

at these condominiums, with hotel-type services and professional management involved," she says. "We have to be sure that what we are developing here is something we can be proud of and which will create sustainable jobs for Barbadians."

Brian Robinson agrees that any multi-use or "hybrid" condo-hotel must have professional management. It is not fair, he says, to expect condo owners to manage a hotel pool. "This approach is a disaster waiting to happen."

Robinson's other concern with the conversion-to-condo process is that the hotels being converted, because they are several decades old, occupy some of the best beachfront and coastal sites on the island: clearly prime sites for other potential hoteliers, particularly big international brands. "Barbados has only so many of these sites that are suitable for hotels, and condo conversions make them unavailable for decades," he says. "When we take the long view, we need to ask ourselves if this is the best use of our limited coastal land. There may be appropriate sites available inland, but the viability of country hotels and resorts in Barbados is still unproven."

However, not all players in the hospitality industry see the trend towards condos as possible threat to the "Barbados model". Among these is Terry Hanton, managing director of Property Consulting Services, a division of AA Altman Real Estate. (AA Altman act as property and rental managers for about 150 second homes/luxury villas on the island and has partnered with major developers in the condominium market.)

"I think we are getting this kind of response to the issue because nobody has yet provided a detailed study," says Hanton. "If this were done, we think it would actually prove positive in terms of room stock."

To begin with, he points out, the hotels currently being converted were not viable as hotels, and would have gone out of use anyway. On the other

hand, condominiums on the same site, with rental programs attached, can work, and most of the condo developments in which AA Altman is involved have mandatory rental programs.

"We don't see the ghost-town scenario happening, because these developments are attracting owners who want to rent," says Hanton. "They are fully aware of the rental pool requirement and accept that there are restrictions on their use of the unit."

In addition, Hanton says, Barbados' Tourism Development Act provides incentives to second home owners who ensure that their homes – whether they are villas or condos – are available for rent nine months of the year. "If anything, we should see these developments as an expansion in room stock not a contraction." Hanton is also not convinced that current or planned hotel-to-condo conversions, particularly on the West Coast, are all tying up sites that could be successful for larger hotels with better economies of scale.

The big brands, he says, will not buy a site that does not already have a certain "critical mass". And, for example, should 10 major hotels come to Barbados looking for a suitable site, they would not find more than three or four.

At the end the day, Hanton believes that the "economic pluses will outweigh the minuses" as condominiums become part of the "Barbados model".

"I'm not arguing for Miami-style high-rise development because I don't see the need," he says. "But we anticipate a trebling in the number of villas and condo units in Barbados over the next few years. As a small country, we don't have that many economic cards to play. Our economy today is service-driven, and a big part of that is hospitality."

PwC LINK is published by PricewaterhouseCoopers East Caribbean,  
The Financial Services Centre, Bishop's Court Hill, P.O. Box 111, St. Michael, Barbados, Tel: (246) 436-7000.  
To comment, make suggestions or request permission to reprint articles, please contact [stephen.jardine@bb.pwc.com](mailto:stephen.jardine@bb.pwc.com).

Copyright 2007 by PricewaterhouseCoopers East Caribbean. All rights reserved.