

Investor Attitudes

SURVEY 2017

Investor Attitudes Survey 2017



Hayden Hutton CCIM, MRICS
Chief Operating Officer

There is a saying in real estate that “Everybody wants what everybody wants”, unfortunately the converse of this also holds true. The point here is that momentum can really move a market, and there is perhaps no better leading indicator of momentum than the prevailing market attitudes and sentiment.

With all the noise in the market, from BREXIT to the recent budget and NSRL to elections on the horizon, we thought this would be an opportune time to look at investor attitudes and the general market sentiment.

We sent a short questionnaire to a number of corporate/investor clients to gather their views on a few specific areas of the market. The results were notable and offer some interesting insights into the investors’ mindset in 2017.

KEY HIGHLIGHTS:

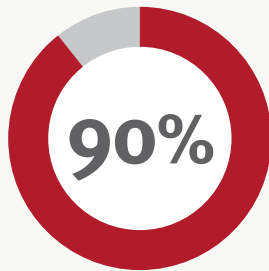
- Unsurprisingly a broad theme of negativity relating to the economic outlook and the recent budget.
- More specifically a generally negative outlook on the commercial/investment property market.
- A general sentiment that the market continues to reflect overpricing of properties listed for sale.
- By a considerable margin real estate remains the preferred investment vehicle when compared to stocks, bonds, mutual funds and other investment options.
- Overwhelming support for the development of the Hyatt, Wyndham and other branded operator hotels.

An In-depth Look at the Results

The Big Picture

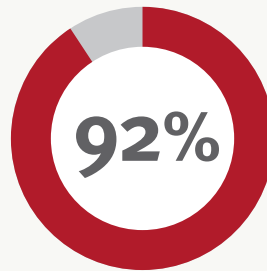
ECONOMY

Not confident the economy is on the right track



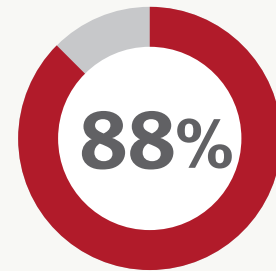
BUDGET

Negative view on the recent budget

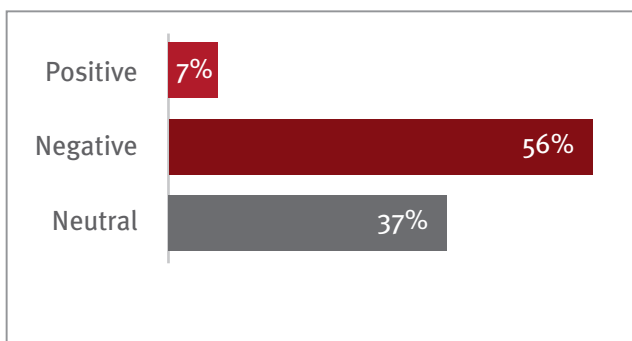


DEVALUATION

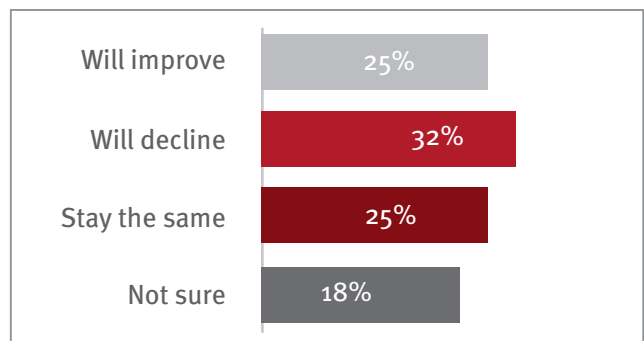
Either very or somewhat concerned about devaluation



View of Current Real Estate Market



Outlook for the Next 3 Years



Supply

How would you rate the availability/supply of real estate investments?

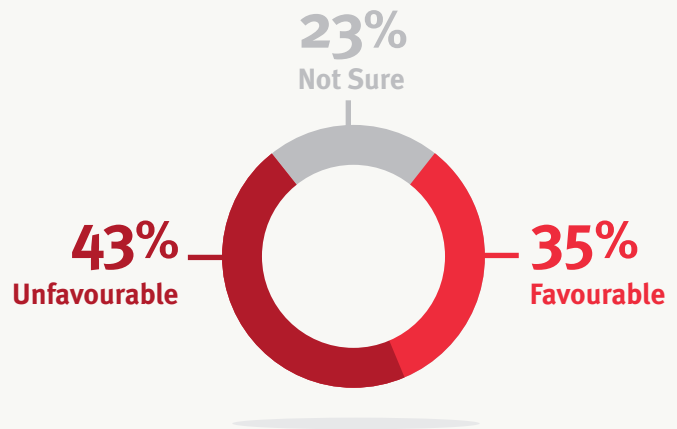


Pricing

Do you think the current pricing of properties is realistic?



How easy is Access to Funding?



What is your preferred Local Investment Vehicle?

Despite this uncertainty real estate remains the most popular local investment vehicle with 62% of respondents choosing real estate as their leading choice of investment. Traditional offerings of stocks, bonds and mutual funds are not popular options with "other" being the second most popular choice.



REAL ESTATE

61%



MUTUAL FUNDS

13%



STOCKS

7%



BONDS

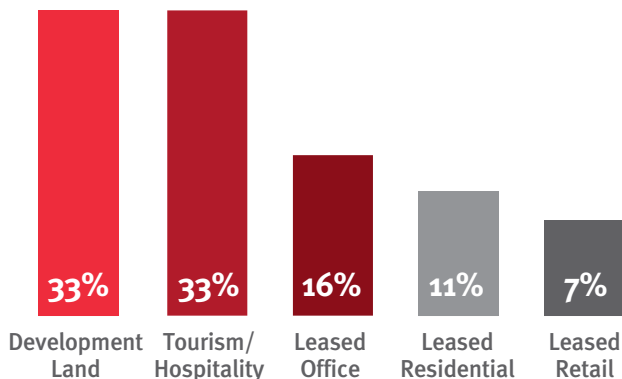
1%



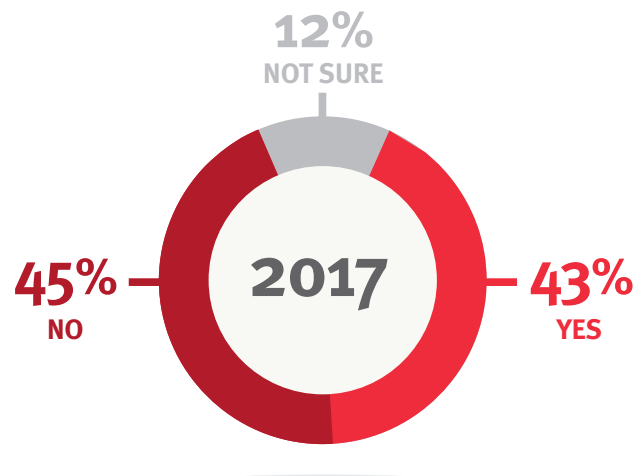
OTHER

18%

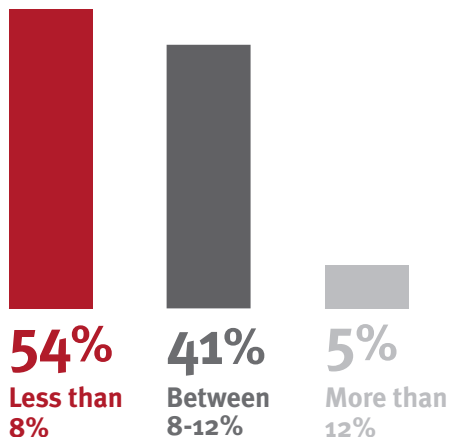
Types of Real Estate Investments/Assets most in demand



Plans to Invest in Real Estate

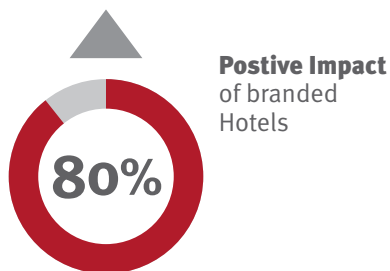


Expected Real Estate Returns



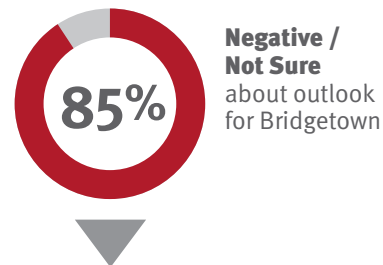
Branded Hotels

What are your views on the impact of the Hyatt, Wyndham and other international hotel brands entering the market?

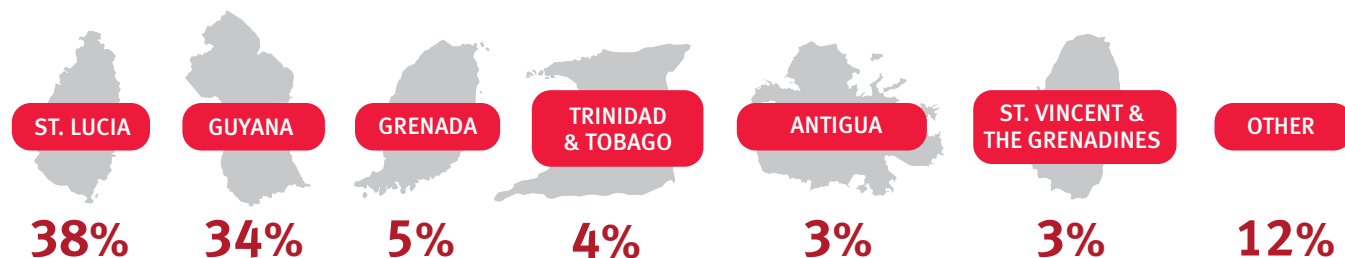


Bridgetown

How do you see the outlook for Bridgetown as a business district?



Markets to Watch - Where do you see the most growth in the next few years?



Investor Views

We gave respondents the opportunity to offer any general thoughts on the market. The comments reflected a strong view that the market is overpriced and substantial adjustment/re-pricing is required. There was also a sentiment that the real estate "supply chain" is in need of a complete overhaul, from legal and planning to banking and agency services.

"Prices need to reduce in all areas, maybe 25-35%"

"Many properties are still over priced and out of touch with reality. A collapse of the current pricing structure seems near"

"There is a lot of improvement needed in the transaction processing process within the Barbados market especially within the legal profession aspect to it. Transactions take way too long and pricing is too high for their services."

"I do believe that Barbados is still a great place to live and invest, especially as it relates to real estate."

Terra Caribbean

With a history in real estate dating back to the 1950s, Terra Caribbean is founded on a passion for real estate market knowledge. We leverage on our experience and actively accumulate, bank and share knowledge with our clients to ensure they feel comfortable and confident to make informed decisions about real estate in the region.

'Somerley' Worthing, Christ Church, Barbados, BB15009
 T: (246) 434-9000
 Sales | Rentals | Advisory | Facility Management
www.terracaribbean.com



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