

## **CIREBA REPORT TO THE CHAMBER OF COMMERCE**

### **Overview of the property market from CIREBA as of January 2010**

The Cayman property market has experienced a tough time in recent years. Comparing CIREBA's statistics for the previous three years shows a drop in sales volumes of 24.8% between 2007 and 2009 and a corresponding drop of 19.83% in the number of sales. During the same period CIREBA's results were more favourable than those for all freehold property transfers recorded at the Land Registry where an overall drop of 27.12% was recorded. These decreases are however still lower than found other markets in the region and the world.

During the same period, the amount of property listed with CIREBA remained relatively constant and as of December 2009 CIREBA members represented a total of 1910 active listings valued at a total of US\$1.67billion.

The picture for 2009 when viewed alone was a better one however, with annual sales of \$291 million being a combination of all types and sizes of property including raw land. Sales volumes fell by 8.2% in 2009 compared to 2008 and the number of sales decreased by 5.01%. This represented a decrease over 2008's figures but a relatively small one compared to the decline experienced in 2007/8. Clearly the market decline has slowed and started to stabilize during 2009, especially during the last half of the year, which accounted for 60% of the sales volume. December 2009 was a particularly good month, which accounted for 17% of the annual sales although this may have been skewed by a few relatively large closings.

#### **In conclusion:**

- The Cayman real estate market has been seriously affected by the worldwide recession over the period 2007 to 2009 to a far greater degree than it has during previous recessions.
- In our opinion external threats including discussions on direct taxation (especially property tax) and the threat of increased crime and have added to the stress experienced by the market.
- In the circumstances the Cayman market has been remarkably resilient compared to international markets where sales volumes and prices have fallen to an even greater degree.
- The market stabilized to a degree during 2009 and has shown some signs of recovery, however is a long way from being out of the woods. We feel it remains susceptible to further threats and in this context it is in a comparatively fragile state.

- If external threats can be avoided, we predict further stabilisation of the market during the first half of 2010 with the potential for growth during the second half of the year.

CIREBA strongly supports the current initiatives to strengthen Cayman economically and socially. For example we are currently partnering with the Chamber and other private sector group with Crime Prevention programmes and we are a founder member of the Cayman Islands Investment Council.

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