / Owner



UNVEILING PARADISE:

WHY THE CAYMAN ISLANDS?



Renowned for its elevated standard of living, proximity to North America and favourable tax environment, the Cayman Islands persists as an attractive residence for many, and an enticing investment prospect for both local and international buyers.

This UK Overseas Territory stands out as a captivating destination, drawing in a diverse global community and solidifying its status as a premium vacation destination for tourism with its breathtaking natural beauty, including white sandy beaches and an abundance of dive sites. As importantly, many continue to consider the Cayman Islands as a great place to live both through its residency-by-investment program or simply by buying property here. International investors can merge their investment and lifestyle interests, relocating their companies and their lives here with the prospect of enjoying a high standard of living in stunning surroundings alongside an effective and efficient business environment.

130

Nationalities in the
Cayman Islands

83,671

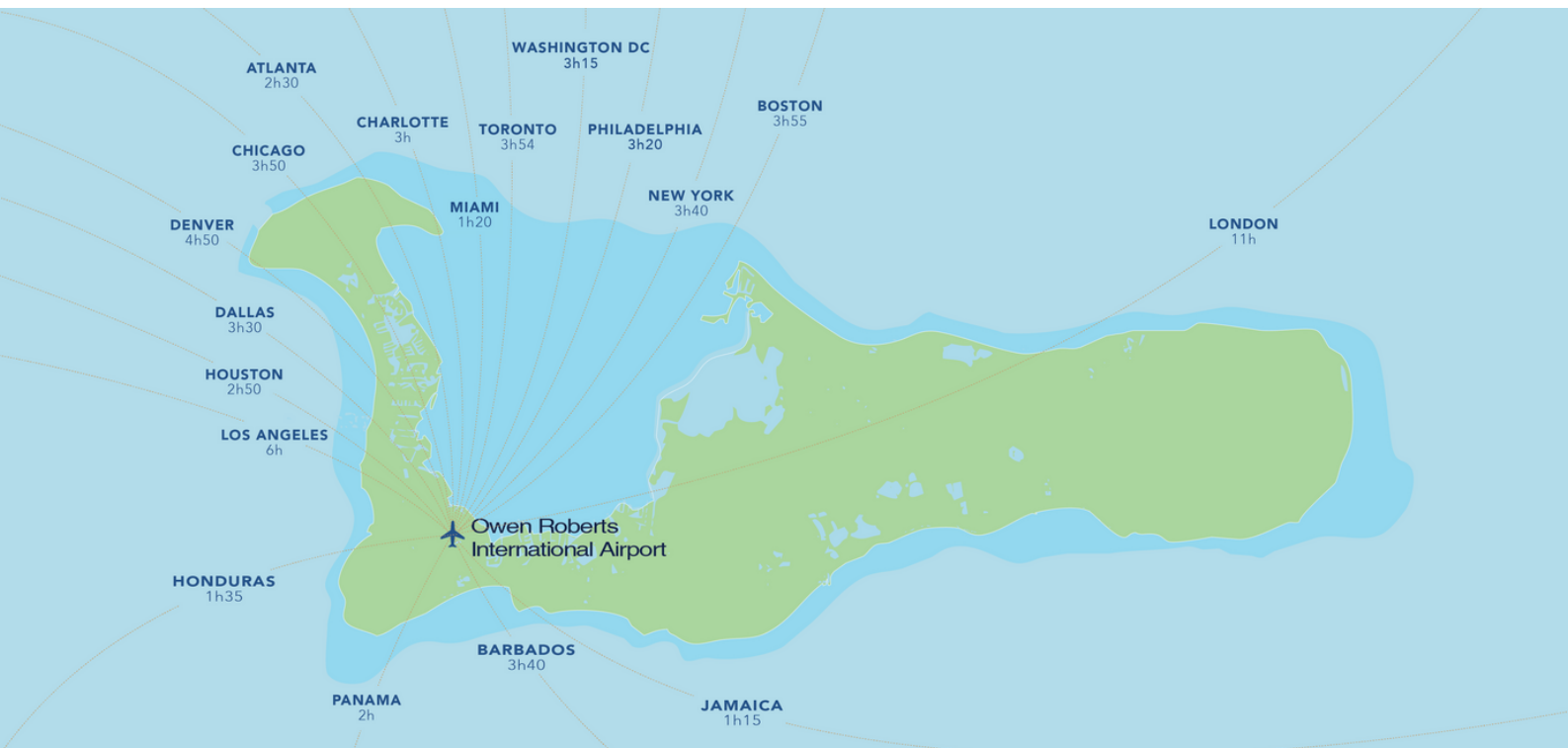
Population as of June
2023

119,626

Active Companies on
the Register as of Q3
2023

2023 TOURISM HIGHLIGHTS

The Island's international airport has **non-stop flights to 32 destinations** in 9 different countries including the United States, Canada, United Kingdom and more. With the increase of travelers, it's notable that almost half are returning visitors, underlining the islands' appeal. In 2023, the flourishing tourism sector and the rise in population not only paints a vibrant picture of the locale, but also presents a compelling picture to potential property buyers and sellers in the real estate market.

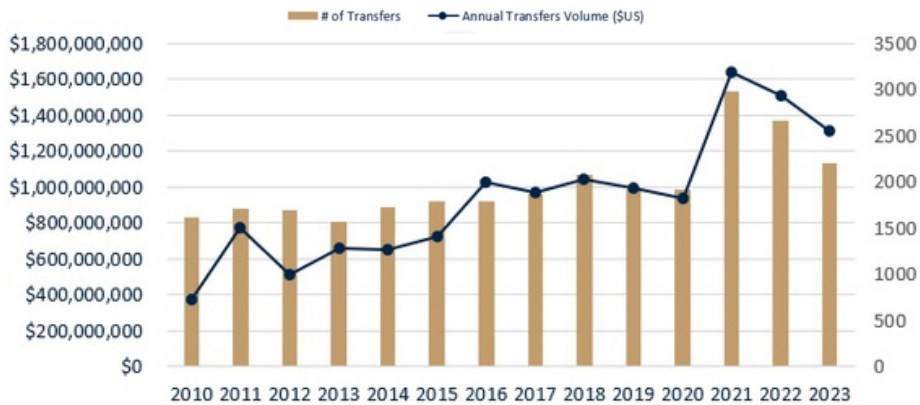


Considering the sustained momentum in population growth, in tourism popularity and the island's reputation as a business centre, a corresponding surge in demand for both residential and commercial spaces, whether for lease or purchase, is poised to intensify. Notably, the increased availability of commercial spaces within close proximity to substantial residential areas enhances the island's appeal, increasing resident's ability to conveniently live, work and play. Within this positive backdrop, let's delve into the specific insights that 2023's real estate data reveals.

2023 REAL ESTATE DATA

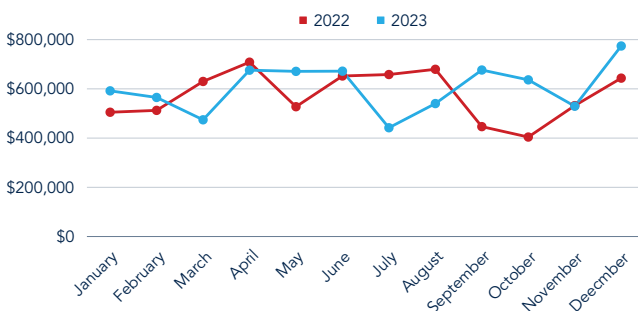
The Cayman Islands continues to surpass **US\$1 billion in annual transactions** with 2021 being a milestone year reaching a massive US\$1.61 billion. Building on this remarkable achievement, the market has shown resilience even when it came under pressure from global events in 2023, with property sales still well exceeding the US\$1 billion mark and the total number of sales above pre-covid levels.

HISTORICAL MARKET DATA

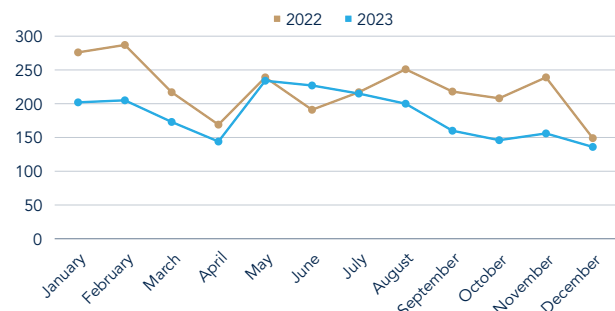


This sustained success highlights the enduring appeal and resilience of the Cayman Islands market, drawing both local and international investors and buyers, who continue to recognize the strategic advantages and opportunities offered by this safe haven during challenging global times. According to the CI Government Lands and Survey Department, **the average transaction value in 2023 is up** in value to US \$598,979.70 representing a 5% increase over 2022, delivering a total sales volume of US \$1,316,557,370.34.

AVERAGE TRANSACTION VALUE



OF PROPERTY TRANSFERS



In 2023, Cayman Islands property sales dropped by 19% compared to 2022, for a total of 2,198 sold properties. The reduction in monthly property transfers is naturally a reflection of buyer hesitancy stemming from heightened interest rates and global challenges. This decline mainly affected low to mid-range markets, while the luxury sector remained strong, showcasing sustained appeal to high-net-worth investors and increasing average transaction size in the luxury market.

LUXURY REAL ESTATE REVIEW



SOLD

James O'Brien
Head of Luxury Property

Intriguingly, 26 properties over US \$5 million sold in 2023 which reveals an **8% increase in luxury sales** within CIREBA, when compared to 2022! This sector's robust performance is further emphasized by a 34% decrease in the average time on market for these ultra-high-value transactions. In fact, IRG closed out the year with one of the largest transactions of 2023 in CIREBA, selling a large estate at a record price for the area in under 150 days.

The main challenge for the Cayman Islands luxury sector in 2023, however was limited inventory and investors having to navigate the dynamics of all Global Stock Exchanges due to economic indicators, geopolitical events and shifts in monetary policy and of course escalating interest rates.

Furthermore, as a result of our longstanding and successful relationship marketing and selling Residences At The Ritz-Carlton Grand Cayman, our expertise and connections there give us an edge when connecting buyers with sellers in this luxury market sector. This success was further highlighted in Q4 of 2023 with the resale of two additional Ritz-Carlton Residences, with a further Residence under contract due to close in January 2024.

OPPORTUNITIES

Despite the relatively strong market experienced during 2023, 2024 should offer some great opportunities at all levels of the market especially in the new development sector.

NEW DEVELOPMENTS

Even though 2023 was a relatively quiet year, a number of key developments managed to break ground and are well underway or close to breaking ground, providing real opportunity for buyers to take advantage of a wide variety of property types, location and price points. IRG specializes in this market and can offer valuable advise on the best opportunities to suit your buying profile.

THE RESIDENCES AT MANDARIN ORIENTAL

The Residences at Mandarin Oriental Grand Cayman, a sophisticated sanctuary atop one of the highest elevations on the island, at St. James Point, 35 feet above sea level sits on an impressive 67 acres of land. This lushly landscaped retreat debuts with a curated collection of two, three, and four+ bedroom Residences, all with private outdoor verandas offering stunning ocean views and one of the deepest lagoon-protected white sand beaches in the Caribbean.

Owners will enjoy a range of luxury resort amenities including a library, a kids club, hiking trails, tennis and pickleball courts, a destination spa and gym, multiple pools and dining options, and much more. The Mandarin Oriental is expected to break ground shortly.



HARBOUR WALK & SILVER REEF

Developed by IRG's sister companies, Harbour Walk and Silver Reef are one-of-a-kind projects. Harbour Walk is a mixed-use development comprising of 62 residences, offices, restaurants, shops and businesses. Silver Reef is a recently completed gated beachfront community with 12 oceanfront condos offering stunning, elevated views and a selection of resort style amenities.





ARZA WEST BAY & SAJE WEST BAY

Another of our key development clients have several pre-construction projects on the market including ARZA West Bay, SAJE West Bay and AMARA. ARZA is a development of 72 1-bed, and 2-bed plus den high-quality apartments, fitted out with exceptional amenities. SAJE is a development of beautifully finished 2-bed / 2.5 bath townhomes. IRG partners with ARZA, SAJE and AMARA as their exclusive listing brokerage.

ONE | GT HOTEL AND RESIDENCES

Developed by IRG's owner and partners, ONE | GT seamlessly combines the finest elements of contemporary urban living from renowned destinations worldwide with an exquisite touch of Caribbean flair. This will be a landmark structure, standing at eleven storeys, soaring to an impressive 144 feet above ground level.

ONE | GT has been awarded the 5-star winner and nominee for several regional awards and won Best Hotel Architecture Cayman Islands and Best New Hotel Construction & Design by International Property Awards. With ONE | GT's quality architecture, design and construction, it is expected to sell out soon and is well on its way to completion by Q2 2025.



"Pre-construction is a very exciting and unique sector of our real estate market. The major benefit of buying pre-construction is securing a price today, as the value of the property appreciates significantly during and after construction. It also allows for financial planning and an opportunity to manage cash-flow between payments."



Marco Mastrogiovanni
Residential Sales Associate

INVENTORY & PROPERTY VALUES

At the close of 2023, there was approximately 1,170 current listings on CIREBA. Despite a decline in overall activity, as explored earlier in this report, **property values have remained stable**, and sellers can still expect to achieve realistic resale prices. While genuine bargains are scarce throughout the Cayman Islands, there is still the potential for steady appreciation.

Both residents and overseas investors are actively closing property deals here, benefiting from the absence of barriers for international buyers. Although there is a decrease in sales due to challenges in obtaining bank financing with higher interest rates, the market still presents real opportunities especially for cash buyers. Buyers with immediate financial capacity are greatly esteemed, with access to a wider selection of properties, offering the potential for very strong returns in this market.

“With the potential stabilisation of interest rates and increased accessibility to bank financing expected in late 2024, there is anticipated growth and renewed activity in the low to mid-market. This is likely to result in improved appreciation for properties in that segment.”

David Gordon
Residential Sales Associate





FINANCING & BUYING PROPERTY

If you have cash or can arrange financing, now is an excellent time to purchase, as there are less purchasers in the market due to higher interest rates and costs of living. Those that can afford to invest in the Cayman Islands real estate market or are looking to secure a new home can leverage this opportunity.

Many local banks are offering very attractive fixed mortgage options as low as 5.9% for 2-3 years. This is a good way of ensuring predictable financial outlays, and is an indication that banks believe we have seen the worst in terms of interest rates.

The National Pensions (Amendment) Act, 2023 has now come into effect. This revision enables Caymanians to withdraw a substantial portion from their pension plans for designated purposes, such as purchase or construction of real estate, paying towards a mortgage or residential land loan or, if applicable, to make a reduction payment towards or pay off arrears in strata fees.

This is a **fantastic opportunity for more Caymanians to be able to purchase a property**, or to pay off existing mortgages, which will likely allow more locals to obtain bank financing and result in an increase in sales across the islands. Similarly, should residents choose to put their pension towards their mortgage, this could see an uptake in the secondary properties or investment property markets.

STAMP DUTY CHANGES

A long-awaited change to the First Time Caymanian Stamp Duty waiver threshold was also implemented in 2023. This will provide **first time Caymanian buyers with better opportunities to purchase real estate** by being exempt from stamp duty on higher priced properties.

This change will also assist more Caymanians to purchase their first or second homes. For more information, visit [this link](#). As the average property prices rise, the concurrent decrease in overall transaction costs for Caymanians, attributed to higher stamp duty allowance thresholds, is expected to stimulate increased activity throughout the low to mid-market sectors.



Hiva Akhtari
Residential Sales Associate

Commonwealth
MLS 415363

0%

Stamp Duty for
Caymanians on Land
up to CI \$250,000

0%

Stamp Duty for 1st time
Caymanian buyers
purchasing developed
residential properties up
to CI \$550,000

0%

Stamp Duty for 2-10
Caymanians
purchasing residential
properties up to CI
\$650,000

PREDICTIONS

INTEREST RATES & TIMING YOUR BUY

Whilst no one can claim access to an accurate crystal ball, most experts believe 2024 should see softer interest rates. If realized, this could spark increased buyer activity, driving up demand and prices. We encourage buyers to secure their dream home or investment property now, before prices threaten to increase. Caymanians, in particular, should take advantage of current prices, with the potential added benefit of pension fund access, which may facilitate their property goals.



Shelly Miller
Residential Sales Associate

It is important for buyers to remember that interest rates will fluctuate over time, however you may only have one opportunity to purchase the right property at the current price. After all, as the saying goes, **you may marry a property, but you date the interest rate!** We're not advocating overextending yourself, but as a first time buyer, if you have the opportunity and capability, get on the ladder now!

INVENTORY

As mentioned, there are a number of new residential developments on track to be completed later this year or during 2025. This means there will be **more inventory coming onto the market.** Even so a lot if not most of the units available will substantially sell out in the pre-construction stage as a condition of the development financing.

Buyers should still reach out to an IRG Associate to understand if any of these developments have a secondary market for assignment units, which still represent great value and lower risk. Additional inventory will increase the number of hotel and short-term rental units available which will offer the opportunity for tourism numbers to increase even further, as well as meet the demand of the growing population's accommodation needs.

COMMERCIAL PREDICTIONS

Encouragingly, many businesses are growing their footprint in Cayman and relocating a physical presence here, especially as more high-end developments and commercial properties are becoming available in areas such as Camana Bay, Cricket Square, Harbour Walk and Cayman Enterprise City's new campus. A new hotel, Indigo on Seven Mile Beach is expected to open in spring 2024 and ONE | GT is scheduled to open in mid 2025 which will soon be followed by the Hyatt. These openings will also drive visitor numbers upwards and help support increased demand.

Smaller mixed-use developments will remain attractive especially when close to desirable residential areas and some of the older assets that have been refurbished over time may now offer the opportunity for redevelopment as offices and retail spaces.



Trisha Johnson
Head of Commercial Sales & Leasing



2024

A significant amount of warehouse development will be completed in 2024 and it will be interesting to see what that does to the market for this type of product. As the population steadily increases, existing businesses show a notable interest in expansion, reflecting a **demand for growth**. This surge in development leads to evolving requirements and a shift in the utilisation of commercial assets.

Commercial Developments

Cricket Square's seventh building will be close to completion next year, approximately 100,000 sq ft of office space will be available with most of the space already pre-leased.

90 Nexus Way is likely to break ground offering another 200,000 sq ft of office accommodation.



Andrew Gilbert
Commercial Sales Associate

WORK WITH IRG TODAY!

For more than a quarter of a century, IRG has been a leading figure in the Cayman Islands real estate market. Our boutique firm, specializing in Luxury, Commercial, Residential, and Development markets, is backed by an international team of seasoned experts with a wealth of experience in prestigious markets worldwide as well as locally.

Offering local roots with a global reach, IRG is an exclusive member of Leading Real Estate Companies of the World™ and Luxury Portfolio International™. This unparalleled affiliation enables us to showcase your property directly to the most active real estate markets and brokerages across the globe.

Fueling our success is a commitment to innovation and creativity. Our dedicated agents and award-winning marketing team employ dynamic strategies to showcase properties in the most effective manner. As we enter 2024, let's extend our collaboration! IRG not only provides the latest statistics for informed decision-making but also ensures that your property stands out in a competitive market.

If you've found this information helpful and now have a better understanding of the Cayman market let us keep you updated with market trends. We recognize that your situation is unique, and we can tailor our services to your specific needs. **Contact an IRG associate today!**



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