

Newstead Belmont Hills

A national treasure is preserved — and indeed hugely enhanced — by fractional ownership

IN PROGRESS

Even as it went up, buyers were flocking to Newstead



The Newstead Hotel, set alongside Hamilton Harbour in Paget, has long been a Bermuda landmark. News that the old and inefficient building was to be radically upgraded initially caused concern among locals that something of the past would be lost. But they need not have worried. Sensitive to the Newstead's history and place in Bermudian hearts, the developers of the site have paid great attention to its historic importance. The traditional façade will be maintained when the pro-

ject is complete, as will the famous staircase from which Mark Twain would famously declaim a century ago.

"We were acutely aware of the place that the Newstead holds in Bermuda history," said Clarence Hofheins, Managing Director of the Newstead Belmont Hills resort, a modern redevelopment and twinning of two much-loved old Bermuda sites on either side of Harbour Road. "We have gone to great pains to construct the very best of the new





Newstead will be more graceful than ever, as this artist's impression displays

alongside the historic." Mr Hofheins ran the Newstead before it underwent its new beginning, so he brings continuity and his own strong sense of history to the project.

That said, what's new is brand new at Newstead — and of the highest quality. The Newstead and Belmont sites are owned and are being redeveloped by Kevin Petty, whose name is synonymous with first-class construction and development work. For example, he led the team that built XL House, a building of more than 300,000 square feet on Bermudiana Road.

Newstead Belmont Hills Golf Resort & Spa, Bermuda's newest full-service luxury destination, is now approaching the final stages of construction. A December 2007 opening is envisaged, after less than three years of construction. The final product will encompass the two properties, Newstead and Belmont, which are about three-quarters of a mile apart, con-

'Kevin Petty's name is synonymous with first-class construction and development. He led the team that built XL House'

nected by road and a private water taxi.

The assumption that these sparkling new properties would appeal only to non-Bermudians was knocked squarely on the head when the Belmont, the first of the two properties to be completed, sold 71 of its 76 condominiums to Bermudians. Resistant to change Bermudians may be, but when they realise the true value equation inherent in well-managed developments, they rush to embrace them.

Looking outwards, the Newstead fractional resort and hotel has one of

the best views of Hamilton from anywhere on the island. Looking inwards, hotel guests and vacation homeowners will see sumptuous interiors, a first-class restaurant, a general store, swimming pools, jacuzzi, tennis courts and spa, with an exercise facility and hair salon. Owners will also enjoy access to the Belmont golf course.

Fractional ownership of a Newstead suite brings with it an extraordinary level of personalised service. On arrival, owners of a one-sixth interest in an apartment will find their preferred delicacies in the refrigerator, their personal items retrieved from storage and placed in their rooms, tee times booked and their clubs cleaned. A friendly greeting from the doorman will remind owners that they are home.

"The central unit of the new Newstead buildings will look and operate like a hotel, but each of its 44 one- or two-bedroom suites will have been sold to six individual owners on a shared



Verandah and roofscape at Newstead

‘80% of fractional buyers are from US gateway cities, just one flight from the island. Bermudians, Canadians and Europeans make up the balance’

ownership basis,” Mr Hofheins said. That ownership gives you eight weeks a year, which we broke into two-week segments, partly because Government allows only a three-week stay, and partly because our research indicated that two weeks is the amount of time most owners would want to be here on a single visit.”

More than half of the fractions have already been sold. All the buyers are people who visit Bermuda at least once a year and who are familiar with the island’s ways. The database from the old Newstead Hotel was a useful source of potential customers and the Department of Tourism helped with mailing lists. “They were great, fantastically





The level of quality and comfort awaiting owners and guests at Newstead is breathtaking

supportive,” Mr Hofheins recalled. “Word of mouth and advertising here on the island were our main strategies. We wanted to reach out and touch anyone who came to the island to let them know what kind of product we envisaged here.”

As a result, 80% of the fractional buyers are from US gateway cities, just one flight from the island. Bermudians, Canadians and Europeans make up the balance.

The two-week blocks will operate on a rotating schedule, but owners may swap among themselves, or ask management to rent their suite out, just like a hotel room, with a share of the rental

‘A project of this magnitude is rarely without its share of problems, and the Newstead redevelopment was no exception’

proceeds coming back to the owner of the suite at the time it is rented out.

A project of this magnitude is rarely complete without its share of problems, and the Newstead redevelopment was no exception.

“Of course, we ran into challenges, although none of them proved insuperable,” Mr Hofheins said. “We worked with Government to explain the concept of fractional ownership run on a hotel model. Both the original Minister of Tourism with whom we dealt, Renee Webb, and the present Minister, Dr Ewart Brown, were most understanding and keen. We also received support from the Labour & Immigration and Finance ministries to help make this concept a reality in Bermuda.

“Building in Bermuda is always a huge challenge,” Mr Hofheins added. “We hired three different general contractors to do separate parts of the project: Paterson Construction, DeSilva Construction and Joe Lopes Construction. All three did a great job, I’m

pleased to say, as did BAC, who we hired to do our mechanical engineering work, as well as Universal Electric and Eminence.”

Cost was a factor, as it always is in Bermuda. “The challenge we faced there was escalation,” Mr Hofheins said. “With hurricanes Katrina and Wilma hitting the US, with the cost of steel quadrupling, the cost of oil soaring, and labour costs escalating too, and then the weakening of the US dollar — all of those affected us. All those factors beyond our control raised our construction cost per square foot by 30% to 40% as the work was carried out.” But sensible budgeting kept price increases for potential buyers to a minimum.

A “soft” opening in December will be followed by a grand opening in the spring. The restaurant will be open to the general public, and is expected to become a fixture on the local dining circuit.

Botelho Wood is the architect for the Newstead.