



PROVENANCE
PROPERTIES CAYMAN ISLANDS

CHRISTIE'S
INTERNATIONAL REAL ESTATE

Market Report

2022



Recovery and resiliency

2022 proved the resiliency and value proposition of the Cayman Islands real estate market. Despite the vestigial impacts of the global pandemic and new risks to investors introduced by conflict in Europe and the end of historically low interest rates, the Cayman Islands real estate market continued to entice investment from both home and abroad, with a total sales value of US\$899m – just shy of 2021’s record US\$967m. With an 18% increase in condo prices over 2021 and a 12% increase in rents over the same period, it’s clear that the Cayman Islands continues to be a desirable location for those looking to invest in hard assets.

Summer of 2022 marked a milestone when all 62 homes at The Residences at Seafire sold out thanks to the combined efforts of our Provenance Properties sales team. Our team was also challenged to meet a high demand for homes in relation to supply in most price ranges. Assuming this demand continues in 2023, we are optimistic that the Cayman Islands real estate market will have another strong year.

As the real estate brokerage for the Caribbean’s largest developer, Dart, Provenance Properties is armed with the best-in-class data providing our team with hyperlocal market insights. Read on for these insights in our 2022 year-end market report.



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We're seeing more families relocating to the Cayman Islands than there are accommodations immediately available and this has created a shortage of inventory in certain segments. We've had to get creative with interim solutions to find the perfect home for our clients. In this market, with demand well exceeding supply, the price per square foot of condos and single-family homes is steadily increasing.

Ewelina Cimring

Provenance Properties Sales Specialist

Why the Cayman Islands?

A British Overseas Territory, the Cayman Islands is a well-regulated financial centre with a politically stable government and an enviably high standard of living. Its immediate proximity to the United States and status as a tax-neutral jurisdiction make it an ideal place to live and do business. Historically, the Cayman Islands market has been insulated from the immediate impacts of geopolitical and financial market instability making it a safe and stable destination in a turbulent world.

Taking the long view

For decades, the Cayman Islands real estate market has remained buoyant in the face of global economic upheaval, offering safe investment opportunities to affluent international buyers and locals looking to benefit from the continued growth and diversification of the economy. While our long-term view of the market remains optimistic, 2023 will see central banks continue to use all mechanisms at their disposal to wrestle the worst inflation in four decades. Interest rates will likely increase, though at a more moderate pace through the first half of the year, dissuading potential buyers who require financing to purchase. If the market softens as expected, there will be opportunities for cash buyers to invest in their portfolio for the long term. Keep in mind that in the ten years since 2012, our price indexes shows that condos have increased in value by 109% in Grand Cayman as a whole and by 170% on Seven Mile Beach.



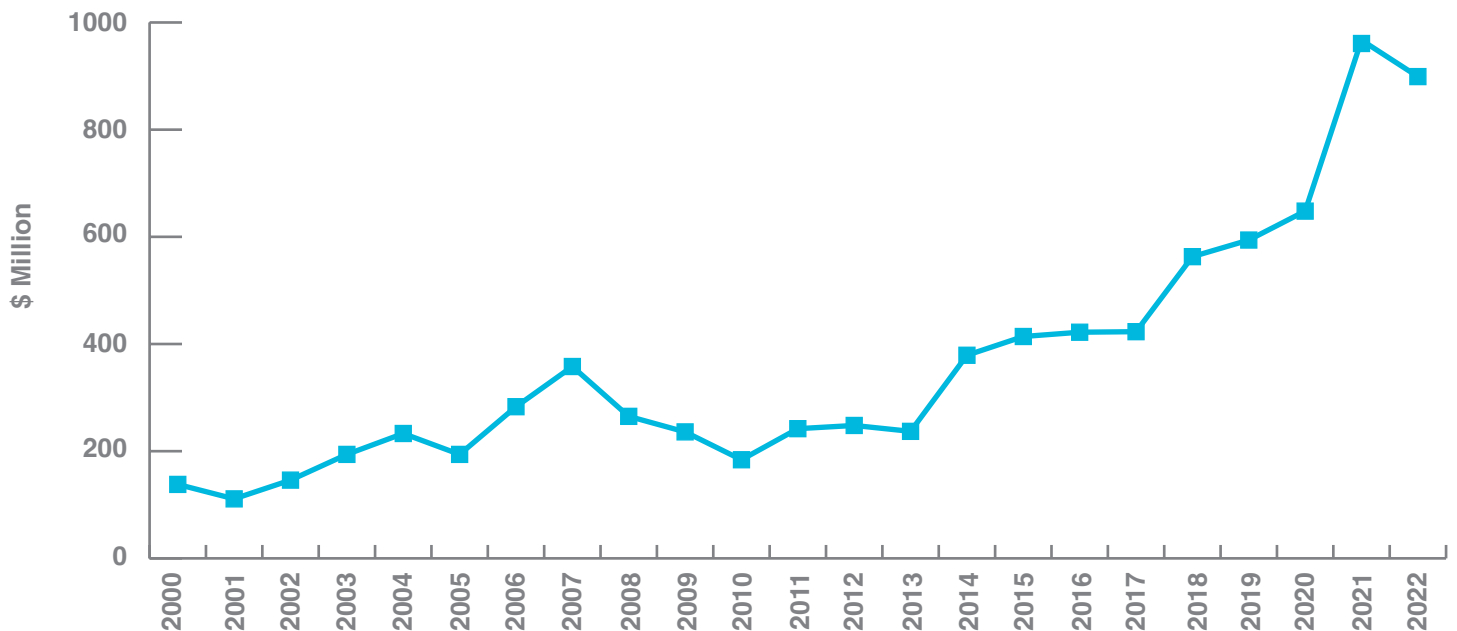
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“The Cayman Islands remain highly sought after as a place to invest in real estate. Our island is increasingly becoming the jurisdiction of choice, particularly for those who value safety, a stable government, global accessibility and a robust economy. I expect that 2023 will yet again reflect the strength and resilience of the real estate market here in the Cayman Islands.”

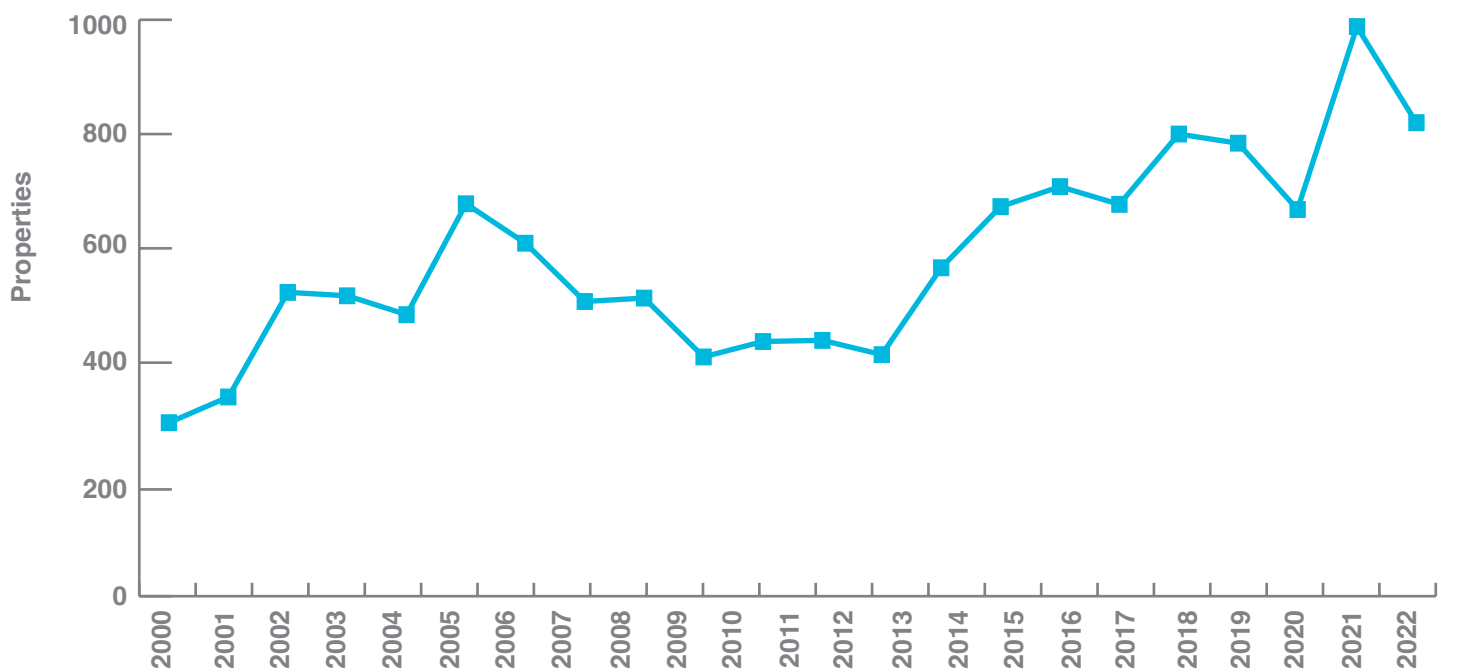
Antonette Baptist

Provenance Properties Sales Specialist

Total CIREBA sales



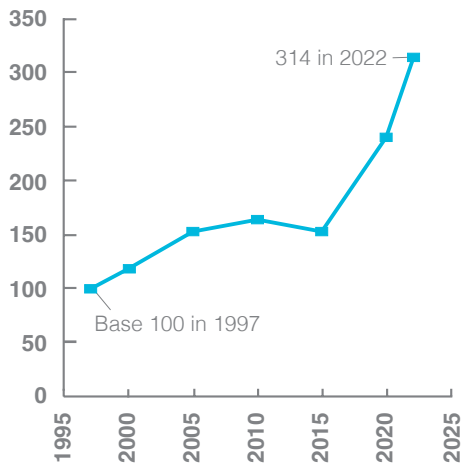
Total CIREBA sales count



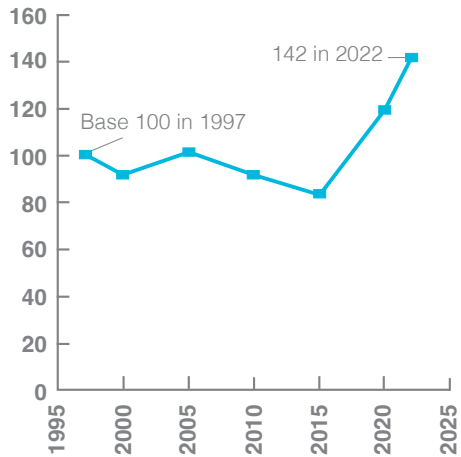
*Measured by DOKHPI (Dimitrov O'Keeffe Home Price Index). The index measures annual condo price changes using a repeat-sales methodology. The index values are subject to change when additional transactions are introduced.

**Source: Lands and Survey and CIREBA. Hedonic price index.

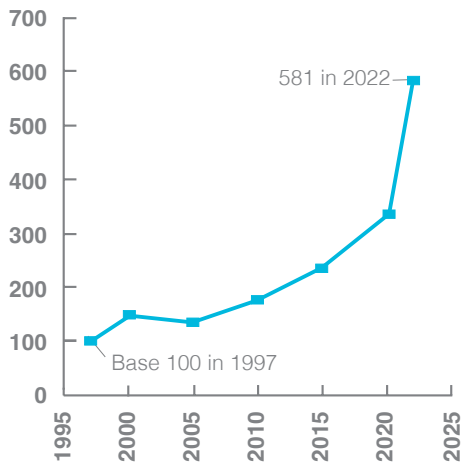
DOKHPI
condo
price
index*



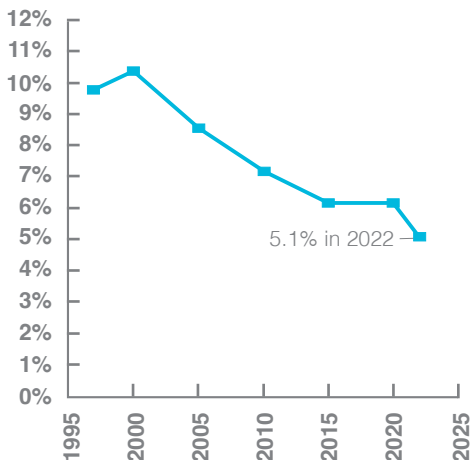
DOKCRI
condo
rental
index



DOKLPI
land price
index**



Median
condo
income
yield



Notable sales

2022 saw all developer units at The Residences at Seafire sold, a monumental achievement for the Provenance Properties sales team.



Residence N302 - Sold March 2022



Residence S703 - Sold March 2022



Residence N801 - Sold April 2022



Residence S702 - Sold July 2022



Residency by investment

The simplest and quickest path to permanent residency in the Cayman Islands is through the purchase of developed real estate. The purchase process for international investors is acclaimed for its structured and straightforward practices and lack of restrictions on foreign ownership. Whether you are looking to buy a vacation home or reside permanently in the Cayman Islands, the path to obtaining permanent residency can be a straightforward process as a person of independent means or as a qualified business investor.

The following residency certificates are currently offered to “Persons of Independent Means and Investors”:

1. Residency Certificate for Persons of Independent Means grants the right to live and work.
2. Certificate of Permanent Residence for Persons of Independent Means grants the right to live but not work.
3. Residency Certificate - Substantial Business Presence allows business owners and/or its senior management to live and work in the Cayman Islands for 25 years.
4. Certificate of Direct Investment is granted.



The benefits of Cayman Islands residency

- No restriction on foreign ownership of land
- No direct taxation in the form of corporate, capital gains, inheritance, personal income or recurring property taxes
- Convenient location with nonstop flights to London Heathrow and major North American cities, including Miami and Los Angeles.
- A sophisticated infrastructure with modern hospitals, reliable telecommunications, quality education and an extensive paved road network
- Strong and stable economy
- Stable, democratic government and a Governor appointed by the UK monarchy
- Low crime rate thanks to a well-established police force
- Judicial system based on English common law with the UK's Privy Council serving as the highest court of appeal
- High-quality shops, services, hotels and restaurants
- Friendly, welcoming and educated population
- Cayman Islands Economics and Statistics Office

Buying a Cayman Islands property

- **Stamp duty** is a one-time fee paid at 7.5% of the purchase price and this applies across the islands. The stamp duty is paid by the purchaser on the sale of the property minus the value of the used chattels/furniture.
- **Ownership restrictions:** there is no restriction of foreign ownership. You can own up to three properties in your own name, after that you will need to have a license and your Attorney can help with that.
- **Taxes:** There is no property tax in the Cayman Islands.
- **Valuations** are an essential tool in reassuring investors they have paid the correct price in the current market. Major financial institutions will also order a valuation when a loan is required for the property purchase. Chattels are mostly omitted in a professional valuation.
- **Residency by investment:** the quickest path to permanent residency in the Cayman Islands is through the purchase of developed real estate valued at US\$2.4 million or higher.

Source: Cayman Islands Real Estate Brokers Association (CIREBA)

Why Provenance Properties?

1. **Dart:** The Dart group of companies, the largest corporation in the Cayman Islands, is one with a strong commitment to the prosperity of the country, a proven track record of development and robust development plans for the future. Complementary turnkey products and destination services provide an exceptional customer experience. Clients gain access to Dart's own in-house data analysts, providing up-to-date, accurate and relevant information regarding the current sales index.
2. **Christie's International Real Estate exclusive affiliate:** As the only real estate network owned by a fine art auction house, our relationship with Christie's and its ultra-highnet-worth clientele is personal and genuine.
3. **CIREBA:** Provenance Properties is a member of CIREBA – Cayman Islands Real Estate Brokers Association – a professional association of real estate agencies in the Cayman Islands with the largest real estate portal in the country, thanks to its Cayman Islands Multiple Listing System.
4. **Listing syndication:** Listings of US\$1 million and higher are submitted to [christiesrealestate.com](https://www.christiesrealestate.com) and automatically syndicated to high-profile digital platforms such as The Wall Street Journal, Mansion Global, Country Life, The New York Times and more.
5. **Complimentary staging and professional photography:** We have an in-house marketing team that provides professional staging advice, photography, videography and script writing to represent your property at its very best.





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We've seen an increased demand for rental properties this past year and if supply remains low due to increased construction costs, it's likely property owners will see an increase in rental income. For example, a condo purchased for CI\$1,000,000 could generate a net income - after strata fees and insurance - of over CI\$50,000; a healthy annual return on a property purchased for investment purposes.*

Shanice Ebanks

Provenance Properties Sales Specialist

*Based on the median net condo income yield of 5.1% at the end of 2022

Christie's International Real Estate

Provenance Properties is the exclusive affiliate of the Christie's International Real Estate by-invitation-only network. In 2020, Provenance Properties earned an Affiliate of the Year award from Christie's and a number of its sales specialists were invited to enjoy the prestigious Master's Circle.

Christie's is a global leader in luxury residential real estate, integrating its heritage as the world's oldest art house with local market expertise in truly exceptional homes. Provenance Properties is among more than 940 global offices of leading real estate firms in 48 countries.


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