

**Newsweek**

# Far, Far Away From Home

**Buying a villa in Tuscany is so cliché. These days, luxury consumers want their holiday refuges to be off the beaten path.**

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Buzz Dow, 58, who runs a family business in Cincinnati, Ohio, already had a second home in Vail, Colorado, and was looking for a third by the sea. So he started researching properties in the popular vacation-home markets of Costa Rica, Mexico and Panama. "But we wanted to be in a community that was less developed and didn't have a lot of tourism," he says. "When I started looking at Nicaragua, my wife thought I was totally crazy." Eventually she came around; the couple ended up buying two adjoining two-bedroom properties in the whitewashed-village-style Pelican Eyes Piedras y Olas development, with its infinity pools and stunning views of the bay of San Juan del Sur.

Like luxury shoppers, holiday-home buyers are increasingly looking beyond the usual destinations. Rather than battle the crowds in the Mediterranean or the Caribbean, they prefer quieter, more-remote locales like Nicaragua, Morocco, the gulf and Uruguay. Partly they're being driven by the burgeoning second-home market; in the U.K. alone, the Knight Frank residential-research firm predicts second-home ownership will quadruple within the next 10 to 15 years. "There's a desire for somewhere different now," says Nick Barnes, a partner at Knight Frank. "The luxury market, for reasons of exclusivity, is willing to travel to more-exotic locations, irrespective of infrequent flights and a longer flight time."

But they also want to be coddled when they get there. The Dubai-based Jumeirah Group—whose portfolio includes the Burj Al Arab hotel, New York's Essex House and the Carlton Tower in London—has launched a new division called Jumeirah Living, which plans to offer properties in 22 developments from Bermuda to Shanghai in the next four years. According to general manager Julie Shields, it is targeting the seriously affluent who already may have several homes. "They're high fliers and want to own in an environment where everything is done for them, from airport pick-ups to stocking the fridge before they arrive," she says.

Jumeirah's World Trade Centre Residence in Dubai is opening early next year, with opulently outfitted three-bedroom apartments going for \$1.4 million. Already 60 percent of the nearly 400 units have been sold. "We see no end in sight to the demand for new developments, like the luxury apartments in Dubai," says Barnes. "At the top end, they're spending \$4 million and more. It's frightening."

In Latin America, no destination is more desirable than Punta del Este, Uruguay. Paola Espevarena, who runs the Arbol Propiedades real-estate agency in nearby José Ignacio, sees a dramatic change in the buyer profile. "There are more than twenty luxury towers going up with an average price of \$2,000 per square meter," she says. "That number is way too high for an average Uruguayan or Argentinean investor but competitive for Europeans or Americans."

The small beach town of José Ignacio doesn't seem like the kind of place holidaymakers would flock to. It has only a handful of shops, three hotels and no after-hours clubs. Yet during the Christmas high season, visitors pay more than \$50,000 to rent a villa for the month. Now they'll have a new option: the Setai, the sister property of the Miami Beach hotel of the same name, is scheduled to open 40 expansive private villas on 30 acres of prime beachfront late next year—a

clear sign of the risk developers are willing to take.

For Dow, the Nicaragua gamble has already paid off. "The property has doubled in price since we bought it [in 2004]," he says. "We rent it when we're not there, and occupancy runs above 80 percent." But the biggest payoff comes every February, when they head down for a couple of weeks to escape the Midwestern winter.

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