

# “The Old Pharmacy Inn”

Speightstown, Barbados



A beachfront property for sale with planning permission for conversion from 18,000sq. ft. into a 25,000sq. ft. 20-room boutique hotel, beach bar, pub, restaurant

# The opportunity

- To acquire for US\$2.75million, the 'Old Pharmacy' and related buildings, garden and beach land
  - Benefit from the extensive government concessions as it is in a special Speightstown development area
  - Government plans have been approved to develop existing 18,000sq. Ft. into 25,000sq. Ft of commercial space creating 20-room inn/boutique hotel Pub, garden with a pool, restaurant, beach bar
  - Total construction costs estimated at US\$4.75million
  - For a total investment of approximately US\$7.5million
  - The operation is projected projected to generate an annual turn over of US\$3.2million and an operating profit, before depreciation, financing costs and taxation of US\$1.6million
  - Detail costings available in a 15-page presentation available on request
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# Background

- Barbados, an independent country, is a world famous destination in the Caribbean.
  - Measures 21 miles by 14 miles.
  - Celebrated in 2016 its 50th anniversary of independence.
  - Year round population of 270,000
  - Attracts approximately over 1 million tourists a year about half by air and half by cruise ships
  - All main hotels are on the West Coast, the Caribbean side
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# Barbados: Overview

- Second oldest Parliamentary democracy in the world
  - 97% literacy- English main language
  - West coast has best swimming beaches
  - Year round temperature in the 80's, low humidity, and constant prevailing easterly winds, making it one of the best climates in the world
  - Established legal framework which makes it a safe place for business
  - Served by daily flights from Toronto, London, New York, Miami, Ft. Lauderdale, Frankfurt, and seasonal flights from Atlanta USA, Charlotte USA and several packaged tour flights from the UK.
  - Frequent daily inter-Caribbean flights.
  - Well developed infrastructure – communications, medical, banking, and legal.
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# Speightstown: Overview

- Established around 1630's by William Speight of Bristol, England. Hence also known as Little Bristol
  - Served by fleet of schooners up to 1950's
  - Permanent town population of approximately of 2,500
  - Serves as virtual Northern "Capital" of Barbados
  - New jetty\* and Development Plan in operation.
  - Town needs tourism attraction to develop its potential. It is the only true unspoiled Caribbean part of Barbados.
  - Our building, the Old Roach family Pharmacy, is ideal as the town's Redevelopment centerpiece.
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# Speightstown Happenings

- There are already 5 restaurants, newly opened, Juma Restaurant claims to be doing over BDS \$3 million annual turnover. They manage three others, including, the newly opened Beach Shack located on the Old Pharmacy beach land with a temporary lease.
  - The beach is well frequented. The beach has become a destination for locals and homeowners living inland.
  - Nikki Beach is planning to open in 2017 at the Edge at Speightstown
  - Chin Chin Restaurant, enormously popular on the South Coast, is opening a restaurant in Speightstown
  - Two major developments nearby- Port St. Charles and the new Port Ferdinand with dozens of houses inland, all of them potential clients
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# Our Objective

- To create a world class major attraction in the middle of Speightstown that will:
  - Revitalize Speightstown, Barbados second largest town, located North on the West Coast
  - Bring in tourism and day visitors to help attract other “key” tenants such as boutiques and possibly a duty free shop
  - Create local employment. We estimate generating upwards of 50 new jobs
  - Create a sense of renewal for the whole town. The project will bring in much collateral income generation
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# Our Proposal

To build:

A Beach Bar restaurant with first class beach facilities, being opened in February 2017 by a temporary tenant.

An Inn - “The Old Pharmacy Inn” in Speightstown with 20 quality rooms, all with individual air conditioning and en suite bathrooms with contemporary furnishings.

A Retail Store that will attract tourism and generate income and local employment

A Pub/Garden Restaurant - “smart, contemporary, and affordable”



Current building



Proposed building



# Development of Speightstown

- Town is part of special development area\*
  - Key features of Act: Approved project will be exempt from: Import duties, consumption tax, stamp duty, VAT on construction, renovation
  - Capital expenditure deductible at 20% per year
  - Charges on repatriation of interest and capital for 10 years
  - Land tax on the improved value of land
  - Property transfer tax
  - NB. Buyers should take professional advice on the S.D.A. status
  - \*Supplement to official Gazette dated 4th November, 1996. Special Development Areas Act, 1996-21
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# The Roach Pharmacy Buildings

The building was owned by the Roach Family who owned a pharmacy for over 50 years

Approximate gross internal sizes - existing building in square feet

## Ground Floor

BATA Shoe Shop	1142
Pharmacy	1940
Juice Bar	250
Garden warehouse	904
Garden Warehouse	682
<b>First Floor (inc. Veranda)</b>	<b>2096</b>
<b>Second Floor</b>	<b>1492</b>
<b>Garden Passage</b>	<b>6000</b>
<b>Beach Lot (90 x 35ft)</b>	<b>3150</b>
<b>Approximate Total:</b>	<b>18,000</b>

- Current plans allow for total building of 25,000 sq. ft.





# Rationale for “The Old Pharmacy Inn”, Speightstown

To include beach bar, beach loungers, a pub/bar, restaurant and boutique store.

- Essentially, there are multiple types of tourism to Barbados: Packaged tours from the UK on charter jets - all inclusive and utilizing South coast hotels and guest houses
- Day tourists from hundreds of cruise ships docking in Bridgetown. This is a giant market for day visitors to come to Speightstown by boat to swim, eat, and then return by bus to the cruise ship
- High end tourism, mostly in the Winter to the top Barbados Hotels- Sandy Lane Hotel with room prices during peak season at over \$3,000/night and others such as Coral Reef, The Sandpiper, Cobblers Cove. The nightly winter prices range from \$700 to \$3,000
- There is no single hotel or inn on the West Coast that offers value for money, one that would appeal to younger generations.
- The nightly rates for “The Old Pharmacy Inn” range from US\$250 in the Summer to US\$350/400 in the Winter.



# Price Comparison of Hotels on the West Coast, Barbados

	Winter	Summer
Sandy Lane	from US\$1,750	from US\$1,300
Cobblers Cove	from US\$1,021.28	from US\$708
Coral Reef	from US\$1127	from \$655
Treasure Beach	from US\$549	from US\$254
Almond Beach	from US\$490	from US\$442
Sandpiper	from US\$1035	from US\$630
Mango Bay	from US\$670	from US\$545
The Lone Star	from US\$695	from US\$450





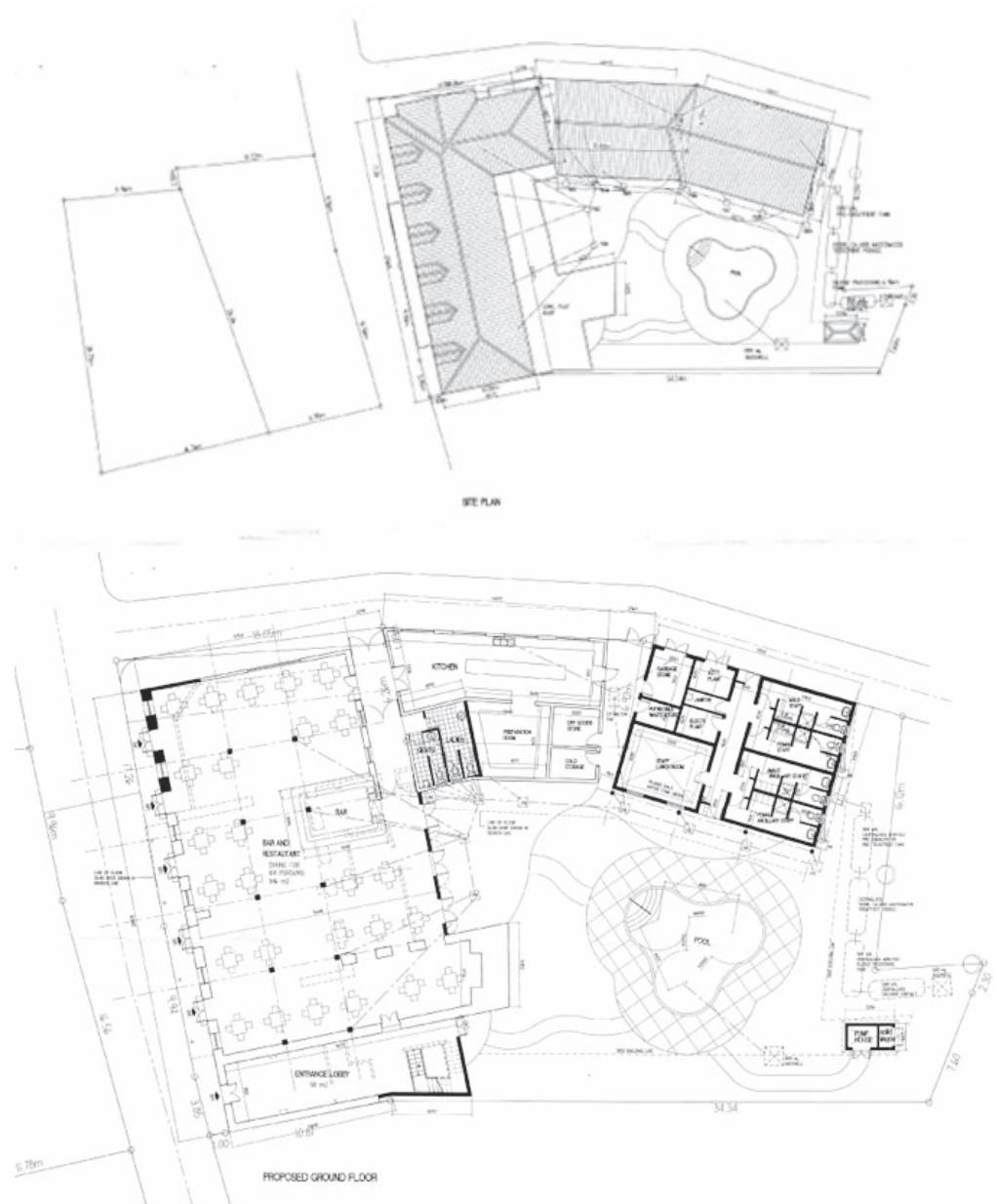
# Description of the existing building and proposed development

- The Old Pharmacy is arguably the most important building in the center of Speightstown
  - It consists of:
    - Beach Lot - approximately 3,000 sq. ft (90x35ft) which is ideal for beach bar and restaurant
    - Main Building (existing) - 3 floors and a garden, 18,000 sq ft
    - Warehouse
    - Garden
  - Government Planning Consent exists to renovate and enlarge the existing buildings and create 20 rooms, a pool, garden restaurant, beach bar, pub, and a boutique consisting of approximately 25,000 square feet
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# Planning Information

- Plans have been prepared with a view to creating a 20 room Inn with retail and catering facilities. These plans were approved in mid-November 2010 and can be viewed on the BLUEPRINTS tab of the website ([www.theoldpharmacy.com](http://www.theoldpharmacy.com)). They can of course be changed or improved subject to planning consent. If built as approved, the plans would create 25,000 sq. ft. of hotel and commercial space with these features:
  - Pub/Garden Restaurant in the main building
  - An Inn “The Old Pharmacy Inn” in Speightstown” - with 20 rooms, all air-conditioned with en suite bathrooms
  - A retail store that would attract tourism and generate local employment.
  - A Beach Bar/Restaurant with beach facilities is the subject of a separate planning application which is pending.
- Alternatively, the property could be preserved as a private residence or as apartments.





# “The Old Pharmacy Inn” in Speightstown Profitability\*

- The Key Assumptions

New or Younger travelers want to be on the West Coast which would create a market for “The Old Pharmacy Inn” in Speightstown in the \$300-400/night range in a double room. Virtually all hotels on the West Coast are twice to 10 times more.

Daily Room Rate: US\$ 250-350 (Beachfront rooms to be listed at higher rate)

Room Occupancy, Annual Average: 67%, 90%  
Winter, 45% in Summer

Restaurant Turnover\*: Winter: 40 Lunch/90 Dinner,  
Summer: 20 Lunch/45 Dinner

- The estimated overall costs (US \$ millions) are:

Land US\$2,750,000

Surveys and professional US\$ 250,000

Construction and fitting out US\$4,600,000  
(COST OF BUILDING, 25,000(sq.ft)

Total Investment US \$ 7,600,000

In summary, the operation is projected to generate an annual turnover of US \$3.2 million and an operating profit, before depreciation, financing costs and taxation, of US \$1.6 million.

A 15 page very detailed costing (month by month) is available upon request.

These particulars are not an offer or contract, nor part of one. You should not rely on statements by the agent or vendor in the particulars or by word of mouth or in writing (“information”) as being factually accurate about the property, its condition or its value. No agent has any authority to make any representations about the property and accordingly any information given is entirely without responsibility on the part of the agents, seller(s) or lessor(s).

\*Restaurant Turnover - the number of lunch and dinners served are deemed really conservatively.

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# The Old Pharmacy Inn

## Estimated Investment

Currency amounts in \$US

Land	2,750,000	
Survey costs and fees	250,000	
Roof	1,000,000	Hotel detail
Windows & doors	500,000	Hotel detail
Other hotel structure	2,000,000	Hotel detail
Beds	50,000	Hotel detail
Room fittings & furniture	100,000	Hotel detail
Bedroom air-conditioning units	60,000	Hotel detail
Common area fittings & furniture	45,000	Hotel detail
Common area air-conditioning	50,000	Hotel detail
Bed linen & towels	12,000	Hotel detail
Kitchen equipment	100,000	Restaurant
Restaurant fittings & furniture	50,000	Restaurant

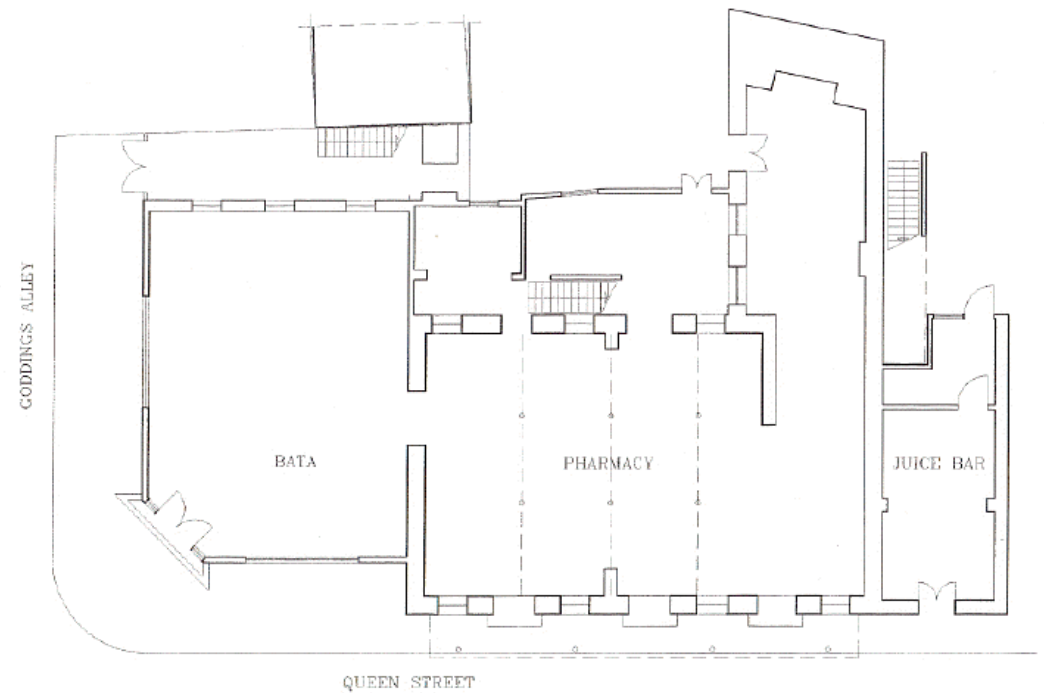
Garden construction	100,000	
Pool construction	50,000	Garden
Bar equipment	7,500	Beach bar
Bar fittings & furniture	7,500	Beach bar
Bar structure	50,000	Beach bar
	<b>7,282,000</b>	
Contingency	5% 364,100 (5%)	
<b>Total costs</b>	<b>7,646,100</b>	



# Existing building plan



DO NOT SCALE

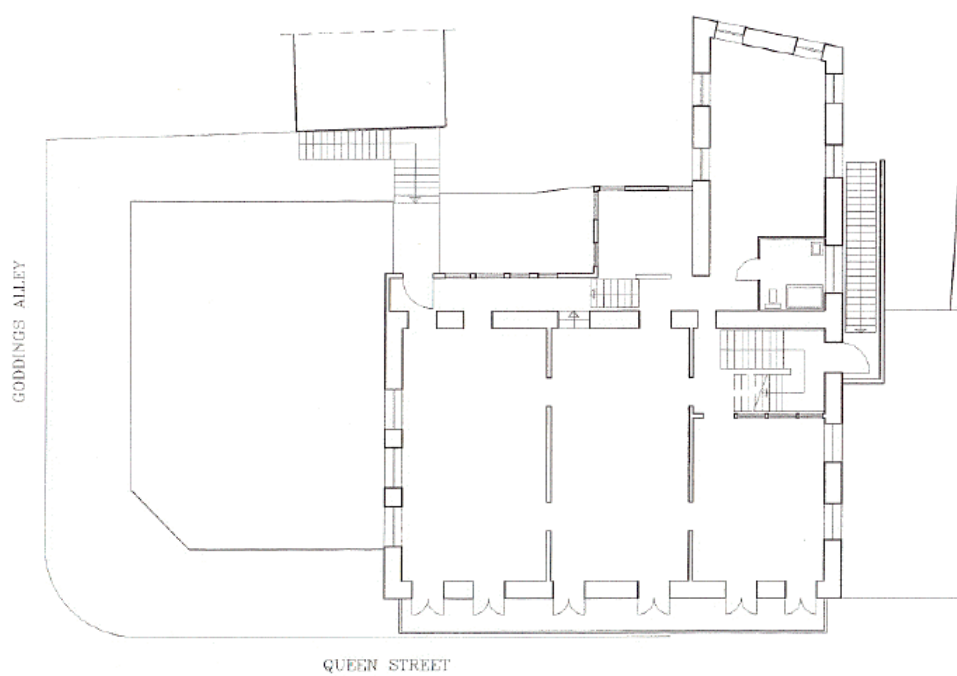


EXISTING GROUND FLOOR PLAN

1:100

E.B.4

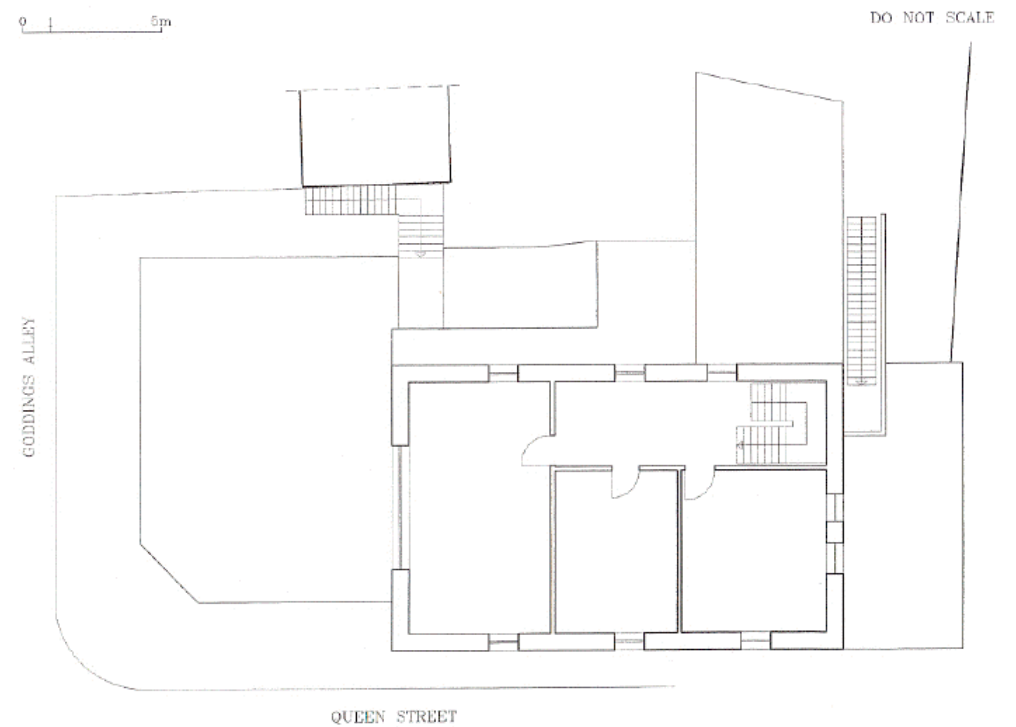
# Existing building plan



EXISTING FIRST FLOOR PLAN 1:100

E.B.5

0 5m



EXISTING SECOND FLOOR PLAN 1:100

E.B.6



# Proposed building plan



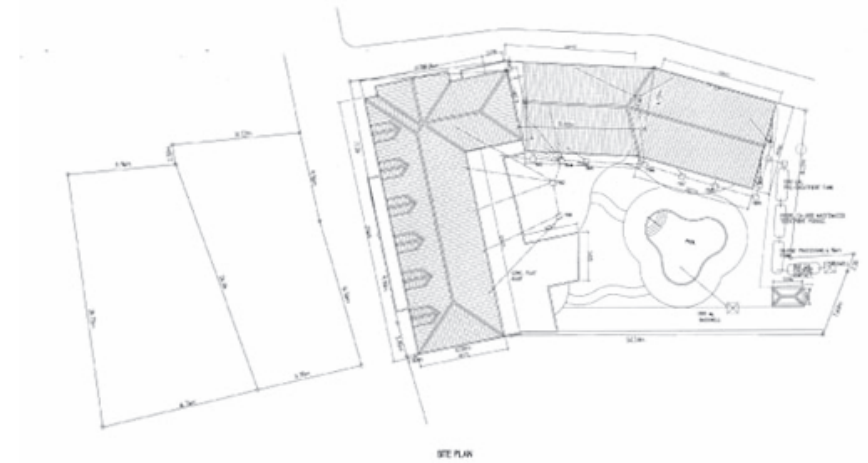
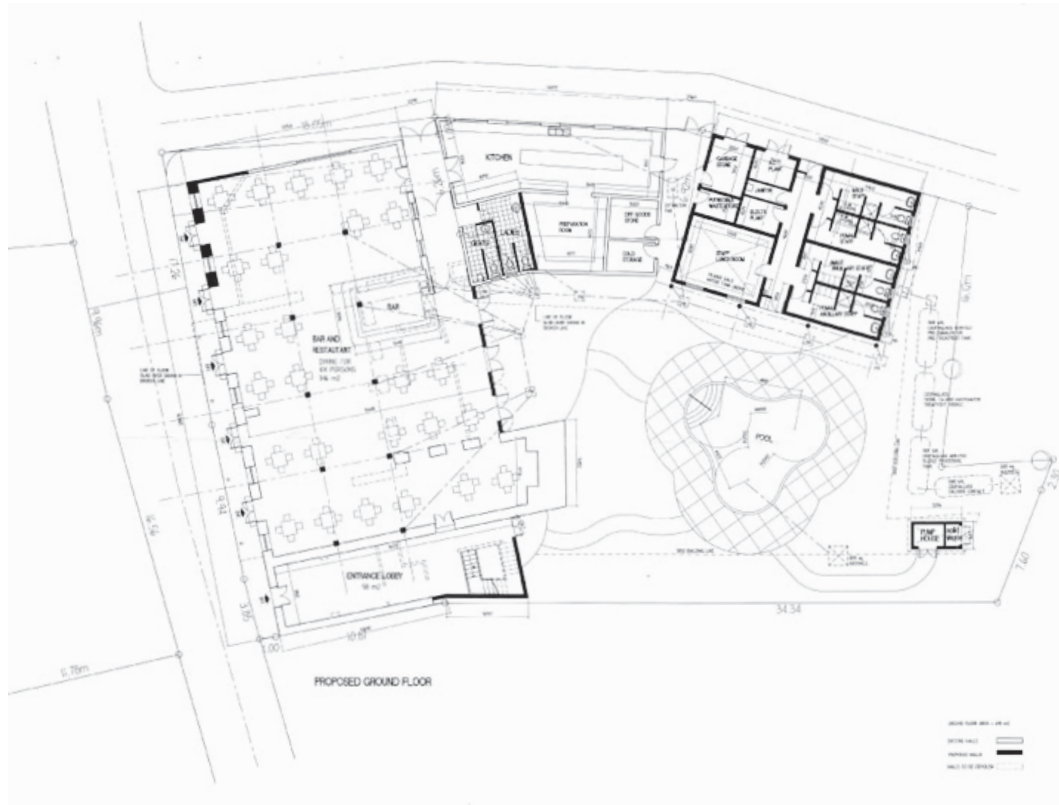
PROPOSED NORTH ELEVATION



PROPOSED WEST ELEVATION



# Proposed building plan





# Summary

- Barbados is a major tourism destination and Speightstown's resurgence creates an opportunity for a 20-room boutique hotel with commercial and catering facilities.
- A US\$7.5million investment we estimate can generate an annual turn over of US\$3.2million and an operating profit, before depreciation, financing costs and taxation of US\$1.6million.



