

St. Croix Real Estate reviews

Featuring real estate market updates and local news of St. Croix, USVI

AUGUST 2009

WAPA RAISES RATES

After meeting with the Public Services Commission (PSC), WAPA raised their base rates for both water and electricity effective July 1, 2009.

The base electric rate for residents of the Territory will increase from 7 cents to 8 cents per kilowatt-hour. The average WAPA customer uses around 500 kilowatt hours per month, therefore customers will be paying \$124.34 with the new increase. Rates for commercial customers will increase from 10 cents per kilowatt-hour to 11 cents. Along with higher electric rates, water rates will increase from \$14.90 for the first 1,000 gallons per month to \$16.90 per month.

Not only are the base rates rising, WAPA petitioned for an increase in the LEAC to recover higher fuel costs. The higher LEAC charge would result in an increase of 12.8% in residential electric bills and 11.5% in commercial bills.

"Even with the base rate increase and the LEAC, the rate is still less than where we were in January," according to WAPA Executive Director Hugo Hodge.



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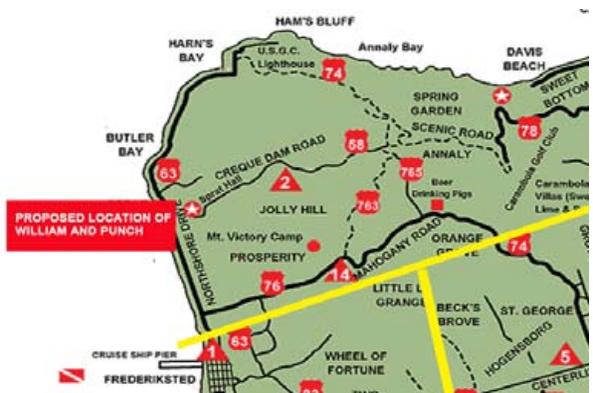
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UPDATE: WILLIAM AND PUNCH

Coastal Zone Management Commission (CZM) approved two of three proposed changes to conditions for the proposed William & Punch resort development. The third change was denied by a 2-1 vote. The developers of the resort were hoping to change three of the 36 conditions imposed by the CZM when it approved the plan in January. Two of the proposed changes, including the width, length and alignment of the entrance channel to the resort's marina, were all passed. However, the proposed expansion of the beach 40 feet to the seaward side of the low-water line was denied.

"I'm shocked," said Chris Elliot, board member and part owner of the proposed development. "That was a critical part." Not seeing an alternative, Elliot said they will appeal to the Board of Land Use Appeals.

The William and Punch development project, now known as Amalago Bay Resort, envisions a 378-unit coastal casino-resort. It will be located between Rainbow Beach and Sunset Beach north of Frederiksted. Along with the elaborate casino-resort complex, developers are planning to create an 18-hole golf course, a lagoon for an inland marina that will house 64 slips, and a 56-room beach hotel which will be built on an artificial island.



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Dear Friends,

Hurricanes Ana and Bill have just brushed us and now are safely past us. Hopefully Bill will spare Bermuda and the east coast of America. Another glorious month in paradise has passed and we have had some of the nicest summer weather I can recall. The breeze has been consistent providing a very comfortable summer. To my amazement the flamboyant trees are still brilliant and make the hillsides come alive with color. It's a feast for our eyes and a treat for visitors. It's a beautiful island and every day I count my blessings for this land and its wonderful people.



Lorine Williams

ALTERNATIVE ENERGY ON THE WAY

The VI Government along with WAPA and VI Waste Management has entered into a historic agreement with Alpine Energy Group to provide alternative energy with two new plants to be constructed, one on St. Thomas and one on St. Croix. The waste to energy plants will burn garbage generated by the territory's residents that would otherwise enter our landfills. This energy production will be supplemented by the burning of petroleum coke, a by-product of the current oil refinery fuel production at HOVENSA. Alpine Energy President, James Beach stated that his company will invest \$440 million in the territory to create approximately 600 jobs during construction. Approximately 75 permanent jobs will be created for each island in order to maintain and operate the plants.

The production of the new plants will provide 33 megawatts of power per year for St. Thomas and provide 16 megawatts for the St. Croix plant. The goal is to have the plants up and running by 2013. Ground breaking should start in approximately one year.

MORE POSITIVE STX NEWS

College graduate, Ralph Hazelwood, is being wooed by both Yale University and University of Iowa in his pursuit of his graduate degree program in the field of human genetics. What a choice he has in front of him! He was the Salutatorian from St. Croix Seventh Day Adventist School in 2001. His BS degree is from UVI in biology. His parents are Ralph and Marion Hazelwood, both active local business people.

Young singer, Tony LeBron, originally from St. Croix has won the 2009 Gospel Dream Competition. The grand prize is a recording contract. Tony attended St. Mary's School in the elementary grades and then his immediate family moved to Florida. He studied voice at Southeastern University in Lakeland, Florida. Many family members are still in St. Croix. Congratulations Tony!

Local seventh and eighth graders will continue to have the opportunity to sail and learn on the Roseway. For the past 2 years the World Ocean School has been bringing the Roseway to STX for the winter. The School is a non-profit organization whose mission is to provide educational programs focused on community building for young people aboard the Roseway. Students learn sailing, navigation skills, sailing history, science and teamwork. In April, they had the opportunity to practice all those skills on an overnight trip to St. John.

ECONOMIC NEWS

Latest news reports indicate the states with the highest rates of foreclosures are Nevada, California and Florida. Nationally there has been a 7% increase from June to July. The Federal Reserve "suggests" the recession is over; however, economists say that because of the lag time from the improvement of the economy to the point of job restoration, the complete recovery may be 2 1/2 years away. That's not to say that we won't start seeing improvement long before that in our local housing market. As you can see by the statistics in the graph on the last page, our market has slowed down in both selling prices and actual number of transactions. That means it's a GREAT time to buy.

Enjoy your last days of summer.

Lorine

Lorine R. Williams, GRI, CRS
2006 REALTOR of the YEAR



FEATURE HOME OF THE MONTH

207 MILL HARBOR

Turn key, immaculate, well maintained condo. Great tropical decor, completely furnished and equipped. Many improvements make this the perfect choice for a vacation hideaway or a great rental. This complex is right on the water plus a picturesque lagoon setting, tiled pool, tennis. Exterior freshly painted. Gated community.
MLS: 09-1319 \$139,000



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DIAGEO BONDS SELL OUT

The construction of Diageo's Captain Morgan Rum Distillery on St. Croix is moving forward. The V.I. Government successfully sold \$250 million in bonds in early July for construction of the facility.

Under the agreement between the V.I. Government and Diageo, the bonds will be repaid from revenue generated by the sale of Captain Morgan rum in the United States through the return of excise taxes to the government.



Despite recent volatility in bond markets, the 30-year bonds were sold at a 6.8 percent interest rate, significantly lower than the 10 percent interest rate

authorized by the Public Finance Authority.

Governor John deJongh hailed the bond sale as a step forward in stimulating the local economy, noting that Diageo rum production will generate "the only new revenue stream we currently can rely on."

Diageo broke ground in May at the site of the \$165 million Captain Morgan Rum distillery and can finally now move ahead with the project. By 2012, the company will be distilling all Captain Morgan products sold in the U.S. at the St. Croix plant, with the distillery producing an average of 20 million-proof gallons each year.

ST. CROIX NOW HAS 911 SERVICE

After 45 days of text and workbook study, online testing, and ride-alongs with VI police officers and firefighters, 18 new emergency communication center operators received certificates for several nationally recognized programs. These new operators, along with veterans, are ready to answer emergency calls at the new 911 Center on St. Croix. The 911 Center is part of the V.I. Territorial Emergency Management Agency (VITEMA).

According to Lt. Gov. Gregory R. Francis, the updating of the 911 system is the realization of a major goal of the deJongh administration that began about two years ago.

"The 911 system is now up to the same level as throughout the U.S. What you say and how you say it will leave a lasting impression," said Francis.

SENATORS ADDRESS ECONOMIC DEVELOPMENT

Four members of the 28th Legislature gathered at The Palms at Pelican Cove in late June to discuss the economic status and development of the Territory with local Chamber of Commerce members and guests.

The big question everyone wanted answered was what the Legislature can do to wean the islands off fossil fuels and the roller coaster of unpredictable energy costs. Immediately, the four Senators - Louis Patrick Hill, Craig Barshinger, Neville James and Michael Thurland were eager to discuss the latest alternative energy bill.

The bill will provide tax incentives for importing and retailing alternative energy equipment, incentives and rebates for the purchase of such equipment and an appropriation of \$10 million from federal stimulus funds earmarked specifically for installation of solar water heating equipment at no initial cost to the customer.

Another area of concern was the proposed transfer of Castle Nugent Farm to the National Park System. Encompassing nearly 2,500 acres, the proposed transfer drew both support and opposition with opponents arguing that it would be unwise to take that much property out of the limited inventory available on St. Croix for private-sector development. A decision on the proposed transfer is expected within the next several months.

MANGO DIS, MANGO DAT!

More than 4,000 people gathered at the St. George Village Botanical Garden to participate in the annual Mango Melee event on July 5. Visitors were exposed to sauces, sweets, salsa and chutney with the main ingredient being, you guessed it, mangoes.

Along with tasty treats, contests were held for all ages. Some joined in the messy mango-eating contest and others competed in the cooking contests. Others were educated on how to create juices, make preserves, and the nutritional value of tropical fruits.



The 2009 Mango Melee

Although mangoes were the main topic of discussion, a large arts-and-crafts show was held including handmade soaps, jewelry, sculptures, and more. Of course, what is a festival without local music and dancing? A great time was had by all who attended.

ST. CROIX REAL ESTATE MARKET WATCH

CLOSED SALES COMPARISON - 06/30/07-06/30/08 VERSUS 06/30/08-06/30/09

	2007-2008 SOLD	AVERAGE DAYS ON MARKET	AVERAGE PRICE	2008-2009 SOLD	AVERAGE DAYS ON MARKET	AVERAGE PRICE
Home Sales*	147	261	417,362	105	248	487,939
Condo Sales*	87	192	238,359	60	252	237,723
Land under \$39,999	82	311	28,674	67	234	29,549
Land over \$40,000	150	311	218,231	103	302	155,253
Commercial properties*	19	366	1,136,026	11	326	497,090

Information from the St. Croix Multiple Listing Service

**The average sales price and the average days on market could be skewed greatly by only one sale or because of the small number of annual sales.*