

Could You Buy Your Own Private Island?

Owning a private island may be the ultimate fantasy, but you don't have to be among the super-rich to buy one.

In fact, small, undeveloped islands can be purchased today for well under \$100,000. You'll have to spend more to develop your island, of course. But if you've ever dreamed of relaxing on your own sandy beach, far from the madding crowd, it may be a more realistic prospect than you imagine.

There are hundreds of habitable private islands in the United States alone, and an average 150 are up for sale at any given time. There are thousands more available in the Caribbean, Europe, Canada, Asia, Africa – pretty much all over the world.

“There is a trend in island pricing coming down,” said Chris Krolow, CEO and founder of Private Islands Inc., a Toronto-based firm that specializes in island sales. “There are more islands coming on the market. A lot of them have been ‘in the family’ for a long time, and the family is now ‘land rich’ and money poor.”

Advances in technology also are driving the increase in the number of islands appearing on the real estate market worldwide, Krolow said.

“In the past, the more remote an island was the more difficult it was to sell, but that has changed,” he said. “New, green technologies are becoming more viable, and these can all be applied to private islands, starting with high-speed Internet connections. Also, water purification systems have become less expensive, along with septic systems, transportation and solar panels.”

Krolow said the slumping U.S. economy and the real estate crisis have affected the market somewhat, but not significantly since it's an extreme niche market with a limited number of listings.

The island market features a clear cut-off point: As soon as the price exceeds \$2.5 million, interest plummets, Krolow said. Above that price point most buyers are development groups looking to build resorts and other getaways.

The primary market is between \$800,000 and \$2.5 million. Many islands in that price range are already developed, making it easier to move in and take possession. Quite a few of these sales involve high net worth individuals who buy the island to serve as a second home.

You can find hundreds of islands for sale for less than \$800,000, even for as low as \$50,000 to \$100,000. Usually these are undeveloped islands that will require significant further investments to make habitable.

“Not everyone needs to have all the amenities,” said Krolow. “I own an island near Toronto, and for a long time I had only a small generator for power.”

Krolow's island in the Nova Scotia region can be reached from Toronto via a 2½-hour flight followed by a 20-minute taxi ride. He said there are many islands for sale in the increasingly popular Nova Scotia region.

Other “hot spots” today include the Bahamas, Belize and the South Pacific, he said.

For the more adventurous, less expensive islands can be found in many other places, including Honduras and Nicaragua. However, one reason prices are lower in these regions is because they are politically less stable.

Krolow offered three tips for deciding which island and region is best for you:

- Know in advance how much time you plan to spend on the island, and what time of year you plan to stay on the island. It's important to realize that bad weather can at times prevent you from visiting – or leaving – your island.
- Make sure the local population and authorities are OK with you living on the island. Since you must obtain supplies from the mainland, it's best if the locals are welcoming and the political situation is stable.
- Rent first, for at least two weeks to a month. It's important to stay on an island or in a certain region in order to find out what it's really like. "What are the bugs like?" Krolow asks. "Sandflies are a real problem in some parts of the world."

Here are some other considerations:

- How accessible is the island to the mainland?
- How much will it cost to obtain supplies from the mainland?
- If there is not an existing house, how much will it cost to build one?
- How much will it cost to maintain the property when you're not there?
- How big an issue is security in the region?
- Is there a great need for improvements?
- Does it already have electricity?
- How will you obtain fresh water?
- Does the island have a sheltered harbor for your boat or yacht?
- What would it cost to dredge a lagoon or create a beach and deep-water access?
- Can the island support an airstrip?