

'More aggressive' strategy needed on vacation rentals

From pg B1

quite a few competitive advantages the Bahamas has in this space....

"In the course of the interviews, it became clear this was an opportunity to move development away from Nassau to other parts of the country.

"On many levels, it seems the perfect strategy for the country to take a more aggressive stance towards."

Oxford Economics' study for ORG, which analysed the impact of a 50 per cent increase upon current vacation rental activity, found

this would grow stopover tourists by 8,350 annually, and generate \$13 million in additional visitor spending.

Excluding 50 per cent of that \$13 million from its analysis, as that represented lease costs, the ORG study said: "The full economic impact - direct, indirect, and induced - of additional spending by these new tourists is estimated at \$9.8 million of additional GDP and 225 new jobs.

"The sectors most affected are community, social and personal services, which receives 35 per cent

of the GDP impact and 50 per cent of the jobs impact, and hotels and restaurants, which receive 23 per cent of the GDP and 18 per cent of the jobs impact."

Mr Aubry, meanwhile, said the vacation rental market provided an opportunity to "empower" Bahamians and increase local ownership of the tourism.

He added that by diversifying development and activity away from Nassau, the overcrowding that has afflicted New Providence for decades could also be eased.

"This is one of those spaces that really speaks to how we can empower Bahamians to a more active, and stronger, part of the tourism product from an ownership standpoint," Mr Aubry told Tribune Business, "and how

we can foster the residual benefits to drive local products into the tourism supply chain.

"When you look at the data, the Bahamas by and large has the greatest offering of beds and rooms. It also has a relatively low yield with turnaround. A lot of people are offering this, but don't necessarily have the capacity.

"If we start to drive this, and pay more attention to it, it could blossom as low hanging fruit in terms of economic growth."

Data obtained by Oxford Economics showed that the Bahamas had 1,878 properties registered with Airbnb, of which 908 - just under half - were deemed to be active.

Highlighting the vacation rental market's growth and economic potential for the Bahamas, the ORG report showed these numbers were between eight to three times' higher than comparable Airbnb data for Bermuda, the Cayman Islands and Turks & Caicos.

The Bahamas' mean occupancy rate was lower than

Bermuda's and Cayman's, at 38 per cent and 22 per cent, respectively, but higher than Turks & Caicos's 16 per cent.

When it came to yield, the Bahamas' mean Airbnb nightly rate of \$306 was higher than Bermuda and Cayman's, but lower than Turks & Caicos's. This nation's guest ratings were also in line with its regional rivals.

Mr Aubry said an "easing of regulations, and policies that support moving to the Family Islands", are required if the Bahamas is to maximise the benefits from the fast-growing vacation rental market.

Prominent Bahamian realtors, such as Mario Carey, have already urged the Government to get a better regulatory grip on the vacation rental market, warning that it is losing potentially valuable tax revenues.

However, Mr Aubry said existing government policies and regulations were effectively driving second homeowners not to declare that they were using their properties for vacation

rental purposes - thereby denying the Public Treasury valuable tax revenues.

"The way the policies are, they're incentivising people to buy a home without declaring the purpose of the property," he told Tribune Business.

"It creates problems of oversight and access to capital from the banks. If we look at this market, there are so many properties that are not being fully utilised."

The Oxford Economics study suggested that old, impractical laws and regulations were impeding both growth and regulation in the vacation rental market, as it treated investors in these properties like their mega resort counterparts.

All vacation-based properties have to be approved by the Bahamas Investment Authority (BIA), and the report said: "While vacation home owners and foreign owners can overcome these hurdles, this comes at a cost in terms of time and money.

"In the view of interviewees, most of the complexity reflects laws that are designed with mega-resorts in mind. For example, if the owner is not the primary occupant, then the applicant must present detailed business plans that address issues such as how many people will be employed, traffic issues, etc. For the vacation home rental market, this is not a practical approach."

The ORG report called for vacation rental owners and investors to be treated as a new 'investor category', with faster approvals granted in return for tax and regulatory compliance.

It also suggested restricting vacation rental home development to specially-designated areas, such as Trade Development Zones (TDZs), until the Government perfected its policy approach to the sector.

Mr Aubry said he had personally witnessed the growth of the Bahamas' vacation rental market, with two of the four properties in his townhouse row now used for such purposes.

And Tribune Business has also witnessed more tourists than normal walking to and from, and shopping at, the Super Value store at Winton compared to previous year.

Arlington (Ali) Capron, principal of RE/MAX Luxury Properties Bahamas, recently predicted that the vacation rental market will likely eat into hotel occupancy rates, estimating that 20 per cent of this nation's stopover visitors are currently using such accommodation.

He said visitors were increasingly seeking a more authentic, personalised vacation experience that was intertwined with Bahamian culture.

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Independent Auditors' Report

The Shareholders and Board of Directors
Macro Bank Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the consolidated financial statements of Macro Bank Limited (the "Bank"), which comprise the consolidated statement of financial position as at December 31, 2016, and the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Bank as at December 31, 2016, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Bank in accordance with the international Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Bank or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Bank's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Ernst & Young

April 3, 2017

MACRO BANK LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Expressed in United States Dollars)

	December 31	
	2016	2015
ASSETS		
Cash (note 8)	\$ 17,755	\$ 15,193
Due from banks (note 8)	29,588,956	56,422,136
Placements with other banks (note 8)	-	19,509,943
Financial assets at fair value through profit and loss (note 9)	18,292,150	130,024,687
Loans and advances to customers (note 10)	1,016,583	2,117,110
Financial investments available for sale (note 11)	47,314,701	11,525,289
Accrued interest receivable	23,502	26,190
Other assets	194,537	419,093
Property and equipment	60,530	42,439
Total assets	\$ 96,508,714	\$ 220,102,080

MACRO BANK LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued) (Expressed in United States Dollars)

	December 31	
	2016	2015
LIABILITIES AND EQUITY		
LIABILITIES		
Due to banks (note 13)	\$ 710,947	\$ 710,947
Due to customers (note 13)	47,041,314	172,214,944
Other liabilities	99,897	1,126,623
Total liabilities	47,852,158	174,052,514

EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF PARENT

	December 31	
	2016	2015
Issued capital		
Authorized, issued and fully paid 39,816,900 shares at par value of \$1 each (9,816,900 in 2014)	39,816,900	39,816,900
Retained earnings	8,095,104	5,465,975
Share premium	713,100	713,100
Statutory loan loss reserve (note 17.5)	10,401	21,433
Available for sale investments reserve (note 11)	21,051	32,158
Total equity	48,656,556	46,049,566
Total liabilities and equity	\$ 96,508,714	\$ 220,102,080

Approved By The Board:

Andrea Ibarburu Andrea Ibarburu, Director
Elias Szeren Elias Szeren, Director

NOTICE

Mr. Perry Stubbs of 282 Derby Road, Yellow Elder Gardens is asked to contact Mangra & Co. immediately at 322-4337.

NOTICE

NOTICE is hereby given that **OLVI LOUIS** of Jubilee Gardens, Nassau, Bahamas is applying to the Minister responsible for Nationality and Citizenship, for registration/naturalization as a citizen of The Bahamas, and that any person who knows any reason why registration/naturalization should not be granted, should send a written and signed statement of the facts within twenty-eight days from the **19th day of April, 2017** to the Minister responsible for nationality and Citizenship, P.O. Box N-7147, Nassau, Bahamas.

NOTICE

NOTICE is hereby given that **MARVINCE JEAN-LOUIS** of #3 Fox Hill, Nassau, Bahamas is applying to the Minister responsible for Nationality and Citizenship, for registration/naturalization as a citizen of The Bahamas, and that any person who knows any reason why registration/naturalization should not be granted, should send a written and signed statement of the facts within twenty-eight days from the **19th day of April, 2017** to the Minister responsible for nationality and Citizenship, P.O. Box N-7147, Nassau, Bahamas.

PUBLIC NOTICE

INTENT TO CHANGE NAME BY DEED POLL

The Public is hereby advised that I, **DERECK MARVIN COLEBROOK** of No. 11 East Street South, Nassau, Bahamas intend to change my name to **DERECK MARVIN WILKINSON**. If there are any objections to this change of name by Deed Poll, you may write such objections to the Deputy Chief Passport Officer, P.O.Box N-742, Nassau, Bahamas no later than thirty (30) days after the date of publication of this notice.

COMMONWEALTH OF THE BAHAMAS

2016

IN THE SUPREME COURT

CLE/GEN/00615

Common Law & Equity Division

BETWEEN

FINANCE CORPORATION OF BAHAMAS LIMITED

Plaintiff

AND

FERGUINS PIERRE

First Defendant

and

FAUVETTE PIERRE

Second Defendant

TO: **Ferguins Pierre
Fauvette Pierre**

TAKE NOTICE that an action has been commenced against you in the Supreme Court of the Commonwealth of The Bahamas by Finance Corporation of Bahamas Ltd, Nassau, New Providence, Bahamas, in which the Plaintiff's claim is set out in the Writ of Summons filed in this action on the 2nd day of May, A.D. 2016 claiming against you inter alia the sum of \$11,267.46, interest on the said sum, alternatively damages, and costs **AND THAT** it has been ordered that service of the said Writ of Summons filed herein on the 2nd day of May, A.D. 2016 be effected on you by way of this advertisement.

If you desire to defend the said action, you must within fourteen (14) days from the publication of this advertisement, inclusive of the day of such publication, enter an appearance in person or by an attorney either (1) by handing in the appropriate forms duly completed, at the Registry of the Supreme Court, Ground Floor, BAF Financial Centre, Marlborough Street, Nassau, Bahamas, or (2) by sending them to that office by post. Please also note that if you enter an appearance, then unless a Summons for Judgment is served on you in the meantime, you must also serve a Defence on the Attorneys for the Plaintiff within 14 days after the last day of the time limited for entering an appearance, otherwise Judgment may be entered against you without notice.

A copy of the said Writ of Summons and Order may be obtained from the Supreme Court Registry, Ground Floor, BAF Financial Centre, Marlborough Street, Nassau, Bahamas, or from the Attorneys of the Plaintiff below mentioned.

Dated the 26th day of April, A.D. 2017

HIGGS & JOHNSON
Ocean Centre
Montagu Foreshore
East Bay Street
Nassau, New Providence, The Bahamas
Attorneys for the Plaintiff