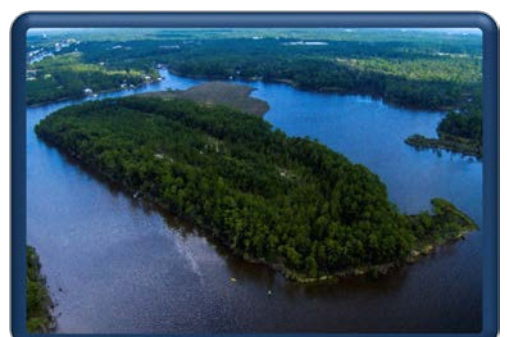


ISLAND BUYER'S GUIDE



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ISLAND BUYER'S GUIDE

INTRODUCTION TO BUYING AN ISLAND

Have you dreamt of owning your own private island and you think the time may be now?

You may be full of questions and don't know where to begin. I can help! Private islands are not just for billionaires! A private island can be around the same price as a single family home up to many millions of dollars. Your investment will depend mostly on your purpose for owning your own island and the location of the island itself. No matter what your reasons for purchasing an island, it is important to research and inform your Realtor of any environmental or construction concerns you may have. This private island buyer's guide will help direct you from the initial inquiry through to the final sale. This guide will illustrate a five step process of buying an Island, and it is important to research all of these steps to be sure you are ready: **Defining your Island's purpose, Location, Type of Ownership/Financing, Infrastructure & Accessibility, and Transaction.** If you determine that the Island of South Walton meets your needs, after reading the details through-out this buyer's guide, I will be happy to assist you through the process, provide you with further information on the island and answer any questions you may have.



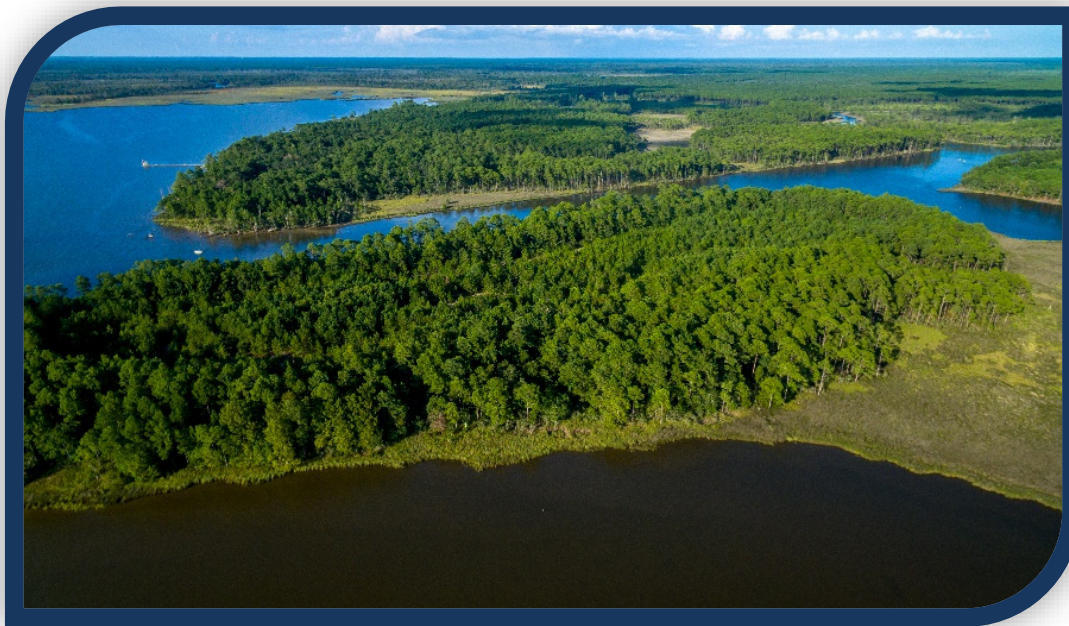
ISLAND BUYER'S GUIDE

STEP 1- DECIDE YOUR ISLAND'S PURPOSE

Deciding to purchase a private island can be an adventure, but can also be a challenge. The process of buying an island is similar to the process of buying any other kind of property, however, there are other decisions to take into consideration, such as your purpose, island location, accessibility, pricing, infrastructure and utilities and the entire buying process.

The first step is to consider the purpose of your island and what you need to have versus what you would like to have. For example, some people want an island as their primary residence, a private vacation rental, something to have as a legacy and pass down through your family. Some investor/developers are interested in undeveloped islands to build it up and sell for a profit.

Your purpose will dictate the type of island you search for. Some may need utilities established, others are looking at the landscape, such as beaches, boat docks, or vegetation. Consider the shape of the island you may want and which way the sun will be rising and setting. You may also want to think about whether the water surrounding the island is good for swimming, recreational activities like scuba diving or fishing.



Making a list of all of the features you absolutely need and those that you are willing to compromise on. Some things to consider:

- How large of an island do you need? If you want a private house on the island, you may not need a larger island. If you want to build an income producing business, you may need a large island.
- Think about the buildings that may be needed. You will need to look up the regulations of the island before you offer to purchase it.
- Consider the landscape you need or want.
- Consider the surroundings of the island. Will it meet your needs for living on the island, or will it be possible to develop your business adventure?

ISLAND BUYER'S GUIDE

Step 2: LOCATION:

Location is probably the most important to research and consider for Island ownership. You will want to choose a location that can meet your needs. It may be a fantasy to own an island in some exotic location, but if you are not going to live there, are you able to afford the extensive travel time?

Be sure to consider some of these important factors in your research:

- Climate- Know what the weather is like year-round. Find out if the area is prone to extreme weather such as hurricanes.
- Island Surroundings-Think about the cities and towns that are nearby. Determine how far away from civilization you want to be located. If you are developing the island into an income producing location, consider how you may get all of your supplies to the island.
- Local Culture- Research the local area near the island. Will you be comfortable with the local area, will your business venture be suitable for that area?
- Plants & Animals- Research the local indigenous animals and trees and plants.
- Medical Access- Whether your island is for personal use or part of a business venture, you will need to know how far away the medical services are from your island.



ISLAND BUYER'S GUIDE

FACTS ABOUT FLORIDA

Climate- The following is the average weather and rain conditions here in South Walton, Florida. (Data Source: www.usclimatedata.com).

	Jan	Feb	Mar	Apr	May	June
Average High in °F	61	63	68	74	82	87
Average Low in °F	45	47	53	60	68	75
Average Precipitation in Inches	5.08	5.28	6.06	4.25	3.31	5.51
	Jul	Aug	Sep	Oct	Nov	Dec
Average High in °F	89	89	86	79	70	62
Average Low in °F	77	76	72	68	54	47
Average Precipitation in Inches	7.95	6.73	5.16	3.82	4.61	4.61

Indigenous animals, Plants & Trees: The Emerald Coast is abundant with wildlife. Some of highlights are:

- **Sea Turtles:** We have a sea turtle season here on the Emerald Coast. From April to November, adult females will come on shore, usually at night and make a lay eggs in the sand. These nest will have about 80-120 eggs. Interesting facts about these remarkable creatures: the sex of a Sea Turtle is determined by the temperature in the nests. The eggs usually hatch right before sunset and the babies will scurry to the water. Only 1 in 1,000 will survive to adulthood. The adult female Sea Turtle will return to our beaches, if she was hatched here. Every beach here will have sea turtles. On Okaloosa Island, at the pier, you will frequently see the turtles swimming around the pier. (Sea Turtles are protected by the U.S. Endangered Species Act and by Florida State law, making it illegal to disturb nests, harm sea turtles or kill them. This is punishable by heavy fins and possible imprisonment.)
- **Dolphins:** Our dolphins, with a population of about 40,000, can be seen all year round. Bottlenose dolphins are most common, however it is possible to see an Atlantic spotted dolphin in this area. Dolphin cruises are plentiful here, but you can spot dolphins anywhere and they will even swim right by you in our waters and in the bays. (Dolphins are protected by the Marine Mammal Protection Act, anyone convicted of harming a dolphin may be sentenced to one year in prison and fined up to \$100,000).
- **Butterfly Garden:** The butterfly garden is located at Eden Gardens state park.
- **Plant Life:** Some plants here are Sea Oats, Seaweed, Coastal Grassland, Wetland (plants that thrive in the permanent we land area), and Maritime Hammock (narrow bands of forest that develop exclusively on the backside of the dunes on barrier islands).



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MORE ON SOUTH WALTON AND OKALOOSA COUNTY FLORIDA

Individuals can shuttle over to the mainland's Emerald Coast for fine dining featuring international cuisine, dance the night away, see a movie, or take in one of the numerous theatre presentations in South Walton. A wide variety of music concerts and various festivals are held regularly. Some of the most well-known golf courses are available and guests can go zip lining or attend one of the many museums and cultural centers.

Water sports is one of the area's primary attractions, with Crab Island one of the hottest summer hot spot. Residents and tourists are just minutes away from access to water skis, small water craft of all types, and other water-related venues like the famous Emerald Coast Poker Run.



Side view of the Island of South Walton- The View of the Trees



Kelly Plantation
<http://www.kellyplantationgolf.com/photos>



Crab Island Destin



Emeril's Coastal Italian, Restaurant, Miramar



Aerial view of Destin, Florida, Gulf of Mexico and the East pass to the Choctawhatchee Bay side



Seaside Florida-shot taken from the movie, *the Truman Show*

Nearby, Eden Gardens State Park and Point Washington Boat Ramp provide opportunities for recreational activities, while the 16 beach neighborhoods in South Walton have plenty of dining, shopping, arts and cultural choices. The tucked-away Florida location delivers the perfect canvas for a private, exclusive hideaway that still has convenient access to the world.

The state of Florida offers approximately 1,800 miles of coastline, with The Emerald coast offering the most popular coastal getaways in the South. The beaches of 30A to Okaloosa Island, provide access to the clear, emerald green water of the Gulf of Mexico unlike any other. These beaches provide powder-fine, sugar-white sand beaches, turquoise-blue and emerald-green waters, which are simply breathtaking. We have everything, without having to use your passport, right here in the heart of the Emerald Coast!



ISLAND BUYER'S GUIDE

STEP 3: FINANCING AND OWNERSHIP

FINANCING:

It may be difficult to get a loan for a private Island, so you will want to set a budget. Banks are often harder to be approved for a loan for private islands because most likely you will not have other private Islands for sale in the same area, making it harder for an appraisal. Appraisals usually make a value for property based on comparable properties that have sold in the area. The value of the island may come down to how much is it worth it to you personally. Do not get too emotional about your decision, this will help you stay within your budget.

When setting a budget, carefully consider how much you can reasonably afford and try to stick to your budget. If you can't afford what you really want, consider waiting until you can afford it, rather than settling for an island that doesn't meet your needs. You will want to take into consideration the expenses of traveling to and from your island, if it isn't going to be occupied year round. Do not buy an island without seeing it first, as listing pictures do not give you a clear picture of the island.

Also consider if you will be developing an island for commercial use, you will need to count those costs into your budget. You will want to start working with an architect or contractor right away to have a more accurate account of the costs. It may be more expensive to build on a remote island than in a developed area because of modes of getting materials to the island.

OWNERSHIP:

Laws regarding property ownership and residency can vary from country to country. There are two types of private island ownership.

1. Freehold- this is outright ownership, which is the most desirable type of ownership. Some countries however, do not permit this type of ownership, but will permit the next type of ownership;
2. Leasehold- This is where the island that you want to purchase is buying it through a long-term lease. The terms of the lease can range from 30-99 years. In some countries, this is the only option for non-citizens of that country.

You may want to seek advice of a lawyer if you are buying outside of your country of residence, as this may become complicated.



ISLAND BUYER'S GUIDE

INFRASTRUCTURE AND ACCESSIBILITY

INFRASTRUCTURE

➤ **Consider basic infrastructure:**

If you're looking at undeveloped islands, they will most likely not have utilities. You will need to research if this would be an available option or invest in solar system and a generator.

If the island doesn't have fresh water, you will need to research the availability of drilling for a well, or a purification system to transfer seawater or rainwater into potable water.

If the island is very remote and far from civilization, you may not have cell phone reception and other communication devices, such as cable and internet.

➤ **Analyze the existing infrastructure:**

If the island is developed with existing infrastructure, you will want to be sure there is an inspection completed on all structures and utilities. The inspection will give a report on any repairs needed. You will need to become familiar with the permit laws in the island's territory to be sure what ever repairs that may be needed have proper permits.

➤ **Permits:**

Along with repair permits that may be required, if the island is undeveloped and there are plans to develop the island you will need to find out the permit laws and the process of obtaining the permits. Likewise, if you plan to have a business on the island, you will need to research additional permits and/or business licenses.

➤ **Other restrictions:**

There may be other restrictions for the activities you may elect to conduct on the island. For example, you may need to find out if there are environmental restrictions in the area, such as wetland restrictions and endangered species that may inhabit the area. You may want to find out the flooding possibilities and plan structure building away from that area. You may want to consider having a professional impact study completed on the island. However, this can range dramatically in costs from \$1500 all the way to \$10,000.

ACCESSIBILITY

➤ **General Accessibility:**

Consider how you will gain access your island. Will you be able to get to your island by your own boat, a rented boat or do you need an airplane to access your island?

In addition to this, consider the water around the island. The depth of the water will determine if you will be able to get boats in close enough, if it is too shallow, some boats will not be able to travel there. You could also consider dredging to elevate this issue, research on the costs of this should also be considered. The water level will determine the ability to build a boat dock. Additionally, you will want to know about the high and low tides and the affects of that determining accessibility to the island.

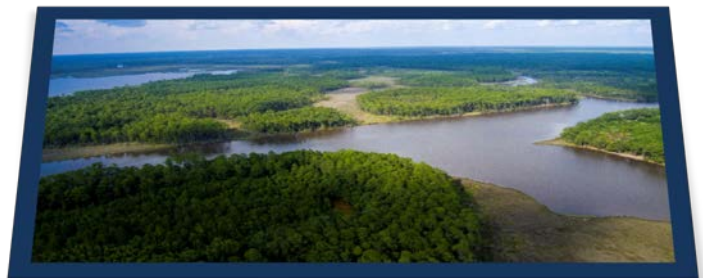
If you are not going to make the island your residence, you will need to consider accessibility to travel to the island when you want to travel there and possibly times when you will not be able to travel to the island. The expense of this traveling time should also be considered.

➤ **Emergency Accessibility:**

An important consideration would be emergency situations. Research the availability of emergency personnel accessing the island. If you plan to develop commercial structures, the regulations of emergency accessibility should also be considered.

➤ **Unique Accessibility:**

You may need to consider your needs in regards to times you will not be on the island. You may need someone to watch out for the island while you are away to protect your property from squatters, vandalism, and even emergency issues with the building structures and equipment while you are not present.



ISLAND BUYER'S GUIDE

THE PURCHASE TRANSACTION

Find a trusted Realtor. In order to start shopping for a private island, you will need to work with a real estate agent. There are so many considerations in buying an island, a trusted Realtor can help with answering many of your research questions. For those choosing to purchase an island outside of the United States may want to hire an attorney for other legal implications of ownership there.

I am an experienced Realtor in the state of Florida and would be happy to help you with any questions, concerns, or help with your research. For possible buyers outside of Florida, I will be happy to work with you and for my clients that have been out of the state, I have used online video calls to show property to them and can do that at anytime requested until you can personally arrive to view the island.

You can search listings for private islands online, just like you can for other types of real estate, but not everything is listed online. Your real estate agent should have access to all of the listings, both public and private. If you need help with this, I will be happy to assist with this. You can also visit my site: www.jjemeraldcoast.com and view information, view pictures and the drone video of this island.

Research, Financing, and Inspections. As already covered earlier, do research on the islands that may be interesting to you and determine if it will meet your needs and your financing abilities. It may be hard to get financing if needed, but it is not impossible, so look at your options. For instance, if you are a developer, you will be seeking a business loan and will provide the lender with a business plan. There may be alternative financing available and identified through your research.

If the island that you are interested in owning has buildings, be sure to have that completed to be sure you won't have unexpected expenses for repairs that were not previously identified. In the state of Florida, and probably most state in the United State, once the sale is completed, and "closed," it will be too late to have repairs done.



Make an offer. Once you have completed all the steps as outlined in this guide and you have found the island of your dreams, it will be time to make an offer. The exact process for conducting a real estate transaction will depend on the island's location, but your agent will guide you through the process.

If you think the island is over-priced, or for any reason you can justify to the seller, you can offer a lesser amount than what is listed.

Your real estate agent should, through due diligence, provided you with a fair market value to the island and advised you on their professional opinion on the ballpark price you should offer. Ultimately, that decision is up to the buyer.

The seller has the option to accept your offer, decline it, or counter your offer with a new one. The seller should be represented by an agent as well and their agent will provide their professional opinion of the offer made, again, the decision to accept is up to the seller.

