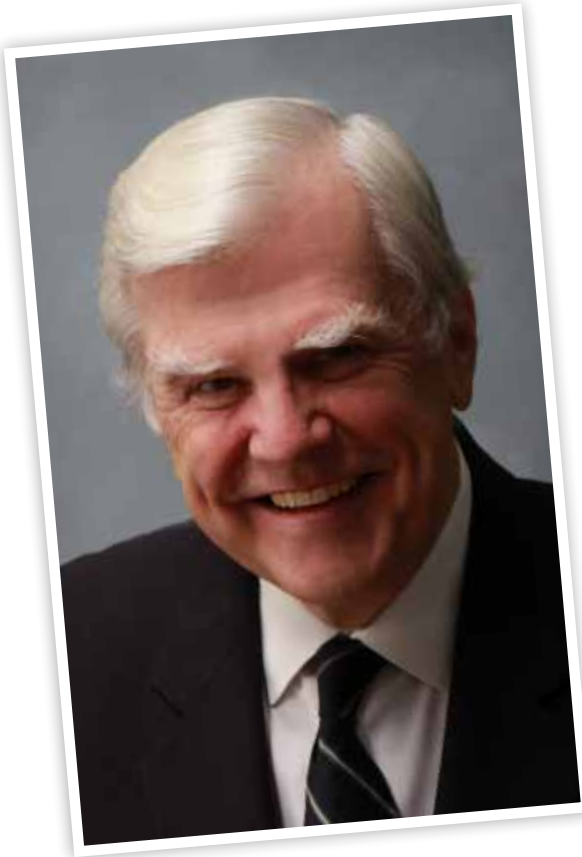


WORDS | Alex Evans



Calling upon half a century of experience in real estate, Bill Clover has navigated a course through boom and bust markets - and has been active in every aspect of international property sales and development throughout.

Starting off as a broker before moving into construction, Bill had already developed six residential projects and built a substantial brokerage group in his twenties before selling it all to develop Panorama Properties and Panorama International with his father and brother - at that time an international real estate marketing company specialising in high end home sales in Spain, France, Morocco, the Caribbean, and Mexico.

"Forty years is a long time, and economic cycles and consumer preferences led us in a variety of directions," says Bill. "My brother Chris acquired Panorama Properties and built the most successful and longest established real estate agency in Marbella. I continued with Panorama International working from Mexico on consulting, finance, development, marketing and some acquisitions. This built into the largest group (at the time) in tourism development and marketing in the country."

Having consulted to developers on a

variety of projects in over 70 countries, Bill has unique insights into developer funding and the best project mix for today's market.

One of the most pro-active members of OPP's International Executive Panel, Bill shares a few of his informed insights with OPP readers.

After an apocalyptic year for the international homes industry, what types of development are most likely to qualify for funding these days, and why?

Strong backing in the form of equity, guarantees and proof there is market for the product are required today more than ever. Developments having geographic diversity for their sub-developers spreads risk and increases volume. Strong pre-sales are now a requirement.

Total lifestyle communities are now necessary, and we believe that the retirement market, or second homes leading to retirement, is the next big wave of development - but the thoughtful developer needs to give this market what they are really looking for.

Pocket markets exist of intense demand for tourism and residential development. These markets may be unaffected by current conditions.

Big picture thinking

Industry veteran Bill Clover tells OPP why a sensitivity to residential tourism trends, and a creative approach to funding and sales, have helped his companies survive and prosper through three recessions

What are the most likely sources of funding for developers these days?

Panorama has developed over 25 ways that funding can be identified for a specific project. Some of the more general ones are traditional banking sources (generally not very interested although there are a few exceptions), multilateral banks (with the support of private lenders depending on the structure used), hedge funds and private lenders (acting with the use of guarantees and other similar instruments), country banks and 'in country' sources should be examined (as should contractor and supplier financing), and using pre-sales with progress payments (combined with lines of credit organized against the pre-sales). Structure and market support are vital considerations.

What are the most interesting projects you are currently working on, and why?

Several projects in Central America come to mind but one is really exciting - a project built on a peninsula jutting into a lake in the middle of an extinct volcano. The site is spectacular. We are also in discussions in Asia regarding two large projects that are fascinating because they fit into the long term financial and land use plan of local government. Social sustainability is an important issue we now build into every development we are working on; this will be a requirement in the future.

Panorama has a specialization in mini resort cities that combine the

best of hospitality and residences for retirement or second homes - all supported by shopping and recreational amenities. We also look at governmental redevelopment projects, converting undesirable areas to meaningful income drivers for taxation purposes for government.

What core elements should resort developments comprise to ensure the best chance of future sales and re-sales?

Developing in areas where costs are low and there is plenty of room for upside profit taking for the re-seller. Areas like Central America, Mexico, Morocco and Egypt allow a developer to take a reasonable profit, and the buyer of his product an opportunity to resell in time as the economy of the host country improves to meet the rest of the world.

They should also provide more than just a house (the amenities, healthcare, supporting facilities, etc must now be provided to be competitive) and package top-level operators and brands into the entire effort.

Panorama advocates differentiation 'escalation', or doing something to make the project more unique. What are the best examples of project differentiation that you have seen, and why?

In El Salvador we created a cruise ship dock and facilities as the instant traffic driver allowing the development to

The best examples of differentiation are creating the total experience of having fully integrated tourism and international living that is integrated with the daily life of the residents of the host country, rather than a tourism ghetto.



A bit different | Playa Secreta (main picture), a resort city created by Panorama International on the Bay of Fonseca in El Salvador, includes a cruise ship dock and a re-created 17th century village, while the Nautilus Hotel (inset) was designed and packaged for financing on the site of the filming of Pirates of the Caribbean 1 and 2, containing a full production studio and outdoor catering facilities for film crews.

fully use amenities like an historic village re-creation, shopping and sports amenities – where it would take years to achieve the volume to fully use these if solely dependent on hotel and residential based tourism.

A project near Mayan Ruins in Mexico incorporates the entire Mayan mystique and culture into an integrated community in the middle of a rainforest. Opportunities for studying ancient Mayan healing methods, culture and astronomy are purpose-designed as attractions with the other usual amenities.

The manner of incorporating water features, such as lagoons and canals, into the hotels is appealing and often unique. This can be seen in many of the hotels in Mexico's Mayan Riviera.

The best examples of differentiation are creating the total experience of having tourism and international living fully integrated with the daily life of the residents of the host country, rather than a tourism ghetto.

You have highlighted the

need for resorts to address the burden of travel and to restore 'guest dignity'. Why is this important, and how can it be achieved?

It is the single most important aspect of the sales process, and one that has largely been forgotten in a developers marketing zeal to make quick sales.

The term 'guest dignity' was originally used (by us) to restore a traveller – our guest – after having been beaten up by the rigours of the day's travels. Today we use guest dignity more to insist that the customer is far more than a body in a bed – or a paycheck for a salesperson – but should be cultivated as a friend. The buyers are a partner in the development because they are the best source for referral business – so this dignity and respect must permeate every aspect of the sales and development process.

Looking at the wider industry in the US, what do you think it needs to do to restore confidence and mature into a more sophisticated sector?

This question is far more than PR or advertising – although that is part of the package. It goes to the core of our industry. Re-establishing confidence and trust will come from developing products that are actually desired, tailoring the product to meet the need of the buyer, new products that convert an emotional decision into a sensible financial decision, and producing guarantees of delivery with teeth in them.

What are your hopes for the resort and leisure real estate industry in 2010?

Frankly, my expectations are not great. It is taking longer to emerge from this recession as it has affected every area of our economy. Terrorism and the fear of terrorism has taken its toll and affected travel to the point that it is no longer a pleasant experience.

My hopes are that our world will remain optimistic and that new creative ways will emerge globally to be able to cope with the malaise in our industry. There are great opportunities that require the best minds in our business to pool resources and think our way through how the perfect project can be tailored and adjusted to an ever more fickle market.

I imagine it's hard to switch

off, but what do you do to relax, and what interests do you have outside the industry?

Of course the work we do is really interesting, engrossing and fulfilling, and we are all passionate about it, but great classical architecture, antiques and great art are all compelling interests. **opp**

▶ Panorama International

Panorama and its subsidiaries offer a complete range of services from concept through operations, including vertical services in financing and financial structure, land planning, preliminary architecture, costing, pricing, market and economic studies, business planning (including marketing, operational and financial plans), negotiating branding and management, preparing financial presentations, development, and marketing management. Its principal focus is in the MENA countries, Central America, The Caribbean, and Mexico, and also has strong interests in India, the South Pacific and Korea.