Paradoxical Luxury: Heritage, Hyperreal Real Estate, and Climate Risk in Sint Maarten

Thor Björnsson

Thesis for the degree of PhD
in Anthropology

December 2026

School of Social Sciences

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Þversagnakenndur Lúxus: Arfleifð, Ofurraunverulegur Fastignamarkaður og Loftslagsáhætta á Sint Maarten

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Ágrip

Markmið þessarar doktorsritgerðar er að greina hvernig lúxusfasteignamarkaðir starfa og viðhalda verðmæti við aðstæður umhverfislegrar óvissu, veikra reglugerða og póst-nýlendulegar stjórnarskipunar. Rannsóknin beinist að Karabísku eyjunni Sint Maarten og nýtir til samanburðar bæinn Grindavík á Íslandi eftir eldgosahrinur og rýmingar til þess að varpa ljósi á hvernig stjórnskipuleg geta mótar viðbrögð fasteignamarkaða við náttúruvá.

Verkefnið byggir á eigindalegri rannsókn sem var framkvæmd á árunum 2023-2026. Aðferðir þessar fela í sér vettvangsathugun á Sint Maarten, 31 hálf-opin viðtöl við lykilaðila í fasteigna-, stjórnsýslu- og arfleifð ásamt kerfisbundni greiningu á markaðsefni lúxusfasteigna, yfirferð stefnu- og lagaskjala ásamt greiningar á fasteignamarkaða-gögnum. Niðurstöður rannsóknarinnar byggja á samþættingu fjögra ritrýndra fræðigreina innan sameiginlegs greiningarramma.

Niðurstöður sýna að síendurtekin fellibyláhætta á Sint Maarten ýtir undir verðmætasköpun lúxusfasteigna og sé hluti að starfsháttum markaðarins á eyjunni. Verðmætasköpun byggist á hraðri enduruppbyggingu, spákaupmennsku og markaðssetningu sem leggur áherslu á sýnileika, einkarétt og lífsstílsímyndir umfram byggingargæði, innviði og langtímaöryggi. Umhverfisáhætta eyjunnar er orðið að skilyrði sem gerir möguleg kaup á nauðungarsölu eigna og uppsöfnun fjármagns möguleg. Jafnframt sýnir rannsóknin að menningararfur er nýttur með sérstækum hætti sem verðaukandi sölutæki á sama tíma og áþreifanleg arfleið og aðgengi samfélaga að svæðum innan síns eigin lands veikist. Til samanburðar sýnir íslenska tilfellið að ríkisíhlutun í Grindavík stöðvaði fasteignaviðskipti ásamt því að hafa dregið úr spákaupmennsku með því að færa umhverfisáhættuna frá einkaaðilum yfir á hið opinbera.

Niðurstöður rannsóknarinnar sýna að þær umbreytingar náttúruvár í tengslum við fasteigna virði séu ekki sjálfvirkt markaðsferli heldur afleiðing stjórnskipulegra ákvarðana. Þar sem regluverk er veikt verður áhættan einkavædd og nýtt sem fjárhagslegt tækifæri; þar sem stjórnsýsluleg geta er sterk verður áhætta sameiginleg byrði og markaðsvirkni takmörkuð. Ritgerðin sýnir fram á að samband lúxus, áhættu og verðmætasköpunar mótast fyrst og fremst útfrá stofnanalegum og pólitískum forsendum.

Lykilorð:

Hamfarakapítalismi, Ofurraunveruleiki, Sint Maarten, Sveifluálag, Þversagnakenndur Lúxus.

Abstract

This doctoral thesis analyses how luxury real estate markets operate and retain value under conditions of environmental volatility, weak regulation, and postcolonial governance. It focuses on the Caribbean Island of Sint Maarten and draws on comparative insights from the Icelandic town of Grindavík following volcanic evacuations. The thesis examines how climate risk, offshore capital, and institutional capacity shape property markets in disaster-prone contexts.

The thesis uses a qualitative, multi-method research design covering the period 2023 – 2026. It combines ethnographic fieldwork in Sint Maarten, conducted in the latter half of 2023 (participant observation and 31 semi-structured interviews with key actors in the real estate, governance, and heritage sectors), and systematic analysis of luxury real estate marketing material, policy, and regulatory documents carried out across 2024-2025. Comparative, document-led analysis of the Grindavík case is used to clarify how governance arrangements redistribute disaster risk. This thesis synthesises the findings of four peer-reviewed articles through a unifying analytical framework.

The results show that, in Sint Maarten, repeated hurricane exposure has become integrated into the island's luxury real estate market. Luxury value is sustained through rapid reconstruction, resale activity shaped by speculative expectations, and marketing narratives that prioritise visibility, exclusivity, and lifestyle imagery over building quality, infrastructure reliability, and long-term resilience. Environmental risk is treated as a condition that enables speculative acquisition and capital accumulation. The analysis shows that cultural heritage is selectively mobilised as a marketing tool, but tangible heritage sites and community access to land are frequently eroded. In contrast, the Icelandic case shows that strong state intervention in Grindavík removed property from the market, stopped speculative transactions, and transferred environmental risk from private actors to the public sector.

The thesis argues that environmental volatility is transformed into real estate value through specific governance arrangements. Where regulation is weak, risk is privatised and converted into speculative opportunity; where institutional capacity is high, risk is socialised and market activity is constrained. The findings show that the luxury real estate market in climate-vulnerable contexts is mainly shaped by political and institutional arrangements rather than environmental conditions.

Keywords:

Disaster Capitalism, Hyperreality, Paradoxical Luxury, Sint Maarten, Volatility Premium.

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List of Abbreviations

AD	Anno Domini
AHD	Authorised Heritage Discourse
AML	Anti-Money Laundering
ANG	Netherlands Antillean Guilder
CFATF	Caribbean Financial Action Task Force
CFT	Countering the Financing of Terrorism
CRM	Customer Relationship Management
EU	European Union
GDP	Gross Domestic Product
HNWIs	High- Net-Worth Individuals
IMF	International Monetary Fund
INCSR	International Narcotics Control Strategy Report
Km^2	Square Kilometre
OCTs	Overseas Countries and Territories
OECD	Organisation for Economic Co-operation and Development
RMB	Renminbi (Chinese Yuan)
USD	United States Dollar
UHNWIs	Ultra-High-Net-Worth Individuals
WIC	Dutch West Indian Company

List of Original Papers

This thesis is based on the following original publications, which are referred to in the text by their Roman numerals (I, II, III, and IV):

I. Björnsson, T., Rice, J. G., & Wolfgang Mixa, M. (2024). Paradoxical Luxury in The Sint Maarten's Property Market. *Luxury: History, Culture, Consumption*. 1-18. https://doi.org/10.1080/20511817.2024.2420437

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1 Introduction

When I arrived in Sint Maarten in 2023 on a flight from Paris, I expected the Caribbean luxury destination I had encountered online: an uninterrupted, saturated green framed by clear water and immaculate beaches. Instead, the first scene was the airport still visibly damaged by Hurricane Irma. The passport control area felt partially improvised; internet connections did not work, and the commercial concourse remained largely vacant. Even routine tasks—withdrawing cash, purchasing a SIM card—proved difficult as the basic infrastructure was unreliable. Leaving the airport only deepened this sense of dissonance. The route toward my accommodation threaded past the entertainment district, palm-lined resorts, active construction sites, and expensive large villas perched along the coast. Yet the roads were damaged, potholes were common, and visible signs of improvisation (from exposed electrical wiring to makeshift entry gates) appeared even in one of the most exclusive areas on Sint Maarten. At points, luxury properties stood beside strewn debris. What remained most striking, however, was the capital city, Philipsburg's civic core, the parliament building, and the local university situated on a man-made island within the Great Salt Pond. In many respects, this should not have been that surprising as the location is logical: central, legible, and accessible. Yet this same small man-made piece of land was also the island's garbage dump. From a distance, it looked like a mountain of rubbish that, according to residents and workers, periodically smoulders and emits hazardous fumes. Interestingly enough, the island's Carnival village and next to it, the little league stadium are all within one kilometre of this site, drawing everyday life and celebration into this orbit of environmental risk and harm. These encounters crystallised the questions that animate the research that followed: how does a place where the infrastructure is so fragile, repairs appear improvised, and environmental risk is ever-present sustain a real estate market presented as luxurious, exclusive, and highly valuable?

This question is not unique to Sint Maarten. Across coastal regions, climate change is increasing the frequency and intensity of environmental shocks that impact housing and infrastructure. Traditional economic assumptions suggest that exposure to hazards should negatively impact property value, as buyers discount risk and uncertainty (Atanasova & Schwartz, 2019; Bin & Landy, 2013; Beltrán et al., 2018). Yet the durability of Sint Maarten's luxury real estate market suggests that volatility does not necessarily erode value. In some settings, environmental risk coexists with, and may even be incorporated into, speculative investment strategies. This dynamic is especially visible in luxury property markets that function as vehicles for transnational wealth storage and mobility, where ownership can be structured through offshore entities and where the

costs of holding property remain relatively low (Aalbers, 2019; Fernandez et al., 2016; Zucman, 2015).

These processes are conditioned by specific political and historical contexts. Small postcolonial jurisdictions often operate within complex arrangements of local autonomy and external oversight that shape regulatory capacity and enforcement (Bishop, 2012; Sheller, 2020). Planning rules may exist on paper, yet enforcement can be uneven, and post-disaster recovery can become a moment in which external investors, local elites, and public authorities renegotiate control over land and development (Klein, 2007). In such contexts, the cultural landscape itself becomes part of the value proposition. In Sint Maarten, fragments of colonial history and heritage are selectively incorporated into luxury development (Article III). Other histories, however, recede from view, and access to land and coastline becomes increasingly restricted. Consider the everyday logistics of beach access: in Pelican Key, a parking lot sits behind a hotel-controlled security gate; near Kim Sha Beach, spaces adjacent to Buccaneers Beach Bar are privately owned, pushing visitors toward the limited public parking along Welfare Road. The seemingly small issues are not incidental. They index the broader political economy in which offshore capital, disaster governance, and symbolic narratives of paradise intersect, reshaping much of the island's property market, and with them the distribution of land, memory, and opportunity.

The findings of this thesis are based on four peer-reviewed articles that can be read independently but together tell a single story. Article I introduces the concept of *paradoxical luxury*, a concept that describes the luxury markets that persist under conditions of institutional vulnerability. Departing from the traditional narrative of luxury (craftsmanship, heritage, durability, and exclusivity), I highlight how exclusivity can be sustained through aesthetics, location, and narratives of prestige, even where environments are routinely disrupted. Article II develops the notion of a *hyperreal marketing regime* in which images, promotional scripts, and the visual grammar of 'paradise' shape investors' expectations and guide reconstruction practices following ecological shocks and infrastructural damage. Article III shows how heritage is selectively curated and turned into luxury development as aesthetics and symbolic amenities, while local histories and community claims are marginalised or rendered invisible. Finally, Article IV compares Sint Maarten and Grindavík, Iceland, to demonstrate how the conversion of environmental risk into real estate value is institutionally produced, varying according to state capacity, regulatory coherence, and the distribution of risk between public institutions and private actors.

1.1 Purpose and Aims

The purpose of this doctoral thesis is to contribute a critical ethnographic account of how Sint Maarten's luxury real estate development sector is produced, sustained, and legitimised under conditions of regulatory ambiguity, postcolonial political arrange-

ments, and increasing climate risk. Some comparative insights will be drawn from the Icelandic town of Grindavík to analyse how different regimes shape responses to environmental volatility. The thesis treats luxury housing as a historically situated development process in which disaster exposure, ambiguous regulation, cultural heritage, branding, and unequal access to land become central to how 'luxury' is made real and rendered economically viable. To achieve this purpose, the thesis aims to clarify what constitutes luxury in this unique setting in which the expected defining features (e.g., durability, quality, and craftsmanship) are analysed in conjunction with the ethnographic data. It seeks to explore how luxury is represented in marketing practices that shape expectations even when confronted with environmental risk and weak regulations. It further explores how hurricane cycles, recovery politics, and heritage-based narratives influence the luxury property market.

The primary research questions forming this study are:

I. How is this concept of 'paradoxical luxury' produced and how does it operate in a built environment repeatedly damaged by hurricanes?
II. How do marketing scripts produce a hyperreal 'paradise' that comes to organise rebuilding and investment practices?
III. How is heritage selectively invoked/erased within luxury development, and how does this process contribute to the symbolic erasure of colonial histories from space and memory?
IV. How does government involvement during volatile times impact the release or hindrance of speculative capital?
V. Under what institutional conditions does environmental volatility become a source of value in property markets, and how do governance choices enable or constrain the monetisation or socialisation of disaster?

1.2 Background and Positionality

In ethnographic research, it is critical to reflect on one's self-positionality, both to self-reflect on one's background and to consider how that background could impact the research itself. I need to be fully aware of how my position can shape the knowledge created, interpreted, and received from the field. In Iceland, certain aspects of my positionality like race are not actively reflected upon. Doing research in Sint Maarten heightened my sensitivity about this. In this section, I trace my background and positionality as I have reflected on it throughout my research.

I am a white Icelandic anthropologist who conducted research on luxury real estate development in Sint Maarten, a Caribbean island with a predominantly Black population whose daily life is shaped by regional migration, tourism, and class segmentation. This research emerged from the combination of biographical, geographical, and theoretical positions that have shaped my access to the field and analytical approach to luxury

markets. These characteristics are important because the sector I study is both local and transnationally orientated.

I come from Iceland, an island economy dependent on tourism and fisheries (OECD, 2025), which is not that dissimilar to Sint Maarten in certain structural respects (Briguglio, 1995). However, the colonial histories between Iceland and Sint Maarten diverge significantly. Whereas Iceland, itself, was formerly colonised by Denmark and achieved full independence (Karlsson, 2000), Sint Maarten remains constitutionally tied to the Kingdom of the Netherlands (Broekhuijse et al., 2020) in a relationship shaped by colonial legacies and contemporary asymmetries of authority. Growing up in Iceland, the country would have been characterised as demographically homogenous (Hagstofa Íslands, 2025), where seeing a person of a different race sparked curiosity, as that was considered quite rare until more recently. In comparison, Sint Maarten's population is predominantly Afro-Caribbean (Department of Statistics, 2022), a demographic reality that positioned me as a racialised outsider throughout my fieldwork. This new reality is something I became quite aware of when making use of the unofficial public transportation. When transiting on the local small buses, I was usually the only white passenger on the small bus, and the seat beside me was typically filled last. This served as a small but consistent reminder of my racial visibility and the social distance it created on the island.

My doctoral training is in anthropology, at the University of Iceland, and the thesis is written from within that field. Contemporary anthropology is often motivated by concerns about marginalised populations and structural inequalities. While important, what is often missing is a focus on wealth and wealth creation. Ignoring such issues overlooks a critically important aspect of how wealth generation is linked to structural inequalities. I have long been fascinated by wealth and wealth creation. That is not to say that I approach it from a position of moral condemnation, but rather as a phenomenon that I believe is worthy of analysis in its own right. I approach wealth creation somewhat like one of the strategic games I would play as a child: individuals are dealt particular cards (structural positions, resources, networks), and for me, the question becomes how they play those cards to advance in the game of capital accumulation. This framing, which sets aside normative judgement in favour of understanding internal logics, has proven vital for my research on the luxury market.

This perspective might be viewed by some as a personal preference, but for me it reflects a deliberate methodological stance. Although luxury has been extensively studied, I view it as a surprisingly understudied area through the perspective of business anthropology and economics: value in exchange, marketing, and consumer behaviour. For a commodity to reach luxury status, it needs to communicate its traditional markers of luxury (craftsmanship, durability, and heritage). My interest in luxury real estate grew from years of watching popular real estate shows, conducting previous research in France on volunteer labour in château restoration (where I examined education versus

exploitation dynamics), and observing property development in Reykjavík. I have also lived in multiple countries (Iceland, Sweden, Italy, Germany), and developed what might be considered a comparative eye for how built environments signal value. Coming from Iceland, where concrete construction is the typical standard and luxury exists but remains relatively affordable when contrasted with the U.S. market, I arrived in Sint Maarten with material durability as a vital component of luxury value. My time in Italy, however, exposed me to different luxury logics. For me, Italy is a country filled with remnants of a wealthy empire where marble statues, ornate floors, and Renaissance architecture project luxury in cities like Milan or Rome, even though many of these structures decay from the lack of maintenance needed to sustain them. Luxury there served mainly through aesthetic and cultural capital, over-maintained excellence. This comparative framework (Icelandic material pragmatism set against Italian historical aesthetics) helped me develop the critical lens for recognising when luxury branding differed from the material reality on the ground, which became a central tension in my analysis.

My positionality as the white European PhD candidate researching a majority-Black Caribbean Island unavoidably shaped fieldwork dynamics in obvious but also subtle ways. I gained access towards luxury real estate networks with relative ease (easier, according to some of my informants, than others might have). To this day, I have yet to decipher whether this access resulted from my whiteness, my Icelandic/European identity, my PhD status, or my genuine interest in the luxury market (from a different perspective than poverty or exploitation). In Iceland, we have a saying, "líkur sækir líkan heim" (likeminded people seek each other out naturally). I suspect that real estate developers and luxury market actors sensed my orientation toward their work as intellectually serious without judgment, which in some parts facilitated openness towards me. My fluency in English, a standard for Icelanders, also smoothed access in an island that is heavily influenced by American culture, despite its Dutch administrative control. To this day, I find this linguistic advantage somewhat ironic because most Sint Maarteners do not read Dutch, despite the fact that their laws are written in that language.

During my time on Sint Maarten, people frequently expressed surprise that I was researching the island. A question I commonly faced was: "Why would you do that?" Whether this was reflected self-deprecation, genuine curiosity, or suspicion of an outsider entering their community varied by context. For most interactions with informants my presence as a foreign PhD researcher served as a conversational icebreaker, though one individual notably shifted toward more self-conscious presentation of their work. The "PhD" designation itself appeared to carry weight; perhaps it helped confer legitimacy to my questions, although I remain cautious about overinterpreting such dynamics.

1.3 Sint Maarten's Context

1.3.1 Historical Trajectory and Colonial Foundations

Sint Maarten's development is based on a long and complex colonial history and swiftly changing economic landscape. The island's central location within the Caribbean has made it a major hub for the other islands and for migration in previous centuries. Understanding the island's complex history is vital to contextualise its current economic and social structure. This section traces the island's historical trajectory from its earliest inhabitants, through the period of its colonialisation to the transatlantic slave trade built on the plantation economy. It explores the socio-political transformation that followed the abolition of slavery, the colonial land ownership system, and its present-day tourism-driven economy. These are the dynamics that continue to influence Sint Maarten's current policies, governance, and economic structure.

The earliest known inhabitants of St. Martin were preceramic Indigenous people. Older accounts state that the Caribs called the island "Soualiga" (Salt land) because of the island's salt ponds (Hartog, 1981, p. 11). The Igneri settled the islands around 800 AD; they were then displaced by the Kalinago (Caribs) from the 15th century to the early 16th century (Hofman & Antczak, 2019). The island was sighted in 1493 by Christopher Columbus, who named it San Martín (CIA, 2023; Columbus, 1991). It was, however, the Dutch and the French who eventually took over the island, establishing a permanent settlement in the 17th century (CIA, 2023). In 1631, the Dutch established a colonial foothold on the island by constructing Fort Amsterdam, which is located near the present-day capital Philipsburg, and archaeological evidence indicates that Dutch settlement in this period was closely connected to salt mining operations (Haviser, 2010, pp. 178-179; Hartog, 1981, p. 25). The island served as a strategic location for the Dutch salt trade, primarily supplying the Dutch Republic and Caribbean colonies. Sint Maarten's role in the broader Dutch West India Company (WIC) was to serve as a vital trade hub for salt, supplying the Dutch Republic and Caribbean colonies, and contributing to the early wealth accumulation. This wealth later influenced regional trade networks and land ownership patterns on the island. However, salt from Bonaire, exported via Curaçao, featured prominently in the wider Caribbean trade networks (Postma, 1990, p. 171). French Saint Martin had a similar position to the Dutch side, recognising it for its salt production and military significance in the Lesser Antilles due to its close proximity to Guadeloupe, Martinique, and the French trading networks (Boucher, 2008). The salt industry played a vital role in changing Sint Maarten's demographic through the importation of enslaved Africans. This early colonial foothold was challenged by the Eighty Years' War between the Netherlands and Spain; Spain invaded and captured St. Martin in 1633, holding it for 15 years (Klooster, 2016). Following the end of the Eighty Years' War, Spain's dwindling profits from the island's resources led to its abrupt abandonment in 1648 (Goslinga, 1971, p. 137; Hartog, 1981, pp. 25; 35). This led to the return of the old powers: the French and the Dutch. In an effort to avoid full-scale war over the

island, the powers negotiated the 1648 Treaty of Concordia, which divided the island between the two: Sint Maarten and Saint Martin (Central Bank of Curaçao and Sint Maarten, 2023; St-Maarten, nd). The treaty stipulated that France obtained the northern section of the island (60% of its size), and the Dutch the southern part (40% of the island). The agreement allowed open borders so that the inhabitants of both areas could share the island's natural resources. In the years that followed (1648-1816), the island's dividing lines have shifted 16 times (Hartog, 1981, pp. 72-74). This turbulent period came to an end only after the Napoleonic Wars, bringing border stability to the island.

Under the Franco-Dutch agreement, the island was under split colonial rule, with both sides basing their economic prosperity on plantation economies. Crops like cotton, indigo, tobacco, and sugar were cultivated, using the enslaved Africans who were transported to the island from the 17th century onwards as labourers for the plantations and the salt pans (CIA, 2023; Emmer, 2005). Salt ponds played a major role for Sint Maarten for over two hundred years, constituting one of the island's primary exports (Hartog, 1981, p. 93; Postma, 1990). Historical estimates suggest that the enslaved population on the island reached roughly 4,000, exceeding the European colonist population on the island (Goslinga, 1971; Oostindie, 1996). Even though slave labour remained vital for the plantation economy, its scale was significantly smaller than on the larger Caribbean islands like Saint-Domingue (Haiti) and Jamaica, which had more extensive plantation systems (Blackburn, 1997; Drescher, 2009; Hartog, 1981, p. 41). The island's dual-colonial status had implications for the abolition of slavery there. In 1794, slavery was briefly abolished on the French side following the French Revolution, but it was quickly reinstated by Napoleon in 1802. It was not until in 1848 that the French side decided to permanently abolish slavery in all its colonies (Blackburn, 1988, p. 3; Drescher, 2009, p. 282). The abolition of slavery also had implications for the Dutch side of the island, as enslaved workers fled to the French-controlled north to gain freedom (Emmer, 2005; Oostindie, 1996, p. 1). Only 15 years later, on July 1st, 1863, did the Netherlands formally abolish slavery, but freedom did not come immediately. The formerly enslaved workers were required to work an additional 10 years, this time under the state-supervised labour system (Staatstoezicht), meaning they were not truly emancipated until 1873, which marks the end of the plantation era (Hoetink, 1973; Oostindie, 1996, p. 18). As a result of the abolition of slavery, the island's plantation economy was no longer profitable, causing many owners to leave the island and leaving the colonies economically stagnant for decades. Despite this, salt production on the island still persisted into the 1940s under the colonial authorities, who had become the main local employer (Hartog, 1981, p. 96). With the reduced work opportunities, many residents migrated to other islands seeking work, mainly on oil refineries in Aruba and Curaçao. Some helped to build the Panama Canal in the early 1900s (Emmer, 2005; Oostindie, 1996).

1.3.2 Climate, Natural Disasters and Responses

Sint Maarten is located in the hurricane belt, which makes it highly vulnerable to recurrent hurricanes and the exacerbated effects of climate change, like increased storm intensity. The hurricane season lasts from June through November, and it is estimated that at least 20 hurricanes have hit the island in the past century (Mukosa, 2017). Historically, the island has experienced numerous hurricanes, including several of the Atlantic's most intense storms (World Data, 2025). These disasters can have significant impact on the island's economy, infrastructure, and population. In the 20th and early 21st century, these events have been intensifying, with storms hitting the island over 5 times. Powerful hurricanes like Luis in 1995 (Category 4), Lenny in 1999 (Category 3), and Irma in 2017 (Category 5) are some of the most devastating examples of this trend (The World Bank Group, 2018). The powerful winds accompanying the storm impact virtually everything on the island, from hotels, marinas, and power lines to roads, often causing flooding and landslides (The World Bank Group, 2018). The impact of Hurricane Irma can still be observed all over the island, from the airport to some of the ruined buildings still in need of complete reconstruction. These natural weather events cause damage beyond the physical; they result in casualties and long-term social effects with thousands of locals displaced from their homes and livelihoods. In the aftermath of these events, improved building codes and recovery protocols typically follow to rebuild and restore essential services faster (The World Bank Group, 2018).

The increasing climate threat has led to Sint Maarten beginning to pursue improved policies and establish international partnerships in an attempt to better withstand and recover from climate-related impacts (VROMI, 2021; United Nations, 2022). These policies prioritise investment in housing, utilities, coastal defences, and other sectors (The World Bank Group, 2018). Sint Maarten has also implemented an improved early warning system and campaigned for increased public awareness (Bervoets, 2024). International partnerships with the World Bank and the Netherlands have attracted over US$500 million for rebuilding and cleaning up, but the fund is administered by the World Bank (The World Bank, 2022).

1.3.3 Governance and Autonomy

The southern half of the island (Sint Maarten) was governed as part of the Dutch West Indies, and later incorporated into the colony of Curaçao and Dependencies, which were centralised under Dutch rule (Goslinga, 1971; Oostindie, 1996). The colonial-era land ownership patterns have had an impact on modern Sint Maarten and its social equity. Much of the island's land was concentrated in the hands of a few elite families, most notably the Dutch Van Romondt family, who controlled large sections of the island (Hartog, 1981; Roitman & Veenendaal, 2016, p. 77). From the early 1800s until the mid-20th century, the Dutch colonial administration and elite land-owning families retained control over the vast majority of the island (Hartog, 1981; Roitman & Veenen-

daal, 2016). In 1939, the island was declared a freeport, leading to the easing of its long-standing depression (CIA, 2023). This meant that trade and goods became cheaper, attracting regional interest. The Dutch hosted the Allied military airfield during World War II; this later became the Princess Juliana International Airport (CIA, 2023; Knight, 1990). After the war, in the 1950s, the island began laying the foundation for its tourism industry, building hotels and much-needed infrastructure to attract visitors (Duval, 2004). Soon after, tourism became the dominant industry on the island. Throughout the 20th century, the lack of land reform meant that a significant proportion of the coastal properties were transferred from colonial families into the hands of wealthy foreign investors and local elite families (Oostindie, 1996; Randall, 2005).

Under the 1954 Charter, the Netherlands Antilles became a constituent country within the Kingdom of the Netherlands, within which Sint Maarten functioned as an island territory. (Broekhuijse et al., 2020, p. 219). Following the dissolution of the Netherlands Antilles in 2010, Sint Maarten acquired the status of a constituent country within the Kingdom. The Dutch colonial administration introduced the system of public domain land (*domeingrond*), meaning land could be leased long-term through inheritable leasehold rights (*erfpacht*). This policy was aimed at keeping vital lands like the areas surrounding the Great Salt Pond in Philipsburg under government control. One of the main problems with this system was that the allocation process for long leases (*erfpacht*) was frequently obscure and prone to favouritism. The Afro-Caribbean population of the island (the descendants of slaves or labourers) entered the post-emancipation era with limited opportunities to detach from the colonial economic structures (Smeulders, 2016, p. 41). In contrast, the wealthy and well-connected were able to secure extensive tracts of high-value land. Today, this ownership imbalance contributes to the distribution of benefits from the tourism boom. The island's tourism industry capitalises on its beaches, warm weather, and duty-free shopping. By the early 21st century Sint Maarten had one of the highest GDPs per capita in the Eastern Caribbean. In 2015, the IMF reported that Sint Maarten's GDP per capita was among the highest in the Caribbean (IMF, Kingdom of the Netherlands—Curaçao and Sint Maarten: 2016 Article IV Consultation, 2016). The World Bank Group attributed this growth to the tourism sector, real estate, and the related service industry (CIA, 2023; World Bank Group, 2024).

On the 10th of October 2010, Sint Maarten became a separate autonomous country within the Kingdom of the Netherlands. This change is often referred to as the "10-10-10" reform. These changes provided Sint Maarten with its own parliament, and government and executive branch, leading to the adoption of a new constitution in 2010 (Broekhuijse et al., 2020, pp. 220-221). Being a constituent country of the Kingdom of the Netherlands does not make Sint Maarten an independent nation. The Dutch monarch still remains the head of state and is represented by a local Governor. Under this status, Sint Maarten is able to manage its internal affairs, but the Kingdom still provides defence and handles international relations and citizenship. By contrast, French Saint Martin, once connected to the French Guadeloupe administration, and today the over-

seas collective (Collectivité d'Outre-Mer) is directly governed by France. The island remains shaped by its colonial legacy, especially through its governance structure, dual nation identity, and the way the Dutch influence persists in institutional and judicial matters (Oostindie, 2011). Despite Sint Maarten being an autonomous country within the Kingdom of the Netherlands, Dutch is still the primary language of the legal system, reinforcing the postcolonial dependency on the Dutch. Sint Maarten and Saint Martin operate under two separate but interconnected jurisdictions, one connected to the Dutch Kingdom and the other to the French Republic, reflecting a bicommunal structure (Oostindie, 2011). The Netherlands retains significant oversight in financial and institutional matters, which is reflected in interventions in major areas such as budgetary control and judicial appointments. The people of both the French and the Dutch sides of the island maintain close relations across the border, sharing familial ties and Afro-Caribbean culture (Price, 2006).

1.3.4 Tourism, Economic Development, and Demographic Change

The island's tourism sector has led to a sharp population increase since the 1950s, from roughly 1,450 to an estimated 41,500 in 2024 (United Nations, 2024). This makes Sint Maarten the most densely populated place in the Caribbean with an estimated 1,000 people per km^2 (World Bank, 2024). Sint Maarten's economy depends heavily on the tourism sector and related service industries. As a result, tourism, and the service industry account for roughly 80% of Sint Maarten's GDP (Moody's Investors Service, 2016). Sint Maarten has positioned itself as one of the region's most popular cruise ship stops, with about 80% of visitors arriving in this way (World Bank, 2024). The island has also seen an increase in the timeshare industry, which has been growing since the 1970s (Rosen, 2011; Visit Sint Maarten, 2020). Unlike the cruise tourists, timeshare tourists typically visit the island yearly, providing a more stable income for local businesses. Despite the island's appeal as a popular tourist destination, it remains a seasonal destination with a high season from December to April, and notably low tourist flow during the hurricane season. The island economy is relatively vulnerable to global tourism downturns during events like the COVID-19 pandemic. Sint Maarten has little agriculture and manufacturing, which means a vast majority of goods are imported. There are no import or export taxes. It is estimated that Hurricane Irma in 2017 caused $1.38 billion in damage, which equates to 129% of the island's annual GDP, followed by an additional $1.35 billion loss due to its impact on the tourism sector (World Bank, 2024). This led to a two-year recession. The National Recovery Plan put the combined cost of rebuilding and improving resilience from Irma at over $2.3 billion USD (The World Bank Group, 2018). As the island's economy had begun to bounce back, the COVID-19 pandemic hit in 2020, causing another financial blow to the island and shrinking Sint Maarten's GDP by roughly 18% (Sint Maarten Government, nd). These events highlight the vulnerability of economies so dependent on tourism.

Sint Maarten's development is highly dependent on foreign capital and imported workers. As of 2022, an estimated 67.2% of the population was foreign-born, which highlights the island's reliance on immigration to sustain its workforce (Department of Statistics, 2022). From the 1970s to the 1980s, hotel investments were primarily financed by American, European and multi-national organisations (Alberts, 2020). Foreign investment plays a vital role in the development and ownership of resorts, casinos and luxury villas on Sint Maarten using overseas companies through their locally registered subsidiaries like Private Limited Liability Companies (Sint Maarten Government, 2022 Offshore Company, Nd). The influx of foreign capital that supported Sint Maarten's growth also sees significant portions of the profit leave the island. Local workers often struggle to meet the growing demand for development. To address this, the labour migration to Sint Maarten is significant. Workers from nearby Caribbean Islands, primarily the Dominican Republic (9.1%), Haiti (6.5%), and Jamaica (4.6%) come in significant numbers, seeking employment (Department of Statistics, 2022). These workers make up a large proportion of the labour force in the hospitality, construction, and other service sectors. While this influx provides the much-needed manpower to facilitate economic growth, it also presents a complex demographic situation and social stratification. By the mid 2010s, immigrant communities had become a large share of the population, creating a divide between wealthy expat professionals and lower-wage labourers (Grijpstra et al., 2023; World Bank, 2025). Even though the economic growth has increased Sint Maarten's overall wealth, it has contributed to increased inequality. According to the Department of Statistics (2022) in Sint Maarten, the average net monthly salary was 3,545.90 ANG (US$ 1,970) in 2022, with the lowest earners making 751 ANG (US$417) and the highest earners 6,500 ANG (US$3,610)[1]. The economic growth has promoted inequality and a dual labour market that has become a notable issue (Grijpstra et al., 2023; Vuuren et al., 2022). The tourism industry generates wealth for the international hotel chains and the local elites, but it also leaves many locals facing an increased cost of living and job insecurity. For example, in 2022, the average rental price was reported at 1,238 ANG (US$685), and groceries cost around 741 ANG (US$410), which makes living on the island expensive for a large proportion of the foreign workers (Department of Statistics, 2022).

1.3.5 Real Estate Market Dynamics and Housing Inequality

Sint Maarten's thriving real estate market is indirectly connected to its tourism and offshore economy. The property boom experienced over several recent decades is primarily characterised by increased luxury development targeting foreign buyers, with locals

[1] The Netherlands Antillean Guilder (ANG) is pegged to the US dollar at a fixed exchange rate of approximately 1.79 ANG per 1 USD. This peg simplifies currency conversion for economic analysis of Sint Maarten's cost of living and wage structure. As of March 2025, the ANG was replaced by the Caribbean Guilder (XCG) at a 1:1 ratio, maintaining the same USD peg.

seeing property prices rise beyond their means. The real estate market is twofold: the high-end international segment (luxury villas, condos, and resorts), and the local housing segment requiring affordable homes and informal settlements. The luxury market is concentrated around the coastal areas boasting beautiful views. On the French side in Saint Martin this represents the upscale villas in Terres Basses and Orient Bay. In Sint Maarten on the Dutch side these areas are the Cupecoy, Maho, Pelican Key, and Oyster Pond. The properties are advertised in US dollars, and often sold in the currency as well. They feature amenities like marinas and private beaches, effectively representing an enclave for the wealthy. By law foreign buyers have the same rights as locals to buy property in Sint Maarten (SMI, 2021), and as such this helps facilitate the market's growth. The marketing of these properties generally describes the idyllic Caribbean location, emphasising the lack of property taxes, and the lack of capital gains taxe on resale. What this translates into is that holding properties in Sint Maarten bears minimal costs to the owners.

Sint Maarten's small size occupying 34 km^2 (or 40%) of the island compared to its French counterpart's 60% presents a problem. The island's topography with its hills and limited flatland, and its increased population, has led to significant increase in land value. This has made it challenging for low-to middle-income families to buy houses. Some of the housing is also informal in non-permitted structures in town-like areas, often sheltering migrant workers. The World Bank estimates that a majority of these households earn below the US$2,000 per month, leaving them with limited options to buy property in the formal market (World Bank Group, 2020). Government workers and professionals with regular salaries are also facing these issues with roughly half of Sint Maarten's population qualifying for social housing, which highlights the severity of this crisis (World Bank Group, 2020). The report presents Sint Maarten's housing market as "severely unaffordable" compared to international numbers, with house prices several times higher than the average income (World Bank Group, 2020). This has led to overcrowding in the substandard rental units.

From the 1970s investors from the U.S., Canada and the Netherlands have financed large projects from resorts and condo towers to timeshare resorts. The lack of recurrent property taxation removes potential deterrents for holding unused land. In many countries like Iceland, annual property taxes (1.65% of assessed value) are applied, to incentivise owners to use the land (KPMG, Icelandic Tax Facts 2024: In-Depth Information on the Icelandic Tax System, 2024). The IMF stated that the lack of property taxes in Sint Maarten is a missed opportunity for scalable revenue, and that introducing and enforcing such taxation could potentially help curb land-hoarding (IMF, 2021). The technical assistance mission recommended introducing a recurrent property tax law at 1% of the value, which could encourage increased transactions (IMF, 2021). The impact of not having these taxes means that landowners, which in Sint Maarten are often wealthy foreign or land-rich locals, can afford to leave the land undeveloped. The World Bank housing assessment noted that in the island's current legal climate, investors can buy

land or properties to hedge against currency fluctuations (World Bank Group, 2020). Thus, land-hoarding limits the access to housing supply. The public domain land owned by the government is sometimes leased but also left idle by leaseholders.

The divide in the socio-spatial aspect of real estate is significant. Luxury gated communities and condominiums cater to wealthy international clients, while the working class live in less appealing areas like the Dutch Quarter or Sucker Garden, with inadequate infrastructure and greater vulnerability to climate events. These housing inequalities mean that the lower-income communities face more destruction in comparison to the resorts. Post Hurricane Irma the recovery efforts were also uneven. Luxury properties were repaired faster, financed by insurance pay-outs or owners' funds, leading to a surge of interest in investors buying distressed assets (Grant & Anand, 2017; World Bank Group, 2020). In contrast, locals had to wait months or even years to repair their houses, and some of the low-cost housing projects have remained in disrepair.

After Hurricane Irma the market rebounded strongly in 2019, largely due to renewed foreign interest. But prices for 'affordable' housing did not improve. Rents for undamaged units rose because of reduced inventory, causing financial distress to poorer tenants, given that 61% of housing on the island is on the rental market (World Bank Group, 2020). A Dutch-funded Trust Fund has explored building affordable homes to strengthen the social housing, but land is limited and costly. One potential solution discussed for this was allocating publicly owned land for affordable housing (NRPB, Nd).

The low asset holding costs and loose regulations support the use of these properties for parking capital. There are occasional cash-based real estate deals, raising concerns that developers are serving as conduits for foreign funds rather than serving locals' needs. The lack of a central publicly accessible sales registry or a comprehensive sales price database where the relevant information can be obtained for free can facilitate these practices. One example of this, a luxury villa might be bought using an offshore shell company, which masks the buyer and the source of funds. Many buyers seeking quick gains when markets are on the rise, buy pre-construction units and sell them at a profit upon completion. This is a contributing factor to the increased inflation.

1.3.6 Fiscal and Regulatory Environment and Offshore Financial Flows

In its efforts to supplement tourism, Sint Maarten has attempted to position itself as the financial centre of the region, but Curaçao still plays the more dominant role. Historically, as part of the now-dissolved Netherlands Antilles (pre-2010), the island's favourable tax laws attracted offshore companies and bank assets (Beurden & Jonker, 2021).

At the time of the research, Sint Maarten's official currency remained the Netherlands Antillean guilder, although the US dollar dominated the consumer market. As of March

31, 2025, the Caribbean guilder (XCG) has taken its place as the island's official currency, transitioning the country from the former Netherlands Antilles framework.

The Netherlands Antilles had a strong network of tax treaties and low-tax regimes that were highly sought after by European and U.S. firms for profit-sheltering. As of 2021, Sint Maarten has had an attractive tax climate, boasting no capital gains tax, no recurrent property tax, and no value-added tax (VAT), and a 34% profit tax (Sint Maarten Government, 2022; IMF, 2020). This leaves the government reliant on turnover tax, gaming fees, and income/payroll taxes for revenue. The lack of direct taxes coupled with the flexible incorporation laws has made Sint Maarten a potential site for offshore corporations and trusts targeting tax optimisation. This business-friendly territory has no withholding taxes, no estate/inheritance taxes, no gift tax, and no border control on goods; it does, however, impose income tax from 12.5 to 47.5 % (Sint Maarten Government, 2022; Sotheby's International Realty, 2024).

Sint Maarten's fiscal and regulatory environment is characterised by low taxes and the cash-based tourist economy, which has made the island susceptible to tax avoidance and money laundering. Despite the taxation of corporate profits, various offshore-friendly provisions persist (IMF, 2021; Thornton, 2022). An example of this is that historically companies incorporated in Sint Maarten earning income outside of the island could have favourable tax rulings or full exemption under the Tax-Exempt Company scheme. However, international pressure from the OECD and EU has led to this being phased-out by 2021, aligning Sint Maarten with global transparency standards (Meriaan & Echobardo, 2023; OECD, 2021). These arrangements reflect colonial legacies of the Netherlands Antilles offshore structuring. Profits from some tourism-related investment may benefit from tax holidays and accelerated depreciation incentives, especially projects connected to the hotel and real estate sector in Sint Maarten (Meriaan et al., 2024). This translates into a light overall tax burden on wealth and capital in Sint Maarten, which also attracts investors seeking tax optimisation strategies. In Sint Maarten wealthy individuals establish residency by meeting the 183-days on the island requirement. This permits them to take advantage of these exemption, but they are subject to worldwide earnings income tax, which includes investment income (Heavnn, 2024; Global Expansion, 2023; SMI, 2020). Similarly, large international enterprises can route transactions through their Sint Maarten entities to exploit the lack of withholding tax. Sint Maarten effectively operates as a semi-tax haven, often grouped with other Caribbean offshore financial centres. In 2017 The EU screened Sint Maarten to assess its compliance with international tax standards. Concerns stemming from its tax policies meant they were placed on the EU's 'grey list'. In 2023 Greece, which previously defined Sint Maarten as a 'non-cooperative jurisdiction,' removed it from that (Council of the European Union, 2024; KPMG, 2023). Despite being a part of the Kingdom of the Netherlands, Sint Maarten's autonomous tax laws mean that they can provide regimes not feasible in the European part of the Kingdom. This has caused tension, with international influence pressuring for fair taxation. As an example, the EU and OECD have

pressed Overseas Countries and Territories (OCTs) like Sint Maarten to reform their taxation practices (OECD, 2024). By the late 2010s, the government indicated its willingness to explore introducing VAT and property tax due to external pressures (IMF, 2021), but implementation has stalled. In 2021 the IMF placed further pressure on Sint Maarten to adopt a property tax, and to maintain its turnover tax until an agreement could be made with the French side for consumption sales tax (IMF, 2021). The open border between the Dutch and the French side of the island complicates the taxation process, posing challenges to implementing customs duties or VAT, according to the IMF (IMF, 2021).

The open border policy, along with the unified economic space characterised by low trade barriers and a de facto free-trade regime, acts as a means to attract wealthy individuals who benefit from storing mobile luxury assets (such as luxury yachts) within a free-port environment (Yachting St Maarten, nd; IMF, 2021). Luxury yachts are frequently registered in low-tax jurisdictions (IMF, 2021). Sint Maarten's status as a free trade zone coupled with its well-developed marina makes it an attractive hub for these yachts. A contributing factor to the informal offshore banking aspect is the cash-based tourism income based on the local casinos, which provides channels to circulate large sums of capital with limited oversight (Rechtshandhaving, 2022).

1.3.7 Money Laundering, Financial Crime, and International Oversight

Globally, real estate has been a known conduit for money laundering, and Sint Maarten is no exception. The largely cash-based tourism sector, based on hotels, casinos and luxury retail generates significant liquidity that can facilitate the flow of untraceable funds. Criminal organisations, especially those related to narcotics, smuggling in the Caribbean have laundered money by buying businesses and properties in Sint Maarten (U.S. Department of State, 2016; Rechtshandhaving, 2022). According to the U.S. State Department, money laundering of criminal profits takes place through "business investments, purchases of real estate, and international tax shelters" (INCSR, 2021). In some instances, drug traffic capital from around the Eastern Caribbean and Latin America is funnelled into Sint Maarten's economy. The weak enforcement of financial regulations, primarily due to limited institutional capacity, has made it easier to integrate the illicit capital into its economy. As an example of how this might happen: a drug cartel might buy a beachfront condo using cash through an intermediary company, then sell it, effectively 'cleaning' the money. Cash-based businesses, like casinos and nightclubs, help facilitate the mixing of illicit funds with legitimate revenues, which is then used to invest in property or luxury goods (INCSR, 2016). Sint Maarten has a large number of casinos compared to its relatively small population (this is exclusively on the Dutch side, as gambling is illegal on the French side). These casinos are often referenced in international reports as a vulnerability because the cash can quickly be changed into chips and back to cash with limited oversight (IMF, 2021; Rechtshandhaving, 2022; Sint Maarten News, 2019). However, recent reforms have meant tighter casinos regulation,

and improved oversight. Sint Maarten hosts numerous international companies, many of which are registered and held anonymously (OECD, 2022). Consequently, the scale of Sint Maarten's involvement in money laundering has placed it under the microscope of organisations like the Caribbean Financial Action Task Force (CFATF). A CFATF review in 2019 identified Sint Maarten as having strategic weakness in countering money laundering and terrorist financing (CFATF, 2019). As a response to this, Sint Maarten's government has begun to strengthen its legal framework, updating its AML/CFT laws, and increasing reporting requirements for banks and casinos (Government of Sint Maarten., 2019). There have been some high-profile anti-laundering operations on the island. For example, local authorities in cooperation with European law enforcement conducted the "Larimar" investigation that uncovered corruption and money laundering associated with construction projects (The Daily Herald, 2020; Sint Maarten News, 2020). The U.S. International Narcotics Control Strategy Report (INCSR) has regularly listed Sint Maarten as a "major money laundering country," largely due to its offshore provisions, and the use of real estate by criminal organisations (INCSR, 2022; U.S. Department of State, 2016). The report has linked this vulnerability to integrity-related crimes, connecting financial crime with government shortcomings (INCSR, 2022).

Sint Maarten is a part of the wider Caribbean offshore financial centre network, which includes the Cayman Islands, the British Virgin Islands, Bermuda, and others. These countries often operate as intermediaries in the global financial flow. Sint Maarten's position might best be described as an "onshore/offshore" hybrid, combining the visible tourism sector with the financial attributes of an offshore haven. It operates a strong tourism sector, where capital is spent openly on hotels, yachts, goods, and services, while simultaneously exhibiting many attributes of an offshore haven. These attributes include low taxes, anonymous companies, and a significant influx of foreign capital compared to local investment. The open border agreement between Sint Maarten and Saint Martin has at times been used as a backdoor for moving goods or currency from a non-EU jurisdiction (Sint Maarten) into the EU through the French side (Saint Martin). Mindful of this, the Netherlands has worked with Sint Maarten to address these problems. The Central Bank of Curaçao and Sint Maarten oversees the banking regulations, while the Dutch provide technical assistance to comply with the CFATF standards. This means that the island's regulatory landscape is slowly changing, and mandatory due diligence by casinos and real estate agents is beginning to be undertaken. Despite these reforms, the main challenge remains local enforcement.

1.4 Structure of the Thesis

The thesis is organised into two sections. The first section presents three chapters; Chapter 1 introduces the research problem and situates Sint Maarten historically and institutionally, outlining the island's political economy, tourism dependency, regulatory terrain, and the financial conditions that shape luxury development. Chapter 2 presents the theoretical framework in three sub-sections: luxury and status (including paradoxical

luxury), risk/simulation and political economy (including disaster capitalism and hyperreality), and heritage/space through a postcolonial lens. Chapter 3 details the research design, methods, ethical considerations, and analytical approach. The second half of the thesis presents the four articles in sequence: Paper I theorises paradoxical luxury by showing how luxury is made credible and investable in a hurricane-exposed built environment; Paper II examines how hyperreal marketing and post-disaster reconstruction practices stabilised 'paradise' as an investment model; Paper III analyses how heritage is selectively mobilised and erased within luxury development, and the consequences for memory and access; Paper IV provides the comparative governance analysis, contrasting market-led risk privatisation in Sint Maarten with state-led risk socialisation in Grindavík. The thesis closely synthesises these findings across the papers, clarifying what they reveal about luxury value creation under climate risk.

2 Theoretical Perspectives

In this chapter, I set out the theoretical framework for the research in three sections. First, I examine luxury and status, tracing the concept from classical critiques to contemporary accounts of distinction. I introduce paradoxical luxury as a framework for analysing how luxury consumption and investments are sustained under conditions of environmental vulnerability and regulatory ambiguity in Sint Maarten's luxury real estate market. Second, I develop a lens on risk, simulation, and political economy to show how Klein's disaster capitalism frames post-hurricane speculation cycles, and how Baudrillard's theory of hyperreality clarifies luxury marketing in fragile environments, and how luxury real estate functions as a speculative asset class for the ultra-high-net-worth individuals (UHNWIs). Third, I examine heritage and space through a postcolonial lens, analysing how heritage becomes commodified as a real estate amenity through Smith's Authorised Heritage Discourse while operating as a site of community resistance through blue heritage activism and alternative meaning making. Together, these perspectives connect the four articles of this thesis, showing how luxury consumption, environmental risk, and heritage commodification intersect to create Sint Maarten's paradoxical property market, where exclusivity thrives amid vulnerability and cultural dispossession enables speculative capital accumulation.

2.1 Luxury & Status

In this first section on the theoretical foundations, I examine the evolution of the term 'luxury' by tracing it from early critiques of excess to its more recent meanings as indulgence and social distinction. Historically, luxury has typically been associated with expenditure beyond one's needs, often on things that provide comfort, pleasure, or to signal social status. As such, luxury paradoxically suggests objects or experiences that are unnecessary but can be socially significant. It is praised by some for driving economic progress but criticised by others as a symbol of moral decline or social inequality. Luxury is, by its very nature, a socially charged concept.

The thesis adopts an interdisciplinary theoretical approach to the concept of luxury. Drawing on Veblen's theory of conspicuous consumption, Marxist-informed critiques of exploitation and inequality, and economic theories of market dynamics. I argue that luxury also functions as a social construct embedded in power relations, social hierarchies, and economic structure. This framework positions luxury as inherently paradoxical, emphasising the tension between exclusivity and vulnerability, and between wealth and instability. As such, the thesis challenges dominant narratives that align luxury with

durability, quality, and status stability, especially in regions that are environmentally and economically exposed to risk such as Sint Maarten's luxury real estate market.

I argue that luxury is a complex social and economic phenomenon shaped by the broader cultural, environmental, and socio-economic tensions. I introduce the concept of 'paradoxical luxury' to describe how luxury in volatile regions such as in Sint Maarten can simultaneously convey exclusivity and vulnerability, and serve as a marker of status while resting on instability.

The thesis engages with foundational theoretical perspectives across disciplines (anthropology, sociology, economics, and philosophy). Using an interdisciplinary lens, I trace key theoretical approaches to luxury, from Veblen's conspicuous consumption to Baudrillard's symbolic consumption. The discussion is structured chronologically and thematically in an effort to map and synthesise insights, ensuring a rigorous and comprehensive understanding of the evolving landscape of luxury over time.

2.1.1 Luxury: An Elusive and Evolving Concept

This chapter examines luxury as an idea and social practice, exploring how its meaning and functions have shifted across cultures and historical periods. Luxury is inherently elusive and context-dependent and is best understood through historical grounding. By tracing the concept from ancient civilisation to industrial capitalism and the global markets, this chapter lays the foundations for a better understanding of how traditional notions of luxury are challenged and reshaped in what I term Sint Maarten's 'paradoxical luxury' real estate market. I begin by examining the earliest manifestation of luxury.

This chapter begins by tracing luxury to ancient civilisations and by highlighting the early tensions between luxury as a symbol of power and prestige, and luxury as a sign of moral and social decline. Evidence of luxurious living and critiques of excess appear in some of the earliest written sources. In Mesopotamia and Egypt, for instance, royals surrounded themselves with fine textiles, exotic spices, and gold; objects that signalled authority, and at times, divine favour (Thomason, 2005; Shaw, 2000, pp. 313-317). Kapferer and Bastien (2009) argue that ancient Egypt institutionalised luxury through its hierarchical nature and everyday culture, claiming that "[Egypt] clearly practised all the codes of luxury" (2009, p. 7). In ancient Greece, luxury was associated with a 'moral decline,' or forces of corruption (Hau, 2016, pp. 119-120, 251). In *Plato's Republic* (2008), Socrates describes two cities: the first simple and modest, filled with people who possess the basic necessities for survival; he refers to this as the 'city of pigs,' because of its lack of luxury (p. 225). In contrast, the second city is characterised by refinement and excess, whose inhabitants are depicted as greedy and competitive (p. 225). Roman historians similarly present luxury as transformative (and potentially corruptive). Following the Roman Empire's expansion, it was introduced to Eastern luxuries, and Roman consumption practices and expectations changed, with the armies requiring more dishes, at increased cost (Jong & Versluys, 2023, pp. 32; 155). The

Roman historian Livy presents Rome's conquest of Asia as a conduit through which luxuries entered Italy; items symbolising wealth and indulgence, such as bronze couches and intricate textiles, circulated among the Roman elite's households. According to Livy, this influx of wealth contributed to a broader cultural transformation of Rome (Jong & Versluys, 2023, pp, 32). These types of historical examples underline a long-standing tension between luxury as a symbol of wealth, and of luxury framed as morally or even socially destabilising. These tensions persist to this day in Sint Maarten, where the luxury real estate market serves as a visible marker of socioeconomic inequality.

Throughout the Middle Ages, luxury was discussed primarily in moral discussions and religious terms. Such discussions on how practices of luxury consumptions could be regulated in order to preserve existing social and religious hierarchies. In medieval Christian theology, luxury (referred to as *luxuria* or lust in Latin) was considered to be one of the Seven Deadly Sins (Newhauser, 2007; Young, 2014). Although the term denoted illicit desires (lust), it was also associated with excess and self-indulgence. Christianity opposed luxury living and emphasised the virtue of self-denial; in ecclesiastical writing, *luxuria* was linked to other vices, including pride and gluttony (Maxwell, 2021).

Medieval European rulers both indulged in and restricted luxury. Feudal courts displayed wealth through fashion and banquets, while enforcing sumptuary laws designed to regulate display and reinforce social hierarchy. The primary objectives of these measures were to maintain the class distinction (Muzzarelli, 2009). Status dictated who could wear certain fabrics (like fur trims or silk) and colour (including the royal purple, which was reserved for nobility), and it even imposed limits on wedding festivities (Hunt, 1996; Piponnier & Mane, 2000). Such restrictions sought to prevent commoners from emulating aristocratic display, since luxury was perceived as a threat to the social order (Hunt, 1999). Concerns about luxury as a threat to social cohesion reappear in contemporary debates, including in Sint Maarten, where luxury development can intensify the socioeconomic inequalities.

During the Renaissance and early Enlightenment period (15th-17th centuries) attitudes towards luxury began to shift and were no longer framed primarily in moral terms. Luxury became increasingly associated with civilization, state power, and emerging economic ideologies, especially at the Medici court in Florence and Louis XIV's court at Versailles, where it functioned as a visible marker of prestige and authority (Belloc et al., 2022; Belozerskaya, 2005, p. 128). In the eighteenth century, amid expanding global trade and early industrialisation, debate over luxury intensified. Commodities such as sugar, tea, coffee, and textiles circulated through European markets, contributing to the rise of a commercial middle class (merchant class) and provoking anxiety among established elites. In France and Britain, intellectuals argued over whether luxury should be understood as a corrupting vice or as a driver of economic progress (Berg & Eger, 2003; Hilton, 2004, pp. 103-108; Santos, 2024, p. 19). These debates resonate

with Sint Maarten's luxury real estate market today, where development is promoted as a route to growth while critics highlight its exclusionary effects, including the increasingly harder to access spaces that were previously public.

Critics like Jean-Jacques Rousseau condemned luxury. In his *Discourse on the Arts and Sciences* (1750), he argues that luxury 'corrupts morals' and 'weakens virtue,' believing that indulgence would inevitably lead to moral decline. Luxury may signal wealth, he suggests, but still asks what moral price is paid for that wealth. A counter argument, advanced by Bernard Mandeville ([1714] 1989), is that 'private vices' of greed and luxury could have public benefits. He noted that luxury consumption benefited the poor through employment, and pride (or vanity) provided even more jobs (p. 10). For him, the vanity of the elites sustains work for craftsmen, servants, and traders.

David Hume adopts a more positive view in his essay *Of Refinement in the Arts* ([1752] 1987). He notes that the term 'luxury' is ambiguous and hard to define and argues that indulgence is not inherently harmful so long as it does not interfere with one's duties. Enjoying better wine or finer clothing, he suggests, would not lead to ruin or neglect of obligations; it can instead contribute to refinement and social improvements. Hume called for balance rather than a complete abstinence from luxury goods.

Adam Smith brings these positions into a broader account of commercial society. In *The Wealth of Nations (1776)*, he distinguishes between 'necessaries' (goods that custom requires for respectable participation in social life) and 'luxuries,' understood as goods beyond necessities. In his earlier work *Theory of Moral Sentiments* (1759), he recognised that elites' consumption luxury goods can generate indirect social benefits that through a trickling down effect, while still treating the pursuit of luxury as morally questionable. By the late 18th century, Enlightenment debate had shifted, and the moral aspect had begun to fade. Luxury had begun to be seen as a necessary feature of the commercial society (Berry, 1994).

With the emergence of industrial capitalism in the 19th century, many goods previously associated with luxury, such as cotton, textiles, and travel, had become widely available beyond elite circles (Berg, 2005; McKendrick et al., 2018). This broadened access complicated earlier distinctions between essential goods and luxury items. At the same time, luxury was reconfigured in ways that also reshaped inequalities, as new forms of wealth and distinction emerged alongside mass consumption (Sombart, [1913] 1967). Mass production meant that items once relatively scarce or restricted, such as sugar and certain forms of clothing, became increasingly common (Berg & Eger, 2003; Mintz, 1986). In turn, the boundary between Adam Smith's (1776) 'necessaries' and 'luxuries' became harder to sustain. European and American elites responded by intensifying forms of distinction by acquiring grand mansions and extensive art collections and joining private clubs to maintain social distinction from non-elites. Over time, luxury goods and services were also organised into recognisable industries (high-end fashion, jewellery, cars, and related sectors) where brands and scarcity narratives worked as

status symbols. This shift towards wider availability and industrial production resonates with Sint Maarten, where the promises of exclusivity and symbolic value persist despite recurring questions about the built quality and the long-term sustainability of luxury property development.

Karl Marx and other 19th and early 20th century thinkers approached luxury through a different lens, emphasising its symbolic, economic, and social functions within capitalist society. Karl Marx (1867) critiqued luxury within his broader analysis of capitalism, arguing that profit-driven production encourages forms of desire orientated less to the use and more to exchange and social meaning (Marx, 1867). In this process, the social relations and labour through which commodities are produced become obscured. An effect that is especially pronounced in luxury goods is that their value often far exceeds their utility. Baudrillard ([1970] 1998) later reworked this problem by shifting attention towards sign-value the ways consumption works through codes of distinction.

Werner Sombart, in *Luxury and Capitalism* ([1913] 1967), makes an even stronger claim that capitalism owes much of its origins to luxury consumption. He defined luxury as "any effort that goes beyond what is necessary" (p. 21), and argues that elite demand helped stimulate banking, trade, and forms of industrial production. The pursuit of exotic commodities, precious metal, and art intensified long distance trade networks and encouraged financial expansion and productive speculation. Sombart describes capitalism as "the illegitimate child of luxury," insisting that even apparently wasteful consumption can work as an engine of economic development (Sombart [1913] 1967, pp. 133-138). Although Sombart's thesis remains contestable, it underscores the historical interplay between luxury consumption and capitalist economic structures.

At the turn of the 20th century, Thorstein Veblen provided one of the most enduring frameworks for understanding modern luxury. In *Theory of the Leisure Class* (1899), he introduced the concept of 'conspicuous consumption.' Veblen argues that the elite's consumption functions as a public display of social status rather than a means of satisfying their basic needs or comfort. He explained that in conditions of unequal wealth, people used luxury goods as symbols of status and reflections of the social hierarchy. Veblen emphasised that such display of wealth often takes the form of wasteful consumption; unnecessary to the point that it signals distance from labour and proximity to leisure. Veblen suggests that status competition in a consumer economy helps to sustain demand for luxury goods. He suggested that conspicuous consumption was not confined to elites; instead, the patterns of emulation trickled down through all social classes, and that the lower classes might be more willing to endure economic hardship rather than forfeit signals of status (Veblen, 1899). By 1900, luxury increasingly came to be analysed as a sociological phenomenon where class distinctions are preformed and reproduced. Veblen's account of status display is especially interesting when looking at Sint Maarten's paradoxical luxury market, where property work as a status marker and a claim to distinction despite their vulnerability to recurrent hurricanes.

In the mid 20th century, the concept of luxury continued to evolve, especially in the decades following the Second World War. Luxury market expanded internationally and became increasingly accessible to consumers across different cultural settings. Goods once strongly associated with luxury, such as cars, refrigerators, and televisions, become a mass-produced consumer good for the middle classes (Silverstein & Fiske, 2003). This transformation was enabled by rising wages, increased industrial efficiency, and expanded credit markets. This phenomenon is often described as the 'democratization of luxury' (Silverstein & Fiske, 2003; Shukla et al., 2022; Plażyk, 2015, p. 163). Kapferer and Bastien (2009) describe this expansion as 'the most important driver of luxury' (p. 11), as it allowed middle class consumer to trade up, effectively paying a premium for goods and experiences that previously were restricted to the upper classes. Brands such as BMW and Starbucks began offering more accessible luxury experiences while maintaining their high-status positioning (Silverstein & Fiske, 2003). By the late 20th century, luxury was increasingly differentiated into 'old luxury' and 'new luxury': the former refers to heritage, craftsmanship, and scarcity, whereas the latter denotes forms of mass market prestige catering to the middle-class (Silverstein & Fiske, 2003; Plażyk, 2015).

In the late 20th and 21st centuries, luxury has become a global phenomenon, shaped by its rapid expansion in the Asian and Middle Eastern consumer markets and by persistent tensions between innovation, tradition, and social distinction. In Japan during the 1970s and 1980s, luxury consumption became a key site for the democratisation of luxury. Its role was reinforced through department stores that began introducing more 'accessible luxury' formats and retail experience (Fujioka et al., 2018, p. 140). By the 2000s, China, India, the Middle East, and other emerging markets increasingly acted as growth engines for the luxury industry. In China, luxury consumption is frequently connected to the concept of 'face' (social reputation) and the gift-giving practices within corporate and relationship-based exchange (Liu & Whang, 2022, pp. 1-2). Industry reports in the early 2020s projected that the Chinese consumer accounted for roughly 25% of the global luxury market or roughly RMB 816 billion (Liu & Whang, 2022). More recent assessments, however, note that china's luxury market experienced contraction in 2024-2025 even as China remained vital to the global luxury market (Reuteres, 2026). Despite the broader democratisation of luxury consumption globally, Sint Maarten's property market represents a paradox. It combines exclusivity with economic volatility and environmental vulnerability, which highlights tensions unique in modern luxury economies.

2.1.2 Theoretical Perspectives on Luxury

Given the complex nature of the term 'luxury', an interdisciplinary theoretical approach is needed. The theoretical frameworks have been selected specifically because of how they highlight the different but complementary aspects of luxury relevant to Sint Maarten's paradoxical luxury real estate market: symbolic consumption practices, structural

inequalities, and economic vulnerabilities. Scholars from different disciplines have long debated the fundamental questions about the existence of luxury, what it signifies, and its role in societies. Economic and materialist theories ground luxury and its associations in wealth, class structures, and market dynamics. In contrast, critical sociological theories connect it to social hierarchy, inequality, and power dynamics. As a response to the lack of a unified theory, Kapferer and Bastien (2009) propose a distinct "paradigm of luxury," arguing that luxury should be understood beyond its perceived cost and exclusivity by taking account of the business logic behind it and the cultural phenomenon that it represents (p. 17; 95; 177). They argue that luxury needs to be non-accessible to a majority of the population, be timeless, and maintain cultural authenticity while keeping up with the times. It is not inherently functional and does not cater to mass appeal. Luxury, unlike premium or mass-appeal brands, follows an anti-marketing principle (pp. 61-75). That is, it avoids comparative advertising, retains strong control over distribution, and fosters mythmaking rather than utility. These elements differentiate luxury from other marketing categories and help strengthen its symbolic and social functions. This perspective is especially useful when analysing the Caribbean luxury real estate market, where many developments adopt a luxury label without adhering to the principles outlined by Kapferer. Given these various interpretations, one thing is clear, there is no unified theory of luxury, and this reinforces the need to consider diverse theoretical frameworks in this analysis.

Thorstein Veblen's theory of conspicuous consumption (1899) lays the critical foundations for interpreting luxury as symbolic social distinction. The theory emerged in the late 19th century as a critique of industrial capitalism, which represented a shift in Veblen's focus from production to consumption (1899). He highlighted that luxury consumption was a means of communication, rather than a way to satisfy the consumers' basic needs. He viewed luxury consumption as inherently symbolic and rational (Veblen, 1899). Unlike Marx's production-centred critique of capitalism and Adam Smith's ([1776] 2009) economic rationality, Veblen's (1899) focus was on the socio-psychological aspect of luxury. In his seminal work, *The Theory of the Leisure Class* (1899), Veblen argues that the core function of luxury was to visibly display wealth for the purpose of reaffirming class distinctions.

He argued that in societies where a 'leisure class' emerges, consumption primarily serves as a signal to display social status, rather than fulfilling basic needs. According to Veblen, luxury is relational and positional. It enables wealthy elites to demonstrate their status and wealth through extravagant consumption. Here, the essential value of luxury goods is symbolic, rather than functional, making the consumers visibly distinct from the lower social classes. This is because only the ultra-wealthy can afford to spend money on non-necessities on such a scale. Such consumption highlights a paradox that exists in the consumer behaviour market where wastefulness becomes a strategy for socio-economic positioning. An example of this is when the wealthy buy overly expensive jewellery, host lavish parties, or buy large mansions, all of which exemplify this

signalling, reinforcing their social position through conspicuous wastefulness. Veblen's concept of conspicuous consumption remains highly relevant to explaining the symbolic and structural aspect of luxury consumption, but it lacks analytical scope. Veblen's focus overlooks the deeper structural, economic, and ecological vulnerabilities underlying the luxury markets. This is especially the case in Sint Maarten, where the repeated destruction and rebuilding cycle occurs due to hurricanes, introducing other elements into the concept of luxury: transience, vulnerability, and speculative risk. These are largely unaddressed by Veblen. In societies where luxury signals are paradoxically connected with impermanence and uncertainty, there is deviation from the traditional understanding of luxury as status symbols, heritage, and wealth. Despite these limitations, Veblen's (1899) theory serves as tool to examine the symbolic nature of luxury and its relational connection to social hierarchy. By applying and expanding Veblen's theory to Sint Maarten, we gain a different understanding of luxury markets while raising questions about how symbolic consumption adapts to different contexts where environmental risks and economic uncertainty thrive. This re-examination also underscores the need to integrate others critical theoretical approaches to fully grasp the paradoxical luxury specific to Sint Maarten.

Veblen also introduced the concept of *vicarious consumption*, whereby the elites display their status indirectly through the 'consumption' of individuals financially dependent on them like employees (Veblen, 1899). In contemporary economics, the 'Veblen effect' is a term used to refer to a specific type of luxury items that grows in demand with increasing prices, precisely because the price is what attracts the buyer's attention (Desmichel et al., 2020; Nelissen & Meijers, 2011; Veblen, 1899). Veblen's theories provide a vital analytical framework for understanding Sint Maarten's luxury real estate market. Elsewhere, expensive properties have primarily served as a visible symbol of wealth, but in Sint Maarten the 'Veblen effect' applies to transient wealth, exemplified by the purchase of properties subject to the inherent environmental vulnerabilities.

Another important social theoretical perspective comes from materialist theory and is termed the 'critical political economy of luxury'. As noted earlier, Werner Sombart (Sombart, [1913] 1967) maintained that luxury consumption was a key factor that fuelled the rise of modern capitalism, thus highlighting the role of luxury as an economic driver. Although Sombart acknowledged the historical role luxury played, Marxist-influenced scholars tend to be generally critical of luxury, framing it in negative terms, and emphasising its connection to exploitations and inequality (Fatah, 2024; Hirslund, 2024; Lehmann, 2015). From this perspective, luxury consumption is problematic because of its link to exploitative practices, like vineyards that underpay their workers that then sell their wine to multi-millionaires (Maguire et al., 2022; Toit et al., 2008). Exploitative conditions are also associated with the diamond industry, and its origins, as where mining industries were built on dubious practices (Amupanda, 2020; Kinsey, 2010). Later neo-Marxists condemned consumerism culture for fostering false desires that reinforce existing power structures (Marcuse, 1964; Schmitt et al., 2022). They

argue that luxury goods function as tools of ideological control, seducing both the wealthy and the working class in a way that aligns the desires of both with the interests of the elite while suppressing class consciousness (Baudrillard, [1970] 1998); Bourdieu, [1979] 1987; Gramsci, 1971).

Contemporary economics identifies luxury goods by their market characteristics, especially income elasticity. Economists define these goods by the disproportionate increase in demand that follows rising consumers incomes (Chai & Moneta, 2010; Deaton & Muellbauer, 1980; Fassnacht & Dahm, 2021). In neo-Marxist studies that focus on the moral or ethical implications of luxury consumption are considered secondary; elsewhere luxury is analysed through its economic capacities, like employment, innovation, and growth in the luxury sectors (Kapferer & Bastien, 2009). Development economists are still debating whether luxury consumption is a waste of resources that could be used more productively (Cappelli & Bucchianico, 2025).

This economic framing of luxury highlights markets mechanisms and consumer behaviour in relation to moral issues, which facilitates a practical understanding of Sint Maarten's luxury real estate development. It provides insights into why demand still persists despite the evident risks and vulnerabilities, which contributes to the overall paradoxical dynamic of the luxury market. Each of the above-mentioned theoretical perspectives, from Veblen's social signalling to Marxist and neo-Marxist critiques of exploitation coupled with contemporary economic market analysis, highlight different aspects of the complexities surrounding the concept of luxury. By integrating these perspectives, this thesis attempts to critically evaluate Sint Maarten's real estate market as a status symbol, a site of social tension, and a market-driven phenomenon.

2.1.3 Theoretical Approaches to Luxury in the Social Sciences

2.1.3.1 Sociological Theories of Luxury

The concept of luxury has long been a subject of debate among theorist of sociology and cultural studies. From these perspectives, luxury goes beyond status signalling; it is also a way of expressing social identity and differentiating oneself from the masses (Huggard et al., 2024; Jesus & Carvalho, 2024; Pandelaere & Shrum, 2020; Stathopoulou & Balabanis, 2019). Pandelaere and Shrum (2020) argue that luxury consumption is a tool for individuals to construct, maintain or enhance their self-esteem, as well as to fulfil their identity motive of belonging. In *Distinction: A Social Critique of the Judgement of Taste* ([1979] 1987), Bourdieu analysed how people's preferences, from food to leisure, are shaped by social class, and how these preferences reinforce or contribute to social hierarchies. Even though Bourdieu's analysis of taste is broad, luxury remains one of the stronger examples of how social class distinction is manifested through the pursuit of symbolic capital in consumption (Bourdieu, [1979] 1987). Bourdieu's coinage of cultural capital refers to the knowledge and skills by means of which individuals navigate or engage with elite cultural practices. He argued that the elites

decide what is perceived as 'refined' from music to drinks, shaping cultural hierarchies by reinforcing their own social status (Bourdieu, [1979] 1987, p. 7). In this sense, luxury more than having the means to engage with luxury services; it is about knowing what to buy and how to appreciate it. Bourdieu explains this is reflected in two different ways of consuming: the 'taste of necessity,' where people buy and consume what they need, and the 'taste of luxury,' where each choice is about pleasure and social status (Bourdieu, [1979] 1987, pp. 6, 175-177). Thus, the working class is constrained by necessity, opting for what is filling, useful, and affordable. For example, they may choose to eat at a restaurant that satisfies their hunger because their preferences are shaped by economic needs. In contrast, the elites, having both wealth and freedom can afford to develop their tastes, focusing more on style, and novelty. For example, dining at a five-star restaurant that focuses on delicate portions that are aesthetically pleasing, but perhaps not that filling. According to Bourdieu, taste is essentially social; it is instilled through upbringing and education. It functions as a way to distinguish between the classes (Bourdieu, [1979] 1987, p. 6). In practice, the upper classes often seek to distinguish themselves through expensive consumption. Bourdieu argues that seemingly individual choices are in fact structured by class. For example, fine wine and foie gras or beer and chips reflect social class, upper and lower. For Bourdieu ([1979] 1987) luxury consumption extends beyond Veblen's interpretation as being mainly about status display; but it is also a symbolic classification. It asserts positions through cultivated preferences, some of which are socially recognised as superior. He refers to this as 'symbolic capital'.

2.1.3.2 Anthropological Perspectives

From an anthropological perspective, the concept of luxury extends beyond conspicuous consumption. It is a lens into the cross-cultural view of different societies where items of significance to those cultures have been used as rituals, gift exchange or symbols of rank. Anthropologists have examined how different societies attach meanings to objects, practices, and experiences that denote prestige, and status boundaries, and create social obligations. Many of these insights come from studies of ritual exchange, where valuable items act as more than commodities. A seminal example of this can be found in the potlatch ceremonies of the Indigenous people in the Pacific Northwest, including the Kwakwaka'wakw, Haida, and Tlingit. These elaborate practices involve chiefs who effectively give away or even destroy valuable goods like copper shields, blankets, or ceremonial objects to competitively display wealth and prestige hierarchy (Boas, [1897] 2010; Mauss, [1925] 1966; Sahlins, 1972). These actions can be viewed as rooted in what Veblen (1899) identifies as conspicuous waste; extravagant things are either bought or destroyed to demonstrate status or to consolidate their power. Marcel Mauss emphasises that in such contexts, gift exchange establishes a reciprocal cycle that binds people into enduring networks of indebtedness and alliance (Mauss, [1925] 1966, pp. 9-11, 37-45). These practices, which encompass economic, legal, and spiritual aspects, reinforce the hierarchical structures, and create network of mutual debt

and alliance. They underscore that the concept of luxury goes beyond material possession to encompass social performances of wealth. In these societies, it is the act of disposing of valuable items whereby the potlatch participants show that they can afford to 'lose' more than those around them. This is how they display their economic powers and social capital.

Historically, luxury has frequently been tied to power and religious legitimacy, rather than serving individual desires. This connection can be observed in how ruling and religious elites have used idols with gold and jewels or royal regalia made from rare metals to signal divine approval. An example of this can be found in the Chavín culture of ancient Peru, where figures made from costly and exotic materials were associated with complex rituals to establish legitimacy through the divine, in order to facilitate social control by cementing the power of religious authority (Rick, 2004). These types of practices connect the display to 'supernatural' endorsement, which strengthens the elite's ability to command social and spiritual capital. Other examples of how society was influenced by luxury goods can be traced to early societies that had established customs and legal frameworks frequently referred to as 'sumptuary laws.' These laws established who was allowed to possess certain luxury goods[2] (Miles, 1987; Picht, 2021). In feudal Europe, these laws regulated the types of clothing, jewellery, and other items to ensure a clear distinction between the social classes. Overstepping an individual's ordained status could result in legal problems, which highlights the restrictions on who gets to display or enjoy goods, clearly indicating that luxury items were carefully controlled to maintain order (Bruno, 2021; Pajur, 2014). These structures also show the symbolic meaning luxury maintained in demarcating social position.

Anthropological studies of cross-cultural exchange have highlighted how luxury goods work as a strong symbol of power and prestige, even though some of the objects might not be universally considered 'luxury.' That is to say luxury from an anthropological perspective varies from country to country, as each perceive the term 'luxury' differently. For instance, Bronislaw Malinowski in *Argonauts of the Western Pacific* ([1922] 2010) described how the circulation of rare red shell neckless known as (*soulava*), and the while shell armband (*mwali*) in the Trobriand Islands' kula exchange system were perceived as items of significance symbolising power and prestige, used to reinforce social distinction and alliances. Similarly, Marcel Mauss in *The* Gift ([1925] 1966) describes how the rare shells (*vaygu'*a) and other prestige goods served as forms of wealth and status in the reciprocal exchange systems of the North-western Coast Indigenous cultures. Despite the reaction these conspicuous displays often generate, in some communities these 'luxurious' goods are often perceived as 'fake', for example in South Africa (Dawson, 2023). In contrast, newer forms of 'inconspicuous consumption' in China among the wealthy underscore the evolving nature of luxury as a subtler dis-

[2] See for example: Bruno, 2021; Goodrich, 1998; Pajur, 2014.

play of wealth, requiring specialised cultural knowledge to grasp what is considered luxurious (Wu et al., 2017).

Anthropologists have further explored how globalising forces and brand strategies can change traditional patterns of consumption. What was once dictated by sumptuary laws is now offered through the constant flow of goods, images, and aspirations. This blurring of boundaries between classes has resulted in a hybrid form of hierarchies (Appadurai, 1986; Miles, 1987).

2.1.4 Changing Meanings of Luxury Across Time and Culture

One of the most striking aspects of luxury, as evidenced through its historic and theoretical trajectory (see above), is that its meaning and role in the society continues to evolve. That is to say, the things that we perceive as luxury today may not be perceived as luxury tomorrow: luxury appears to be dependent on cultural context. It has transformed from vice to virtue and back to vice[3] (Baudrillard, [1970] 1998; Hume, [1752] 1987; Smith, [1776] 2009; Veblen, [1899] 2007). Historically, luxury was confined to the upper classes; however, the breakthrough of capitalism and liberal democracy led to the 'democratization' of luxury, which in turn expanded the consumer side of luxury to include the middle-classes (Donzé & Fujioka, 2018, pp. 6-11). The promises of mass-produces conveniences that we take for granted today, like indoor plumbing, running water, electricity or commercial air travel did not reduce the desire for obtaining more luxurious things. Rather, it introduced a paradox: some things that used to reflect status and comfort were more accessible, but the ultra-high-end goods and experiences remained unattainable for most. In this sense, luxury could be seen 'everywhere', but at the same time 'nowhere.'

This tension is directly addressed by Kapferer and Bastien (2009), who argue that democratization does not necessarily mean vulgarisation. They present an example of how Christianity promises eternal life to anyone, illustrating how an idea can be made widely accessible without losing its symbolic value. In the same way, luxury can be made widely accessible without losing its essence when carefully managed. However, mass-marketing [of products] adopts the language and aesthetics of luxury without subscribing to its deeper values: exclusivity, timelessness, and cultural authenticity, reducing the concept value. In the case of Sint Maarten, this distinction is vital. It raises the question of whether the luxury there represents a genuine democratization, or whether, through overbranding, it constitutes a form of speculative development.

Luxury, which is perceived as a highly relational concept, was defined by price and scarcity but also by the aspiration it provokes in the ordinary consumer. Veblen's (1899) conspicuous consumption remains instructive here. As the middle-class consum-

[3] See also Berg & Eger, 2003; Hilton, 2004; Santos, 2024.

er drove changes to the luxury market, the market began to cater to it by offering 'affordable luxuries' (Batat, 2023, p. 104, 107). This means that the term luxury had been extended to encompass small readily accessible items of luxury, as well as considerably more extravagant things for the ultra-wealthy (Donzé & Fujioka, 2018). This suggests that luxury has different meanings: for the middle class it typically centres on quality, comfort, or momentary indulgence, whereas for the elites it might prioritise privacy or unique experiences (Batat, 2023; Wang, 2022). For example, whereas the ultra-wealthy might invest in things like mansions, yachts, or grand parties in an attempt to maintain social distance and to underscore the exclusivity of their status, the middle-class seeks 'affordable luxuries' such as gourmet chocolate. Cultural variations include Europe's emphasis on heritage brands (Donzé & Fujioka, 2018) and East Asia's increasing turn towards 'quiet luxuries' (Li & DaCosta, 2020; Wu et al., 2017), confirm that luxury has no universal standards. It remains subject to local tastes, traditions, and even moral codes. There has been a worldwide shift towards luxury travel, adventures, and self-fulfilling activities, which have become increasingly more attractive (Roper et al., 2013). In many parts of the Middle East public displays of luxurious urban architecture with iconic skyscrapers or luxury malls like in Dubai asserts the countries status (Al-Sufyani, 2021). In contrast, in the United States, a more commercial society associates luxury with the 'American Dream,' which is more like what Veblen imagined (Akarsu & Seçilmiş, 2023; Nueon & Quelch, 1998).

When reflecting on Sint Maarten's real estate market, these theoretical perspectives help sharpen our perspective. The island's luxury property sector appears to embody a paradox of exclusivity within widespread aspiration. That is to say, luxury villas and gated seaside communities showcase Veblen's conspicuous consumption: owners and developers cater to the demand for social distinction through upscale property development. But because Sint Maarten is vulnerable to economic volatility and frequent hurricanes, the real estate market also carries increased financial and environmental risks. In effect, property ownership on the island cannot be viewed as exclusive markers of wealth but rather as a gamble with instability, and as a result the status and exclusivity associated with property ownership in Sint Maarten appears paradoxical.

Critically analysing this paradox reveals how 'democratised' luxury does not fully apply when geographical and environmental relativity comes into play. While many previously rare products (like imported fashion or watches) have broadened the reach of global consumerism, coastal properties in Sint Maarten cannot be mass-produced in the same way as other consumer goods. This form of luxury is scarce and attached to an experience of visiting an island. It is this limitation that resonates with Bourdieu's ([1979) 1987) argument that social and cultural capital shape what is considered valuable. In the context of Sint Maarten, the land itself becomes culturally and economically coded as a 'premium' possession, where foreign investors seek the scenic ocean views and proximity to the advertised high-end amenities. In contrast, the local population may find it increasingly difficult to access public spaces near these developments. The moral

tension connected with luxury also resurfaces, as the increased development promises tangible economic benefits (construction jobs, and increased tourism dollars), these projects also increase the social inequality. It presents dynamics that Enlightenment and Marxist thinkers critiqued when weighing the benefits of luxury economic input against the potential capacity of fostering alienation or exploitation (Hume, [1752] 1987; Marx 1867; Sombart [1913] 1967).

Baudrillard's ([1970] 1998) notion of sign-value and simulation shed further light on the phenomenon that is Sint Maarten's real estate market. Buyers are promised an 'idyllic island lifestyle,' which can be seen as significant commodity much like the properties themselves. The marketing narratives, which are endorsed with images of beautiful looking beaches and the sense of exclusivity, help elevate the brand that is Sint Maarten's luxury market, but in effect creates a hyperreal spectacle. The reality of hurricane-prone infrastructure and environmental vulnerabilities complicates these narratives. The repeated rebuilding cycles following strong hurricanes (as was the case with Hurricane Irma in 2017) serve to reinforce the sign-value of these properties in a 'desirable' tropical fashion.

Markets tension underscores that the luxury real estate market in the island is not static and that it is not entirely defined in terms of cost and comfort. Instead, it reflects an interplay between international demand, cultural symbolism, environmental constrains, and social hierarchy. In one sense, we see the classical enactment of social stratification that is consistent with Veblen's (1899) conspicuous consumption. But we also have the extreme environmental conditions that show how luxury can align with instability, expensive homes liable to destruction, which attracts consumers willing to bear the associated risks. This dynamic extends our theoretical understanding of the concept 'luxury,' as we see that it has spatial, historical, and environmental factors. It highlights the critiques of Marxist and neo-Marxist discourse that under the 'idyllic' facade lies a web of structural inequalities, raising land costs, constraining local housing, and intensifying social divides, which echo century old debates, which described luxury as the 'engine of economic process or a 'sign of moral and social decline' (Hilton, 2004; Santos, 2024).

The case of Sint Maarten reveals that much like sugar and tea once symbolised luxury before becoming everyday commodities (Rönnbäck, 2007; Young, 2009), luxury real estate might similarly evolve over time. Long-term climate threats could eventually undermine the lasting status associated with building along vulnerable coastlines; the current appeal of ocean views and exclusive enclaves reaffirm that 'luxury' can endure as a cultural script that adapts itself to different markets. The fluid nature of luxury shows why interdisciplinary scholars continue to re-examine the concept. Even as the 'democratization' of previously rare goods has expended into new markets, the intensification of scarcity in some domains (like waterfront properties) remains a means by which elites can maintain their distinction. In this we observe that Sint Maarten's real estate

market showcases its paradoxical, context-dependent, and ever-evolving notion of luxury.

2.1.5 Introduction to Paradoxical Luxury

The preceding sections shown how the concept of luxury has evolved over the centuries, but often emphasises lasting quality, exclusivity, and social distinction. From moral critiques to the democratization of consumption in global markets, the overarching theme is that luxury has been viscerally bound to privilege, aesthetic refinement, and long-lasting markers of status. However, Sint Maarten presents as a distinct case in which properties are marketed as 'luxury' in an environment that is repeatedly exposed to destructive environmental forces, built under questionable regulatory oversight, and lack some of the markers typically associated with luxury real estate. These tensions result in a demand for a theoretical reframing to accommodate a kind of luxury consumption that paradoxically thrives in conditions of transience, precarity and high risk. To address this gap, the concept of *paradoxical luxury* emerges as a mean to highlight the contradiction between the apparent exclusivity and fragility. Unlike traditional definitions of luxury that posit stability, heritage, and prestige, as key markers, paradoxical luxury highlights circumstances where coveted goods and status displays are synonymous with heightened vulnerability.

Scholars often maintain that luxury items, services, and properties are based on the following features: 1) craftmanship, 2) heritage, 3) exclusivity, and 4) the ability to signal status. In real estate especially the reference to the material, craftmanship, and location are ubiquitous in listing descriptions and brand campaigns (Sajnóg & Barkowski, 2019). These qualities ensure that luxury units or villas convey a sense of permanence or grandeur that resists market fluctuations. Veblen (1899) proposed that the conspicuous display of wealth signified by large, solidly built residences has a stabilising effect on the owner's perceived position in social hierarchy. Bourdieu (1984) similarly argued that wealthy individuals develop cultural capital to appreciate or invest in the 'finer things,' which signals the long-lasting impact of refined taste.

These theories assume that 'luxury' labels are required to show such fundamental features as exclusivity with some measures of quality, heritage, or resilience. Paradoxical luxury challenges these assumptions. In regions like Sint Maarten or other coastal enclaves vulnerable to environmental volatility, 'luxury' villas or properties can be structures built in a loosely regulated environment, where the local infrastructure is precarious, and which may be in frequent need of post-hurricane repairs or even reconstruction. Despite this, the pricing of these properties and the marketing narratives remain on the same level as in regions not affected by these types of events. The market attracts significant capital, despite the substandard regulation enforcement or the long-term uncertainties associated with the market. The consumption displays extreme wealth but also shows risk, impermanence, and regulatory loopholes. The established concept of

'real estate as a stable means to protect value' becomes interconnected with cyclical vulnerability.

The instability behind the paradoxical luxury comes from two factors: environmental risk and regulatory ambiguity. In some settings, hurricanes, floods, and other forms of climate volatility endanger claims of permanence, creating a cycle of destruction and reconstruction. The lax regulatory environment that allows developers to cut corners in building quality or circumvent standardised planning approvals, further undermines the assurances of structural or aesthetic superiority. Despite these defects, the perception of exclusivity persists, often strengthened by the knowledge that those with the capital reserves can afford to rebuild, insure, or even absorb losses repeatedly. The wealthy facilitate entry into this unstable marketplace, they are willing to engage in the instability, which becomes a badge of status, echoing but still diverging from Veblen's (1899) concept of wasteful spending.

In these regions luxury does not depend on the hallmark of classical definitions; paradoxical luxury thrives on cyclical rebranding. Properties that ostensibly lose their 'status' after catastrophic events are rebuilt or replaced, often with minimal consultation of local authorities, and reintroduced as 'new' and 'exclusive.' In this process, risk paradoxically gains symbolic capital: it shows that consumers and developers have the resources to re-invest in a place that may soon be levelled by natural forces but can then be resurrected just as quickly (Björnsson et al., 2024, pp. 9-10). This represents a challenge to the long-standing assumption that the value of luxury properties is primarily based on lasting quality and craftsmanship. Under these conditions paradoxical luxury repeatedly wipes the slate clean, returning a new building under the same branding of 'exclusivity.'

Recent scholarly work focused on the concept of luxury has only partially addressed scenarios where 'luxury' is visibly or tangibly at odds with stability, quality, and tradition. One example is a study on how luxury goods industries have adapted to new consumer tastes by creating narratives of heritage (Munz, 2018, pp. 199-200, 213). Others discuss 'offshore' forms of luxury assets like freeports, which are designed to facilitate optimised tax benefits for the elite (Helgadóttir, 2023, pp. 1021-1022). Although these provide a perspective on the global fragmentation of luxury, the contradiction of luxury real estate in areas under environmental threat and weak regulatory policies remains under explored. Paradoxical luxury provides the theoretical basis to describe and analyse the anomaly of spaces where conventional criteria do not apply, where the 'luxurious' properties prove inadequate, overshadowed by the ephemeral building practices, and repeated hazards and/or lack of policy enforcement.

If such properties were to be strictly analysed based on their architectural or infrastructural parameters (crafted to last), they might not qualify as 'luxury.' But the social processes and market logics surrounding these assets assign them a position in the status economy, which attracts wealthy buyers aspiring to own coastal properties, despite their

fleeting existence and uncertain safety. This contradiction highlights the theoretical gap. Classical frameworks (Smith, Marx, Veblen) and contemporary discussions (Bourdieu, Baudrillard, Donzé & Fujioka) foreground wealth-based exclusion, symbolic capital, or historical traditions but seldom, if ever, predict an embrace of cyclical devastation as a pathway to preserving exclusivity.

The definition of paradoxical luxury rests on the pursuit, acquisition, and display of goods or spaces categorised as 'elite' or 'exclusive' under conditions that contradict the typical indicators of permanence, resilience, and heritage. The definition has two key dimensions:

1) Environmental or structural precarity: where goods or properties are located in regions prone to natural disasters (hurricanes, floods, volcanic eruptions) or suffer from infrastructural instability (poor roads, irregular power, or water supply). Where classical theorists argue that 'luxury' rests on stable foundations (materially, socially, and symbolically), paradoxical luxury demonstrably thrives in precarious zones where owners repeatedly rebuild or renovate and continue to pay the premium.

2) Speculative vulnerability coupled with status enhancement: As repeated damage undermines conventional notions of 'lasting quality,' the precarious nature of ownership increases the aura of exclusivity. Only the limited few can tolerate (and financially handle) the cyclical threat of losing an expensive property. This dynamic, intensifies the property's ability to project wealth. The consumption remains conspicuous (wasteful in a Veblenian sense) but is reoriented by the drama of repeated risk-taking. The owners enact an almost performative resilience: it is not enough to purchase a luxury item; they must demonstrate their readiness to rebuild or reacquire it after catastrophe.

While this definition logically derives from the contradictions observed in Sint Maarten or other territories with volatile conditions, it also has broader applicability. For example, owners of luxury high-rises in seismically active regions or certain reclaimed coastal developments may similarly find themselves in a cycle of potential structural failure and constant reinvestment. The label 'paradoxical' describes the clash between real or perceived fragility and marketing discourses of 'excellent,' 'pristine,' or 'elite' spaces. Even though high-rise apartments are constructed with the latest technology, repeated quake damage, rising sea-level or foundational shifts can jeopardise their long-term stability. And yet the market responds with a cyclical optimism driven by global capital that is drawn to the exclusivity of 'inherently risky' addresses.

In terming this phenomenon paradoxical luxury, I do not seek to reject seminal theories, but rather to extend them into new terrains. For instance, Veblen (1899) highlights how consumers seek to buy beyond their basic needs in efforts to display wealth and in-

crease status. *Paradoxical luxury* complements and complicates this by revealing that beyond displays of wealth, owners of this kind of luxury assets also project a form of defiance: this goes beyond the elite's expensive acquisition into areas where readiness to endure cyclical storms, damages, and possible legal complications comes to play. Bourdieu's (1984) theory of cultural capital highlights how 'taste' in objects and experiences reproduces social hierarchy. In paradoxical luxury, 'taste' might be perceived as being overshadowed by the pure spectacle of risk-taking and capital movement. The cultural competence that used to guide interior design and historical valued craftmanship are replaced by the desire for a location-based status that in some aspect's disregards quality. Acquiring properties in hurricane-prone or otherwise unstable regions may thus become the latest elite 'taste,' which signifies 'exclusive knowledge' of a hidden investment gem. Baudrillard (1970] 1998) argued that consumption revolves around sign-value-symbols of identity, status and meaning. Paradoxical luxury suggests that sign-value lies in the demonstration of resilience and a disregard for anxieties about durability or practicality. Because properties or goods are at high-risk, the sign-value intensifies, and they become a stage for the emergence of a new form of status, in a hyperreal marketplace where repeated construction represents 'rebirth' or 'upgraded' luxury. In traditional luxury markets, property investments are regarded as stable or appreciating assets (Fernandez et al., 2016, p. 2446). For the paradoxical luxury market, the possibilities of catastrophic losses are amplified by the lax enforcement of building codes and policies that fail to provide the stability required. During the post-disaster 'gold-rush,' foreign capital may swoop in to buy up distressed assets, fuelling speculative cycles that may displace local populations, increase inequality, and generate more unease about the label of 'luxury.'

2.1.6 Luxury as Sign and Simulation

Jean Baudrillard remains one of the most influential theorists in consumer culture. His work builds on but significantly extends the works of Marx and Veblen. He argued that in modern consumer society, commodities like luxury goods are mainly valued for what they symbolise like status and identity (Baudrillard, [1970] 1998; Baudrillard & Glaser, 1994). He argues that commodities should be understood through a four-fold framework: use-value, exchange-value, sign-value, and symbolic value (Baudrillard, [1970] 1998). For the purposes of this thesis, sign-value is the key concept [we focus on]. The luxury aspect of products, that is their sense of exclusivity and the lifestyle it conveys has become a key aspect of why they are both produced and consumed (Baudrillard, [1970] 1998). From this perspective, luxury sports cars or expensive designer bags are bought with the purpose of displaying their sign-value as much as for their utility (Han et al., 2013).

It can be argued that Baudrillard's perspective is semiotic and postmodern, as it suggests that the world, we live in is saturated by images and simulations with distinctions between the real and the non-real becoming blurred (Baudrillard, [1970] 1998, pp. 1-

3). Luxury brands have managed to create narratives around their products that present desirable and beautiful lifestyle, using celebrity endorsement while emphasising on tradition (Dion & Borraz, 2017; Kapferer & Bastien, 2009). Baudrillard suggested that luxury acted as a sign or a language of its own in a social stratification system. Thus, buying a Ferrari or a Birkin bag is not about the item bought, but rather the identity that is inscribed in it by the story accompanying the item (Baudrillard, [1970] 1998; 2009). Baudrillard writes that "the map precedes the territory," (Baudrillard, 1994, p. 1), meaning the idea of a luxury good is consumed as an image before it is physical manifestation. Baudrillard's (Baudrillard, [1970] 1998) framework allows us to trace how sign value operates through the logic of simulacra and precession (Baudrillard, 1994, pp. 1-2), revealing the mechanisms that constitute hyperreality. In this way, we link the semiotics of luxury to the technical infrastructure sustaining it. "Present-day simulators attempt to make the real, all of the real, coincide with their models of simulation," (Baudrillard, 1994, p. 2); a process that transforms the Birkin or $10,000 trip into pure simulacra; objects whose real substrate has been subsumed by marketing. For example, investing in a US$10,000 luxury trip is not about paying for the trip, but paying for the feeling of exclusivity. The same applies to brands where the power of the logo is in such that they themselves become signs of status.

Baudrillard hinted at the absurdities of luxury within hyperreality, where luxury operates in a system of simulation. He argued that the concept of luxury is a simulation where goods repressing real and counterfeit luxury co-exist within the same economic system (Baudrillard, 1994). Through this framework, both the real and the 'fake' version signal status, blurring the distinction between what is real and what is not. Baudrillard's (1994) hyperreal conditions rest on five pillars: media saturation, exchange-value fetishism, multinational capitalism, urbanisation as spectacle, and ideology crafting, all five are on display in today's luxury marketing. In the hyperreal consumer culture, luxury itself is sometimes consumed more than the actual objects (Rezig & Oulddjaballah, 2024). A prime example of this is how social media influencers work; they borrow or even rent luxury goods simply to produce content, effectively consuming the sign-value (a picture showing association with luxury goods) without owning these items (Firmansyah et al., 2024; Puteri, 2023). From a Baudrillard perspective, we might understand this as an instance were sign of over substance, turning the display of luxury into the commodity itself. Behind the scenes, influencer-management platforms and CRM-algorithms function as "semiotic apparatuses" (Lazzarato, 2014) or indexing machines (Latour, 1991), black-boxed tools inscribing identities onto goods while concealing who controls the narratives (Pasquale, 2016).

Other cultural theorist have commented on luxury in a postmodern society, including Mike Featherstone and Zygmunt Bauman. Fetherstone (2007) critiques the post-modern consumer culture, blur the divide between high fashion and street style, effectively removing the boundaries between high and low culture. He argues that luxury fashion brands frequently appropriate styles that have historically been connected with under-

ground or marginal communities, like punk and hip-hop. These are then repackaged as 'exclusive' before being recycled back to the consumer culture. In this we observe the power of branding, as they can reframe the historic meanings behind the clothing, and effectively transforming streetwear into luxury goods (Fetherstone, 2007). In contrast, Bauman, in *Consuming Life* (2007), presents a broader critique of consumer society. He argues that society has become a place where identity is constructed on the basis of consumer choices that go beyond needs to encompass wants and desires. In this, the individuals do not define their worth through their social roles, but by their ability to consume luxuries. Bauman suggests that trying to obtain luxury is not exclusively about acquiring high status objects but reflects a cultural shift where self-creation has become a project achieved through continuous consumption. Unlike Featherstone, Bauman critiques the underlying instability of consumer driven identity where the consumer thrives on dissatisfaction, which ensures that luxury has to be constantly reinvented to keep its allure (Bauman, 2007). Thus, Bauman extends Veblen's conspicuous consumption by showing the dissatisfaction fuelling the unmet need for further status reaffirmation, with this kind of luxury seen as fleeting, rather than stable (Bauman, 2007).

2.2 Risk, Simulation & Political Economy

In this section, I set out develop a lens on risk, simulation, and political economy, explaining how volatility operates in speculative real estate market. I begin with Klein's concept of disaster capitalism, focusing on how crises can reorganise property relation and opportunities for capital following disasters. The discussion then focuses on the dynamics within the broader debates on accumulation, financialization, and speculative urbanism to show how environmental shocks accelerate the processes of asset acquisition and redevelopment. These perspectives frame hurricane as events that restructures the property markets.

2.2.1 Catastrophe Capitalism & Hurricane Risk

The intersection of environmental disaster and economic opportunity is a critical component of paradoxical luxury in Sint Maarten. Naomi Klein's seminal work *The Shock Doctrine: The Rise of Disaster Capitalism* (2007) provides a theoretical foundation for understanding how economic and political elites systematically exploit moments of collective crisis to advance policies that would be untenable under normal circumstances. Klein argues that disasters create states of social and economic disorientation that enable rapid implementation of neoliberal reforms, privatisation schemes, and capital accumulation strategies that primarily benefit wealthy interests while displacing vulnerable populations (Klein, 2007, pp. 6-8, 21-23). This thesis applies Klein's theory to a different empirical context by examining how disaster capitalism manifests in the luxury real estate market of hurricane-prone Caribbean islands like Sint Maarten. In these settings, the disaster capitalism logic operates through "orchestrated raids on the public sphere in the wake of catastrophic events" (Klein, 2007, p. 6).

Klein's (2007) framework does not fully explain the institutional mechanisms through which crises are converted into opportunities for value extraction. Her analysis suggests that elite collaboration and neoliberal restructuring constitute necessary preconditions for such processes, thereby foreclosing analysis of cases where speculative value extraction operates through routinised marketed logics rather than political shock. Moreover, much of the literature created following Klein's (2007) the Shock Doctrine, such as Adams (2013) on post-Katrina New Orleans, and Schuller (2016) on post-earthquake Haiti, draw almost exclusively on fragmented, postcolonial, or Anglo-American governance contexts. This begs the question of what occurs when environmental volatility affects regions characterised by strong state capacity and solidaristic welfare institutions. Does disaster capitalism still take shape, or do alternative logics of crisis governance emerge? These questions motivate the comparative design of article IV, on which this chapter draws (see Björnsson, 2026). That study compares Sint Maarten with Grindavík, Iceland, in order to isolate governance as the decisive variable. The theoretical foundations underpinning that comparison are further developed in the section that follows.

Marx's discussion of primitive accumulation in *Capital* (1867) traces how violent processes such as the enclosure of English commons forcibly separated producers from their land, creating a propertyless class required for capitalist production (Marx, 1867, pp. 505-7). Building on this one-time historical rupture, Klein's notion of disaster capitalism shows how elites deploy recurring disasters to impose privatisation and neoliberal reforms (Klein, 2007). In this sense, disaster capitalism extends Marx's concept by arguing that similar expropriative dynamics now recur with each crisis rather than remaining confined to capitalism's origins. That is the ongoing appropriation of public assets, common resources, and community wealth through legal, economic, and political mechanisms. Harvey's analysis of spatial-temporal fixes shows how capitalism requires repeated displacement to open new markets and commodifying previously non-commodified spaces (Harvey, 2004, pp. 115-119). Applied to hurricane impacted regions, this process is accelerated and intensified as storms literally clear the slate for new rounds of development while permitting the introduction of the legal and financial mechanisms that facilitate rapid property transfer.

Klein's (2007) analysis can be used to reveal how disaster capitalism operates through interconnected mechanisms observable in Sint Maarten's post-hurricane development patterns. First, disasters create "windows of opportunity," where normal democratic processes are suspended in favour of emergency measures prioritising rapid economic recovery over community consultation or social equity (Klein, 2007, pp. 6-7, 458-460). Second, international aid and reconstruction funding often comes with structural adjustment conditions that require recipient jurisdictions to implement neoliberal reforms, including privatisation of public services, deregulation of financial markets, and reduction of social spending (Klein, 2007, pp. 9-14, 164-170). Third, the urgent need for reconstruction capital attracts speculative investors who reshape local land markets,

"triggering a process of displacement and gentrification that would normally unfold over years in a matter of days or weeks" (Klein, 2007, p. 401).

The temporal dynamics of hurricane cycles in the Caribbean create acute conditions particularly favourable to disaster capitalist accumulation. Historical analysis shows that hurricanes strike Sint Maarten approximately every 2.5 years with Category 4 or higher occurring roughly every 15 years (Hurricane City, 2023; World Data, 2023). This regularity creates what Pelling terms "disaster cycles," where communities move from warning and impact through emergency response, reconstruction, and back into preparedness only to face renewed vulnerability (Pelling, 2003, p. 13). He shows that through the regime of fiscal austerity and decentralisation, these cycles often become embedded in urban institutions: short-term engineering fixes and emergency spending are favoured over sustained vulnerability reduction, reinforcing pre-existing exposure and social inequality (Pelling, 2003, pp. 71- 75, 81).

Recent scholarship on climate change and capitalism has further extended Klein's analysis to examine how environmental volatility becomes integrated into speculative financial strategies. Christopher's (2018) shows how climate risk is increasingly priced into financial instruments, creating asset classes based on environmental uncertainty (p. 64-66). This 'climatization of finance' enables investors to profit from environmental volatility through insurance products, derivatives, and speculative real estate investment that treat disaster risk as a source of competitive advantage instead of a constraint (Christophers, 2018). In the context of luxury real estate markets, this dynamic enables the transformation of environmental vulnerability into exclusivity, as documented in the case of Sint Maarten's post-Irma property speculation cycles (see Article I: Paradoxical Luxury).

These dynamics were first documented in Sint Maarten using the concept of Paradoxical luxury (Björnsson et al., 2024), which showed how properties retain—and in some cases even appreciate - in value despite, and partly because of, their exposure to risk and substandard construction. That study identified both the phenomenon and its market logics, arguing that the cycle of destruction and rebuilding has become a vital component of the market itself. The capacity to absorb losses and rebuild conspicuously has emerged as a novel form of status display, inverting classical luxury markers anchored in heritage and durability (see above on paradoxical luxury). Despite this, paradoxical luxury leaves the institutional and regulatory conditions that enable these dynamics insufficiently theorised. It does not ask why the regulatory vacuum persists, which actors benefit from its maintenance, or how alternative governance regimes might reshape these patterns of value creation and risk.

The political economy of disaster recovery reveals how hurricane impacts intersects with existing patterns of inequality to accelerate processes of spatial and social displacement. Gotham's (2007) analysis of post-Katrina New Orleans demonstrates how disaster recovery programs systematically channelled public reconstruction funding toward af-

fluent neighbourhoods and tourism corridors, marginalising lower-income communities and effectively using public resources to subsidise gentrification and development. Similar dynamics are observable in the Caribbean context, where post-hurricane reconstruction often prioritises tourism infrastructure and luxury development over affordable housing or community facilities.

This institutional framework for governing disaster response in the Caribbean reflects colonial legacies that privilege external capital over local resilience. Sheller (2020. P. 11-14; 59) argues that climate governance in the Caribbean is shaped by forms of "financial colonialism," where international funding frameworks often prioritise investor-friendly development models over local resilience and demonstrate control. Citing Haiti's post-earthquake privatisation of airports and telecommunications, she traces how reconstruction funds are tied to the selling of public assets and promotion of export-led development (Sheller, 2020, pp. 77-78). Such donor-defined "resilience" strategies, she argues, rarely reduce risk, but rather entrench vulnerability by deepening dependency on external finance and by displacing local governance through the imposition of technocratic conditions (Sheller, 2020, pp. 24-25).

Recurrent hurricane cycles open the door to "rapid-cycle dispossession," moments in which land and housing can change hands almost immediately after impact. Unlike typical gentrification, which can take decades, hurricane-driven displacement can reorganise property ownership within weeks of a storm. Rhiney (2020, pp. 1-2) shows how, in the wake of Hurricanes Irma and Maria, speculative investors exploited storm forecasts and emergency decrees, arrived with capital, and pushed for changes to communal-land rules in Barbuda and tax-incentivised redevelopment zones in Puerto Rico. By treating hurricane season as an investment round, these actors convert environmental volatility into a comparative advantage for wealthy buyers.

The psycho-social social dimension of disaster capitalism operates via the strategic use of disaster narratives, which normalise elite panic and justify authoritarian responses to crises (Solnit, 2009). These false narratives about human behaviour during disasters, emphasising chaos and social breakdown, create public support for the emergency measures that are central to Klein's (2007) disaster capitalism theory. They enable the suspension of democratic processes and the rapid implementation of policies that benefit wealthy interests while displacing vulnerable populations.

In luxury real estate contexts, disaster capitalism operates through the systematic seizure or rezoning of post-disaster property, acquiring coastal assets at below market price. This process transforms environmental vulnerability from a market constraint into a competitive advantage for actors with sufficient capital reserve to absorb cyclical losses while ensuring long-term appreciation. Thus, hurricanes and other environmental shocks create Klein's (2007) "window of opportunity" (as defined above), enabling rapid capital accumulation through distressed asset acquisition.

These mechanisms do not operate uniformly across governance contexts. As the comparative analysis developed in this thesis (see Article IV) demonstrates, identical environmental shocks can generate markedly different outcomes depending on the institutional frameworks applied. This observation motivates a conceptual move that both draws on and departs from Klein's (2007) framework: the volatility premium. Whereas the disaster capitalism thesis foregrounds crisis as an opening for accelerated privatisation driven by elite agency, the volatility premium isolates the specific institutional devices (the rules governing asset transfer, the credibility of rebuilding pipelines, the design of insurance and compensation instruments, and distributive decision over who bears losses) through which environmental risk is converted into price and opportunity. This conversion process emerges from the interaction of weak regulation, liquid capital, and speculative expectation. It is important to note, however, that it does not follow automatically from disasters: as demonstrated by the Grindavík case (Article IV), strong governance can collectivise volatility.

This systemic exploitation of post disaster vulnerability creates conditions under which environmental catastrophe becomes integrated into luxury marketing narratives. When hurricanes destroy material infrastructure but at the same time generates narratives of rebuilding opportunities, the disaster itself becomes part of the luxury product being sold. This transformation of catastrophe into marketing opportunity equates to Baudrillard's 'hyperreality', in which simulated experiences become more compelling than material reality. Klein's "windows of opportunity" become literal windows: they afford framed views of a reconstructed paradise without revealing the displacement and dispossession that underpin luxury development. The following section examines how this disaster-enabled clearing of physical and social spaces facilitates the construction of hyperreal luxury narratives that transform environmental vulnerability into exclusivity.

2.2.2 Disaster Governance and the Distribution of Risk

Disaster governance refers to the institutional arrangements through which hazards are anticipated, managed, and made governable. It includes the legal, fiscal, and regulatory mechanisms that control responsibility for loss and shape the terms of recovery. One of the foundational claims in disaster studies is that disasters are not 'natural' outcomes of hazards but socially produced events that comes from the interaction between environmental shocks and historical vulnerabilities (Tierney, 2020; Pelling, 2003; Wisner et al., 2014). Here we see that the same hazard can produce different disaster outcomes depending on how exposure, protection, and repair are institutionally organised.

In this thesis, disaster governance is treated as a decisive variable for identifying whether environmental volatility functions as a market constraint or a value-adding condition in real estate markets. The argument is not intended to imply that governance 'explains everything,' but rather that it establishes the institutional environment in which volatility is translated into specific economic and social outcome. In property markets

this translation is significant because land and housing occupy a hybrid position; they are simultaneously necessities, symbols of social status, and increasingly financial assets. Disaster governance then becomes inseparable from the governance of value.

This point is illustrated thorough the comparative design of Article IV, which examines post-Irma Sint Maarten alongside Grindavík, Iceland, after the Reykjanes Peninsula eruptions. These cases were selected because they represent opposite poles of the governance capacity spectrum, while sharing key structural similarities (small economies, tourism exposure, and recent housing disruption). The comparison demonstrates that the volatility premium is not a 'natural' market response to hazard, but a political-economic artefact that only materialises when particular governance mechanisms convert physical risk into legally recognised, exchangeable assets (Björnsson, 2026).

'State capacity,' in this thesis, denotes the state's practical ability to achieve intended outcomes: to implement decisions, enforce rules, coordinate across agencies, and mobilise resources across territory and time (Lindvall & Theorell, 2016). This definition aligns with Michael Mann's distinction between despotic power and infrastructural power. Mann (1984) defines infrastructural power as "the capacity of the state to penetrate society and implement logistically political decisions throughout" (pp. 188-189), understood as the scope of actions available to state elites without routine, institutionalised negotiations with society's actors (p. 188). Evans' (1995, pp. 12-13) further argues that developmental states capacity rests on their ability to maintain coherent, meritocratic bureaucracy while acting through institutionalised ties with economic actors. In the context of disasters, governance capacity manifests through concrete practices such as enforcement of building codes, credible zoning decisions, the coordination of recovery agencies, and the financial capacity to compensate losses and pre-commit to recovery instruments (Jessop, 2015; Tierney, 2020). These capacities vary greatly across states, and they are especially strained in a small island context where administrative scale, fiscal constraints, and dependence on external capital limit governmental reach (Bishop, 2012; Sheller, 2020).

Disaster governance can also be viewed as a distributive project. Research on vulnerability emphasises that disasters reveal and intensify pre-existing inequalities by concentrating harm where housing, infrastructure, and social protection are the weakest (Klinenberg, 2015; Wisner et al., 2014). Klinenberg (2015) also shows that disaster impact is shaped by the everyday pattern of governance, including uneven social infrastructure, and failure of agencies' co-ordinating (pp. 79-86, 140-147). Comerio (2014) shows that disaster recovery shapes housing systems, often producing uneven rebuilding and displacement across income groups (p. 61). It can also amplify or reduce speculative pressures through the ways reconstruction, regulation, and capital flow are organised (Tierney, 2020). A key distinction here is between risk socialisation and risk privatisation. Risk socialisation treats disaster loss as a collectively managed burden, absorbed through public compensation, pooled insurance, universal entitlements, or

state-backed recovery instruments (Ewald, 1991; Hacker, 2004). Risk privatisation, by contrast, shifts responsibility for social protection away from collective insurance onto individuals and communities (Hacker, 2004, pp. 243-244). Such shifts reflect political struggles over the allocation of social risk. Throughout what Hacker (2004, p. 246) terms "drift," the instrumental framework can become increasingly misaligned when compensatory reforms are blocked, damaging the scope of collective protection without formal policy retrenchment. Social insurance history shows how governance can collectively transform uncertain loss into pooled obligation (Ewald, 1991, p. 207), while welfare-state theory clarifies how decommodifying protections reshape the distribution of insecurity (Esping-Andersen, 1990, pp. 21-23).

Financialization research shows that housing have become key vehicles for wealth storage and portfolio strategy (Aalbers, 2016, p. i). The processes of assetisation shows how objects are transformed into income-generating assets through the projection and discounting of future returns (Birch & Muniesa, 2020, Chapter I). Harvey's (2003) concept of accumulation by dispossession highlights how crises enable the acquisition of undervalued assets and the renewed enclosure of public goods (2003, pp. 150, 158). Smith's (1979, pp. 545-546) rent-gap thesis explains how capital depreciation and disinvestments widens the gap between capitalised and potential ground rent, creating conditions for profitable reinvestment/redevelopment. Speculative urbanism provides an account of how states produce investable futures through planning decisions and regulatory exceptions (Goldman, 2011; Shatkin, 2015). Disaster governance constitutes the institutional environment that enables or constrains these dynamics.

In high-risk property markets, these dynamics can create what this thesis defines as a volatility premium (see Article IV): the differential value produced by proximity to environmental risk, whereby volatility itself becomes the basis for capital gain, symbolic distinction, or public compensation. Unlike traditional risk premiums, which reward investors for tolerating uncertainty, the volatility premium manifests when risk is actively instrumentalised, aestheticised, securitised, or absorbed to generate value (Björnsson, 2026). It differs from disaster capitalism by focusing on routine institutional devices over shock politics. This conversion emerges through the weak regulation, liquid capital, and speculative expectation, it does not arise automatically from disasters. As the Grindavík case demonstrates, strong governance can collectivise volatility by preventing privatisation.

Environmental volatility does not translate into property value. It becomes valuable when governance enable the acquisition, holding, and transfer assets under risk; to rebuild in ways that sustain credible returns; and to allocate losses away from those positioned to extract profit. When governance capacity is limited and recovery is market-led, risk becomes more readily privatised, and volatility can be converted into opportunity for actors with capital reserves. When governance capacity is high and welfare logics are strong, risk can be socialised through compensation, regulation, and instruments that

restrict the circulation of at-risk properties. These responses represent different distributive regimes that determines whether volatility is monetised as premium or managed as collective burden.

2.2.3 Luxury in Real Estate as Status and Speculative Asset

Luxury real estate is a growing section of the property market. The term *luxury real estate* encompasses high-end properties, exclusive enclaves, and 'trophy' properties, but what they all share is typically a higher price tag than other properties in their respective areas. The luxury real estate market is a central asset class for ultra-high-net-worth individuals (UHNWIs). Anthropologist often analyse luxury properties as cultural artifacts and status symbols (Veblen, 1899), while sociologists connect them to class and inequality (Bourdieu, 1984), and real estate economists examine their investment dynamics. These different perspectives on the real estate market suggests that luxury properties are far more than simply 'homes;' they are sites where social status, power, and capital is negotiated and displayed. Unlike the conventional real estate market, luxury properties are influenced by global economic flows, tax regulations and the preferences of the UHNWIs (Hay & Beaverstock, 2016).

Many of the so-called 'luxury' real estate developments in regions like the Caribbean fail to follow the strategic logic of true luxury as defined by Kapferer and Bastien (2009). According to their framework, luxury brands must avoid comparative marketing, celebrity endorsement and over exposure, (pp. 61-75). They must rely on carefully crafted narratives that facilitates the mystique of limited accessibility and rootedness in the culture. Authentic luxury should remain anchored in place, drawing on symbolic capital from geographic and cultural origins. In contrast, high-end developers in places like Sint Maarten use globalised marketing narratives like "island paradise" imagery, and rely on outsourced labour and non-local materials, which undermines the cultural rootedness and brand authenticity. These practices challenge the classification of such developments as 'luxury' under Kapferer's criteria, instead suggesting a commodified space that has diluted the meaning of the term.

Cities like Monaco, London, New York, and Dubai are well-known investment locations, offering financial security, exclusivity, and the status associated with luxury real estate. Veblen's (1899) concept of conspicuous consumption offers a lens to understand how wealthy elites use extravagant goods to display their wealth and status. In this sense, a multi-million-dollar penthouse or villa in remote islands like Sint Maarten is for more than providing shelter, it is a way to showcase the elites economic power and social rank on an international scale. These types of properties, which are valued for their exclusivity and location, accumulate symbolic capital (Bourdieu, 1986). Property development is a vital for the global economy, these properties (or luxuries) offer tangible

results for highly driven individuals seeking to upgrade their lifestyle (Hay & Beaverstock, 2016).

Monaco is considered one of the primary luxury real estate hubs, driven by its zero-income tax policy, geographic exclusivity, and high-density of UHNWIs (Altoo, 2023). The principality houses some of the most expensive properties in the world, with property prices surpassing €50,000 Euros per square meter, with some units exceeding beyond €100,000 Euros per square meter, making it a preferred investment location for the UHNWIs (Knight Frank, 2025; Sellers & Luke, 2022). In some instances, in countries that have high valued but limited access to land, government initiate projects for artificial land reclamation to help meet the property demand (Tribune, 2020; Webster, 2024). Land expansions primarily cater to elite investors, while the local middle class faces increased displacement or reduced access (Shkuda, 2013; Swaminathan, 2014).

Luxury real estate has increasingly been used as a safe-haven assets, attracting global capital (Bivort, 2023). This phenomenon is termed *alpha territorialization* and refers to the wealthy elites who control urban spaces for the purposes of storing wealth rather than living in them (Forrest, et al., 2017). This phenomenon can lead to the so-called 'dead zones,' as these properties or land are left without care or residents (Atkinson, 2021; Forrest, Koh, & Wissink, 2017). Territorialization has been observed in cities around the world including Shanghai and Vancouver (Forrest, Koh, & Wissink, 2017, p. 10). For the UHNWI's the world becomes increasingly smaller. The UHNWIs are not looking for a second or third home; they are looking for ways to optimise their portfolios (Birtchnell & Caletrío, 2014, p. 100). This pattern of wealth-driven urban transformation is underpinned by a range of personal and economic factors. Variables like marital status, professional networks, and access influence how and where the super wealthy engage in property ownership (Forrest et al., 2014, p. 43). As the UHNWIs increasingly treat properties as financial instruments, the gap between rich and the poor widens. Hay (2013) argues that the rising number of ultra-rich individuals on a global scale has intensified economic disparities, causing a greater divide between the rich and the poor (Hay, Geographies Of The Super-Rich, 2013). As UHNWIs increasingly acquire more properties, the role of these assets begins to extend beyond capital preservation. In many cases, they serve as instruments of strategic mobility, which enables the UHNWIs to shift between jurisdictions to optimise their tax obligations providing them with financial advantages. By maintaining multiple unoccupied properties in different regions, the elites can reposition themselves based on changing fiscal policies to ensure their assets are protected with minimum impact from taxation (Hay, 2013, p. 98).

Tax havens play a critical role in shaping the luxury real estate market, as UHNWIs often use shell companies, offshore accounts, and trusts to minimise taxation and enhance privacy (OECD, 2023; Tax Justice Network, 2021). In this thesis, the term *tax havens*

aligns with Shaxon's (2011, p. 8) definition: jurisdictions designed to attract businesses by providing politically stable infrastructure that enables individuals or entities to circumvent regulatory frameworks in other regions. Tax havens operate by maintaining secrecy, often refusing to share jurisdictional information. One defining characteristic is their low tax rates, which can apply to both lawful and illicit funds. Offshore services in these regions are typically designed for non-residents, allowing them to benefit from tax exemptions while the local residents are typically subject to taxation. A critical aspect of tax havens is that their political landscape is frequently influenced, if not controlled, by financial sector interests or in some instances, criminal entities (Shaxson, 2011). These practices typically take place *offshore*, which refers to places that exists in another country or region. Offshoring involves circulating assets and financial resources across national borders through structures that bypass oversights and regulatory constraints, frequently using hidden routes in order to remain undisclosed (Birtchnell & Caletrío, 2014). In essence, offshoring is a practice designed to avoid taxes, laws, and regulations.

Tax havens, such as the Cayman Islands and Monaco are commonly recognised as offshore financial centres with specialised tax regimes (OECD, 2021). Several Caribbean Islands, including Sint Maarten, offer appealing tax structures designed to attract foreign investment. Real estate investment attracts foreign capital and contributes to economic activity by creating jobs and stimulating local markets. However, in places like Dubai, Miami, and Monaco, where the market is really growing, it can reshape the local housing market and accessibility to it (Knight Frank, 2023). Seasonal residents may enjoy the luxury properties, but the community may experience increases in the cost of living (Martínez et al., 2023).

2.2.3.1 Speculation As a Value-Seeking Practice in Disaster Asset Markets

In this sub-section, I seek to clarify the concept of *speculation,* as used in this thesis (Article IV). In economics and finance, the term is often distinguished from long-term investment, connecting with anticipation of market psychology, valuation shifts, and capital appreciation (see for example: Keynes, [1936] 2018; Kindelberger, 2005; Shiller, 2015). Although that usage remains important, *speculation* in this thesis is used in a broader qualitative and political-economy sense to refer to different forms of acquisition, holding, redevelopment, and resale, focused on future appreciation under times of uncertainty (e.g., climate events such as hurricanes, tsunami, or volcanic eruptions). I make this distinction because it is vital in the context of Sint Maarten, where speculation is identified through ethnographic and documentary indicators such as distressed acquisitions after disaster events (e.g., Hurricane Irma, Hurricane Luis), property holding in low fiscal environments (see sections 1.3.5 and 1.3.6 above), cash-based purchases, and redevelopment shaped by expectation of future gain in an environment that frames

volatility as opening windows of opportunity (see Article IV). Thus, the use of the term, speculation, describes a market logic and orientation to value.

This understanding of the term draws on work in speculative urbanism, financialization, and accumulation by dispossession. Concepts that show how disinvestment, destruction, and crisis can increase the gap between potential land value, creating conditions for profitable reinvestment (Harvey, 2003; 2004; Goldman, 2011; Shatkin, 2015). Speculation in disaster-prone environments have a temporal character. Shocks can create openings for future profits through disruption, disorientation, material damage, and opportunities for potential future gain (Klein, 2007, pp. 47-50). In Sint Maarten, this temporal logic is visible in the pattern of distressed acquisitions following Hurricane Irma, where damaged properties created entry point for wealthy actors (see for example The Daily Herald, 2018a; 2018b; SMI, 2017). I argue that speculation is not an independent concept operating separately from previously discussed theoretical pillars (luxury, risk, and heritage). Instead, it operates through those same pillars with luxury branding sustaining the narrative of future value (see article II), risk exposure signals the entry window, and heritage or place identity provide the symbolic capital underwriting the post-recovery premiums.

2.3 Heritage, Space & Postcolonial Lens

In this section, I examine heritage by tracing it from its institutionalised forms as monument and preservation to its more contested role as commodity and of site of resistance. Throughout history, heritage has been associated with the protection of material and cultural traces across generations. As such, heritage suggests places and practices have collective value, but these are selectively shaped by the governance through exclusion or preservation. For some, it represents the communities shared identity, but for others it is critiqued as a mechanism used to reproduce colonial hierarchies and concentrating economic power.

The thesis adopts an interdisciplinary theoretical approach to heritage. Drawing on Smith's Authorised Heritage Discourse, Harvey's theory of monopoly rent, and MacCannell and Kirschenblatt-Gimblett's analyses of staged authenticity, I argue that heritage works as a tool in power relations, colonial legacies, and speculative capital. This framework places heritage as inherently paradoxical by emphasising the tension between cultural preservation and commodification. As such, the thesis challenges the dominant narratives that maintain access to heritage is democratic and of the public good.

I argue that heritage is a complex social and political phenomenon that in the context of Sint Maarten is shaped by colonial structures, environmental vulnerability, and competing claims of belonging. I introduce heritage-as-pipeline to describe how in places like Sint Maarten, cultural traces can simultaneously invoke authenticity while eroding the communities that produce them. This thesis engages with perspectives across cultural

studies, political economy, postcolonial theory, and critical heritage studies. The discussion moves from heritage as real estate amenity to heritage as counter-discourse, presenting a layered understanding of the contested landscape that heritage is in the Caribbean context.

2.3.1 Heritage as Real Estate Amenity

Building on Laurajane Smith's identification of an Authorised Heritage Discourse (AHD) that elevates carefully selected monuments above everyday sites, this section traces how that discourse becomes a pricing instrument for investors in hurricane-prone Sint Maarten. Laurajane Smith's (2006) traces the genealogy of the AHD to nineteenth-century conservation idea that large-scale monuments and landscapes as self-evidently worthy of care as construction other kinds of places as peripheral. Because those ideas inform legislation, characters and professional practices, the AHD also decides who is entitled to define heritage in the first place; expert voices are privileged, whereas communities linked to working-class sites have little authority to speak for them (Smith, 2006, p. 29). AHD operates as the discursive filter telling planners, investors and, ultimately, buyers what counts as heritage, explaining why certain material traces (fortified bastions, plantation great houses, Dutch gables) are singled out for preservation while other things (fishing shacks, Afro-Caribbean yard spaces) remain invisible. The results are a systematic blind spot: labour histories, industrial landscapes and other difficult pasts are dismissed as commercially awkward or emotionally comforting (Smith, 2006, p. 12). AHD is not neutral; it suppresses the social and labour histories embedded in the structures it celebrates. Smith (2006, p. 4) critiques this exclusion as a political act that naturalises dominant class and colonial narratives. In post-industrial towns, heritage-led rebranding has been woven into regeneration policy because it promises to make formerly industrial districts more appealing to outsider employers, white-collar incomers, and property investors. While Smith does not frame this as an economic strategy per se, her analysis helps explain how heritage can be deployed to reframe space for urban redevelopment.

MacCannell (1973) describes tourist settings as "staged" spaces carefully arranged to produce the impression that a back region has been entered, even when that is not the case; their appeal lies in the illusion of authentic access. For him, tourist spaces operate along a continuum, where each step closer to apparent authenticity intensifies the desire for, and the risk of exposing, the artifice. The more closely a performance resembles an intimate, unfiltered encounter, the more vulnerable it becomes to the perception of falseness once its construction is revealed (MacCannell, 1973, pp. 589, 593, 597). Kirschenblatt-Gimblett (1998) extends the argument by framing heritage itself as mode of cultural production adding value to otherwise obsolete sites through exhibition and performance. Heritage, she writes, is "a value-added industry" that turns obsolescence, abandonment, or spatial remoteness into marketable difference (Kirschenblatt-Gimblett, 1998, p. 149). Within this economy of display, tour operators and develop-

ers' market restricted or curated precincts to upscale travellers, promising heightened exclusivity, and higher returns (Kirschenblatt-Gimblett, 1998). The exhibition process often omits, edits, or sanitises elements that might trouble the visitor. This selective curation enacts what Trouillot's (1995) theorises as the 'silencing of the past,' which is a process by which certain narratives are systematically excluded at multiple moments of historical production, including the creation of sources, archives, narratives, and retrospective significance (p. 26-27). Kirschenblatt-Gimblett (1998) similarly observes that heritage is produced "through a process that forecloses what is shown," (p. 149) encoding absence into the very structure of display. In colonial contexts like Sint Maarten, this silencing is especially pronounced as heritage performance must navigate around histories of enslavement and exploitation that would disrupt the luxury experience. Even when marketed as immersive or participatory, these performances rarely allow tourists to engage with the genuine social life of the community they claim to represent. As MacCannell (1973, p. 589) argues, the tourist do not truly accesses the back region; they only circulate through elaborately contrived illusion of intimacy. The tighter the choreography, the more conspicuous its artifice become (MacCannell 1973, p. 589). This drive for intimacy is not incidental. From MacCannell's perspective tourists are positioned as a kind of modern pilgrim, propelled by a secular longing for authentic connection in an inauthentic world. What they consume is an emotional promise, structured around the symbolic redemption of the 'real.' Yet, as Kirschenblatt-Gimblett (1998) argues, heritage and tourism operate through the logic of virtuality, constructing experiences that gesture toward authenticity while relying on absence, simulation, and curated impression. This reliance on staged presence renders the promise of authenticity inherently fragile and prone to collapse when the mechanics of performance become visible. Symbolic capital created by the AHD (historic aura, aesthetic prestige) is repackaged as immersive experience for high-net-worth audiences, but the promise of authenticity is always vulnerable to collapse once the mechanics of performance come to light (Smith, 2006).

Harvey (1982) provides the economic logic underlying these cultural performances. He argues that surplus capital seeks a "spatial fix" in places to generate monopoly rent (profits derived from exclusive control over non-reproducible assets). Heritage sites offer especially attractive investment opportunities because they combine Harvey's (1982) spatial uniqueness with what could be referred to as "temporal dimension of fixity": they embody a past that cannot be replicated, effectively manufacturing scarcity in the present. The irreproducible nature of colonial architecture, archaeological remains, or historic waterfront locations allows developers to command higher prices because these assets cannot be replicated elsewhere (Harvey, 1982). In coastal jurisdictions like Sint Maarten, the coupling of heritage with seascape intensifies this exclusivity, creating monopoly rent through the development of spatial and historical uniqueness. The heritage performance described by MacCannell (1973) and Kirschenblatt-Gimblett (1998) effectively serve dual functions: they create experiential value for luxury

consumers while justifying the economic premium required for monopoly rents. The more successfully heritage is staged as authentic and irreplaceable, the more effectively it can be leveraged for capital gain.

Breglia (2009) defines speculative capital as the moment when archaeological debris is enrolled in development finance. In planning practices, adaptive-reuse provisions often award higher plot ratios or density bonuses in exchange for stabilising ruins. The fragment thereby works simultaneously as visual amenity (ready-made marketing image), authenticity signal (tangible evidence of temporal depth), and regulatory lever (a tool for negotiating zoning concessions). Breglia's (2009) insights complements Harvey's monopoly rent, as it can be viewed as encoded through the conservation easement, tax incentives, and planning waivers. Global governance mechanisms intensify the same logic. UNESCO World-Heritage branding and the EU "blue-heritage" grants often funnel public resilience money into marina upgrades or gated resort infrastructure.

Taken together, Smith's AHD, MacCannell's staged authenticity, Harvey's monopoly rent and Breglia's speculative capital outline a single pipeline through which cultural traces become asset classes. In hurricane prone Sint Maarten the pipeline is turbocharged: each storm clears contested land, attracts resilience funding, and licences a fresh round of redevelopment, while erasing the practices that first warranted protection. Heritage can thus be seen to operate as a financial middleware, converting collective memory into private wealth. By foregrounding elite material traces silencing labour or Afro-Caribbean narratives, the AHD clears conceptual space for speculative capital; the result is a market that repurposes the past, leaving its social costs unexamined. These dynamics set the state for the counter-movements analysed below.

2.3.2 Heritage as Counter-Discourse

Building on the previous section's demonstration that the AHD commodifies cultural assets for gain, I now analyse how the same discourse engenders counter movements in which marginalised actors generate alternative narratives and assert cultural ownership. Understanding these encounter-discourses is important for analysing context like Sint Maarten, where environmental vulnerability intersects with colonial legacies to create forms of community-led heritage activism.

Smith (2006) argues that while AHD privileges expert knowledge and monumental sites, subaltern dissonant heritage discourse continuously generate alternative heritage narratives that challenge official framings. These grassroots practices often operate outside formal heritage institutions, creating what she terms "dissonant heritage" (Smith, 2006, p. 35-42) that serve community needs not tourist consumption or state legitimacy. Examples range from oral history projects such as the Waanyi Women's History Project, where recording women's memories in "country" became an act of heritage in itself (Smith, 2007, p. 45-6) to Indigenous land-rights campaigns that mobilise cultural connections to contest development agendas (Smith, 2006, p. 278; 287).

Together they illustrate Smith's argument that alternative heritage making follows its own logics, temporalities and constituencies, privileging living practices and community empowerment over aesthetic preservation or economic value.

Harrison (2013) extends this analysis by proposing "heritage futures," an approach that uses cultural resources to address contemporary challenges over preserving the past. He argues that heritage's most powerful functions lie in providing communities with cultural tools for navigating present uncertainties and future possibilities. This forward-looking orientation challenges AHD's museum-logic by treating heritage as an active resource for social change over a static collection requiring protection. Harrison's (2013) framework helps explain how communities strategically mobilise heritage discourse to advance political goals, secure land rights, or resist unwanted development. Heritage futures represents heritage as a social process, requiring a continuous negotiation between past, present, and anticipated future mediated through community agency.

Waterton and Watson (2015) offer insight into the politics of definition, insisting that the central question to the critical heritage studies is who gets to define and represent heritage. Through the diverse case studies they present, like Cristóbal Gnecco on Indigenous resistance in Guatemala (pp. 264-279) and Cath Neal on British Community Archaeology (pp. 246-365). They show how grassroot actors craft alternative heritage narratives that contests those of state agencies, challenging the notion of professional experience alone guarantees cultural value. They demonstrate how grassroots groups increasingly claim the right to define heritage independently of official institutions, challenging the assumption that expertise validates cultural value. Across the locally driven initiatives, participants formulate their own criteria of significance, management priorities and interpretive framework, central lived relationships and ongoing practices, not fixed monuments. The volume charts a clear move from heritage being done to communities toward heritage being co-created with and by the community, a shift Waterton and Watson place at the heart of the emerging critical heritage agenda.

These counter-discourses take on significance in Caribbean contexts shaped by colonial legacies and ongoing materialisation. Brereton (2007, pp. 169-171, 193) argues that the national history of Trinidad and Tobago is continually contested through competing narratives that challenges earlier accounts of colonial heritage narratives and framing. Trotman (2006, pp. 41, 57-58) demonstration of how symbolic decolonialization is negotiated through public history (commemorative sites, naming practices, landmarks, and statues) turning memorial landscape into hotspots for debates over whose history is honoured, whose suffering is recognised, and what version of the nation is being accepted. In this sense, heritage is a material area in which postcolonial identity, recognition, and belonging are publicly argued and occasionally re-set. Emancipatory heritage projects increasingly draw on diaspora networks and transnational alliance, echoing Sheller's (2020, pp. 27, 140) wider argument that the Caribbean climate justice and

recovery movement depend on knowledge across the Black diaspora. Such cross-border solidarities challenge the nation state frameworks that still shape official heritage policy.

UNESCO's World Heritage Sustainable Tourism Programme, frames World Heritage positions sustainable tourism as a means for safeguarding heritage and while providing sustainable economic development and benefits for the local communities (UNESCO World Heritage Centre, nd). Externally funded heritage initiatives can be bundled with tourism infrastructure and destination marketing, producing uneven distribution of access and benefits. These programmes can be read through Harvey's (2003) concept of accumulation by dispossession, in which state power and international financial institutions (including the IMF through structural adjustments) use public resources to facilitate privatisation, enclosures, and the transfer of assets and value towards entrench monopoly power. Political-economy and decolonial scholarship (Bishop, 2012; Sheller, 2020) have shown how colonial economic structures persist in small island development. Sheller (2020, pp. 9, 106-107) argues that modern Caribbean specialities are grounded in the political economy of the transatlantic plantation economy, whose socio-ecological afterlives shape uneven vulnerability in the present. Bishop (2012, p. 948) shows that small states remain structurally trapped in externally driven export models that privilege outside capital. Bishop (2012) argues that many small island states remain locked into historically constituted patterns of export dependence and "extreme" economic openness, leaving them "price-takers" and "rule-takers" in ways that often channel the gains from tourism and other sectors to outside investors rather than local development. Sheller (2020, p. 8, 30, 141) further maps how these inherited inequalities create forms of climate and mobility injustice. Together, these analyses clarify how heritage policies that appear neutral can reinforce existing power relations by channelling cultural resources toward elite consumption.

However, these same conditions also generate innovative forms of resistance that strategically deploy heritage discourse for decolonial purposes. Communities across the Caribbean increasingly link cultural preservation with environmental protection. Some have begun developing what might be termed "blue heritage" initiatives combining ecosystem restoration with cultural memory projects, although this concept remains emergent and may prove more valuable as a framework for future extensions of this work than the present analysis. By framing environmental protection as heritage preservation more broadly, these movements can access international support while retaining community control over the process and outcome.

Coombe (2013) provides crucial insights into how communities strategically use heritage discourse within neoliberal contexts. She argues that heritage policies often serve elite interests, the same frameworks also create legal and discursive opportunities for community mobilisation. Indigenous and traditional communities increasingly invoke cultural property rights, traditional knowledge protocols, and heritage protection laws to

challenge unwanted development, secure resource access, and assert political autonomy. This is what Coombe (2013) sees as the production of new collective subjectivities whose cultural claims become vehicles for material and political rights. Such strategies require communities to translate their own cultural logics into the language of heritage policy, but they also create opportunities to transform heritage frameworks within.

2.4 Summary

In this chapter, I discussed the theoretical foundation of the thesis. It outlined the theoretical choices and provided an overview of the main framework used to analyse Sint Maarten's paradoxical property market. Luxury as an evolving and contested concept is examined by first tracing it from the classical moral critiques to the more recent accounts of conspicuous consumption and symbolic distinction. All of this leads us to the introduction of paradoxical luxury as a framework for understanding how exclusivity is sustained under the environmental vulnerability and regulatory ambiguity in Sint Maarten. The connections to disaster capitalism, hyperreality, and speculative real estate are explored, showing how hurricane cycles create windows of opportunity for capital accumulation, and how Baudrillard's simulation clarifies the marketing of luxury in these environments. The final section examines heritage to reveal how cultural traces are commodified as real estate amenities while simultaneously creating counter-discourse, enabling cultural ownership from within the marginalised communities resisting dispossession. In the next chapter, I set out the methodological framework through which this thesis are grounded in, detailing its design, methods of data collection, analysis, and methods, underpinning the article.

3 Methodology

The research was conducted in the Caribbean Island of Sint Maarten (Dutch Part of St. Martin), focusing on the social, institutional, and representational practices through which the island's luxury real estate market is produced and sustained. The thesis was developed in overlapping phases between 2023 and 2026. The initial phase conducted in August to December 2023 involved the collection of ethnographic materials in Sint Maarten. Analysis was conducted in parallel with ongoing data collection. In the initial phase, I collected core ethnographic materials (interviews, participant-observation, fieldnotes, and a first round of marketing documents) to examine how 'luxury' is defined and used in a region where the built environment is frequently exposed to hurricanes. The second phase (2024-2026) analysed the marketing strategies employed in Sint Maarten's luxury real estate sector, examining how hyperreal narratives create an 'idyllic' and exclusive destination despite infrastructural deficiencies and environmental risks. This phase involved analysing marketing material alongside interview data to understand how these narratives organise, shape, and circulate the lived conditions of the luxury market. The third phase examined how cultural heritage is mobilised, contested, and selectively rendered visible within the luxury development. It explores how preservation decisions are negotiated within institutional and commercial power structures that enable selective commodification, selective visibility, and reframing and fragmentation of heritage sites, aligning cultural narratives with the economic interests of the elites. This phase examines the implications of these heritage framings for public memory, access, and belonging. The fourth phase draws on comparative insights from the Icelandic town of Grindavík to examine how different governance regimes shape the valuation, management, and politicisation of environmental volatility. This chapter provides an overview of the research methodology, aims, and data collection methods, concluding with reflections on ethical issues arising and research strengths and weaknesses.

3.1 Research Design and Methodological Framework

I adopted a qualitative, multi-method ethnographic case study design to examine how luxury real estate value is produced and sustained in Sint Maarten under the conditions of hurricane exposure, regulatory ambiguity, and postcolonial governance. This approach is well-suited for investigating complex, context-dependent phenomena in real-world settings and enables insight into how different actors experience and interpret their lived experiences (Creswell & Poth, 2018; Yin, 2018). This study provides a com-

prehensive account of how Sint Maarten's luxury real estate market is perceived, constructed, and shaped by environmental vulnerabilities, while also incorporating a comparative contrast case to sharpen the analytical argument. The study integrates ethnographic fieldwork with qualitative document and discourse analysis to generate an in-depth understanding of marketing dynamics and stakeholder experiences (Creswell & Poth, 2018). This approach enables a broad yet grounded examination of the different factors shaping Sint Maarten's real estate sectors which are amenable to ethnographic inquiry, and which are often overlooked by traditional quantitative approaches to the sector. The research design is reflected in the four papers which present the findings of the overall research. Qualitative methods facilitated in-depth exploration of the emergent themes in the field.

Aligned with the research objectives, a qualitative research design facilitates a nuanced analysis of the complexities of Sint Maarten's luxury real estate market from multiple perspectives. Data collection relied on established qualitative methods (Creswell & Poth, 2018; Merriam & Tisdell, 2016; Neuman, 2014) including in-depth semi-structured interviews, participant observation and qualitative document and discourse analysis. This strategy enabled the capture of different perspectives across stakeholder groups. Consistent with the case study framework, the research design remained responsive to emerging insights and themes, allowing the study to dynamically respond to new findings as they emerged (Yin, 2018; Flick, 2022).

3.2 Data Collection

Ethnographic methods remain the cornerstone of anthropological research, providing researchers with the necessary tools to examine complex social and cultural dynamics. As a methodological approach, ethnography requires flexibility. Hammersley (2006) highlights the difficulty of defining the boundaries of what constitutes the object of study, noting that the researcher should be ready to adapt to the unfolding realities of the field to adequately capture its complexities. Neuman (2014) likewise emphasises that applying ethnographic principles requires ongoing decision-making in response to the shifting dynamics of the field.

To guide data collection a semi-structured interview guide was developed and tailored to the participants' backgrounds and their varied relationships with the focus of the project. The interview guide focused on the following core themes: (a) participants' experience and perception of Sint Maarten's luxury real estate market, (b) the impact of environmental vulnerabilities on the local property market, (c) the integration of sustainability and heritage in real estate projects, and (d) the government's role in shaping the economic and cultural landscape of the market. These themes were designed to allow participants to express themselves freely during the interviews while maintaining focus on the key areas of interest.

By immersing myself in the field I was able to observe and engage with participants in their everyday environment (Neuman, 2014), thereby developing a deeper understanding of the context in which segments of the luxury real estate sector on the island operate. This immersion enabled insights that extended beyond the immediate context, producing richer data than might otherwise have emerged. Such an approach requires the ethnographer to remain continuously reflective, evaluating how their presence and actions might influence both the research setting and the data produced (Ingold, 2014; Hammersley, 2006). Ingold (2014) argues that ethnographic engagement necessitates a commitment to participant observation as an ongoing, attentive practice and one that extends beyond data collection; it requires forming connections with research participants while allowing the study to evolve naturally based on findings from the field. Central to this process is the ethnographer's sustained engagement with the participants' lived experiences, rather than any preconceived assumptions (p. 387-389). Building trust and rapport enables access to more nuanced interpretations and perspectives (DeWalt & DeWalt, 2011). By embracing this reflective practice, I sought to maintain the integrity of the ethnographic process, allowing the study to evolve naturally in response to the realities of the field.

Ethnographic research also requires continuous reflexivity to ensure the validity and integrity of the research process (Herbert, 2000). Herbert emphasised the importance of examining how the researcher's potential biases shape interactions in the field. During my research, I remained attentive to my positionality as an Icelandic researcher entering Sint Maarten to observe the luxury real estate market. I recognised that my cultural background and experiences might influence my perception of the field. Iceland has its own real estate dynamics and environmental considerations, and I recognised that my understanding of the luxury real estate market might be different from the reality in Sint Maarten. I therefore used this awareness to critically reflect on my preexisting ideas about luxury markets, sustainability, and heritage. Acknowledging that my background and potential biases had the potential to influence my interactions and data interpretation, I considered how my presence impacted the dynamics of the field. To mitigate these risks, I triangulated interview accounts with documentary and secondary sources and maintained reflexive fieldnotes to track how my positionality shaped access, and interpretations. This reflexive stance remained an important aspect of navigating the dual roles of participant and observer, enabling deeper engagement while evaluating how this involvement might shape the research process.

The ethnographic process began prior to arriving in Sint Maarten by identifying key 'gatekeepers' who helped facilitate access to developers, real estate agents, parliament personnel, policy makers, and other relevant stakeholders. Establishing trust with such gatekeepers is a vital part of the ethnographic journey in order to gain the access needed to conduct the fieldwork. Neuman (2014) notes that the gatekeepers can significantly shape the direction of the research, from helping to gain access to controlling the areas in which the researcher may interact and observe. As the relationships with

gatekeepers develop, they frequently extend beyond their initial transactional nature, forming connections grounded in mutual trust and understanding that allow more nuanced navigation of the field.

Wolcott (1999) describes ethnography as comprising three interrelated activities: experiencing, enquiring, and examining. It is an interactive process that begins with a loosely formulated field question, which unfolds through cycles of observation, reflection, and adjustment. Wolcott argued that this is not a linear process but can rather be understood as a cycle of data collection and analysis. This flexibility is vital for capturing the complexity of the field in a more holistic manner. Reflecting on this approach, there were instances where I consciously chose not to use my notebook during interactions. In this way, I prioritised the 'experiencing' aspect of Wolcott's framework, as I felt that the notebook drew too much attention, and even interrupted the flow of communication with the participants. By choosing to experience the settings more fully without the barriers the notebook created, I was able to engage more fully with what was said and what was going on in my surroundings. The challenge, however, was the heavy reliance this placed on my memory or, as Wolcott calls it 'examining'. This requires the ethnographer to assess and interpret the experiences more critically. Remembering every detail can be hard, aware of this I discreetly used my phone with headphones [when I had a moment to myself] to record audio notes of my observations privately. These were transcribed later when I was alone, facilitating a more detailed 'examining' of the data during the analysis process. The 'enquiring' aspect of Wolcott's process was reflected in seeking feedback and permission before capturing photographs at different construction sites. By asking in advance whether or not photography was acceptable, I ensured that my actions were well received. Neuman (2014) underscores the importance of discretion in ethnographic fieldwork. The combination of taking audio notes and photographs helped me adapt effectively to the field conditions, while maintaining the flow and flexibility required of ethnographic methods. Although I had initially worried that I might make myself conspicuous, it soon became clear that others were frequently using their phones in such a manner, thus allowing me to blend in more easily.

Throughout the study I carefully negotiated the balance between participation and observation. Ethnographic fieldwork involves shifting stance across settings and relationships, and these shifts require careful calibration between involvement and analytical detachment (Hammersley & Atkinson, 2019). In this study, while full participation in all aspects of the luxury market was not possible the participant observation role proved effective. This role ensured that I was able to engage with participants closely enough to gather vital insights while keeping the necessary distance to do so objectively. Maintaining this balance helped minimise reactivity and supported attention to how interactions and interpretations were shaped by the research settings and my presence (Hammersley & Atkinson, 2019).

3.3 Participant Selection

In order to gain a holistic understanding of how Sint Maarten's luxury real estate market functions, I conducted interviews with a wide range of relevant stakeholders, totalling 31 participants. Purposeful sampling (Creswell & Miller, 2000) was employed to strategically select individuals whose backgrounds positioned them to offer substantive insights into the workings of the sector. The participants represented a diverse cross-section of the community, including members of parliament, ministers, real estate developers, property agents, lawyers, government officials, policy makers, academics, community activists, and residents.

Participants were initially identified through LinkedIn and subsequently through referrals from established local contacts and gate keepers in Sint Maarten's professional community. Their experience varied significantly, with some relatively new to the sector and others with over a decade of first-hand experience and insights. Geographically, most participants lived and worked in Sint Maarten, while a small number were based elsewhere but maintained professional connections to the island through governmental connections. The wide range of participants contributed to a more comprehensive exploration of the complexities of the luxury real estate development market in Sint Maarten. Given Sint Maarten's small and interconnected population, I kept participant profiling focused on role categories to reduce deductive disclosure risk.

3.4 Semi-Structured Interviews

Semi-structured interviews are a foundational qualitative data collection method, involving direct, one-to-one engagement with participants in order to understand their lived experiences and interpretations of particular phenomena (Taylor et al., 2015). For this research, 31 semi-structured interviews were conducted with key stakeholders in Sint Maarten's luxury real estate sector, including property developers, real estate agents, government officials, policy makers, architects, and local residents. The objective was to explore participants' experiences and perceptions of the island's luxury property market in the context of its environmental vulnerabilities.

The interview guide was developed on key themes identified in the literature on luxury real estate and based as well on the participants' backgrounds. This ensured that the interviews remained flexible, allowing participants to share their perspectives freely. The questions were designed to be open-ended, providing the participants with the opportunity to discuss their interpretations of the luxury real estate market to avoid constraining the responses (Creswell, 2024; Neuman, 2014). This format promoted a natural conversational flow and enabled the emergence of insights that might not have surfaced through more structured interviewing.

The interviews were conducted in a variety of settings, including coffee shops, government buildings, construction sites, and public spaces, each dependent on the partici-

pant's preference. Each interview lasted approximately one hour, providing the time needed for an in-depth exploration of the given topic. The diversity of interviewees, reflecting diverse perspectives and differing connections with the island's luxury real estate market, facilitated a deeper understanding of how each stakeholder navigates or perceives the luxury real estate market.

All the interviews were recorded with the participants' consent and transcribed the same day for analysis. Interview transcripts were then coded using Atlas.ti and analysed to identify recurring themes and patterns as well as divergences. This allowed for the triangulation of the data from observation, interviews, and document analysis, enabling interpretations to be checked against external sources for inconsistencies (Bowen, 2009; Neuman, 2014).

3.5 Participant Observations

Participant observation is a central technique in ethnographic research. In this study the method was applied to gain first-hand insights into Sint Maarten's luxury real estate market. As a method, participant observation enables the researcher to be immersed in the everyday lives of the participants, allowing for the observation of interactions, behaviours, and social dynamics as they unfold in real time and within their natural settings (Adler & Adler, 1998; Neuman, 2014). Participant observation allows the researcher to capture the subtle behaviours, nuances and hierarchies that interviews alone may not reveal (Neuman, 2014). During my research, I attended local cultural events and visited different building sites and areas identified as part of the luxury market targeted primarily at high-net-worth individuals. The objective was to observe how these properties were built, who was involved in their construction, and how the physical realities aligned with, or differed from, marketing narratives. Throughout these observations, I attempted to blend into the setting as seamlessly as possible to avoid disturbing everyday interactions.

Each observation session lasted between two and four hours and was carefully documented in detailed field notes. These notes captured the interactions between developers, builders and the people involved in the building process, with particular attention paid to the dynamics involved in the creation of luxury properties. Participant observation also enabled me to identify patterns in how ultra-wealthy property owners engaged with the island, and to discern discrepancies between promotional depictions of luxury properties, marketing narratives and on-the-ground realities shaping these developments. These observations were then analysed alongside the interview data to triangulate findings and deepen the interpretive analysis that might otherwise have been missed (Adler & Adler, 1998; Neuman, 2014).

3.6 Document and Discursive Data Sources

In qualitative case study research, documents are a valuable source of contextual data, offering supplementary insights that can confirm, question, or elaborate on information obtained through interviews and observations (Stake, 1995). Documents provide essential background knowledge and add depth to the analysis by supplying information that might not be directly observable during fieldwork (Bowen, 2009). In this thesis, the collected documents include legal regulations, policy reports, marketing materials, industry publications, government records, luxury real estate data, and news articles. These materials provided much-needed critical context for understanding the historical and contemporary dynamics shaping Sint Maarten's luxury real estate market. The documents complemented data from in-depth interviews and participant observations. They were used to map regulatory and institutional conditions, trace policy discourse over time, and analyse how development and public actors framed risk, heritage, and investment value. Document analysis can help cross-validate emerging themes and deepen our understanding of how socio-economic and environmental factors intersect with and shape participants' accounts, institutional framing, and the wider contextual conditions (Creswell & Poth, 2018; Neuman, 2014).

3.7 Data Analysis

Data analysis was conducted throughout the data collection process, integrating insights from interview transcripts, participant observation fieldnotes, and documentary materials. Neuman (2014) emphasises that analysing data throughout the research process is particularly useful given the ever-changing nature of qualitative research. The analytic process combined inductive and deductive strategies, enabling a comprehensive examination of the complex dynamics shaping Sint Maarten's luxury real estate market. The initial stage of data analysis involved inductive thematic analysis, which allowed themes to emerge directly from the data (Fereday & Muir-Cochrane, 2006). This phase involved repeatedly reading each transcript, taking analytic notes, and conducting line-by-line coding. Fereday & Muir-Cochrane (2006) explain that their thematic analysis framework is ideal for identifying, analysing, and interpreting themes in the data. This stage facilitated a nuanced, data-driven understanding of the luxury real estate market on the island.

Subsequently, open coding was employed to assign labels to segments of the data that appeared meaningful or analytically significant (Neuman, 2014). This process enabled the refinement of the initial codes and supported the development of preliminary thematic categories. As coding progressed, some themes were merged, subdivided, or reorganised to more accurately represent underlying patterns in the data, which is vital in order to accurately capture the participants' lived experiences (Creswell & Miller, 2000). In the deductive phase, emergent themes were compared with existing theoretical frameworks. This theory-driven phase allowed key categories and subthemes to be

identified and refined (Fereday & Muir-Cochrane, 2006). Priority was given to the quality and depth of the participants' insights rather than the frequency of any specific themes (Patton, 1990). This approach ensured a more detailed understanding of Sint Maarten's luxury real estate dynamics.

Comparative methods were used consistently throughout the analysis, involving systematic comparison of the data across interviews, participant observation and documents to identify similarities, divergences, and contradictions (Creswell & Poth, 2018; Glaser & Strauss, 2017) This method enhanced the reliability and validity of the findings by demonstrating that emerging themes were substantively grounded in the data (Creswell & Poth, 2018).

The document analysis, guided by Bowen (2009), involved examining the content of each text to understand its relevance to the broader socio-economic and regulatory landscape of Sint Maarten. This process helped identify additional layers of meaning and provided corroborating evidence that complimented interviews and observational data.

Data triangulation further strengthened the study by cross-validating findings across multiple sources (Denzin, 2017). The integration of interviews, observations, and documents generated a comprehensive and multi-layered understanding of the field (Creswell & Miller, 2000). To manage and analyse the data collected, the data analysis software Atlas.ti was used to facilitate systematic coding, efficient retrieval of coded segments, and the identification of connections between themes (Friese, Soratto, & Pires, 2018).

3.8 Ethical Considerations

The study focuses on the luxury real estate market in the Caribbean Island Sint Maarten, as well as the individuals directly or indirectly involved in the sector. Sint Maarten is a small and densely interconnected community, which presents significant challenges in managing participant anonymity. Ethical literature notes that confidentiality and anonymity are difficult to uphold in small, connected communities, where participants may be identifiable through contextual details, even when pseudonyms are used (Damianakis & Woodford, 2012). But with Sint Maarten having a population of approximately 40,000, and a luxury real estate sector populated by a limited number of actors, even generalised descriptions (role, institutional affiliation, or years of experience) pose a risk of identification by others from the community. This risk is increased by the island's tightly interwoven political, economic, and social networks, in which participants may face consequences for views expressed in research contexts. Given these structural constraints, I had to take special measures to protect the identity of all the participants involved in the study. Each participant was assigned a pseudonym, and all potentially recognisable characteristics were redacted. In cases where a participant's role was

sufficiently distinct to risk identification, their descriptions were further generalised into broader categorical designations. All the participants were over the age of 18.

Special attention was paid to the risk of deductive disclosure in a small community setting and to the limits of anonymization where contextual details can enable identification (University Council, 2020, §2.7; Wiles, 2012, pp. 46-47). Participants were informed about the purpose of the research, what it involved, the voluntary nature of participation, and the right to withdraw consent, as per the University of Iceland's guideline on informed consent, confidentially, and secure handling of identifiable information (University Council, 2020, §2.4.1; §2.7; §2.9). Identifying details were minimised in line with the University's guidelines (University Council, 2020, §2.9).

Before the fieldwork took place, I consulted the University of Iceland's ethics review body to clarify whether the project required formal review. I was informed that the committee provides references concerning research plans and that, based on the project, there was no particular need to seek such a reference for the study to proceed.

Prior to entering the field, a detailed research plan was created with the collaboration of my supervisor. The plan served as the structured foundation guiding the study's design and implementation. Having a well-defined and responsive research plan is a vital step in ethnographic research, as it allows for a dynamic response to emergent field conditions.

3.9 Strengths and Limitations

This thesis is based on qualitative, ethnographic fieldwork focused on Sint Maarten's luxury real estate sector. As it is with any in-depth case study, its strengths are shaped by its limitations. Immersion into a specific context does create valuable local insights in their natural settings, but this closeness also shapes how far beyond the settings its findings can be applied (Neuman, 2014).

3.9.1 Strengths

I want to take a moment to acknowledge the research participants who facilitated this research by providing valuable insights into the complexities of Sint Maarten. As a result, I consider the organic nature of this research as one of its main strengths. From its ethnographic design (fieldwork, interviews, observations, and documentary materials) taking place across four articles that together examine different but connected aspects of Sint Maarten's luxury real estate sector. Together the article works as a united front building on each other. Starting by defining luxury's logic, and then analysing how this logic is produced through the sectors marketing and simulation, then tracing how heritage is contested and commodified, ending with theorising how governance determines whether the environmental risk becomes value or collective burden.

The practices and patterns revealed in this research can be applied to other small island contexts and disaster impacted areas.

For research to be a valuable addition beyond academia, it is important to identify how institutional arrangements and governance choices facilitate or hinder certain outcomes. This is especially the case in marginalised community contexts such as in Sint Maarten. This research highlights complex dynamics within the real estate sector from multiple perspectives, from the everyday practices to the patterns surrounding governance capacity and disaster response. The comparative angle with Grindavík strengthens this analysis by showing what is specific to Sint Maarten against what might be generalised across other regions exposed to volatility. The relationship and knowledge developed through this work can help open conversations between the policymakers and practitioners on how to improve the communities' responses to these cyclical events.

3.9.2 Limitations

The thesis limitations are, in many ways, the mirror image of its strengths above. This is fundamentally a single-island, single-sector ethnographic project on a small island with dual sovereignty: Dutch (Sint Maarten) and French (Saint Martin), with my focus concentrated on the Dutch side. This is an important note because to the vast majority of St Maarteners, and the participants of this study, the island is seen as one unified whole. When they reference St. Martin, they are talking about the island as a whole, not the French or Dutch side. Now analysing both jurisdictions in great depth at the same time is impossible. The reason for that is the differentiation in laws, regulations, and connections to Europe. As a result, I chose Sint Maarten as the site of my research where I would come to live and engage with participants, using the French side (Saint Martin) as the much-needed contrast window to understand the participants' identity. This also means that claims about 'the island' need to remain analytically careful. This thesis is best suited to explain how the Dutch-side governance, regulation, and development practice's structure luxury real estate, and less able to make symmetrical claims about Saint Martin's governance and development practices. The interviews were all conducted in English, which makes sense given role of language on Sint Maarten, but it also shapes access to some of the island's residents like the migrant communities who are more fluent in Spanish, Haitian Creole or other languages.

A further limitation is the project's relationship to offshore capital networks and decision-making. The thesis makes a strong empirical case about Sint Maarten's transnational nature and offshore dynamics, but direct access to UHNWIs whose decisions shape the island is difficult. Many of these High-Net-worth-individuals (HNWIs) operate outside the island itself, and others are, understandably so, reserved about participating in research on their activity on the island. I partially compensated by drawing on transactional data (mortgages/sales discrepancies) as indicators, but these remain proxies rather than direct observation of offshore strategies and personal intent. Claims about

governance weakness, corruption discourse, and questionable marketing practices are grounded in stakeholder testimony and documentary traces. For this reason, the thesis treats 'corruption' as an emic category that provides analytical value, a means by which actors navigate the island's system, but remains reserved about making claims that requires evidence beyond what ethnography and public documentation can provide. Finally, my positionality (discussed in more detail above) functions both as an enabler and a constraint. Being a white European opens door, but also places me within the hierarchy being analysed. This facilitates proximity to powerful networks which can strengthen insights into how the system works, but risks limiting how the more vulnerable population experiences this world. These limitations help clarify what can be claimed with confidence and help identify the areas where further research is needed.

3.9.3 Summary

This chapter has provided an overview of the methods used in this research. The selection of qualitative case study approach, allowed for an examination of the complexities at play. This approach effectively supports the study's objectives to gain a deep understanding of the interplay between the luxury real estate market, environmental challenges, and the socio-economic factors at play. This chapter also addressed the ethical considerations involved in the research process, while providing reflections on its methodological strengths and weaknesses.

4 Conclusions

The thesis demonstrates that luxury real estate in Sint Maarten is paradoxical: properties are expensive but poorly constructed, marketed as exclusive but structurally vulnerable, and their market value is sustained precisely because of recurrent hurricanes. Representations of the island as a 'paradise' are deliberately curated to sustain a hyperreal system in which destruction and profits are mutually reinforcing. This dynamic, however, entails significant cultural costs. Already scarce heritage sites—such as the historic slave wall—have been demolished, plantation sites have been commodified, and collective memory has been eroded. These developments are facilitated by a small, politically connected network that operates without meaningful accountability. To understand how Sint Maarten arrived at this state of affairs, the ethnographic work done on the island was complemented by a comparative lens, juxtaposing the island with Iceland, another small, tourism-dependent island. What is revealed is that opportunities for profit in this sector in Sint Maarten are deeply rooted in political arrangements that structurally convert environmental disasters into private economic gain. Taken together, the findings argue that Sint Maarten has transformed environmental vulnerability into a system that produces profits for outsiders, dispossesses local residents, and erodes historical and cultural heritage. This system is sustained by governance failures rooted in the island's enduring colonial inequalities.

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Original Publications

This chapter introduces the four articles that together form the thesis. Each can be read as a stand-alone contribution, but when read in sequence they form a cumulative argument: moving from decryption, to explanation, to consequences, and finally to comparative generalisation. The sequence is designed to move the reader from the identification of a complex system to the mechanisms that reproduce it, to the cultural and post-colonial stakes of that reproduction, and then to a comparative framework that clarifies how environmental volatility is converted into value. Across all four articles, the central concern is how luxury is defined, narrated, and made operable in context where infrastructural failure is structural.

The first article, co-authored with my supervisor Professor James Gordon Rice, and Már Wolfgang Mixa, draws on my fieldwork. It begins from a recurring personal puzzle where I found myself repeatedly thinking the same thing: the built environment and public services routinely fail to meet expectations of luxury, but the properties are still marketed and valued as luxury. To solve this tension, the article introduces the concept of 'paradoxical luxury,' that serves as the thesis anchor. It shows that Sint Maarten's luxury property market cannot be understood through typically associate with luxury (e.g., quality, durability, heritage). Instead, the repeated hurricane exposure and dependency on fragile public infrastructure create a distinct form of luxury that the article here below better discusses.

The second article, co-authored with the same supervisors, builds on this foundation by analysing how luxury is actively produced through marketing. Drawing on Baudrillard, it examines the island's 'paradise' narrative and develops the idea of hyperreal marketing regime where images, financing structures, and post-disaster rebuilding practices combine together creating a system where cyclical destruction becomes a predictable feature of the market.

The third article, co-authored with Professor James Gordon Rice, turns to colonial history and cultural memory by focusing on how heritage is selectively mobilised and systematically erased within property development. It shows how fragments of Dutch-Caribbean heritage are rendered in decontextualised form, operating in what can best be described as a 'marketing screen.' Hurricane-driven damage and redevelopment accelerate the loss of already limited tangible heritage sites, especially in coastal and hillside areas. The article argues that the production of a 'paradise' aesthetic is inseparable from process of structural cultural erasure.

The fourth article, which I authored independently, extends the analytical framework beyond Sint Maarten by providing a comparative analysis with Grindavík in Iceland. It examines how different governance regimes manages environmental volatile. Sint Maarten governance serves as the market-led, capital driven model where volatility is privatised and aestheticised, whereas Grindavík represents the state-led approach where risk is socialised though universal buyouts and asset freeze. This article works as the capstone generalisation, clarifying what volatility is at the level of abstraction by contrasting the monetisation and socialisation of disaster risk.

Collection of Articles

I. Björnsson, T., Rice, J. G., Wolfgang Mixa, M. (2024). Paradoxical Luxury in the Sint Maarten's Property Market. *Luxury*, 1-18. https://doi.org/10.1080/20511817.2024.2420437

II. Björnsson, T., Rice, J. G., Wolfgang Mixa, M. (2026). Hyperreal Paradise Lost and Re-built: Hurricane Destruction, Speculative Luxury, and Real Estate Development in Sint Maarten. *Nieuwe West-Indische Gids*, (published online ahead of print 2026). doi:10.1163/22134360-bja1004

III. Björnsson, T., & Rice, J. G., (2026). "Everything here is for sale, even our history": Heritage and the Luxury Real Estate Market in Sint Maarten. *MDPI Social Science*, *15*(4), 235. https://doi.org/10.3390/socsci15040235

IV. From Hurricane Irma to the Grindavík Eruptions: Volatility Premiums in Disaster Governance. *Disasters,* 50(2), e70046. https://doi.org/10.1111/disa.70046

Paper I



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Paradoxical Luxury in the Sint Maarten's Property Market

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ABSTRACT This article outlines the concept of 'paradoxical luxury' derived through an ethnographic exploration of Sint Maarten's high-end real estate market. Classic works analyzed luxury goods as markers of status and their consumption playing a role in reinforcing social stratification. More recent work points to the allure of luxury consumption as predicated upon references to heritage, tradition, durability, and quality as selling points while also serving older functions of display and stratification. The luxury concept has also been influenced by more recent concerns among consumers about issues such as sustainability. This study, however, reveals a luxury real estate market through which the ability to display status remains unclear as well as lacking key defining elements of luxury such as heritage and quality. Further, the cycle of repeated destruction of these properties due to seasonal hurricanes present a form of luxury that challenges the traditional views of the

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concept. As such, the marketed exclusivity and perceived value of properties are directly confronted by their vulnerability to natural disasters, sub-standard building quality and inferior local infrastructure, as well as lax regulatory framework. The concept of paradoxical luxury underscores the contradictory nature of luxury in this setting.

KEYWORDS: Paradoxical Luxury, Environmental Vulnerability, Economic and Social Landscape, Consumer Behaviour, Transient Wealth, Hurricane Impact on Luxury Property

Introduction

The following excerpt is taken from the fieldnotes of the first author, written shortly after his arrival in Sint Maarten:

> Across the street from where I am staying there are several gated beachfront villas. Each has a security camera system and a pool. From the outside these look stunning – large villas generally 2 to 3 floors. However, after I entered one of these, I began questioning their quality. From the outside it looks amazing, but inside the layout is poor, the materials used feel cheap. The shutters used to protect from hurricanes appear to be there for low-intensity hurricanes, or else mental security. They are like a garage door; add strong wind and they will easily blow away. I notice the electrical wiring for the property. It looks chaotic, wires everywhere and visible, and certainly reduces the "high-quality" feel. The road leading to the property is of worse quality than any road I have driven in remote areas around the globe. I cannot understand how this is connected to anything luxury.

This study explores the concept of "paradoxical luxury" in Sint Maarten's high-end real estate market, examining how environmental volatility and regulatory ambiguity on this Caribbean Island nation[1] shape luxury property appeal, while seemingly overlooking long-standing understandings of luxury as predicated upon references to heritage, tradition, durability, and quality as selling points. Further, the classic views of luxury as a marker of status are questioned in this context as it is unclear what messages of social status are being communicated by these properties and to whom is the intended audience. Through an interdisciplinary approach, this study aims to contribute to the broader discussions on luxury, providing a different perspective as seen through the lens of an ethnographic study of luxury properties in Sint Maarten.

The research on which this contribution is based forms a part of the first author's doctoral research. This study employed a qualitative research design, based primarily on ethnographic fieldwork carried out on the Dutch half of the island in the latter half of 2023. Semi-structured interviews and secondary data were analyzed to explore the concept of "paradoxical luxury" within Sint Maarten's high-end

real estate market. The research data included material from 31 stakeholders variously situated in the sector, providing a diverse perspective on the luxury real estate market. This included interviews with local architects, real estate developers, real estate agents and marketers, as well as knowledgeable actors within local government and the tourism sector, among others. This dataset was also complemented by ad-hoc, informal interviews with locals who had first-hand experiences with this sector or brief insights into the lives of the offshore wealthy who largely purchased these properties. This included workers in the banking sector and locals in the service sector such as those working in catering, hotels, taxi drivers, tourist services, and restaurants. The data collection also involved periods of participant observation in and around the island with a specific focus on luxury real estate developments. The qualitative data were later analyzed with the aid of Atlas.ti in order to code the material and to develop analytical themes.

Sint Maarten's luxury real estate market operates under the constant threat of environmental volatility, mainly manifested through the annual hurricane season that besets the Caribbean. Events such as Hurricane Irma in 2017, a Category 5 hurricane, caused over a billion dollars in damage. This profoundly impacted the island's infrastructure and housing market with an estimated 90% of the county's buildings damaged.[1, 2] It is estimated that Sint Maarten lost eight times its annual GDP from Hurricane Irma.[3] Despite frequent hurricanes the market thrives due to the perceived exclusivity and resilience of owning property in such a setting. Yet the first author's experiences on the island, as exemplified in the opening fieldnote anecdote, served as the incentive for this contribution and the analysis underlying it. Contradictions between the traditional or classic understandings of luxury as a marker of status, and as based on quality, heritage, and exclusivity, were apparent everywhere, particularly in the context of the hurricanes and their destructive potential. Such hurricane events occur with alarming frequency, often leaving a trail of destruction, underscoring the paradoxical nature of luxury in these settings. Historically, Sint Maarten has experienced hurricanes approximately every 2.5 years with super hurricanes, classified as Category 4 or above, making landfall roughly every 15 years,[4, 5] Further, even with casual observations around town the sheer number of financial institutions on the island relative to its population suggested something was amiss, reinforced in the interview data which confirmed the existence of sub-standard building practices and a weak regulatory framework, at least on the Dutch side of the island.

Little about the luxury real estate market in Sint Maarten appears to coincide with popular and scholarly understandings of luxury and as such resulted in the interpretation of paradoxical luxury underpinning this contribution. Luxury real estate typically refers to properties that are characterized by their high prices, exclusive locations, superior construction quality, and exceptional amenities. The luxury real

estate market is influenced by the economic status and lifestyle of the target demographic. This market segment is typically driven by wealthy individuals seeking not just a home, but a status symbol and an investment opportunity. Sanjnóg and Barkowski[6] define luxury real estate as exhibiting a number of key factors including *location* ("defined as prestigious location within a city or given area, appropriate neighborhood, sense of privacy, or additional attractions around the real estate"); *aesthetic values* ("the architecture of the building, interior design (luxury finishing), spaciousness - high ceilings, designed (groomed) garden, presence of terraces, as well as very important window view"); and *uniqueness* ("The history of the place and historical value of the real estate is also of high importance").[7] Luxury properties are not just about high prices but also the unique lifestyle and status they confer to their owners. As will be discussed, a number of these core features of luxury real estate were challenged by the findings on the ground in Sint Maarten, raising questions as to what kind of luxury was on offer. First, some of the classic statements concerning luxury will be reviewed, followed by a selection of contemporary works that further developed the concept in order to argue that what appears to be at work in Sint Maarten can benefit from an analysis that builds upon and extends these existing understandings while also incorporating findings from the research.

Luxury – from utility to visible consumption

The classic work which serves as the basis for contemporary scholarly understandings of luxury and luxury consumption rests upon a number of foundational texts ranging from Adam Smith through to Karl Marx and of course Thorstein Veblen. There is no adequate space to cover this material here, nor is there a need considering that this is all well-covered ground. However, a few key themes will be discussed here for the purposes of providing a foil, in a manner of speaking, from which to compare and contrast with the findings from Sint Maarten.

The importance of Thorstein Veblen's seminal work *The Theory of the Leisure Class*[8] in how we understand luxury consumption cannot be overstated. Veblen examined the behavior of the leisured class in late 19th and early twentieth century American society and introduces the concept of conspicuous consumption as a central analysis of the leisure class's behaviors. Veblen turned the lens of analysis away from Marxist production to that of consumption while retaining the Marxist emphasis upon inequality within class relations, but also echoing Adam Smith's insistence upon considering human behavior to appreciate the complex workings of the economy. While Veblen does not directly cite Karl Marx or Adam Smith, his analysis engages with key concepts from their works. Adam Smith, in *The Wealth of Nations*[9] and *The Theory of Moral Sentiments* [10], explores the division of labor, productivity, and the role of self-interest in driving economic efficiency through the "invisible hand"[2] mechanism. Smith's

exploration of human behavior, ethics, and social norms provides a foundation for understanding the motivations behind economic actions.[11, 12, 13, 14] Veblen critiques Smith's optimistic view of economic pursuits, emphasizing the social pressures and irrational aspects of wealth display, but his analysis echoes Smith's insights into social approval and moral sentiments, highlighting how societal pressures influence individual behaviors.[15] Veblen's work intersects with Marx's critique of capitalism as found in the influential texts *The Communist Manifesto,*[16] and *Das Kapital,*[17] which lay the groundwork for understanding the capitalist system's dynamics. Veblen extends this critique by examining the social implications of wealth accumulation and consumption behavior, though his focus differs from Marx through his emphasis on social psychology as well as consumption over economic production.[18]

In essence, Veblen's analysis of conspicuous consumption focuses on the acquisition of luxury goods intended to act as public displays of economic power and social status.[19] Unlike utilitarian consumption, that is to say actions undertaken to meet basic needs such as clothing and shelter, conspicuous consumption primarily concerns the display of wealth and status. Veblen's conspicuous consumption focuses on non-utilitarian forms of luxury, which include goods and services that do not have inherent utility in satisfying basic needs but are pursued for their ability to signal wealth and status. In certain ways, Veblen's analysis has something in common with anthropological accounts of seemingly "irrational" economic behaviors of non-European peoples such as the traditional destruction of prestige goods among certain First Nations' people of the Pacific North-West undertaken in order to outdo rivals and acquire status in the process.[3] Veblen's theory was understood as a critique of consumer culture and the social dynamics of wealth and status in capitalist societies.[20] His work highlights the seeming irrationalities and inefficiencies inherent in a system where social status is pursued through visible consumption. Veblen's insights into conspicuous consumption have been influential across the social sciences, providing a framework for understanding economic behavior influenced by the pursuit of status.

Historically, the engagement in conspicuous consumption by the higher strata of society was seen as acceptable and necessary to manifest and maintain their authority. In contrast, such behavior by the lower strata was perceived as morally objectionable.[21, 22] Since then, scholars have regarded luxuries as rare, exclusive, and costly products accessible only to consumers with enough wealth.[23, 24] This dynamic has further reinforced the social divide, with luxury consumption as a marker of financial capabilities and a delineator of social boundaries and identities.[25] However, sociologists in the latter half of the twentieth century, such as Pierre Bourdieu,[26] have extended the analysis of consumption practices into the wider society while retaining Veblen's view that luxury consumption patterns

still function to delineate class divisions. Bourdieu argues that tastes in luxury are more than personal or aesthetic choices; the significance of "taste" as a demarcation of social class can be seen as a mechanism of social stratification. Through his concept of habitus, Bourdieu illustrates how individuals' preferences and dispositions are shaped by their position within the social field, leading to distinct consumption patterns that reinforce social hierarchies.[27] Bourdieu's conceptualization of cultural capital is also particularly relevant to discussions of luxury. He contends that cultural capital, including knowledge, skills, and other cultural assets, play a critical role in defining social status and in turn access to economic capital.[28] Within the luxury context, possessing cultural capital enables individuals to discern and appreciate the symbolic value of luxury goods beyond their material worth. Thus, distinguishing themselves from those who might be able to afford luxury purely through economic means but lack the cultural competence to appreciate its complex meanings.[29]

As important as this foundational work is, 19th and twentieth century analyses, while needing to be recognized for their contribution, are less helpful in understanding the dynamics of luxury goods in twenty first century post-industrial economies, let alone luxury real estate which is the key focus of this contribution. Bourdieu paved the way for understanding how luxury is no longer the exclusive preserve of the elite, though luxury still retains its image of exclusivity as a selling point. Luxury branding does often reference heritage and a historical temporal dimension, yet in business terms many of the major luxury groups in operation today were founded in the closing decades of the twentieth century and an argument can be made that "the luxury business is a new industry."[30] Furthermore, Donzé and Fujioka[31] hint at this paradoxical nature of luxury branding which situates these brands as exemplifying their "timeless nature and their embodiment of heritage, craftsmanship, and history," but which stands in "contradiction between the modern organization of luxury companies and the traditional image of their product."[32] We will now turn to an analysis of a small selection of contemporary work on luxury which explores this paradox while also illustrating new dimensions of luxury that are necessary in order to appreciate the paradoxical nature of the luxury real estate market in Sint Maarten.

Luxury from heritage to sustainability to tax evasion

This section will briefly overview a selection of more recent work on luxury in order to highlight how the scholarship of luxury has progressed since the foundational works, but also to consider its utility in analyzing the findings from Sint Maarten. The first factor considered here is the link to history or tradition with luxury.

Hervé Munz, in his anthropological analysis of the Swiss luxury watch industry,[33] continues with Bourdieu's argument that the "worth" of luxury items is highly linked to perception. Munz adds to the analysis the connection between luxury and heritage, with the

latter having more to do with intangible factors of perception than objective value: "Heritage is the product of an operation, a "making" in which people identify what has been transmitted from past to present and value it."[34] Munz argues that the Swiss watch industry suffered a crisis in the early 1970s as Japanese watch makers introduced quartz watches against which the Swiss mechanical watches could not compete in terms of prices or the rapid scale of industrialized quartz watch making. From the 1980s onwards, the Swiss industry responded to this crisis by focusing on high-end luxury watches. However, as Munz argues, expensive materials, craftmanship and innovative design all played a role, but so did marketing efforts which drew heavily on factors such as "tradition" and "heritage," as well as "exclusivity" (manufacturing limited numbers) as a selling point of Swiss luxury brands. Rather than directly competing with the Japanese industry, the Swiss sought to re-define a particularly niche market and expand upon that. Heritage has been emphasized through a number of means, from establishing horological museums to hiring "heritage managers" who "assist in marketing efforts through research, organizing and promoting archives, publishing papers and monographs on the company's history, and more generally guaranteeing the timelessness and uniqueness of its heritage."[35] Of course, the reality is that many components of the watches are manufactured in an industrialized process, and often using sub-contractors outside of Switzerland. However, Munz argues that heritage is a core aspect of modern luxury branding, as other Swiss industries, such as toymakers and eyeglass manufacturing, were not able to position themselves in this way and as such were not able to reap the same rewards as the watch industry. Other industries took the cue from the Swiss watch sector and incorporated "heritage" into their luxury branding.[36] As will be discussed, the luxury real estate market in Sint Maarten lacks both the craftmanship and quality associated with luxury, but also the references to history and heritage that are seen as vital in many luxury industries including, as discussed earlier, real estate.[37]

Oddný Helgadóttir's[38] analysis of Luxury Freeports considers an aspect of luxury that goes beyond the traditional consumption and aesthetic appreciation. These Freeports are part of the complex logistics and regulatory frameworks of the global luxury market. They emphasize strategic storage, investment, and tax optimization practices for high-end goods, especially art, within specialized, tax-advantaged storage facilities.[39] While focusing on goods and not real estate, this analysis of luxury suggests that other factors may be at play for which Helgadóttir's contribution may be relevant. She argues that luxury freeports emerged "as new players in the complex and evolving global ecosystem of tax avoidance taking place in specially designated regulatory spaces."[40] As will be discussed, the appeal of such properties when the lack of quality, heritage, and not much in the way of the ability to function as a marker of status suggests that

these properties in Sint Maarten serve as a form of luxury more akin to Helgadóttir's point of luxury as oriented toward the investment of global capital and the avoidance of taxes than the traditional understandings of luxury.

Turning to luxury real estate in specific, the analysis of Prague's Karlín district by Andrew Cook[41] highlights many of the traditional understandings of luxury but interwoven with early twenty first century late capitalist transformations. The socio-economic implications of luxury are evident in the transformation of Prague's Karlín district, driven by international financial capital.[42] This regeneration underscores the dual nature of luxury as a symbol of progress and modernity and as a catalyst for socio-spatial segregation and exclusion, favoring elite interests and exacerbating social inequalities.[43] The redevelopment of Karlín represents the physical and aesthetic transformation of the urban landscape while highlighting the role luxury plays in reinforcing urban inequalities. This influx of international financial capital into Karlín facilitated the development of high-end residential and commercial properties, attracting wealthy individuals and businesses often from abroad. This process often marginalizes local residents, leading to increased property prices and living costs, thus displacing lower-income communities. The Karlín case exemplifies how luxury real estate development can serve as a mechanism for socio-spatial segregation, where the benefits of urban renewal are unevenly distributed favoring the elite. Another example which speaks to some of the dynamics of the Sint Maarten context can be found in the analysis of the Polish luxury real estate market, as described by Sanjnóg and Barkowski.[44] This is a burgeoning sector where a combination of affordability and exclusivity characterizes luxury. In the Polish context, affordability is relative and often applies to non-Poles with substantial financial resources, mirroring the situation in Sint Maarten where luxury properties are predominantly aimed at foreign buyers rather than locals. This feature of the Polish market captures the common association of luxury with exclusivity but bears little resemblance to Sint Maarten and its cycles of destruction and rebuilding due to hurricanes.

Finally, the environmental aspects of the luxury real estate market in Sint Maarten, in a very literal sense, cannot be overstated in light of the frequent hurricanes that strike the area. However, in recent years concerns about environmental sustainability have entered into the luxury discussion. Sharma and accociates[45] discuss luxury integrating sustainability, noting significant roles played by environmental concerns and attitudes in guiding consumer preferences towards sustainable luxury real estate. Their findings reveal that 70% of consumers prioritize eco-friendly features in luxury real estate, and younger consumers (aged 18–35) and women are more likely to consider sustainability as a factor in their purchase decision with 65% younger consumer and 58% of women preferring sustainable properties. While such concerns were generally not raised in the data

collected in Sint Maarten, and building practices described by developers were hardly eco-oriented. This development in the luxury concept is important to note and it also illustrates how distinct in some ways the market in Sint Maarten appears to be from some recent trends in luxury.

In the next section, the findings from the research undertaken in Sint Maarten will be discussed in light of the classic and contemporary understandings of the luxury concept.

Paradoxical luxury in Sint Maarten

The concept of "paradoxical luxury" extends the interpretation of luxury in the context of Sint Maarten, surpassing traditional luxury markers like high-quality construction, sustainability, and resilience in light of the island's environmental volatility and ambiguous regulatory framework. It presents a juxtaposition where the marketed exclusivity and perceived value of properties are directly confronted by their vulnerability to natural disasters. The presence of a weak regulatory framework adds another layer to the complexity.

As with the situation elsewhere, such as the Czech Republic[46] and Poland[47] the information provided by research participants was clear that the vast majority of these luxury properties were purchased by those outside of Sint Maarten. We see a similar trend where luxury is accessible primarily to foreign investors, reflecting a broader global pattern of luxury being tied to transnational capital rather than local wealth. As one developer (David)[4] mentioned: "Our target group for these types of projects is foreigners looking for second homes, and third homes. It's Americans, Canadians, some Europeans, but mostly Americans. America is the biggest market on this island still to this day." A real estate agent echoed these sentiments: "There are areas here like over the hill that are dominated by foreign capital. Some of these people are permanent residents but are not from Sint Maarten. These are Americans, Italians, Dutch." However, the threat of hurricanes in the region appeared for some property buyers to be paradoxically somewhat more of a feature than a flaw. In times of catastrophic devastation when properties are wiped out, foreign investors flock to buy properties previously owned by locals. Markus, a local luxury real estate agent, explained, "after the last hurricane [Irma], that's when a lot of Americans bought properties, put about 300,000 into the property and after the property is worth 1.2 or 1.3 million."[5] Rather than the more traditional and perhaps staid features of luxury real estate – heritage, history, quality – the version of luxury in Sint Maarten seemed interweave exclusivity with risk. Veblen's notion of conspicuous consumption posits the display of wealth as central, but here it is the transient nature of ownership that underscores luxury. Veblen's analysis of the leisure class emphasized how the demonstration of wealth and status often overrides practical considerations. However, the dynamics of luxury real estate in the face of the threat of destruction seems to embody both practicality in

terms of underpaying for (potentially) luxury properties in the wake of a hurricane, but also high degrees of risk that the property will be destroyed. The transitory nature of luxury real estate in Sint Maarten enhances its appeal by offering a unique combination of risk and exclusivity that attracts a particular type of high-end investor. These insights challenge traditional luxury definitions by showing how vulnerability and risk can enhance the symbolic capital of luxury properties.

The influx of foreign buyers, purchasing hurricane stressed properties to meet the demand of the luxury real estate market, was noted by some research participants as having a deleterious effect upon the domestic real estate market, driving up rents and increasing socio-economic inequalities. Sharine, a real estate agent, commented upon this at length:

> the culture of real estate where [local] people build houses in order just to rent them out … they are landowners, but they are not cash rich … they need a pension. The people live off that rent. We think that that is separate from the luxury market. But because the luxury market has developed these communities here, the rent of course … is going to be influenced by the luxury real estate. Those prices have already gone up and they continue to rise making it inaccessible for much of the population, especially when you consider that they are earning $4.50, or the minimum wage is $4.50. I don't even know how somebody who earns $10 an hour can survive or can move forward.

Another agent commented that older Sint Maarten money have also oriented themselves to the largely foreign targeted luxury real estate market: "Then you have local old money … from the past … people with colonial past. Local capital, old families, old property owners, family property owners, people who have inherited land, and that is being developed at a rapid pace mostly for foreigners that come here." These comments are also supported by empirical data. Luxury real estate developments in Sint Maarten have been a significant driver contributing toward to the influx of international financial capital. In 2020, foreign direct investment (FDI) as a percentage of GDP was 4.63% and this influx has supported the overall GDP growth for Sint Maarten, increasing from 2.22 billion ANG in 2020 to 2.48 billion ANG in 2021 and to 2.81 billion ANG in 2022. As a result, these investments have accelerated the development of high-end properties and contributed to the socio-economic transformations driven by luxury real estate. Property prices have since increased with the average listing price for properties in 2023 approximately $1,509,207 USD. By way of comparison, the average income at the same time was of 35,260 USD. Luxury real estate has been a catalyst for economic growth in Sint Maarten, particularly in the recovery phase following natural disasters. Post-Hurricane Irma, Sint Maarten's GDP growth rebounded, with annual growth rates of 5% in 2021 and 9.8% in 2022.[48, 49] This economic

progress is partly attributed to the luxury real estate market, which attracts wealthy individuals and businesses, enhancing the island's global appeal. The impact of luxury real estate on Sint Maarten's economy is significant, mirroring global trends observed in other urban transformations like Prague's Karlín district. Yet in the case of Sint Maarten there is a distinct cycle of development, destruction, and regeneration. These developments contribute to economic growth and urban regeneration but also pose challenges of socio-spatial segregation and increased living costs.

The link between luxury real estate and quality, described by Sanjnóg and Barkowski[50] as *aesthetic values* in reference to the architecture of the buildings, the quality of their interiors as well as the larger property, is much less on display in the direct experiences of the first author. This was confirmed as well by research participants. One local architect referenced the hurricane related cycle of destruction and rebuilding as a core reason why corners are often cut, in a manner of speaking, in the design and planning process. Bernard, a local architect, emphasized the island's casual approach to construction and maintenance in the face of these threats. He explained that often when he is approached to do architectural work on some of the houses on the island he does "not have [architectural] drawings of these houses. There's no engineering report of the foundation [...] I cannot take the risk [to work on it] just to have it all collapse." James also commented upon the lack of a skilled workforce as playing a role in terms of quality and the need to find skilled professionals who fully understand the demands of luxury property development, stating: "You have plumbers, but the plumber is also an electrician, he is also a security guard [...] everybody knows their job at best 60%, but I need that last percent." Another research participant, Oliver, explains two ways of building in Sint Maarten: "You either build very expensive and then maybe it will stand in a hurricane. Maybe it doesn't. Or you build cheaper, insure it, and get the money you build again." The "cheapness" as a theme was mentioned in a number of areas, one of which includes the infrastructural contexts and amenities in which these properties are located. Isabella, a local observer, commented that it is widely known that there are serious flaws with the local infrastructure, and which are not in keeping with the associations often made between luxury and real estate: "There have been two landslides over the last week. The wall on the hills have literally just fell on cars and sliding down [the hill] and people are like, we've told the government that walls are leaning from the rain, and that we are going to have issues."

Further evidence of the impact of this environment of uncertainty and risk is provided by the comments of luxury real estate developers Michael and David. Their observations exemplify the transient nature of property ownership in this region. They referenced a specific development of a multi-story beachfront luxury apartment block with each unit priced above 1.5 million USD. Despite market instability, Michael

and David's significant investment in this project accentuates the inherently transient aspect of their business venture, but this is also the case for the buyers. Strategically retaining and renting out units makes market conditions more favorable, but there does appear to be a measure of calculated hesitancy on the part of buyers in light of these local conditions. Jennifer's account of the post Hurricane Irma scenario showcases the transient and often volatile nature of property ownership in Sint Maarten. She stated, "I was here for Hurricane Irma … in Florida, we are not unknown to hurricanes, but this hurricane was beyond anything. I think today it's still the strongest hurricane to ever hit the Caribbean […] and it was emotionally very painful to see." Jennifer's account highlights the inherent impermanence of the luxury property market in Sint Maarten. It goes beyond physical destruction; it touches upon emotional impact and the subsequent market hesitancy, demonstrating how quickly the perceived value and demand for luxury properties can fluctuate. Her remarks point to a quintessential local market characteristic: its susceptibility to external, unpredictable forces, which can significantly impact property ownership and investment. Interestingly, for some respondents this potentially transient nature of these properties paradoxically added to their value in a different sense of the word. One respondent, Robert, provides insights into the temporary nature of property. He observes that luxury properties on the island, while large and expensive, are often subject to damage from natural disasters such as hurricanes, yet their very transience adds a new dimension to their value. Properties are not only physical structures; they become narratives of resilience and adaptability, each with a lifespan that a single storm might dramatically curtail. Yet this cycle of building, destruction and rebuilding appears to be integral to the Sint Maarten luxury real estate market, as without the need to rebuild there would be little room for developers considering the limitations of land available to be developed. As one participant commented: "Luxury in Sint Maarten, I would say, is maybe not at the same standard of other places because we do not have a lot of land left to supply."

The uncertainty associated with hurricanes adds a rather unique perspective upon the luxury concept as it pertains to real estate. However, another form of uncertainty was also raised by research participants – that of the weak or lax regulatory framework. The luxury real estate market in Sint Maarten operates within a context of regulatory ambiguities and challenges that significantly influence development strategies and market dynamics. One research participant, James, shared his observations which shed light on the intricate legal environment of Sint Maarten, especially after its designation as a country within the Kingdom of the Netherlands in 2010. This change introduced a level of regulatory uncertainty that notably increased the prevalence of legal disputes within the regulatory sector. The ensuing complexity and unpredictability of local regulations and practices within an unclear framework are complicating

property development on the island. This situation has fostered a challenging environment, marked by increased reliance on legal professionals to navigate these ambiguities. The situation is exacerbated by a complicated regulatory linguistic divide. While legislation is written in Dutch, English is the dominant language of education, which creates significant barriers to engaging with and enforcing the laws intended to govern real estate activities. Another research participant, Elizabeth, noted the challenges in updating and enforcing laws, emphasizing the impact of this diglossia on the local population's ability to interact with the legal system they are meant to enforce in the real estate sector. Sint Maarten's environmental and economic vulnerabilities necessitate flexible real estate market. Elizabeth states, "So, we do not have zoning regulations. They were drafted in 2014, or we still have drafts from 2014, but they are still not in place." Another, Sophia, further elaborated upon the challenges faced by Sint Maarten's luxury real estate, noting severe understaffing and capacity constraints in government departments, which hinder enforcement of existing building regulations. The absence of a reliable zoning framework exacerbates these issues. This regulatory gap fosters an uncertain and fluid environment, challenging developers to navigate a landscape devoid of structured guidelines, prompting speculative development. James adds context, stating, "You have to see it in context [...] like what is real estate on the island. It is just building a house to protect you against the hurricane, knowing that you will be devastated in ten years and start all over again." From the point of view of developers, this lax regulatory framework is a sort of double-edge sword. One developer, Michael, discussed the lack of regulations as such: "We lack many regulations, which in a sense is good for permitting and things like that."

As discussed earlier, Sharma and associates[51] have argued that eco-concerns and issues of sustainability have in recent years entered into the conversations about luxury. While sustainability is not entirely absent from the discussion in Sint Maarten, its presence in a practical sense is muted. One participant, Ethan, emphasizes the role of environmental management in guiding sustainable development, highlighting a critical gap in the island's approach. Ethan explains that although Sint Maarten has implemented some environmental management measures, there are significant inefficiencies in the governance structure and lack of environmental regulations, contributing to unpredictable and often unsustainable development practices. This situation leads to a real estate market around the coastal areas that is subject to rapid changes and potential environmental degradation. Ethan further notes the government's shortcomings in enforcing sustainable development practices, stating, "They kind of handed over [environmental management] tasks to the Nature Foundation, which I think is unfair." This delegation of responsibility without adequate support or legal empowerment sheds further light on the nature of real estate development on the island. Luxury

property developers have no option but to adapt, given the systemic issues. However, this lack of sustainability in planning may pose serious consequences in light of the region's susceptibility to hurricanes and which may become even more severe in light of global climate change.

Conclusion

This contribution has made the case for understanding the dynamics of the luxury real estate market in Sint Maarten through the lens of what we have called "paradoxical luxury." This real estate environment can be understood to an extent through the classic work on luxury, for example Veblen's[52] framework of conspicuous consumption, in which luxury serves as a key marker of class distinction, and which in turn was further developed by scholars such as Bourdieu[53] in terms of taste. More contemporary scholars have emphasized luxury in the present as exhibiting markers such as history, heritage, and quality[54, 55] while writing more specifically of the modern real estate market Sanjnóg and Barkowski[56] have made the case that luxury real will exhibit these qualities but also emphasize among others the location, aesthetic values, and uniqueness of these properties.

However, the fieldwork of the first author has found the luxury real estate market in Sint Maarten as lacking in many of these key qualities and indicators of luxury. Further, the repeated cycle of hurricanes in the region has resulted in a cycle of destruction and rebuilding and which stands in contrast with the typical expectations of a luxurious location for a property and the visibility one may expect of luxury as a marker of status. This has produced something of a paradox between what was observed in Sint Maarten and the typical understandings of luxury real estate in the literature, and as such we have considered other aspects that may be relevant factors. This includes for example Helgadóttir's work on luxury freeports[57] which is more about luxury goods as tax-advantaged storage facilities which aid in the movement of capital, somewhat in line with Cook's[58] understanding of luxury real estate as intertwined with late capitalist transformations. However, Helgadóttir's work focuses on goods and not real estate, while Cook's example of Poland lacks the anticipated cycle of hurricanes as a factor. Other recent analyses of luxury, such as by Sharma and associates[59] on how luxury has recently become intertwined with concerns by consumers about environmentalism, are absent in Sint Maarten to the extent to which interview respondents repeatedly pointed out that development decisions in the Dutch side of the island commonly ignore the environmental and ecological concerns and regulations around building that are more evident in the French side.

As a result, we have offered an analysis of paradoxical luxury in order to contribute to a discussion about luxury in a somewhat unique environment and the dynamics of can contribute to a dialogue with the luxury literature.

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NOTES

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3. CRED (2017).
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5. World Data (2023).
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23. Fuch et al., "All That is Users Might Not Be Gold."
24. Kuksov and Xie, "Competition in a Statues Goods Market."
25. See note 8 above.
26. Bourdieu, *Distinction.*
27. Ibid., 172.
28. See note 26 above.
29. Ibid., 172.
30. Donzé and Fujioka, *Global Luxury, 1.*
31. Ibid., 2.
32. Ibid., 5.
33. Munz, *Crafting Time*.
34. Ibid., 198.
35. Ibid., 203.
36. ibid., 214.
37. See note 6 above, 198.
38. Helgadóttir, *Luxury Freeports.*
39. Ibid
40. Ibid., 1022.
41. Cook, *Expatriate Real Estate.*
42. Ibid
43. Ibid
44. See note 6 above.

45. Sharma et al., *Evaluating Consumer's Behaviour.*
46. See note 41 above.
47. See note 6 above.
48. Government of Sint Maarten, *St. Maarten's Economy.*
49. See note 6 above.
50. Sanjóg and Barkowski, *Luxury Real Estate Market.*
51. Sharma et al., *Consumer Behaviour in Luxury Real Estate.*
52. See note 8 above.
53. See note 26 above.
54. See note 33 above.
55. See note 23 above.
56. See note 6 above.
57. See note 38 above.
58. See note 41 above.
59. See note 51 above.

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Paper II

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Hyperreal Paradise Lost and Rebuilt

Hurricane Destruction, Speculative Luxury, and Real Estate Development in Sint Maarten

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Abstract

This article examines the luxury real estate market of Sint Maarten/Saint Martin. Drawing upon ethnographic fieldwork and analysis of marketing materials and real estate data, the study shows how luxury narratives and hurricane cycles operate as a single system of value production. Luxury real estate marketers have turned the cycles of destruction by hurricanes, in conjunction with a weak regulatory framework, into an asset. Drawing upon Baudrillard, hyperreality here operationalizes fragility: vulnerability becomes the very mechanism of accumulation. In St Maarten, paradise is not represented but produced; models of marketing, finance, and "resilience" precede and organize reconstruction. The result is a simulacrum of paradise that sustains desirability through repetition of loss and renewal while displacing ecological and infrastructural risk into the code of investment. Our findings raise questions about sustainability

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and transparency in a luxury real estate market operating in a historically unequal and environmentally vulnerable context.

Keywords

luxury real estate – hyperreality – ethnography – disaster capitalism – sustainability – Sint Maarten – Caribbean

This article examines the luxury real estate market of Sint Maarten/Saint Martin, a Caribbean Island with dual Dutch and French administrations. Focusing on the Dutch side, we combine ethnographic fieldwork with marketing and real estate data and show that paradise marketing serves as the script through which building practices, financing, and infrastructural arrangements operate. On St Maarten, luxury real estate marketers have turned the cycles of destruction caused by hurricanes, in conjunction with a weak regulatory framework, into an asset. Drawing upon Baudrillard's concept of hyperreality, we argue that these cycles of storm-driven destruction and speculative rebuilding intensify perceptions of exclusivity and desirability, which are particularly appealing to both local developers and offshore investors. Our analysis follows Baudrillard's claim that simulation creates the very reality it appears to depict, turning paradise marketing into the operational script for reconstruction and investment. The marketing of this sector creates a sort of "simulacrum of paradise" in which environmental and infrastructural vulnerabilities are not denied but converted into investable signs of "resilience" within the code.

Promotional material following Hurricane Irma in 2017 portrayed paradoxical visual narratives that require an understanding of the island's colonial history. St Maarten's identity has been shaped by dual French and Dutch colonial legacies since the 1648 Treaty of Concordia, which officially divided the island, placing it in a peripheral position within Europe's imperial structure. The colonial split between French Saint-Martin and Dutch St Maarten has fostered complex, hybrid identities and institutional differences that impact the economic and infrastructural developments (Roitman & Veenendaal 2016). French Saint-Martin benefits from European Union structural support and a State-enforced Plan de Prévention des Risques Naturels (PPRN), which enforces coastal-zone restrictions and strict building rules, alongside mandatory environmental-impact assessments for larger projects under French national and EU Directive frameworks.[1] On the Dutch side, the Sint Maarten Planning and Zoning

1 European Parliament, Council of the European Union 2011; Préfect de Saint-Barthélemy et

Ordinance[2] remains only partially enacted, limited to Fort Amsterdam, Simpson Bay, Cay Hill, and a few other districts, meaning that 80 percent of the island still lacks binding zoning maps or local land-use plans (Peeters 2024). This asymmetry results in different outcomes in the real estate sector. French Saint-Martin's stricter codes yield more hurricane-resistant construction and enforced natural buffer zones. In contrast, Dutch St Maarten's looser regulations permit rapid, but often substandard, rebuilding in the wake of hurricane-wrought destruction. This fuels cross-border "competition" in luxury marketing, with developers on both sides citing higher standards to attract investors, which plays a significant role in the discursive representation and presentation of luxury real estate in St Maarten.

Luxury real estate typically implies exclusive locations, superior construction quality, and exceptional amenities (Sanjnóg & Borkowski 2019), as well as a price threshold of US$1 million or higher. St Maarten's marketing materials showcase villas with exclusive beachfront properties, framed as tranquil, refined, and leisurely retreats, even as the island struggled to recover from unprecedented devastation, particularly Hurricane Irma in 2017. The hurricane's impact was significant, affecting the island's infrastructure, housing, and economy. Irma, a Category 5 hurricane, damaged approximately 90 percent of buildings causing over US$1 billion in damage (World Bank 2018). It is estimated that losses within St Maarten are two and a half times its annual GDP due to this event (Université Catholique de Louvain 2017). Historically, St Maarten has experienced hurricanes approximately every 2.5 years, with super hurricanes classified as Category 4 or above making landfall roughly every 15 years.[3] Promotional language emphasize resilience, renewal, and exclusivity, offering buyers a lifestyle insulated from disaster, while targeting international clients despite the history of hurricane-wrought destruction. Nevertheless, ethnographic research conducted in St Maarten revealed sharp contradictions between these claims and observed on-the-ground realities of these properties and surrounding infrastructure, which can be described as a form

Saint-Martin 2023; République française, Code de l'environnement, Articles L122-1 to L122-3-4, R122-1 to R122–14, https://www.legifrance.gouv.fr/codes/article_lc/LEGIARTI000047303065; European Commission, Directorate-General for Regional and Urban Policy 2024; United Nations Economic Commission for Europe 1991.

2 Eilandsverordening ter uitvoering van de Landsverordening grondslagen Ruimtelijke Ontwikkelingsplanning (P.B. 1976, no. 195), https://lokaleregelgeving.overheid.nl/37850/1.

3 Hurricanes in St Maarten: Hurricane Irma & Future Hurricanes: Spend Life Traveling, HurricaneCity.com, December 13, 2023, https://hurricanecity.com/city/saintmartin.htm; GDP (Current US$)—St Maarten (Dutch Part), World Bank Group, Data, https://data.worldbank.org/indicator/NY.GDP.MKTP.CD?locations=SX.

of "paradoxical luxury" (Björnsson, Rice & Mixa 2024). However, this is better understood not as a fundamental distinction between "image" and "reality" but rather, drawing upon Baudrillard (1994), a form of hyperreality in which these images of luxury and desire, in conjunction with substandard building practices, cyclical destruction by hurricane and subsequent rebuilding and selling and seemingly questionable flows of capital, seamlessly co-exist. The cycle of substandard building and infrastructure, anticipating their cyclical destruction by hurricanes, is the practical model employed by the sector. The evidence for these practices comes from interview data with developers and investors, as discussed, and also from an examination of a recent property price index. In 2025, the Central Bank of Curaçao and Sint Maarten, in conjunction with Kadaster, introduced a property price index. This index shows a 12-month moving average of the Real Property Price Index plunging below 90 in late 2017 (following the Irma shock) before rebounding past 110 by early 2024 (Centrale Bank Curaçao & Sint Maarten 2025). This revolving situation between build-up and destruction is also reflected in data from the World Bank and the IMF. St Maarten's nominal GDP fell from US$1.4 billion in 2016 to US$1.2 billion in 2017 (–12.3 percent) immediately after Hurricane Irma (IMF 2023), then rebounded to US$1.35 billion in 2018 and climbed steadily to US$1.8 billion by 2022, a 46-percent increase primarily driven by renewed tourism and reconstruction activity (IMF 2023).

The historical Dutch Kingdom's geopolitical dominance over St Maarten has left lasting institutional disparities that impact its governance, infrastructure, and economic policies (Groenewoud 2021; Roitman & Veenendaal 2016). This juxtaposition is among our focal points, specifically how the oligarchic political structures endemic to St Maarten have exacerbated these disparities, allowing an elite class to control key development decisions (Roitman & Veenendaal 2016). St Maarten's luxury real estate sector predominantly caters to foreigners, reflecting the island's demographic reality where locals comprise only around 20 percent of the population (Hillenbrink 2013). Between May 1, 2016 and March 3, 2025, there were 3,821 property sales, but only 2,576 mortgages were registered (Centrale Bank Curaçao & Sint Maarten 2025), suggesting that over 30 percent of the transactions were likely all-cash purchases by offshore investors. This discrepancy lends some support to the interview data, which raised concerns about speculative capital flows circumventing local financing systems. Our findings raise urgent questions about sustainability, transparency, and equity in a luxury real estate market operating in a historically unequal and environmentally vulnerable context.

1 Methods

This contribution is based on the first author's doctoral research, which employed a qualitative design and ethnographic fieldwork while living on the Dutch side of the island in the latter half of 2023. The research process continued throughout 2024 and into 2025, including an analysis of the sector's media and social media output, an examination of Sint Maarten's Real Estate Property Index, and follow-up interviews. During the time on the island, the first author engaged in participant observation, informal conversations, event participation, and semistructured interviews with a range of stakeholders (Bernard 2011). Interviewees were identified through snowball sampling (Neuman 2014), beginning with referrals from Dutch representatives in the Netherlands and parliamentarians, and supplemented by purposive outreach through connections in the property market. In total, 31 individuals were interviewed, ranging from real estate agents, architects, developers, Dutch Caribbean representatives from the Netherlands, environmentalists, lawyers, locals, marketers, government personnel, and members of the Parliament. Interviews averaged 60 minutes in length, were conducted in English, audio-recorded (with consent), and later transcribed and analyzed (Neuman, 2014). Field notes were maintained daily to document observations of built environments (for example, housing developments, roads, and utility infrastructure), property visits, and informal social encounters (e.g., interactions in cafés and at community meetings). All interviews were transcribed and, along with field notes, coded in ATLAS.ti, to identify thematic categories (e.g., "hyperreal imagery," "infrastructural mismatch," and "speculative investment practices") (Fries, Soratto & Piers 2018). Marketing materials were collected from 2023 to 2025, systematically coded, and analyzed using a similar process. Real estate data were gathered from Sint Maarten's Real Estate Property Index established in May 2025, which displayed, among other things, average pricing, sales, mortgages, and separation by districts.

Ethnographic fieldwork in St Maarten revealed practices often obscured by marketing narratives such as ambiguous legality, infrastructural inadequacies, and environmental risks. These on-the-ground realities are not, of course, factors included within the idealized luxury portrayals. These observations informed the article's analytical focus by highlighting how such conditions are anticipated, normalized, and incorporated into real estate development and marketing practices. Data collected using anthropological methodological tools such as participant observation and semistructured interviews not only provide detailed insights into consumer behavior and market dynamics, but also facilitate a deeper theoretical understanding of the grounded com-

plexities of the local context. Ethnographic research captures the interplay of consumer aspirations, marketing narratives, and ground-level realities, and directly addresses the limitations inherent in business frameworks by questioning how luxury properties are financed, constructed, and marketed.

Conducting fieldwork as a white European researcher shaped both access and perception. On St Maarten, this positionality opened doors; interlocutors were willing to explain local conditions to a foreign academic, but it also positioned the first author within the very hierarchy that was analyzed. Everyday experiences of power outages, blocked roads, and failed internet connections were constitutive of the same system through which value and desire circulate. Walking between luxury enclaves and infrastructural decay became a fieldwork reality. Reflexivity here is less a matter of self-disclosure than of epistemic location. The first author came to understand the hyperreal by inhabiting its contradictions, by moving through the same cycles of privilege and volatility that sustain the market itself. The author's presence became another commodity circulating within the simulacrum of economic representation.

While this article is co-authored, the ethnographic research and analytical perspective presented here derive from the first author's doctoral research project, conducted as part of his dissertation research. The co-authors, serving as supervisor and committee member, contributed through conceptual discussion, drafting feedback, revisions, and assistance during the review process, but did not participate in the fieldwork itself.

2 Analytical Framework

Marketing and anthropological approaches share complementary yet distinct perspectives. On the marketing side, Philips Kotler's segmentation, targeting, positioning (STP) framework and Michael Porter's Five Forces model remain foundational tools for segmenting consumers, mapping competitive pressures, and defining strategic positioning (Kotler, Keller & Cherney 2021; Porter 1979, 2008). Kotler's STP framework moves beyond classical economic theories of rational utility maximization (Marshall 1997; Walras 1954), by foregrounding emotional and cultural drivers of choice (Granovetter 1985). Porter's Five Forces situates a given segment within the context of broader rivalry, supplier-buyer power, new entrants, and substitute threats (Porter 1979, 2008). While these strategic frameworks offer clear and actionable diagnostics, they often overlook the symbolic, historical, and socioenvironmental context that shape business relations in general and luxury consumption in particular. For example, Geert Hofstede's work on cross-cultural management highlights how cultural values

influence business practices and consumer behavior (Hofstede 1984). Anthropological insights into cross-cultural dynamics enable businesses to communicate more effectively, manage intercultural conflicts, and develop culturally sensitive marketing strategies, which, in turn, help them navigate the cultural complexities needed to adapt and thrive in the global market (Srivastava 2024; Guang & Trotter 2012). Anthropologists working in the context of business have also drawn upon Pierre Bourdieu's concept of cultural capital (Bourdieu 1984) in which noneconomic assets such as education, taste, and cultural knowledge underpin social hierarchies and consumer preferences (Holt 1998; Tumbat & Belk 2011).

Our approach to studying luxury real estate marketing in St Maarten aims to combine the factors outlined by Kotler and Porter with the cultural and symbolic aspects highlighted by scholars such as Hofstede and Bourdieu. For example, Munz, in his anthropological analysis of the Swiss luxury watch industry, echoes Bourdieu's argument that the value of luxury items is strongly linked to intangible factors of perception, which often extends beyond objective material value (Munz 2018). This applies to the luxury real estate market as well. However, understanding the marketing tactics of luxury goods and real estate alone is not enough; the island's political context must be considered alongside the material realities of cyclical hurricane destruction and the reconstruction process, which are more specific to this research context. Searle's critical ethnography of Indian real estate markets is especially instructive here. She found that industry members relied significantly on narratives linking their developments to models of global aspirations and social prestige to attract speculative investment. Given the speculative nature of real estate, where properties are frequently sold preconstruction, developers must rely heavily on persuasive narratives and compelling imagery to generate consumer demand and secure initial investment (Searle 2013:273–75). This dynamic closely mirrors practices observed in St Maarten, where promotional narratives emphasize exclusivity and "resilience" by recasting fragility into an operational sign that sustains value through cycles of loss and renewal.

Embedded within these marketing practices is the reality that these properties will be routinely damaged, if not destroyed, yet this is anticipated and reflected in how real estate developers operate on the island. On top of this sit narratives that attest to the sector's exclusivity, quality, and desirability, resulting in a form of what could be called hyperreality. Jean Baudrillard (1994) was a French philosopher influenced by cultural anthropology and, in turn, his work influenced the postmodern turn in anthropological and cultural studies (Baldwin 2008; Coulter 2016). Baudrillard argues that simulation no longer represents or conceals a reality; it precedes and generates it. He posits that "the

map precedes the territory" (Baudrillard 1994:1) and "Disneyland is presented as imaginary to make us believe that the real is real" (Baudrillard 1994:12). Hyperreality does not merely obfuscate reality but also plays a key role in producing what is considered reality. In St Maarten, the luxury market's images, financing structure, and resilience branding operate as follows: these operations do not mask infrastructure and risk; rather, they organize how those risks and structures are operationalized in the luxury real estate sector. The hurricane-related cycles of destruction and rebuilding are thus a hyperreal process in which value, desire, and physical construction are interwoven within this simulation of paradise.

However, understanding speculative real estate narratives in a hurricane-prone context also requires engaging with the political economy of disaster capitalism. Klein introduced this concept to describe how crises are systematically exploited for capital accumulation (Klein 2008). As Schuller and Maldonado formulate it, "disaster capitalism is distinguished by the instrumentality of catastrophes advancing the political, ideological, and economic interests of transnational capitalist elite groups" (Schuller & Maldonado 2016:62). This framework is especially relevant for the Caribbean context, where hurricane destruction creates recurrent opportunities for elite accumulation through speculative reconstruction (Dupuy 2010; Rhiney 2020). Sheller offers essential insights that bridge tourism marketing with a critique of disaster capitalism (Sheller 2004). Sheller's work reveals how catastrophe operates as a mechanism for consolidating elite control over coastal resources while displacing vulnerable populations, systematically reproducing colonial patterns of extraction (Sheller 2012, 2018). This disaster capitalism framework complicates the marketing approaches formulated by Porter, Kotler, and Hofstede: while valuable for understanding market segmentation, these frameworks prove insufficient for analyzing contexts where catastrophe itself becomes integrated into accumulation strategies. As our analysis demonstrates, St Maarten's luxury real estate market exemplifies how disaster capitalism operates through hyperreality. In this sense, disaster capitalism constitutes what Baudrillard might call a new real, a fully operational order in which destruction, reconstruction, and seductive imagery are interwoven into a generative mechanism through which these properties and the market itself are produced.

Bringing Baudrillard's and Klein's analyses together reveals that the disaster-capitalist economy operates within what Baudrillard refers to as the third order of simulation (Baudrillard 1994). The speculative cycle of hurricane destruction and rebuilding converts future catastrophes into value and through which financial projections, insurance instruments, and marketing tactics produce the real-estate reality they predict. In St Maarten, the business model of de-

struction-as-investment is thus an order of simulation through which capital circulates through signs of ruins, while recovery value drives material reconstruction and generates profit for the sector.

3 Crafting the Hyperreal

This section presents our analysis of the marketing materials produced by the luxury real estate sector in St Maarten during the research period. These materials render St Maarten, in a sense, "ageographical," a deterritorialized luxury simulacrum that could exist in Bali, Miami, or Ibiza (Sorkin 1992). The marketing strategy systematically erases local specificity, creating what Sorkin terms a "theme park" geography detached from place-based identity. We follow this with an analysis based on an ethnographic exploration of the physical, digital, and ecological realities on the ground, as well as the current model of the St Maarten luxury real estate sector. Our Baudrillardian analysis begins from the premise that, in the third order of simulacra, there is no reality behind imagery to conceal; marketing operates as the very mechanism through which infrastructural and economic conditions are generated and circulated. The speculative cycle—marketing's promise of paradise, hurricane destruction, speculative acquisition, reconstruction, and renewed promotion—constitutes the only operational reality. The hyperreal is a system of operational simulations, a generation by models of a real without origin or referent. In St Maarten, paradise marketing is not a representation but a production process: the simulacrum through which destruction, capital, and desire are continually made real.

Between 2023 and 2025, the first author harvested publicly available marketing content promoting the Dutch-side St Maarten luxury real estate. This included materials from online sources such as leading local real estate portals, coded, and YouTube channels linked to regional brokerages. These materials were thematically analyzed to explore narratives, visual imagery, and marketing strategies, using ATLAS.ti and subjected to reflexive thematic analysis (Fries, Soratto & Piers 2018). After thematic codes were identified and divided into themes, each was reviewed and refined until saturation was reached (Neuman 2014). These materials systematically portray St Maarten as a beautiful, carefree paradise complemented by uninterrupted digital connectivity. As explained during interviews with participants who worked in the sector, these advertisements are meant to target high-net-worth individuals, primarily from the United States, Switzerland, Belgium, and the Netherlands. Marketing materials typically feature high-quality visuals of beaches with turquoise waters and lush

green landscapes, hinting at remoteness and exclusivity. This includes extensive use of drone footage, with carefully curated angles that capture aerial views, so the properties appear to merge with the Caribbean Sea, avoiding nearby developments that could spoil the illusion. The marketing materials include details such as "Italian ceramic tiles," "hibiscus and palm trees" or "custom hand-crafted furniture." Video tours of these properties frequently feature sensory details in the form of soothing soundscape, and calming background music. These tactics work to create a sensory ambience that sets the stage for a tranquil association with St Maarten's luxury properties.

The imagery that is employed in these materials, visually and textually, conjoins the themes of idealized climatic conditions, views which omit anything unpleasant, and descriptions of quality, ignoring issues of the surrounding infrastructure in which these properties are embedded, let alone the threat of destruction by hurricane which is a constant on the horizon. Selecting a few examples for a detailed consideration, we examine Villa Trae which is presented as a luxury condominium where its amenities, including a rooftop infinity pool, spa, and gourmet restaurant, are highlighted. The buyer is invited to "indulge in unparalleled luxury with our world-class amenities," showcasing the rooftop pool with its panoramic view over the Caribbean Sea. Every element is curated to reinforce the narrative of carefree elegance. The fully furnished property is laid out with sofas facing panoramic views; the kitchen is outfitted with appliances for the in-house chef. Nothing appears out of place. The video concludes, "This is more than a home; it's a lifestyle." Another example is the advertisement for Villa Mission, which emphasizes the property's privacy and exclusivity. It shows a property surrounded by lush greenery with private beach access. The accompanying text promotes the villa as a "haven of privacy and exclusivity," the "ultimate in luxury living," where every detail is designed to cater to the client's desires. The property's architecture and landscape essentially tell a story: here is where you sip cocktails at sunset; here is your spa-like rest for daily rejuvenation; here is paradise at your doorstep. One typical promotion of high-end villas emphasizes the "expansive" views of Saint-Barth, the Indian Rock, and serene surroundings, photographed under clear sunny skies. The 700-square-meter open-plan property is described as a "magnificent residence," combining luxury and relaxation, equipped with a gym, wine cellar, and space for a private cinema, suggesting a high-end living experience. A real estate marketer, Ben, noted, "Luxury here on the island is mostly about the services you receive … having a dedicated concierge for every person that comes here," emphasizing the importance of personalized amenities in crafting a sense of exclusivity. He added, "Having the best materials you can get here on the island … increases the luxury aspect," highlighting how

rare, high-quality materials increase the perceived value of these properties. High-end real estate listings in St Maarten often emphasize luxury through tangible, quantifiable amenities such as a private chef, concierge services, infinity pools, and state-of-the-art fitness centers. Properties such as Villa Amore are promoted via a video tour featuring aerial shots of the coastline under clear skies at sunrise, transitioning to a close-up of the property's private beach with a crystal-clear sea. These aerial images capture the villa's secluded grandeur in a single frame, presenting the property as a private Eden, isolated from any unattractive realities beyond its boundaries. The high-dynamic-range (HDR) processing blends multiple exposures to capture "every detail" in bright sun and deep shadow. The result is an image where skies are bluer, greenery more vibrant, and interiors crystal-clear. This hyper-clarity creates the impression that the villa exists in a continuous moment of perfect light and weather. The property is described as being located in the "most exclusive community in Sint Maarten," with a strong emphasis on the ocean views from all five bedrooms and providing the comforts and convenience that few luxury villas offer. Hand-in-hand with the imagery, the language employed in the villa listing is richly hyperbolic and carefully tailored to sell the dream. The descriptions are filled with evocative imagery which plays a key role in the creation of the simulacrum. Typical keywords or phrases from the lexicon of paradise are employed: "tropical paradise," "oasis," "haven," "slice of paradise," "sanctuary," "idyllic settings," "dream come true," to name but a few. Every aspect is accounted for and elevated to be something magical, urging the reader to "seize this extraordinary opportunity to claim your piece of tropical paradise."

The coherence of this simulated world becomes visible through its systematic decontextualization of people, labor, and place, not as a façade collapsing, but as evidence of a model functioning independently of any referent. Kapferer and Bastien note the importance of rarity, high quality, and symbolic value in luxury branding (Kapferer & Bastien 2009). These elements are crucial in creating a compelling image of exclusivity and wealth, which are communicated to prospective buyers. However, we are left with a collection of villas and other such properties that exist in a sort of hyperreal space removed from the context in which they are situated. For example, twilight photography, which presents the property in an enchanted dusk glow, is a common technique. This technique presents the properties in dramatic light at sunset, suggesting a certain intimacy, though a depersonalized one. Of equal importance is what is not shown in these images, specifically, people. The privacy and exclusivity implied by the images are achieved through selective editing. The absence of people in the images is intentional, as this emptiness enables buyers to mentally insert themselves into the scene. What is on offer is not any property that can be sold

to anyone, but a personalized experience that caters to specific buyers. According to Ben, "Your house becomes its own brand. People come down, you have a specific name for your property, and they'll come year after year." Yet this decontextualization of people presents an image of properties located in St Maarten, but not of St Maarten, including the local labor that makes all of this possible. The villas appear to operate by themselves, while tropical luxury as the result of hard labor is implied, but the labor behind it remains hidden.

A similar situation holds with the decontextualization of the properties from St Maarten, its people and culture, and perhaps the Caribbean region itself. The depiction of these properties blends scenery with imported luxury aesthetics, creating what is essentially a themed environment, a simulacrum of tropical living assembled from global signifiers of luxury, perhaps more so than from St Maarten itself or even the larger region. Villa Palm, for instance, boasts Bali-inspired decor, hand-crafted furniture, and a large swimming pool overlooking the Caribbean Sea with a submerged bar. Villa Blue, located near one of the island's many beaches, is marketed as a "true work of art" with custom-designed furniture, a swimming pool with lanes, a private tennis court, and a gym, catering to those looking for a resort-like experience. The consistent emphasis on "little personal touches" are intended to resonate with potential buyers. They suggest exclusivity through personal attention and security guarantees, such as the 24-hour surveillance and caretaker service mentioned for Villa Beach. However, these global elements effectively deterritorialize the architecture from any specific Caribbean culture. The stylistic simulacra create a hyperreal space that feels exotic and enchanting, yet placeless; a luxury villa in Sint Maarten might just as well be in Bali, Miami, or Ibiza, because it hand-picks cosmopolitan design elements detached from the local context. This ageographical strategy is intentional: maintaining placelessness maximizes the properties' appeal to global capital seeking familiar luxury tropes over Caribbean cultural specificity. This is to an extent replicated on the French side of the island. Real estate advertisements in Saint-Martin draw upon similar hyperreal marketing narratives, emphasizing gated communities, and walls surrounding the properties for privacy, often highlighting their proximity to the Dutch side and vivid nightlife in Maho or restaurants in the French capital city Marigot, but most often with a starting price tag of US$1 million higher than on the Dutch side, located in the Les Terres Basses area. According to interviews with those working in the sector, there was an attempt to incorporate local culture into these marketing materials. Ben explained, "We had to make sure to incorporate cultural aspects of the island … to make sure that everything has a feel of the island." The use of marketing to convert infrastructural vulnerability into aesthetic coherence is not unique to St Maarten. Sheller's analysis of Caribbean tourism

imagery demonstrates how promotional narratives systematically omit limitations while foregrounding idealized landscapes (Sheller 2004). Similar patterns are evident across other postcolonial tourism contexts, such as Azcárate, Baptista, and Domínguez Rubio's analysis of posthurricane reconstruction in Cancún, Mexico (Azcárate, Baptista & Domínguez Rubio's 2014). MacCannell's concept of staged authenticity captures how sectors deliver deliberately designed experiences detached from ground realities, a dynamic central to St Maarten's hyperreal luxury representations (MacCannell 2013). However, it is difficult to see what, if anything, about local culture appears within the materials used to sell luxury real estate properties in St Maarten. We contend that this form of hyperreality is not entirely immaterial—it does refer to actual properties and physical places—but it is highly curated and largely decontextualized from local people and culture to the point where it becomes self-referential.

4 Operationalizing the Hyperreal

Upon arrival in St Maarten, the first author encountered the operational reality of disaster capitalism's hyperreal system. The infrastructural instabilities, ecological vulnerabilities, and cyclical patterns of destruction constitute the operational effects through which the hyperreal ecosystem of disaster capitalism reproduces itself. One example of this was the Princess Juliana Airport, where lingering infrastructural damage from Hurricane Irma was noticeable, and upon arrival, internet disruptions were plaguing the airport's limited arrival store, where the first author attempted to buy a local SIM card. While such factors were overlooked in the real estate marketing materials, they were certainly experienced by anyone who lived on or visited the island. Official documents and regional news outlets confirmed these challenges,[4] noting persistent infrastructural shortcomings, including inadequate public service management, frequent power and water interruptions, and an unresolved waste management crisis.[5] This proved to be a key thread throughout the interview

4 "Permit Needed for Works of Profound Nature Says Ministry VROMI," *Soualiga Newsday*, May 13, 2021, https://www.soualiganewsday.com/index.php?Itemid=451&id=37599%3Apermit-needed-for-works-of-profound-nature-says-ministry-vromi&option=com_k2&view=item&utm.

5 IMF 2024; "New VROMI Minister Ensures GEBE Power Outage Issue Is Fully Resolved," *Soualiga Newsday*, September 1, 2019, https://www.soualiganewsday.com/index.php?option=com_k2&view=item&id=27122:new-vromi-minister-ensures-gebe-power-outage-issue-is-fully-resolved&Itemid=450; VROMI 2015.

materials and echoed in documented government policy reviews and international reports. Actors associated with the sector were often highly critical and concerned about the future sustainability of these practices, even as they outlined how beneficial this model of destruction and rebuilding was for the sector.

4.1 *Physical and Digital Infrastructure*

As the first author investigated luxury real estate promotions in greater depth, the physical and digital infrastructure shortcomings of St Maarten became increasingly evident. Road infrastructure problems illustrated this disparity. Magdalena, a local resident, described typical travel conditions during the tourist season: "just to go from Maho to Simpson Bay can take hours during the high season." She continued by explaining that she refrains from calling some roads "roads" because of their poor condition. Field observations confirmed these accounts, noting significant traffic congestion and visibly deteriorating road surfaces throughout areas promoted as luxury zones. The condition of these roads worsens drastically with heavy rainfall, in some areas becoming submerged due to the lack of wastewater management systems on the island. Logan, a luxury property developer, linked these conditions to systemic neglect, emphasizing, "Look at the hilltops; these are all private roads, and nobody wants to pay to fix them." Martin and Carlos, local developers on the island, further underscored the essential need for infrastructure improvements to support high-end development, including well-maintained roads, effective waste management, and a reliable transportation network. Most other interviewees shared their view of the island's aging infrastructure. Parallel issues were apparent regarding utilities, such as electricity. Megan, a government worker, noted, "The electricity here is unreliable; we experience frequent blackouts, especially during hurricane season." She continued by explaining that the local energy company "still runs on fossil fuel," citing the need for renewable energy sources and an updated energy network, "we have all this free sun, but no solar backup." However, she added, that requires "government will because the energy company is government-owned." During the first author's stay on the island, power interruptions were recorded, outages that disrupted daily activities across the residential and commercial sectors. Informants described these occurrences as frequent enough that personal oil-generators had become a household investment. Water is another such example. Despite promotional material suggesting abundant natural resources, interviewees repeatedly noted the precarious nature of water quality and supply. The island's reliance on distillation plants makes it particularly vulnerable to fluctuations in quality. Isa, a local developer, noted, "The tap water sometimes tastes odd or smells strange; most people rely

heavily on bottled water." These observations align with official guidance issued by the Government of Sint Maarten, which advises residents and visitors who are unsure about tap water quality to use bottled water, boil water, or use a filtration system (Government of Sint Maarten 2025b).

Ethnographic findings revealed that persistent digital instability exposes the promise of connectivity as an operational fiction, one that structures daily life around dependence on an inherently unstable system. Digital disruption emerged as a routine issue on the island. Jason, a local, stated "Island life is very quiet and peaceful, but of course, there's a lot of irritations … sometimes there's no internet, and sometimes the power goes off." The first author frequently experienced this instability, as he attempted to connect to his family overseas and his academic counterparts. Frequent lag and interruptions made video communication challenging, with quality varying from day to day. Digital accessibility in the twenty-first century is arguably a core utility alongside water and power, particularly given the demands and expectations of luxury real estate. The digital landscape of St Maarten reflects the complex interplay of innovation and inadequacy, as recounted by local inhabitants whose reliance on internet services is critical, yet these services are frequently disrupted. The simulation of an always-connected paradise operates through a network that continually exposes its own instability, folding dysfunction into the experience it promises to transcend. "You can't depend on a stable connection," said Justin, a local lawyer whose work from the island often hits barriers. "People are upset, but life moves on." Cybersecurity vulnerability is further compounded by digital instability. The 2022 cyberattack on NV GEBE the island's sole power utility provider, significantly disrupted essential services and exposed systemic technological inadequacies.[6] As Ashley explained, "All the lights can go out, and it happens. This island has numerous issues, especially the single electrical company. They also got hacked, and it's still not solved." This incident caused long-term inconveniences for residents; some received incorrect bills for months afterward. "I got a 5,000-guilder bill after I had already paid my outstanding debt. I had to prove it with receipts […] they are dependent on the consumer to adjust errors made by them," she added. Such incidents highlight governance issues related to infrastructure management and accountability on the island, which are promoted as sophisticated and hassle-free. This digital vulnerability exposed the broader risks associated with the island's dependency on an out-

6 For more information, see Openbaar Ministerie 2022 and "NV GEBE Reflects on the 2022 Cyber-Attack with Renewed Commitments to Security and Resilience," *721 News*, March 20, 2023, https://www.721news.com/2023/03/nv-gebe-reflects-on-the-2022-cyber-attack-with-renewed-commitment-to-security-and-resilience/.

dated technological infrastructure. However, the poor infrastructure does not stand in opposition to the simulacrum of paradise; we contend that it is part of it. Like the properties themselves, the anticipation of their inherent destruction is part of the model, and it is within this simulacrum that the repeated lack of investment in local infrastructure becomes more comprehensible.

4.2 *Ecological Concerns*

Fieldwork revealed how images of nature and the material signs of overdevelopment co-existed with the same operational reality of the island's hyperreal paradise. The island's visual appeal, consistently foregrounded in promotional material as "idyllic" or an "untouched paradise," appears unchallenged alongside the juxtaposition of overdevelopment and ecological degradation. Waste management, for example, emerged from the interview material as a key ecological concern. As the waste management system struggles to keep pace with residents' demands and the seasonal tourist influx, waste is often simply burnt. Ashley, a resident, highlighted waste management deficiencies: "It's an eyesore, but it's also dangerous because it's been catching fire as well. The fumes didn't bother me so much, but people really had health care issues from it [burning waste at the landfil]." Another research participant, Isaac, provided further context, pointing at regulatory loopholes due to nonparticipation in international waste management convention (Basel Convention) and offered a critical take on the situation which also placed blame on actors outside of the island: "We are becoming the world's rubbish dump because a lot of companies find it cheaper to ship the waste to the Caribbean and throw it away for free." During the fieldwork period, recurring narratives of garbage fires from the island's landfill, located near the parliamentary building, the University of Sint Maarten, and the Carnival event setup. This landfill, which is prominently visible on the island, overflows into the Great Salt Pond, filling it with chemicals and causing damage to native wildlife. Fieldwork notes detailed strange odors from the nearby landfill, and sightings of dead fish. John, a community member, highlighted the severity of this issue: "The salt pond has become an environmental disaster, toxic waste spills and garbage fires routinely degrade our heritage." The island's dependency on imported goods further complicates the situation, contributing to excessive packaging waste. Local initiatives to reduce plastic use have been slow to gain traction. "We sometimes have volunteer cleanup projects to clean up the island," shared Frank, a community leader. "But without broader governmental support and policy changes, it feels like we're fighting a losing battle because people just throw trash everywhere."

Climate vulnerability and the increasing severity of weather events linked to global warming were other factors that research participants passionately dis-

cussed in interviews. Interviewees consistently expressed concerns about the increased environmental risks posed by intensified hurricane activity. Hurricanes have always been a part of life in the Caribbean, but they are becoming more frequent and severe (Asad, Dahlin & Barón 2023; World Meteorological Organization 2022). The devastation caused by Irma in 2017 is still fresh in many locals' minds. "We lost everything," recalled Sarah, a real estate developer whose home was destroyed by the hurricane. "I think we all have national posttraumatic stress syndrome now." Troy, a local environmentalist, expressed grave concerns about ecological resilience: "Our coral reef and mangroves are dying due to unchecked coastal development. They are vital to marine biodiversity and tourism, but they're retreating fast." The duality of dependence on and vulnerability to the sea is a recurring theme within the interview materials, with one participant commenting, "The coastal ecosystems, including coral reefs and mangroves used to be beautiful; they are essential to our marine life and the tourism industry, but unsustainable coastal development has had a huge impact." These accounts are further supported in the health assessment of Sint Maarten's coral reefs (Nature Foundation Sint Maarten 2024). Although the Government of Sint Maarten has made efforts to improve environmental management,[7] the process is slow. Policy implementation often faces bureaucratic delays, and there is a need for more vigorous enforcement of existing regulations. The lack of consistent policy enforcement has been a recurring theme in the island's administrative history. Troy, a local policymaker, linked the regulatory gaps to environmental degradation: "There's no legislation … we're the only country in the Dutch Caribbean that doesn't have the environmental and social impact assessment laws." Field observation confirmed these concerns, documenting deforestation on hill tops for property development, despite local policies stating that such acts are prohibited so as to preserve the skyline and natural beauty (Kant & Hoogbruin 1998). The ongoing construction activities indicate visibly eroding ecological integrity, hillside deforestation, soil erosion, and coral reef disturbance adjacent to coastal development. Economic disparities intensified by unchecked luxury real estate expansion manifested in disadvantaged communities situated near luxury zones. Interviews and observations indicate that lower-income residents frequently inhabit flood-prone or

7 It should be noted that some of Sint Maarten's government websites face accessibility issues due to lacking infrastructure. For VROMI's Nature Plan Sint Maarten 2021-2025, see https://dcnanature.org/wp-content/uploads/2022/10/Nature-Plan-Sint-Maarten-2021-2025.pdf; for VROMI's National Building Decree and Building Code BC0 for Sint Maarten, see https://www1.sintmaartengov.org/Documents/Policies/Manual%20for%20VROMI%20staff%20vs.%201.8.pdf; VROMI 2025.

environmentally hazardous areas, experiencing the vulnerabilities of climate-driven events more vividly. "The Cul de Sac area is located between hills, and these torrential rains went on for two days, and people could not get out. It sometimes destroys the houses and really impacts people's lives there," said Alma, a property developer. On one particularly illustrative occasion following a hurricane's tail-end rainfall, the first author noticed heightened stress among restaurant staff. Upon expressing concern and inquiring about their well-being, a waitress revealed deep anxiety about the flooding at her home. She described how each rainfall transformed into a relentless battle with water cascading from the hillside and flooding into their residence. "We have to constantly scoop the water out with buckets until the rain stops." The first author accompanied her to her residence, witnessing a disturbing reality: water steadily inundated her home, creating an immediate, exhausting, and endless struggle against rising floodwaters for her and her husband. Such scenarios were not isolated; similar devastating outcomes were repeatedly documented, in which streets became submerged, mud blanketed the roads, and everyday life on the island was disrupted. Each flooding event required some form of cleanup efforts, hampering normal activities. These types of flash floods are well documented on the island.[8]

St Maarten's hyperreality operates through the very interplay of marketing and material process, no longer opposite but the same circuit of production through which poor infrastructure and ecological degradation reside within the simulacrum of paradise. The anticipated destruction and profitable rebuilding are interwoven within luxury representations to attract offshore investment, but also operate alongside ecological damage from overdevelopment and the intensifying effects of climate vulnerability.

4.3 *A Model of Destruction*

Data from several sources suggest that the sector quickly rebounds after hurricane events, which interview participants working within the sector interpreted as opportunities for rebuilding and development in the wake of destruction. Interviews with real estate agents, developers, and architects shed light on these practices, which also align with property price index data. In 2025, the Central Bank of Curaçao and Sint Maarten, in combination with Kadaster, introduced a property price index that showed prices dropping then rebounding after hurricane events such as Irma in 2017. This effect was also reflected

8 Government of Sint Maarten 2025a; "Drive with Extreme Caution: Avoid Flood Prone Areas," *Saint Martin News Network*, October 23, 2023, https://smn-news.com/index.php/st-maarten-st-martin-news/44097-drive-with-extreme-caution-avoid-flood-prone-areas.html.

in the GDP data as discussed earlier in the article. According to the views expressed by those working in the sector, this process of anticipated destruction, rebuilding, and development is made possible by a weak regulatory framework, lax oversight, and a context that rewards short-term gains, all of which thwart long-term sustainability.

Interviews with real estate agents described how repeated hurricane destruction created opportunities for profit and for investors to purchase depressed-value properties in anticipation of redevelopment. Micheal, a real estate agent, pointed out that such profit-seeking influences decisions in property purchases: "a property that's worth 1 million right now … the hurricane could destroy it in such a way that after the hurricane it's only worth 250,000. And that's when you buy. That's when you have to buy." He continued to articulate that this is now the model and how he advises some clients to time their purchases: "So, a week before that I was having dinner in Maho with a friend of mine … And I told him, I told him hurricane—I swear to God—I told him a hurricane. And I told him the worse, the better." This is now incorporated into how the sector operates: "But then a hurricane happened, and, you know, that's when a lot of Americans came … but it's the same guy buying up properties at 600,000, but the same property is now worth 1.2–1.3 million. That's the difference. People didn't see that opportunity before, but there are opportunities after Irma; I sold a lot of real estate." This sentiment was echoed by Marcus, a developer, who noticed post-Irma an expectation of lower prices for lots to develop than their expected valuation, which was key in successful sales: "I would say beginning of 2018, I took three lots, which I thought were still decent, slope wise. But they weren't sold. I lowered their prices a little bit and I sold all three lots within the three months." Further, a real estate agent pointed out that for offshore investors these are most likely some of many properties in their portfolios and that they are not "homes" that will be missed in the sense of the loss faced by residents as the result of hurricanes: "many people like to buy condos on the beach … stay there for maybe two months out of the year. The rest of the time they rent it and all the money generated from it covers their insurance, fees, and puts money in their pockets." As such, insurance, as well as the future opportunity to purchase depressed properties for redevelopment, has become a feature, not a flaw, and a practice made possible with lax oversight and regulatory weaknesses.

John, an architect, emphasized these regulatory weaknesses, noting how building practices often lack oversight, resulting in vulnerabilities: "people build first and ask for permit later." He continued by stating, "It's not corruption; it's that there is no system." According to one developer, John, "most [real estate agents] have no clue of what [they are] selling. They are just there for

the commission." The developer further noted that agents "don't know about the law … the notary closing system … or the product they're selling." Jason, another research participant, described the paradoxical valuation of posthurricane reconstruction, in which high value properties became depressed, and then increased in value: "The real estate value went up, not down [after Irma …] it's a beautiful island; everyone wants a piece of the pie." This reflects a deeper normalization, where informal, ad hoc building practices have replaced formal planning, with the intention of maximizing short-term gains. Marvin, an architect, argued that these changes were linked earlier to Hurricane Luis in 1995 but became the norm after Irma. He contended that at least up until the 1970s, the island was "high-end" in terms of quality luxury real estate: "The government just chose for quick and dirty Disneyland, Las Vegas, cheaper cruises. Very bad for the island." He continued, "After Irma, I did a lot of renovations … Probably did ten projects … I think [that with] nine of them, we could have better just started all over again because renovation is so expensive. Not even the regulations change, but it's like they used salt sand for concrete." He concluded that this is simply the model now: "Like, what is real estate on this island? It's just about building a house to protect you against the hurricane. And then know that in ten years it's going to be devastated and start all over again."

It is not accurate to suggest that a regulatory framework does not exist at all; rather, it appears to be more of a question of enforcement. Wealthy buyers can navigate and exploit St Maarten's shifting legal regimes by leveraging its dual-jurisdiction status to maximize tax and property benefits. The 2021 Recovery and Resilience plan by the Ministry of Public Housing, Spatial Planning, Environment and Infrastructure (VROMI) recommended stricter coastal-zone setback, enhanced building-code enforcement, and new waste-management protocols; however, these policies remain largely unrealized due to institutional delays and insufficient staffing. This policy is not limited to St Maarten, because it also addresses issues experienced by other islands. In Barbuda post-Irma, for example, aggressive land privatization fueled by foreign capital led to widespread dispossession (Look, Friedman & Godbout 2019). In the Bahamas, hurricane-induced displacement and recovery were characterized by disproportionate burdens on specific communities and islands, revealing a systemic pattern of inequitable resilience and speculative rebuilding strategies (Robinson 2024). Regional financial reports, such as those from Turks and Caicos, underscore how speculative real estate driven by offshore capital increases economic vulnerabilities, intensifying the precariousness of development pathways during escalating climate risk (Jakubik & Gersl 2025). These islands, including St Maarten, are confronted with substantial replacement costs and financial pressures from hurricane damage, which signal broader patterns of

speculative real estate exploitation driven by offshore capital and intensified under neoliberal planning frameworks, raising questions about sustainability, equity, and resilience in Caribbean development practices (Rozenberg et al. 2021).

In St Maarten, however, this disparity becomes even more pronounced when compared to the French-governed side of the island. In May 2023, St Maarten's VROMI rolled out a major update to its National Building Decree issued in 2013 to introduce stricter material standards, revised load-bearing and wind-resistance calculations, and new safety protocols for all housing classes (including Class 0 dwellings).[9] However, compliance is uneven and oversight remains under-resourced.[10] Since 2013, St Maarten's permit regime is governed by the National Building and Housing Ordinance[11] and its Decrees of Execution[12] "infrastructure (civil work)" permits are required for major excavations or retaining walls. That same ordinance (Art. 28(4)) establishes an island-wise Environmental Impact Assessment requirement. Sectoral environmental permits (for example, under the Hindrance Ordinance [*Hinderverordening*])[13] and other governing laws (on waste, water, and natural protections) regulate impacts; the National Recovery and Resilience Plan 2018 and Tourism Master Plan from 2005 now serve as supplementary policy guidance. Draft local plans for Simpson Bay, Cul de Sac, Middle Region and other areas are under preparation, but only a few have passed public-review stages, leaving ad-hoc development and permitting loopholes.[14] This regulatory gap, coupled with VROMI's limited enforcement capacity, allows luxury market actors to frame "resilience" and "renewal" as a feature of their properties, even when the underlying codes and zoning remain weak or unenforced. By contrast, regulations, infrastructural investment, and various protections appear to be stronger on the French side of the island. For example, since Hurricane Irma in 2017, EU-funded reconstruction projects on the French side have financed substantial upgrades to Saint-Martin's energy and broadband infrastructure, and an overhauled Natural Risk Prevention Plan (PPRN) has imposed stricter costal-zone measures. In

9 VROMI, National Building Decree and Building Code BC0 for Sint Maarten; "Building Code Update," May 8, 2023, *News.sx*, https://news.sx/housing/building-code-update.

10 VROMI 2021; "Permit Needed for Works of Profound Nature Says Ministry VROMI," *Soualiga Newsday*, May 13, 2021.

11 *Aankondigingsblad*, AB 2013, GT no. 136.

12 *Aankondigingsblad*, AB 2013, GT nos. 146 & 401.

13 *Aankondigingsblad*, AB 2013, GT no. 139.

14 Bijlsma et al. 2021; "Zoning Process To Be Continued," *Sint Maarten News*, May 23, 2016, https://smn-news.com/st-maarten-st-martin-news/22351-zoning-process-to-be-continued.html.

2017, St Maarten's regulatory framework was notably weaker or only partially implemented compared to other jurisdictions. The island had no comprehensive zoning plan in force—previous draft zoning plans had never been formally adopted, leaving development decisions to case-by-case approvals (HBN Law and Tax 2025). In contrast, construction on the French side tended to be more robust, with about 80 percent of Saint-Martin residences having concrete walls, although many still had lightweight zinc or aluminium roofs. There is historical precedent for this contrast. After 1995's Hurricane Luis (a similarly catastrophic storm), experts noted that the French side's stricter building controls significantly reduced losses compared to the Dutch side (Abebe, Pena & Vojinovic 2018; Arroyo, Corbella & Poveda 2018). A government report from France highlighted that Saint-Martin's building stock was older, and many buildings predated modern codes. Yet during extreme events such as Irma, even older buildings were able to be sustained due to basic structural integrity (Abebe, Pena & Vojinovic 2018). French officials also noted that Saint-Barthélemy (a nearby French island hit by Irma) sustained far less damage, with only 3 percent of buildings destroyed compared with 20 percent in Saint-Martin because Saint-Barth has "a lower proportion of precarious housing and stricter compliance with building rules in risky zones" (Chambres Régionales & Territoriales des Comptes 2021). Another consequence of this difference is where buildings were permitted to be located. The French audit office (Cour des Comptes) reported that nearly 70 percent of all damage on Saint-Martin occurred in officially designated "risky areas" (for example, low-lying coastal strips), with very few houses, villas, or resorts located directly by the sea (Chambres Régionales & Territoriales des Comptes 2021). In contrast, resorts in St Maarten, such as the large Sonesta Maho Beach, are built right at the ocean's edge and were ruined entirely by storm surge and wind (Arroyo, Corbella & Poveda 2018). These locational differences between French properties set back from hazardous zones and Dutch properties built at the ocean's edge reflect how the colonial administrative framework plays a significant role in determining outcomes during hurricane events.

5 Discussion

Drawing on the perspectives of business anthropology and Baudrillard's concept of hyperreality, we demonstrate how marketed images of St Maarten as a luxurious paradise function as a simulacrum through which lived experiences and material processes are organized. However, understanding this requires returning to the colonial legacy that structures contemporary development.

The 1648 Treaty of Concordia created institutional disparities that continue to influence the contemporary real estate market: French Saint-Martin's EU integration has resuted in mandatory environmental assessments and enforced building codes, while within Dutch St Maarten's peripheral constitutional position, much of its territory remains without building zone plans (Peeters 2024), which perpetuates regulatory weaknesses (Groenewoud 2021). This colonial legacy is not a mere historical background but an active force that enables the hyperreal luxury real estate market we have analyzed.

The hyperreality of the luxury real estate market in St Maarten operates through the production of marketed images of paradise. It occurs within the context of weak regulations, cyclical catastrophes, and circuits of global capital. In Baudrillardian terms, this means that simulation does not conceal a deteriorating reality but actively organizes it: the speculative market, rebuilding cycles, and branding of resilience together constitute the hyperreal mechanisms through which capital and built forms reproduce one another. Following Baudrillard, the speculative property cycle itself becomes the operational reality through which value materializes.

Within these representations of luxury, a complex social formation unfolds, shaped by colonial legacies, economic disparities, and unregulated development. The influx of wealthy property owners, drawn to the hyperreal constructed paradise, accentuates these social divides. Informants described how luxury developments are creating parallel communities, segregating the wealthy from the long-established local population. This segregation is both physical—in areas monitored by around-the-clock security systems and guards—and social, since elite enclaves rarely intersect meaningfully with local cultural spaces beyond their controlled interactions. A discussion with a long-term resident in one of the wealthier areas revealed that, despite having lived on the island for over ten years, they had never entered some of the local community areas. The more expensive neighbourhoods on the islands were often referred to as "islands within our island," places where residents rarely left their comfortable surroundings to interact with locals. The sustainability of these practices with the luxury real estate market, and property development in general, was also articulated by those working within the sector, as well as environmental activists, as one research participant discussed at length:

> They're just building these ugly boxes for some foreigners to come and pay a quarter of a million … for maybe three months a year … What happens when you oversaturate your very limited space and tourism declines? … We simply can't handle it. We're not developed enough or forward thinking enough to deal with it. We really aren't … It's a short-sightedness …

> We're not seeing the long-term need for some sort of sense of island identity … If our economic pillar of tourism starts to go down … What are all those people living in those condominiums going to do?

What locals term "corruption" (bribery, nepotism, and financial opacity) functions less as governance failure than as constitutive statecraft within St Maarten's hyperreal disaster-capitalist order. While care must always be taken with regard to claims of corruption, in that reciprocal kinship obligations in one context may be seen as nepotism in another, here we are referring to regulatory ambiguity, marketing discourses, offshore capital flows, and speculative reconstruction as the mechanics through which disaster capitalism's hyperreal system functions. Locals are not exaggerating when they discuss the heavy involvement of people from the surrounding region as laborers, as well as wealthy outsiders buying up these properties. St Maarten's luxury real estate sector predominantly caters to foreigners, reflecting the island's demographic reality, in which locals comprise only about 20 percent of the population (Hillenbrink 2013). While more recent figures appear difficult to come by, there is little that suggests that anything has changed.

The lax regulatory environment also ties to key differences in governance between the French and Dutch sides of the island. The broader transparency differences and anticorruption enforcement amplify this regulatory difference. As an overseas collectivity of France, Saint-Martin is subject to EU anticorruption and transparency directives.[15] In contrast, Dutch St Maarten is not part of the EU and is exempt from these regulations. Although St Maarten formally adheres to local antimoney laundering frameworks and participates in OECD reviews, recent assessments have noted critical weaknesses in enforcement capacity, risk monitoring, and institutional independence (Financial Intelligence Unit, Ministry of Justice—Sint Maarten 2024; OECD 2024). This asymmetry facilitates speculative investment behaviors more easily on the Dutch side, where the perceived regulatory leniency is seen as an advantage by some offshore actors.

Although independent data on corruption was challenging to collect, it was mentioned by enough research participants to warrant attention. Lisa, a local government worker, articulated one example of this discourse: "We have a huge problem with corruption […] the influence of corruption on

15 The EU and Its Outermost Regions, https://ec.europa.eu/regional_policy/policy/themes/outermost-regions_en; EU Legislation on Anti-Corruption, https://commission.europa.eu/strategy-and-policy/policies/justice-and-fundamental-rights/democracy-eu-citizenship-anti-corruption/anti-corruption/eu-legislation-anti-corruption_en.

the island is so obvious that it's not even hidden." Erin, a local lawyer, suggested another reason, that the predominantly disorganized nature of financial administration among businesses on the island reflects a more profound lack of transparency. Problems of bribery, corruption, and scams, to name a few, are frequently highlighted by the local news media.[16] Some participants argued that this lack of transparency was intentional, intended to obscure actual earnings and minimize tax liabilities, despite St Maarten not being labelled as a tax haven. Some government-issued reports acknowledge institutional weaknesses in transparency, public financial management, and accountability (IMF 2024). These documents acknowledge issues in revenue mobilization, implementation delays, and insufficient investigation capacity to manage financial transparency risks, all of which compound existing economic vulnerabilities. Paul, a government employee, pointed to nepotism and the island's history of oligarchic control: "After Irma, what I witnessed was such an incompetence, such a disastrous, detrimental response … unthought out and unplanned for politically motivated antagonisms." He continued by stating: "I believe that starting with the nineteenth century, Sint Maarten is basically an oligarchical structure … They make it look like we have elections and democracy, but it's all bought and sold. It's all organized through family connections." Discrepancies are further compounded by questionable market practices that directly impact buyers. For instance, one interviewee, Ben, a developer, described a scenario where a developer on the island "had the bank to pay 20 percent [down payment] at [the laying of the] foundations, while real estate brokers got buyers for the same unit that the bank already gave [paid the down payment of] 20 percent," resulting in the same property being effectively sold twice. Such practices risk significant financial losses for buyers, who may become entangled in complex legal and financial issues due to the unscrupu-

16 See, for example, Arrindell, 2024; "Time Sales Scams on St. Maarten," *St-Maarten.com*, 2024, https://www.st-maarten.com/index.php/blog2?view=article&id=1613:timeshare-sales-scams-on-st-maarten&catid=626; "Philipsburg Becoming a 'Ghetto' with Garbage Overflow," *Sint Maarten News*, November 20, 2024, https://www.smn-news.com/index.php/st-maarten-st-martin-news/46457-philipsburg-becoming-a-ghetto-with-garbage-overflow.html; "Investigation into Suspected Construction Scam Ongoing," *SXM Talks*, April 17, 2024, https://www.sxm-talks.com/soualiga-newsday/investigation-into-suspected-construction-scam-ongoing/; Zero Tolerance for Bribery in the Ministry of VROMI: A Firm Stand Against Corruption, *Sint Maarten News*, May 14, 2025, https://smn-news.com/index.php/st-maarten-st-martin-news/47709-zero-tolarance-for-bribery-in-the-ministry-of-vromi-a-firm-stand-against-corruption.html; "Former MP Starts 20-Month Sentence for Bribery and Abuse of Office," *721 News*, March 10, 2025, https://www.721news.com/2025/03/former-mp-starts-20-month-sentence-for-bribery-and-abuse-of-office/.

lous behavior of some developers and agents. Compounding this problem is the international chaos in financial administration, where many investors are seeking to reduce transparency and accountability. Elliot, a tax lawyer, highlights that "smaller clients sometimes purposely want their finances to appear chaotic so that only they understand how much money they make." Further research on this issue would be necessary to obtain more reliable data. However, it suggests that this hyperreal approach to the luxury real estate sector in Sint Maarten creates the conditions for these sorts of practices to exist.

6 Conclusion

This study advocates integrating anthropological perspectives and data-collection methods into the analysis of real estate marketing practices, highlighting the utility of ethnographic methods for identifying and addressing hyperreal marketing while exposing some of the underlying problematics. The marketed images of St Maarten as a luxurious paradise operates as a simulacrum through which lived experiences and material processes are continuously produced and circulated to the point at which they become self-referential. Our findings indicate that once operationalized such hyperreal marketing strategies convert infrastructural fragility, ecological degradation, and a lack of transparency, as well as St Maarten's ambiguous relationship to the Netherlands and the EU into aesthetic and economic assets that translate into profits for the sector but in the process also threaten long-term sustainability of the sector and the island itself. The demographic composition of the island's local population, which comprises only 20 percent (Hillenbrink 2012), is a constitutive component of the hyperreal system we document; a place increasingly devoid of local presence not just in spaces of luxury consumption but also within large swathes of the island's coastal areas. This finding extends beyond St Maarten to other Caribbean territories where luxury tourism and real estate function through similar processes of local erasure (Sheller 2004, 2018). The displacement of the local population is one visible outcome of these colonial legacies, of centuries of peripheral positioning within imperial structures, and in conjunction with contemporary processes of disaster capitalism; the 80/20 ratio materializes. However, it is important to note that research such as this remains limited, because access to specific actor networks, especially offshore investor decision-making processes and international capital flows that operate primarily outside the island's physical space, proved to be challenging. Given the warnings raised by climate scientists regarding the increased severity of weather-related phenomena in the future, this will undoubtedly provide

future economic opportunities for the luxury real estate sector in St Maarten; however, it also raises serious questions about its sustainability and thus potential adverse long-term effects of a sector that operates within a hyperreal simulacrum.

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Paper III

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Article

"Everything Here Is for Sale, Even Our History": Heritage and the Luxury Real Estate Market in Sint Maarten

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Abstract

This contribution examines the luxury real estate sector in the Caribbean Island of Sint Maarten. Drawing upon an analysis of ethnographic observations, interviews, property market data and marketing materials, we pose two core questions to the data: (1) How are fragments of the Dutch-Caribbean past deployed in luxury real estate marketing? (2) How does cyclical hurricane damage influence the luxury real estate market and heritage preservation? Proportionally very few of the luxury real estate listings directly reference cultural history. Yet when "Dutch-style and "plantation-era" esthetics are referenced, they appear to add value to the properties while enhancing a sense of exclusivity but erase the history of colonial violence. In conjunction with these discursive effects are the material realities of the cyclical destruction of property by hurricanes through which distressed properties are sold at a discount to be redeveloped for luxury builds aimed largely at foreign purchasers. This disaster development model systematically destroys artifacts of tangible heritage while displacing residents from communal spaces. As climate change intensifies, we raise questions about the sustainability of this model on the island going forward.

Keywords: heritage; luxury real estate; Caribbean region; community displacement; disaster capitalism; Sint Maarten

1. Introduction

This contribution examines the luxury real estate sector in the Caribbean Island of Sint Maarten through the lens of heritage and its connections with disaster capitalism. Sint Maarten refers to the southern, Dutch-administrated part of the single Caribbean Island that is shared with the French collectivity of Saint-Martin to the north; although the island functions as an integrated tourism and property space, this article focuses on the Dutch jurisdiction. Sint Maarten is situated within the Leeward Islands chains of the Lesser Antilles roughly 250 km east of Puerto Rico. The island's dual nation status between the Dutch (Sint Maarten) and French (Saint Martin) functions as a single tourism and property market. Characterized by a tropical climate, hilly interior terrain, and extensive coastlines, the island has long been marketed as a leisure destination, focused on beach tourism, cruise arrivals and offshore consumption. Tourism is the island's primary economic engine and the dominant force shaping land use and development pressures, particularly in coastal and hillside areas.

Heritage is a socially constructed and politically charged process through which identities, power relations, and economic interests are negotiated (Smith 2006; Kirshenblatt-Gimblett 1998). Heritage is thus not an assemblage of physical sites or material artifacts; it is an active process in which selection, valorization, and, in some instances, exclusion

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all play a role (Tunbridge and Ashworth 1996). Scholars have shown that heritage is often mobilized to legitimize the interests of dominant social groups, while marginalizing alternative narratives and communities (Waterton and Smith 2010; Graham et al. 2000). In postcolonial contexts, "heritagization" reflects the lingering effects of colonial power structures, inherited from a history of European imperial governance (Silverman and Ruggles 2007). Building on Ranger and Hobsbawm's (1983) insights that "tradition" is often newly forged to legitimize authority and stabilize power relations, and on Handler's (1986) critique of "authenticity," we analyze the references to heritage within the luxury real estate sector as marketing tools intended to add value to these properties, but which obfuscate the realities of the colonial era histories to which they are inexorably linked. As the Nara Document on Authenticity, an international heritage charter, emphasizes, authenticity cannot be assessed through fixed or universal criteria, but must be understood in relation to the cultural context in which heritage is produced, interpreted, and valued (ICOMOS 1994, p. 118). This is especially relevant in Sint Maarten, where selective references to "Dutch-style" or "plantation-era" esthetics detach built forms from the historical meanings that give them cultural significance.

In Sint Maarten, these claims materialize in listing language such as "Dutch-Style", in zoning exemptions, and in the curatorial silence that detaches "plantation-era" esthetics from slavery's violence, a pattern consistent with Authorized Heritage Discourse, which privileges elite framings of the past and normalizes selective histories (Smith 2006). This results in a discursive erasure of this history while heritage-focused sites remain at risk due to development or lack of protection. For many residents, these colonial remnants are material anchors of collective memory and identity. Slave-built walls, estate ruins, and plantation boundaries encode histories of forced labor, surveillance, and resistance including the flight of enslaved people across the French border prior to abolition on the Dutch side. Their destruction through luxury development produces a sense of historical erasure and weakens residents' ability to claim the past as a source of identity and moral authority. This has resulted in tensions between the developers and the larger community over heritage preservation and authenticity, further problematized by the importance of the tourist sector and the island's branding. Tourism and luxury real estate are interwoven, yet recent shifts demonstrate the enhanced role of heritage as well as sustainability within the tourist sector and which are somewhat at odds with the current approach of the luxury real estate sector on the island.

In conjunction with the discursive mobilization of heritage are the effects of the material realities of the cyclical destruction of property by hurricanes through which distressed properties are sold at a discount to be redeveloped for luxury builds (or rebuilds) aimed largely at foreign purchasers. The island is struck by a major storm roughly every 2.5 years, and by Category 4 or higher hurricanes about every 15 years (Hurricane City 2023). Hurricane Irma in 2017 damaged approximately 90% of the island's building stock and caused damages exceeding 2.5 times the island's GDP (CRED 2017; World Bank 2018). Each cycle of destruction and reconstruction opens fresh opportunities for luxury development (Björnsson et al. 2024; Björnsson 2026), akin to a form of disaster capitalism (Klein 2008). In this article, we argue that the discursive thinning of heritage in marketing and the material vulnerability of heritage sites under post-disaster redevelopment are mutually reinforcing processes. As climate change intensifies and severe weather events become more destructive, this model raises questions about the long-term survival of tangible and intangible heritage on the island.

The analysis is organized around two core questions that we posed to the data: (1) How are fragments of the Dutch-Caribbean past deployed in luxury real estate marketing? (2) How does cyclical hurricane damage influence the luxury real estate market and heritage

preservation? By bringing these questions together, the article shows how heritage is simultaneously aestheticized as a selective value-added device and endangered by the development model that profits from environmental volatility.

2. Context

To better contextualize these pressures, a brief excursus on the island's land regime and its colonial history is essential. From the Dutch occupation in 1648 to the liberal land reforms of the 1970s, the former sugar estates held by a handful of planter families shifted to today's patchwork of privately titled or long-leased parcels (~84%), leaving little (±16%) of the national territory in public hands (VROMI 2021). Recent cadastral data shows that 84% of Sint Maarten's 34 km^2 is now held under private freehold or 60-year-long lease (erpacht) contracts (VROMI 2021), while tourism generates ≈ 45% of GDP and 73% of foreign exchange earnings (World Bank 2024). This situation foregrounds the struggles over who can claim the past and the land beneath it. Sint Maarten's constitutional status within the Kingdom of the Netherlands embeds its heritage politics in a colonial legacy of Dutch rule (Roitman and Veenendaal 2016). The island exists as a constituent country within the Dutch Kingdom (subject to fiscal and administrative oversight), embedded in financial and policy regimes where multilateral lenders define recovery metrics, and in a regional economy where tourism-led growth remains the default prescription. This creates what Fanon (1961) and Nkrumah (1965) analyze as neo-colonial governance, understood here as a condition in which formal sovereignty persists while key economic and policy decisions remain shaped by metropolitan powers and international financial institutions. These governance architectures shape the parameters within which heritage decisions are made, widening opportunities for elite-driven redevelopment while narrowing the scope for community-centered heritage stewardship.

These hurricane-driven cycles of destruction and distress sales are key mechanisms through which heritage sites are enclosed, redeveloped, or erased, resulting in the loss of tangible and intangible heritage (Björnsson 2026; Klein 2008). In Sint Maarten, this dynamic is reflective in disputes over rapid development and in cases such as the destruction of historically significant sites including the Diamond Estate ruins (The Daily Herald 2023b; SMN News 2023). Other factors such as the privately titled long-lease (erpacht) regime, the post-disaster finance architecture, and the "growth machine" coalition of developers, state agencies, and tourism actors (after Logan and Molotch (1987); Harvey (2003)), as well as the island's ambiguous relationship with the Netherlands and the European Union, also need to be factored into the analysis. These issues are particularly significant for small islands vulnerable both to environmental disasters and economic dependency. Islands such as Sint Maarten, whose history is shaped by European colonialism in the Caribbean and, in more recent times, global flows of finance and tourism, increasingly face pressures where heritage is curated and commodified to broadly serve tourism and luxury-oriented developments (Sheller 2003; Baldacchino 2006). In the case of Sint Maarten, the invocation of heritage as a marketing tool stands in contrast to the evidence suggesting that the preservation of actual objects of heritage sites is not a priority for the sector or, it would seem, the state.

3. Methods

This study draws on the analysis of data produced as a result of an ethnographic research project conducted by the first author on Sint Maarten's luxury real estate sector. The first author conducted fieldwork on the island during the latter half of 2023. During 2024 and into 2025, follow-up interviews were conducted along with a detailed analysis of the marketing material produced by the sector as well as relevant policy and financial data. In total, 31 semi-structured qualitative in-depth interviews were conducted with local

stakeholders. This included, among others, local government personnel, members of parliament, architects, lawyers, archeologists, policymakers, environmental advocates, property developers, real estate agents, and community representatives. The flexible nature of the semi-structured format chosen for this study allows participants to offer extended narratives on their own terms (Bernard 2011; Neumann 2014). The participants were selected based on purposive snowball sampling (Neumann 2014). The initial participants were identified via professional profiles on LinkedIn based on their known expertise or involvement with the luxury real estate sector on Sint Maarten. Subsequently, a snowball approach was employed to identify additional relevant stakeholders recommended by initial informants (Neumann 2014). All of the interviews were conducted in English and were recorded with the explicit informed consent of each participant and later transcribed. Interviews lasted approximately 60 min and were conducted in person or online, depending on participant availability. The transcription process unfolded over three phases: (1) open inductive coding, (2) axial grouping of first-order codes into themes (Strauss and Corbin 1998), and (3) cross-case matrix comparison to identify convergent and divergent patterns (Miles and Huberman 1994). To ensure participant privacy, all names in this study are pseudonyms. Given Sint Maarten's limited population of approximately 40,000 and the specialized nature of the real estate sector, the 31 interviews provide broad coverage across key stakeholder categories central to the research questions. Sampling continued until thematic saturation was observed. The proposal for this project was submitted to the University of Iceland Committee on Research Ethics in 2023. A letter was received by the first author in August of 2023 from the committee which stated that based on the description of the methods there is no specific need for an ethics committee review, and the project could proceed.

Secondary sources were used to enhance validity and readability by comparing them with interview findings. Secondary sources were used to enhance analytic validity by comparing documentary, policy, media, and market data with interview claims. These secondary data sources included government reports, policy documents, local development guidelines, relevant news articles, and openly available datasets such as Sint Maarten's property price index (Central Bank Curacao & Sint Maarten 2025) and census and labor-force micro tables from Statistics Sint Maarten. Marketing materials were collected from local brokerage websites and developer portals between 2023 and 2025 and analyzed through discourse analysis techniques consistent with qualitative document analysis approaches outlined by Neumann (2014). Each item was treated as a unit of analysis and coded for the presence/absence of heritage markers (e.g., "Dutch-style", "plantation-era", "historic", "heritage", and named monuments/sites) and for recurring narrative strategies through which exclusivity, authenticity, and place were constructed.

In reflecting upon issues of positionality, the first author, as an Icelandic researcher, follows Loftsdóttir's (2012) critical observation of Iceland's historical self-positioning vis-á-vis the global south, despite the nation having not engaged directly in colonialism. Loftsdóttir highlights that the Icelandic identity has historically contrasted itself with the constructed "colonial other". Acknowledging these dynamics raises our awareness of an Icelandic researcher investigating heritage issues in a distinctly post-colonial context. As such, the data collection and analysis processes were approached with reflective awareness of positionality and how that might influence the interactions, interpretations, and outcomes of this research.

4. Anthropology of Heritage

Heritage has only become recognized as a specific field of inquiry within anthropology, the home discipline of the authors, since the 1990s (MacDonald 2018). This time, the discipline has produced relatively significant works in the literature, often in conjunction

with the insights provided by cognate disciplines. Definitions of heritage are extensive and contested, and this kind of overview has already been provided by other authors (MacDonald 2018; Arizpe and Amescua 2013; Geismar 2015; Salemink 2021). Instead, we have selected a number of core themes with which to aid in the analysis while building upon and extending others.

One key field within this body of work contends that the politics of heritage involves power dynamics and struggles over issues of representation, authenticity, and ownership of cultural narratives, along with economic commodification. Dominant groups selectively preserve and define heritage to align it with the interests of the elites, which often marginalizes alternative narratives (Handler 1985, 1988; Handler and Linnekin 1984). This dynamic reflects broader struggles over identity, representation, and resource access (Smith 2006). The designation and portrayal of heritage sites often serve governmental agendas and economic elites, sidelining diverse voices and interests in the process (Graham et al. 2000; Waterton and Smith 2010). The concept of heritagization (Kirshenblatt-Gimblett 1998; Smith 2006) refers to the process through which elements of material culture (objects, sites, or spaces) are reinterpreted and revalued as heritage. This transformation turns them into culturally valued assets through a deliberate process which positions them as the symbolic representations of identity, tradition, and cultural memory. Objects of physical heritage become more significant through curated performances and displays in museums, tourism, and cultural festivals (Kirshenblatt-Gimblett 1998). The physically tangible properties of heritage have also been contrasted with its intangible counterpart, which refers to non-physical cultural expressions like stories, traditions, and emotions. As Rosaldo (2013) comments: "Intangible heritage is a relational term which is understood in contrast with tangible heritage. Intangible heritage is considered to be of less obvious value than the tangible. It is the immaterial or the ephemeral as opposed to the material or the enduring, even permanent" (Rosaldo 2013, vol. 37). However, it can be argued that tangible and intangible properties and values of heritage are not mutually exclusive and in fact are inseparable and often follow a similar logic and practice. This perspective aligns with approaches in heritage conservation that emphasize the importance of vernacular heritage as the fundamental expression of a community's cultural identity and its relationship with place (ICOMOS 1999). Such heritage also encompasses the way in which these heritage structures are used, understood, and embedded within social practices, including their intangible associations.

The commodification of what is deemed heritage has also been raised in the literature. Geismar (2015), for example, writes of a "heritage industry" which draws "often exploitatively, on languages of value, resource management, production, consumption, and profitability" (Geismar 2015). In turn, the intangible properties of heritage can be commodified as well, and they can also serve to increase the economic value of properties or sites. Anthropologists have highlighted that intangible heritage often faces commodification, with traditional practices becoming simplified or staged for tourism and which reduces its authenticity and alters the local cultural identity (Cohen 1988; MacCannell 1999). The intangible qualities of heritage can serve to enhance the economic value of physical properties that are marketed with reference to heritage. In the Spanish island of Majorca, Franquesa (2013) found that qualities of heritage are economically valuable to the property market, a value-added proposition in a manner of speaking. Franquesa states that these intangible qualities of heritage can serve as a marketing tool as much as they can serve as leverage for governments, international organizations such as UNESCO, and grassroots, community-based groups: "Realtors use it to 'add value' to their property, tourist agents to sell tourist packages, local authorities to legitimize their policies, and preservationist and residents' associations to oppose real estate developments" (Franquesa 2013, vol. 346).

A key set of questions revolve around who manages heritage, how this is done, and for whose benefit. Harvey's (2003) concept of accumulation by dispossession provides the means to understand why heritage is selectively preserved by specific interests, rather than democratically managed for the benefit of the larger society. Through this lens, capitalist development expands through the privatization of public or common resources like land and resources as well as tangible and intangible cultural assets like heritage to reinforce capital accumulation. Commodification driven by real estate development frequently prioritizes the interests of global capital, which reinforces exclusionary practices while fostering socio-spatial inequalities (Gotham 2005; Swyngedouw et al. 2002). In this sense, heritage preservation is embedded within neoliberal logics, with cultural assets becoming commodified to attract investments, tourism, and economic rejuvenation.

The cyclical destruction and rebuilding of property caused by hurricanes endemic to this part of the Caribbean, or in other regions, has received little attention in the anthropology of heritage literature, though it has been featured in discussions of "blue heritage," the cultural dimensions of coastal and marine environments (Boswell et al. 2022). Such ecological concerns are an important addition to the theorization around heritage politics. The dynamics of heritage management is complicated by the realities of climate change, especially in hurricane-prone regions like Sint Maarten. These regions are susceptible to rising sea levels, erosion, and hurricanes, exacerbated by the effects of climate change. Many coastal sites that are vulnerable to environmental degradation are often rich in symbolic or historic significance, which are valued in the luxury real estate sector. These understandings have played a significant role in our analysis of the luxury real estate market.

5. Results

The core questions which governed the research process and this contribution are as follows: (1) How are fragments of the Dutch-Caribbean past deployed in luxury real estate marketing? (2) How does cyclical hurricane damage influence the luxury real estate market and heritage preservation? The findings are presented in line with these questions, with some space left in the discussion for their further consideration in light of the theoretical framework.

5.1. Dutch-Caribbean Heritage Fragments: Discursive and Material

A key set of findings from the data which spoke to the question of how heritage was invoked by the luxury real estate market in Sint Maarten suggested that it was somewhat "absent" yet appeared in a fragmentary way to occupy a rather strategic position in marketing. Furthermore, when it was present, it was rather decontextualized and served to obfuscate the colonial histories that it also selectively invoked. The discursive framing of heritage, however, also intertwined with the materiality of heritage sites under threat from both development as well as hurricanes. Issues related to this referenced by interview participants spoke to the struggles concerning ineffective policies, commodification and authenticity, and community disempowerment regarding heritage preservation.

5.1.1. The "Absent Presence" of Heritage in Luxury Real Estate Branding

A systematic review of luxury property advertisements across major real estate platforms found that fewer than 5% of these advertisements made any direct heritage references, though the topic frequently appeared in interview data. When heritage did appear in these materials, it was in the form of what could be called "fragments" and referenced such things as "Dutch-style architecture" or "plantation-era landmarks". Some references in these materials invoked the history of the island, albeit in a simplistic way; nevertheless, these properties appeared to be marketed in an ahistorical, global sense of "luxury" that is

not rooted in a specific locale. For example, Adrian, a local real estate marketer, described how the focus in property marketing often prioritizes conveying a sense of exclusivity and luxury rather than emphasizing local heritage explicitly. As he explained, "if you have a luxurious brand [. . .] you make sure everything that goes out is at high-end look and feel, then you're telling your guests that we are high-end, and when they come here [to the properties advertised by them on Sint Maarten] that's what they can expect". By showing properties with carefully crafted upscale esthetics, Adrian explained that this implicitly signals to potential clients that offerings are of the higher end, which reinforces their perceptions of luxury without making direct reference to heritage. However, this is not to say that heritage was entirely absent. Some real estate agencies indeed leveraged notions of heritage and cultural authenticity to increase appeal, as did the tourist sector. For instance, one luxury resort emphasized their designs as inspired by Sint Maarten's dual Dutch colonial cultural heritage, stating in their promotional materials that their project "embodies Dutch-style architecture (Sotheby's International Realty n.d.)". Another example from developers is the newly opened Sint Maarten Tourist Office, housed in the historic St. Joseph building on Front Street. Its developers highlighted the fusion of "old-world-charm (Gioia Group 2023)" with a "modern outlook", creating a space fostering tourism and emphasizing Sint Maarten's "cultural, historical and artistic value".

While such references to heritage tend to gloss over the deeper implications of the island's colonial history, it is clear that they held some utility for the sector in strategic ways. The Bethlehem development project emphasized "conservation through development", with plans to incorporate what it describes as an authentic plantation-era landmark, including the "18th-century cisterns built from Dutch bricks", along with "slave cemeteries" and "sugar factories", serving as tourist attractions rooted in Sint Marten's cultural history. The development of the property sector, however, resulted in some conflicts and disputes over what constituted heritage, and how and if it should be preserved.

5.1.2. Heritage-Related Preservation and Conflict

The existential threat to these sites and the history of the island was commented upon in interviews, both in reference to property development, environmental degradation as well as a general lack of interest in preservation by developers and the local authorities. Remnants of the slave-built walls can be found around the island, even though the most significant one at the Diamond Estate has been destroyed. These walls serve as a connection to the ancestors of the local population who endured the hard environmental conditions and the harsh conditions of slavery. Originally, these walls were a dominant feature of the landscape, but today, what remains of these walls are threatened by property development or neglect. As one research participant, Helena, explained, the slave walls have been the subject of both intentional and incidental removals. Over the years, parts of the walls nearing the French border have been dismantled in moments of public protests or during broader disputes. "They were taking rocks off our side [of the slave walls]", which were then used as temporary barriers on the roads. Following these incidents the local authorities cleared the rocks away, placing them "on the French side", she continued, rather than restoring them to their original positions. These events, in conjunction with damage caused by hurricane events, have resulted in a noticeable loss of stones that once made up these historic landmarks. The walls' gradual erosion both compromises its physical integrity but also leaves its cultural memory in fragments. For many in the community, these stones represent the struggles of past generations and a shared cultural identity for the people of Sint Maarten.

This process has also been compounded by an arguably weak regulatory framework which some locals cite as a factor that fails to protect this history (see: SMN News 2025).

Framing heritage as a value-added aspect of the sector within these marketing materials contrasts with practice in relation to the tendency of developers to regard heritage sites as an impediment to building projects. Environmental concerns appear to be treated in a similar manner. Zoning policies intended to protect landscapes and heritage sites have been systematically circumvented to facilitate luxury development. Francine, a policy worker, notes that the 1998 hillside policy (Sint Maarten Government 2012; VROMI 2025) restricted building on hilltops as they were not considered suitable for development due to environmental reasons. However, many landowners with political connections are challenging the government over this policy, arguing that hilltops should be open for development. "People are not happy with it", Francine explains, highlighting the persistent conflict between developers and evolving policies intended to preserve the landscape. Despite public hearings and appeals from residents to protect the villages from high-rise development in areas like Simpson Bay and Philipsburg, policies are shifting in favor of large-scale projects in these areas (The Daily Herald 2023a; SMN News 2014; VROMI 2021). A recent development site on one of Sint Maarten's mountaintops, which the hillside policy should have prevented, illustrates this pattern of regulatory circumvention (Islands 2025).

5.1.3. Commodification of Tangible and Intangible Heritage

Local research participants commented upon the general commodification of heritage which they see as serving business interests over the preservation of their history. The commodification is largely driven by the influx of property development, which is actively transforming the "authentic" cultural practices into carefully curated spectacles catering to the elites. According to Karina, "Everything here is for sale, even our history". This sentiment is echoed among local research participants who feel as if their heritage is being stripped away to serve a commercial agenda. Residents recounted instances where sites of historic significance were destroyed to make way for luxury developments, removing landmarks in favor of economic interests. Cedric highlighted this sentiment by discussing the recent destruction of the Diamond Estate, a historic plantation site on Sint Maarten. He explained that the Diamond Estate was the location of the annual re-enactment of the "Diamond Estate Run," which commemorates a historic struggle for freedom. Cedric noted, "that property, the owners of that property have decided to develop it [. . .] whoever started developing it had no respect, no value to the slave wall and knocked it down". During the 1800s, enslaved people would risk their lives to escape across the border to the French side, where slavery had been abolished in 1848—15 years before it ended on the Dutch Side (Roitman 2016). Cultural performances, like the performance at the Diamond Estate, are now increasingly disappearing and with it some local connections to this past. As Dalia, a government official noted, "our dances, our songs, they are not ours anymore. They are just a part of the 'island experience' package now".

Nolan, another research participant, highlighted an additional perspective: the indirect role heritage sites play in stimulating real estate investment. He explains that Sint Maarten's economy is heavily reliant on tourism, describing it as a "mono-pillar economic structure". In his analysis, tourism serves an additional function for the real estate sector as it drives immediate economic activity, but perhaps more subtly, it provides essential exposure to potential property investors. He explains that tourists often come initially for a visit to experience the island and sometimes subsequently choose to invest in property because they appreciate the environment, the history and its settings. In this way, he argues that tourism becomes "a stimulus for property investment". Although travel marketing often frames the French side as more "boutique" and the Dutch side as more "mass-tourism"-oriented, luxury real estate and high-end consumption are distributed across both jurisdictions; the distinction operates more as a branding shorthand than a reliable boundary in the property

market. In recent years there has been governmental push to emphasize heritage in the tourist sector. The arrival of tourists increased by 20.5% in July 2024 compared to 2023 (STAT 2024; Sotheby's International Realty 2024), while the World Bank's recovery plan calls for diversification beyond traditional "sun, sea, sand" marketing by incorporating cultural products, with heritage being one such example. The government has launched an Integrated Cultural Policy Framework, and official tourism websites feature dedicated heritage content. Considering the interconnection between the two sectors, it would not be surprising to see the luxury real estate market follow suit in marketing practices.

The fragmentary references to the ahistorical, decontextualized heritage featured by luxury real estate advertisements, in conjunction with the increasing emphasis upon a commoditized version of heritage pursued by the closely connected tourist sector, has not gone unnoticed. Interview data reveal a sense of ambiguity among local research participants about what is authentic in terms of cultural heritage. Some referred to a sense of disconnect or uncertainty as to what Sint Maarten culture now represents, especially in the context of the global flows of people, goods and information. Naomi, a local government employee, explains that the cultural disconnect is exacerbated by the island's multicultural demographic. "Our culture, to a certain extent, is very much American", she explains, noting that this mix is complicated by the island's international demographic. Many locals focus on their own struggles rather than connecting to the island's heritage. "There's so many different nationalities here, I don't know if everyone wants to learn about the history of Sint Maarten", she observes. Even the few activities that include heritage elements are often aimed at tourists rather than the local community. The prior lack of emphasis upon heritage in Sint Maarten, as well as questions about authenticity, has placed the island at a competitive disadvantage in attracting heritage tourism compared with other markets in the region. As Helena observed, "We're losing tourism to other locations that spend more time on heritage". Many locals believe that Sint Maarten does not deliver on the promise of what marketers refer to as the authentic Caribbean experience. Instead, local critics describe the island experience as a "polished" experience divorced of strong connection to local traditions. Felicia explains that there is an increased push to incorporate culture and history into Sint Maarten's tourism campaigns. She explains, "They say if you want to maintain your standing in the Caribbean you need to rebrand yourself [. . .] until 2007–2017 the branding was about 'sea, sand, and sun' or sea, sand, and fun,' now we are working on exploring the cultural product of Sint Maarten". She further explained that one of the campaigns was to feature things beyond the casino and nightlife scene by bringing in cultural elements over the past few years. Other participants' accounts also highlighted that heritage and cultural identity are entering the official tourism branding of the island of late. This rebranding is likely to impact the luxury real estate sector, as tourists become more curious about the island's "authentic" culture beyond the "sun and sand" image and the sector will cater to that need. The next section will shift focus to the second key question that motivated this research project: how does cyclical hurricane damage influence the luxury real estate market and heritage preservation?

5.2. Hurricane-Elite-Heritage Nexus

The second component of the analysis focuses on what can be referred to as a "hurricane–elite–heritage nexus," a shorthand for how repeated hurricanes, elite capture, and heritage (as both narrative and material traces) become mutually reinforcing. Cyclical damage by hurricanes feeds distress-driven sales, which in turn lead to new builds that prioritize the needs of local elites and foreign capital at the disadvantage of the local community and efforts to protect heritage. Because many tangible heritage traces (e.g., estate ruins, wall alignments, and commemorative landscapes) are situated within privately

owned estates, post-disaster transaction can become a hinge between hurricane damage, redevelopment, and the enclosure or erasure of heritage sites. The model also raises serious questions about sustainability in light of the increasing effects of climate change and the severity of weather events.

5.2.1. Hurricane-Driven Distress Sales

In the wake of significant hurricane events, interviews with those working in the sector revealed that local elites and foreign investors leveraged disaster conditions to acquire properties at discounted prices in anticipation of an increase in value; a pattern consistent with distressed asset acquisition as a mechanism of volatility capture (Björnsson 2026). Orion, a local real estate agent, explained that although these events are devastating for the larger community, they provide opportunities for influential actors. Following Hurricane Irma in 2017, Orion described, "I sold a lot of real estate [. . .] a bunch", in reference to the climate of intensified transaction quantity post-disaster. He further explained that many of the locals who owned property sold these properties at significantly discounted prices, often losing money on them because of the prolonged waiting period for insurance pay-outs and having limited resources to rebuild (The Daily Herald 2020; Visit Sint Maarten 2020). Cross-referencing these claims with other data sources, the CBCS and Kadaster property price index show that 52 percent of the 1693 recorded sales (2018–22) occurred in the two wealthiest coastal districts, while the Residential Price Index rebounded 8 percent above its 2020 low. The average asking price in Simpson Bay exceeded $800,000 (more than double most interior districts), showing how post-Irma capital has clustered in premium coastal zones. Highlighting the normalization of disaster-driven economics, Orion recounted a conversation he had just one week before Hurricane Irma struck. When asked what might stimulate the local economy, he bluntly responded, "Hurricane", underscoring the cynical but calculated role that disasters play in the local real estate market. In addition to this dynamic, proponents of heritage preservation contend that historical preservation has also become further deemphasized, and this is often attributed to the local elites.

5.2.2. Local Elites and Development vs. Heritage Preservation

Research participants attributed the unchecked destruction of historical heritage to development pressures enabled through oligarchic interests. According to Marcus, a local, "Sint Maarten is basically an oligarchical structure [. . .] there are maybe five or six families now [. . .] these few families are the oligarchs who run the system here". Their influences are argued to reach the legislative processes, urban planning, and heritage site management to manipulate preservation policies to facilitate development projects. Nolan, who raised concerns about preservation, explained that the Monument Council currently lacks proper oversight while rampant development and land clearing across the island escalates. "Look at the hillsides, look around everywhere. It's [development] just exploding [. . .] it's not working out to the favor of heritage". The focus on "nightclubs and casinos and parties" for tourism, he suggested, has overshadowed heritage and diminished the community's island identity (VROMI 2020).

Preservation decisions, as claimed by research participants, are often made without public consultations. The explicit destruction of some significant features of the island's historical heritage was placed at the feet of some of these oligarchic families. Nolan, a local property developer, shared an account where "one of the oligarch family members blatantly knocked down a heritage structure [. . .] and then no accountability, nothing [. . .] a month later, forgotten, nothing done". The interviews revealed frustration among numerous participants regarding the heritage preservation decision-making processes. Nolan observed that "these decisions are not influenced by the public", explaining that

they are shaped in private discussion by elites "who are blinded by the wealth potential", prioritizing personal interests over heritage. This frustration represents a systemic problem where wealth equates to influence, which can silence the voices of the broader community. Marcus highlighted the lack of enforcement, noting that "there's nobody officially as an authority to stand up and say, 'Look, no, you can't do that'", since top officials are often connected to development deals, discussions of which also appear in the local media (see also: Island 2020; St Maarten News 2023; Haar 2021; St Maarten News 2024). These concerns were also shared by Teresa, a government official who is familiar with the island's development practices, as she explained: "It [these practices] has been working for them [the elites] forever, and they continue to do it". She described a cycle where new laws are brushed aside due to personal interests, leaving community voices unheard while limiting real change.

5.2.3. Climate Risk and Sustainability Concerns

Interview data also revealed concerns among locals about the sustainability of these rapid building practices continuing, and this cycle of development and destruction. Joella reflected on the pace and scale of ongoing construction and the lack of coherent planning: "Sometimes it is possible to say that enough is enough", she stated, advocating for a pause on large-scale development to reassess the island's direction. She highlights that the mindset of continuous building as the solution for the island's economic growth, which is maintained by the island's successive governments, no longer aligns with the island's needs. She explained, "we're coming to a point now [. . .] that this is not something that can really fly anymore". The environmental challenges surrounding the destruction of natural spaces, both humanmade and natural disaster-made, have compounded the island's transformation.

In addition to the immediate post-hurricane challenges, Nolan notes the far-reaching climate concerns that residents and officials have yet to fully acknowledge. He stressed that within a few decades, areas like Simpson Bay or Philipsburg might be lost, along with vital infrastructures like the island's electric plant due to rising sea levels and intensifying storms. For Nolan, the critical issue is whether Sint Maarten will proactively reserve land for future infrastructural adaptation or if it will continue to sell and develop it for luxury property development projects. For some sustainability advocates, these recurrent disasters require broader climate-focused responses instead of endless rebuilding. Terasanne noted, "Anytime we're destroying more than we restore, we're failing future generations. It is not sustainable". Rowan, a property developer, explained that Sint Maarten should model its property development practices more like Saint Barts, seeking development that "works with the island, not against it". These voices highlight the need for more climate-resilient strategy that considers the intensifying storms and rising sea levels. However, Myron observes that the island lacks environmental and social impact assessment laws before development takes place, suggesting that a stronger legal framework could help climate adaption.

6. Discussion

This study examined how heritage functions as contested terrain in Sint Maarten's luxury real estate sector by addressing two questions: (1) How are fragments of the Dutch-Caribbean past deployed in luxury real estate marketing? (2) How does cyclical hurricane damage influence the luxury real estate market and heritage preservation? Our findings reveal patterns of heritage commodification and disaster-driven dispossession that extends beyond Sint Maarten to broader debates in postcolonial heritage studies and disaster capitalism scholarship. One final point that will be addressed was raised by one participant

who asked, given the issues that have been raised thus far, why bother to preserve heritage? That is to say, given its simplistic and strategic use in the luxury real estate marketing campaigns, the lack of will to preserve it and eagerness to eradicate it if it stands in the way of development, and its commodification for the related tourist sector, this participant posed the challenging question of its value for locals under these conditions and arguably bleak future.

The initial finding concerned the relative absence of heritage references from advertisement campaigns produced by the luxury real estate market. At first glance, this absence might suggest heritage's irrelevance to the sector. Yet the interview material revealed that the subject was relevant for stakeholders and factored significantly in interviews and conversations. While these references to heritage in the ad campaigns were fragmentary and tended to offer simplistic and decontextualized versions of history and functioning perhaps as deracinated esthetic signifiers, this is not to say they are not impactful and important for the sector. Furthermore, the increasing positioning of the tourist sector toward heritage, as noted in the World Banks' call to diversify beyond "sun, sea, and sand" branding through Sint Maarten's Integrated Cultural Policy, will no doubt carry over toward the interlinked property market. Yet further tensions will arise given the documented history of developers' seeming indifference to preserving material heritage and the weakness of the regulatory environment to protect it, enabled to a large degree by the local oligarchic interests and foreign investors.

This approach to heritage in the sector echoes Geismar's (2015) concept of the heritage industry whereby the commodification of tangible and intangible heritage becomes an integral component and practice in how value is added to the property market, leaving locals to struggle with their interpretations of authenticity in contradiction to how the "authentic" Caribbean culture is packaged to attract experience-seeking visitors. Heritage becomes, in the words of a research participant, "just a part of the 'island experience' package now" in reference to how historical cultural performances become curated spectacles serving commercial interests. This aligns with Kirshenblatt-Gimblett's (1998) analysis of how heritage become significant through staged displays that prioritize visitor consumption over local meaning-making. The Bethlehem development's framing of "slave cemeteries" and "sugar factories" as attractions echo Smith's (2006) Authorized Heritage Discourse, wherein dominant groups naturalize selective histories while marginalizing alternative narratives. Preserving plantation infrastructure without centering enslaved people's history of struggles, resistance, and their humanity perpetuates plantation mythologies, glamorizing a particular version of that history while erasing Black suffering.

The key issues raised through our analysis of the luxury real estate marketing materials pertaining to heritage, in conjunction with those raised by research participants, are not novel and similar findings can be found in the Caribbean and beyond. However, what is less common is how the struggles over the representation and preservation of heritage intersect with the model the sector is pursuing, which can be seen as a form of disaster capitalism. Sint Maarten's catastrophic exposure to major storms every 2.5 years, with Category 4+ hurricanes every 15 years, sets the stage for opportunities to create wealth via a destruction–accumulation cycle as outlined by stakeholders. This cycle operates through four mechanisms: (1) destruction and property damage via hurricane events; (2) distressed asset acquisition through distress sales driven by anticipation of profit and prolonged insurance delays which force local owners into discounted property sales; (3) enablement through oligarchic interests and a weak regulatory framework; and (4) selective reconstruction prioritizing elite coastal zones. The empirical pattern is visible through other forms of data: 52% of the 1693 recorded property sales (2018–2022) occurred in Sint Maarten's two wealthiest coastal districts, while the residential property price index rebounded 8% above

its 2020 nadir. Average asking prices in Simpson Bay exceeded $800,000, more than double most interior districts, demonstrating how post-Irma capital clustered in premium coastal zones. Real estate agent Orion's blunt assessment that "Hurricane" would stimulate the economy, offered just one week before Irma's landfall, captures the cynical but calculated role disasters play in Sint Maarten's political economy.

This approach to property development extends Klein's (2008) shock doctrine analysis beyond economic restructuring to encompass cultural dispossession. While Klein emphasized how disasters enable neoliberal policy implementation (privatization, deregulation, austerity), our research which focused on heritage led us to see how this environment creates opportunities for elite actors to appropriate land and cultural memory, communal spaces, and collective identity to add value to the sector, while also disregarding tangible and intangible forms of heritage that are important to the larger community. Research participants repeatedly made mention of how dense kinship and patron–client networks structure political life on the island. Oligarchic networks occupy key governmental positions (ministers, MPs, and planning officials) who in turn have controlling interests in major development firms, real estate agencies, and construction companies, creating direct influence over zoning decisions, building permits, and heritage preservation. The post-Irma period witnessed the effects of this through property consolidation but also systemic heritage erasure: slave walls further dismantled, coastal trails blocked by resort expansion, public beaches enclosed by security perimeters, and commemorative sites like the Diamond Estate destroyed for luxury development.

7. Conclusions

Our conclusions were in part influenced by a fundamental question raised by one research participant, Nolan, who asked that if heritage has been captured by oligarchic interests operating within the luxury real estate market and the tourism sector, the effects of which displace communities; that if heritage seems to be at as much risk from hurricanes as it is from developer disinterest in its preservation; and that if heritage has been instrumentalized for luxury accumulation, what justifies heritage preservation? This question demands engagement beyond assertions about heritage's intrinsic value, especially given the critiques by indigenous scholars, postcolonial theorists, and heritage activists that preservation often reinforces challenges to power asymmetries. As Nolan observed, "We need to redefine what it is that we want to preserve. . .culture is constantly changing, and the society should decide what gets kept and what gets lost". This calls for democratic heritage curation, where communities possess substantive authority over preservation priorities.

This article has also shown that the two dynamics identified in the analysis are not separate processes. The discursive thinning of heritage in luxury real estate and the marketing material are mutually reinforcing. Heritage is reduced to selective, decontextualized fragments that can circulate as value-added branding, while destruction, enclosure or neglect of heritage sites further weakens the communities' claims to history, leaving commodified versions of the past increasingly dominant in the market. This helps explain how heritage can simultaneously be invoked as an esthetic asset and the island's history.

Three additional conclusions emerge from our analysis. First, selective heritage preservation without critical interrogation reproduces colonial violence. The Bethlehem development's framing of "slave cemeteries" and "sugar factories" as attractions is one such an example of that. Promoting a glamorized version of this history to add value to the real estate and tourism sectors erases and trivializes the historic suffering and inequality. Heritage preservation in this mode becomes complicit in ongoing contemporary dispossessions as well, as noted in numerous ways such as socio-spatial and economic exclusion in the wake of luxury developments.

Second, despite this, heritage preservation still matters. This became clear through passionate responses in the interview data. The Diamond Estate Run, commemorating enslaved people's escape across to the French border, anchors the collective memory of resistance against domination. When such sites are destroyed, communities lose the tangible reminders linked to these memories. At the Diamond Estate, the destruction of the site also disrupted the commemorative practices through which histories of enslavement, escape, and resistance were publicly remembered. As Cedric's testimony about the Diamond Estate's destruction revealed, heritage sites carrying intangible significance (freedom struggle, resistance strategies, and communal survival) become collateral damage when luxury development proceeds without accountability.

Third, the post-disaster development model that has been adopted by the luxury real estate sector poses risks for the survival of tangible and intangible forms of heritage, but it also raises serious questions about its sustainability in the context of climate change and ecological degradation. In our current Anthropocene, heritage preservation must integrate ecological resilience or risk reproducing the extractive growth models that generated climate change in the first place. Interview participants raised numerous concerns about this, noting that areas like Simpson Bay or Philipsburg might be lost to rising sea levels and intensifying storms, or the lack of environmental and social impact assessment laws before development takes place, which compounds both heritage loss and ecological degradation.

Nolan poses a question about why preserving heritage requires moving beyond procedural reform toward what we term redistributive heritage governance. Existing heritage democratization frameworks, which emphasize community consultation and participatory planning, prove inadequate in the context of oligarchic capture and disaster capitalism. Our findings also suggest that "community" cannot be treated as a singular or unproblematic category in Sint Maarten, given the island's demographic complexity and uneven ways in which cultural identity and historical meaning are understood and claimed. As such, heritage governance models should remain attentive to internal differences over whose past is being preserved, by whom, and for what purposes. These approaches assume that institutional neutrality and state capacity are absent in Sint Maarten's governance architecture. When 84% of national territory exists under private title or long-lease regimes and post-disaster transactions systematically consolidate in wealthy coastal districts, consolidation mechanisms cannot redistribute the structural power to determine what survives.

We identify four institutional mechanisms needed for redistributive heritage governance in disaster-prone postcolonial contexts: first, statutory community heritage councils with binding veto power to overdevelopment affecting sites of collective significance. For Sint Maarten, former plantation lands, privately titled through post-abolition dispossession, would require public approval before redevelopment. Second, a resistance heritage registry that institutionalizes counter-hegemonic commemoration distinct from tourist heritage designation, prioritizing liberation struggle sites that would trigger automatic development restrictions and fund community-led interpretation for sites where enslaved people enacted resistance. Third, automatic preservation freezes following disasters requiring mandatory moratorium periods on destressed property sales and building permits affecting heritage sites, and penalties for unauthorized demolition. This effectively interrupts the disaster accumulation cycles documented in our findings. Fourth, blue heritage zoning integrating ecological and cultural memory protection in coastal management, mandating environmental and social impact assessment for climate-threatened sites.

These mechanisms share a common principle: they redistribute structural power over improving existing processes. They operationalize heritage decolonialization institutionally, determining who holds the authority to halt development, enforce penalties, and define heritage worth protecting. The case of Sint Maarten presented here suggests that while

heritage may have been captured by the elites in this context, abandoning the struggle would cede definitional power entirely to the sector and the interconnected oligarchic and state actors. The task is perhaps not just heritage preservation per se but heritage democratization. Preservation becomes a noble goal when it strengthens community self-determination, is conducted for the benefit of the larger society rather than narrow economic interests and integrates ecological resilience. To end on a positive note, interview and observational data also revealed a line of inquiry that may serve for future research; that of what could be called a nascent youth-led activism movement which fuses coastal ecological stewardship with heritage preservation that some refer to as blue heritage (Boswell et al. 2022). While this emergent resistance fell outside our primary research focus, this points to a valuable potential counter movement requiring future research.

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Institutional Review Board Statement: Ethical review and approval were waived for this study because the University of Iceland ratified their code of ethics in 2019 to cover all forms of research including social research (https://english.hi.is/about-ui/policies/other-policies-and-plans/code-ethics, accessed on 2 April 2025). While we follow this code as researchers and as anthropologists accentuate this with adherence to the American Anthropology Association's code of ethics (https://americananthro.org/about/anthropological-ethics/, accessed on 2 April 2025), there remains an unresolved problem with review. In 2014, an ethics review board was established (https://hi.is/sites/default/files/sverrirg/guidelines_for_research_ethics20.pdf, accessed on 2 April 2025). However, this board will only review research that is deemed to involved what it calls "vulnerable populations": "Researchers or those responsible for research are obliged to seek a reference from the committee concerning research which addresses ethically sensitive subjects: or which focuses on individuals or groups in vulnerable positions. Participants in vulnerable positions are, for example, children and individuals who have difficulty assessing risk and providing informed consent due to developmental impairments or physical or mental illness, individuals who undergo forced hospitalisation or institutional incarceration, as well as participants in research involving deceit." This, of course, leaves researchers who are not doing such research in a bind. This submission involves interview data with people who are not vulnerable in this sense—adults with legal capacity and who, for the most part, are in powerful positions in Sint Maarten such as real estate brokers and government ministers. Fully aware that this may pose problems in the future, we nevertheless inquired about the possibility of review as there is a clause in these guidelines: "It is permissible to seek a reference from the committee for other research, on the condition that it is licensed in accordance with the law". We sought such a reference but were told by the committee that review was not necessary as we were not doing research with vulnerable populations; the exact wording was "Based on this description, there is no specific need for an ethics committee review and you should be able to continue with your project".

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ORIGINAL ARTICLE

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From Hurricane Irma to the Grindavík eruptions: volatility premiums in disaster governance

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Abstract

Environmental volatility can inflate property values even as it destroys them. To show how, this article pairs a postcolonial micro-state in the Caribbean (Sint Maarten after Hurricane Irma) with a Nordic welfare town (Grindavík in Iceland following volcanic eruptions) because they occupy the opposite ends of the governance capacity spectrum, while sharing certain similarities. Drawing on reports, media archives, 31 ethnographic interviews, and transaction data from 2015–25, it traces four mechanisms that convert danger into a 'volatility premium': distressed asset acquisition; symbolic risk branding; risk finance design; and distributive rules. In Sint Maarten, weak regulation permits private capital to aestheticise destruction and profit from speculative rebuilding, while in Grindavík, a universal state buy-out socialises loss and freezes speculation. By combining disaster capitalism, speculative urbanism, and financialisation theory with market evidence, the study argues that turning risk into real estate value is political. The findings strengthen our understanding of climate risk economies and offer practitioners the means for auditing post-crisis property policies.

KEYWORDS

Caribbean, disaster governance, Nordic welfare state, post-disaster housing, risk finance, volatility premium

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1 | INTRODUCTION

The world is witnessing a rise in extreme environmental events, and real estate markets are reconfiguring these disasters into value. Across hurricane-prone archipelagos, volcanic zones, seismic fault lines, and flood-threatened coastlines, properties situated within high-risk landscapes are increasingly branded, bought, and sold at a premium. This phenomenon defies conventional economic logic, which would assume that exposure to destruction diminishes desirability. Why, then, do these disasters sometimes increase prices, instead of eroding them? In seeking to answer the question, what emerges is a pattern: the natural forces associated with risk and destruction are becoming scarcity drivers, and unspoken symbols of elite resilience. This article explores that inversion through the lens of *paradoxical luxury* and advances the notion of *volatility premium*: a speculative logic in which environmental risk is capitalised, transforming crisis into a real estate asset class.

The research design pairs a postcolonial micro-state (Sint Maarten in the Caribbean after Hurricane Irma) with a Nordic welfare town (Grindavík in Iceland following volcanic eruptions) because they occupy the opposite ends of the governance capacity spectrum, while sharing certain similarities. These include: (i) physical disaster; (ii) tourism-driven externally exposed economies; and (iii) recent major housing disruption. Their different regulatory capacity enables stronger inference about how governance regimes shape value conversion. By focusing on two such different cases, this study allows us to isolate how governance regimes mediate this conversion of destruction into value. The article draws on planning documents, media articles, interviews with residents (in Sint Maarten), and property price indices from both locations, and poses the following question: under what institutional conditions does a volatility premium emerge, and through which mechanisms is it realised?

The volatility premium refers to the differential value produced by proximity to environmental risk, where volatility itself becomes the basis for capital gain, symbolic distinction, or public compensation. Unlike traditional risk premiums, which reward investors for tolerating uncertainty, the volatility premium manifests when risk is actively instrumentalised, aestheticised, securitised, or absorbed to generate value. It differs from Klein's (2007) concept of disaster capitalism by not requiring elite conspiracy or neoliberal restructuring; it operates through routinised speculation and government logics. It differs from accumulation by dispossession (Harvey, 2003), which relies on wholesale expropriation. Unlike financialisation analyses (Aalbers, 2019; Birch and Muniesa, 2020) that treat property mainly as an income stream, the volatility premium highlights risk exposure as an active signal of future value. And this concept differs from symbolic capital (Baudrillard, 1981; Bourdieu, 1984) by grounding sign value in hyper-responsive cycles of destruction and reconstruction.

Volatility becomes a value driver only when specific generative logics translate disaster into either branded revalorisation or publicly guaranteed liquidity. The next section shows how these logics diverge, and what that divergence implies for the political economy of climate risk.

2 | METHODS

This study combines document and media analysis, ethnographic interviews, and property market data. For Sint Maarten, 24 planning/policy documents (see, for example, Government of Sint Maarten, 2018; VROMI, 2021a) and 36 press articles (see, for example, *The Daily Herald*, 2021; Kaori Media, 2025) were analysed. For Grindavík, 19 official documents (see, for example, Alþingi, 2024; Stjórnartíðindi, 2024) and 28 press sources (see, for example, Arnljótsdóttir, 2024; Gylfason, 2024) were reviewed.

In Sint Maarten, 31 semi-structured in-depth interviews were conducted between August and December 2023 with residents, developers, officials, policymakers, architects, and real estate professionals. The sample ranged from those on a low income to elites (aged 23–64; 18 women, 13 men) across the Dutch side of the island. All interviews were recorded with verbal consent, then transcribed, coded, and analysed for key themes. The interviews were anonymised for the reason of privacy. No interviews were conducted in Grindavík.

Property price indices (2025) were drawn from the Central Bank of Curaçao and Sint Maarten and Kadaster and Statistics Iceland, supplemented by Trading Economics.

3 | DISASTER GOVERNANCE: STATE OF THE ART

3.1 | Disaster capital and its limits

In the wake of crises, capital markets often identify opportunities. Klein's (2007) theory of *disaster capitalism* offers a foundational critique of how crises are exploited to advance neoliberal restructuring. She argues that disasters, wars, hurricanes, and economic meltdowns serve as strategic ruptures in which the elites dismantle public infrastructure and introduce privatised systems of profit-making (Klein, 2007). From post-invasion Iraq to post-Hurricane Katrina (2005) New Orleans in the United States, Klein shows how the 'disaster-capitalism complex' replaces public governance with private enterprise, using fear and disorientation to push through otherwise unacceptable reforms (Klein, 2007, p. 50). In this scheme of things, core functions (including, security, education, and even emergency response) are outsourced to private actors that profit from the void left by crumbling institutions. These shifts signal a transition from Keynesian rebuilding to speculative enclosure where crises function as 'shock therapy' for social re-engineering (Klein, 2007, p. 49). From this perspective, disasters accelerate capital gain.

Klein's (2007) macro framework leaves the institutional mechanisms under-specified; however, Adams (2013) and Schuller (2019) offer critical elaborations. Adams (2013) extends this critique through an ethnographic account of post-Katrina New Orleans. She identifies the emergence of a 'second disaster' (Adams, 2013, p. 1), taking place through prolonged crises marked by bureaucratic inertia, subcontractor failure, and profit-driven displacement. She demonstrates that federal programmes failed to deliver aid equitably, particularly in racially segregated areas. Instead, they create new economies of exclusion, moralising debt, and transforming public aid into a vehicle for private accumulation (Adams, 2013). Adams exposes how industries privatise aid through racialised vulnerability, replacing state responsibility with unaccountable subcontractor networks.

Schuller (2016, 2019), meanwhile, documents how disaster capitalism is played out through the non-governmental organisation industrial complex and donor-driven aid. His findings from the 2010 earthquake and the longer-term humanitarian responses that followed, and Hurricane Matthew (2016) that impacted Haiti indicate that international humanitarian responses often bypass or undermine local networks and first responders, entrenching dependency and disempowerment. Schuller's research reveals how foreign interventions sidelined Haitian expertise, ignoring community capacities, and operated within a racialised disaster narrative, framing local populations as helpless. Both Adams (2013) and Schuller (2019) explain how disaster capitalism manifests as infrastructural exclusion, bureaucratic violence, and racialised governance.

Tierney (2006) frames disaster as an outcome of pre-existing social, infrastructural, and institutional fragilities. She argues that catastrophes like Hurricane Katrina are the product of systemic neglect and politically constructed risk landscapes. Tierney demonstrates how inequality, disinvestment, and racialised urban development amplify the impact of disaster. For her, there is a distinction between routine disaster and true catastrophes, with the latter overwhelming institutional systems and exposing governance failures, such as of planning and preparedness (Tierney, 2006). Tierney shows that US preparedness plans often have amounted to what Clarke (1999) calls 'fantasy documents': symbolic texts that signal control but are divorced from practical capacity. Elliott, Loughran, and Brown (2023) take this further, showing how funded buy-out programmes in Houston, Texas, reproduce neighbourhood stratification: homeowners from wealthy, white areas relocate, while those from less-privileged, non-white areas disperse individually, eroding community attachment.

Across these cases, scholars have observed how disaster routinely triggers distressed asset acquisition: the transfer of damaged or devalued properties under duress into the hands of actors with liquidity, from post-Katrina New Orleans (Adams, 2013) to post-earthquake Haiti (Schuller, 2019).

Taken together, these studies offer a layered conceptual framework: Klein alerts us to how capital seizes on disruption; Adams and Schuller trace how disaster capitalism is enacted through institutionalised neglect and humanitarian outsourcing; and Tierney shows how the architecture of vulnerability is embedded in state systems. These works are limited, though, by their focus on Anglo-American and postcolonial contexts, shaped by fragmented governance. The capacity of strong, coordinated state systems begins to emerge as a theoretical lacuna.

3.2 | Speculative urbanism and the financialisation of risk

Urban land markets are animated by what Smith (1979) termed the 'rent gap', between existing ground rent and potential ground rent that could be captured after reinvestment. When crises depress the exchange value, this gap widens, inviting what Harvey (2003) refers to as accumulation by dispossession: the strategic acquisition of devalued assets in anticipation of future profits. Goldman's (2011, p. 576) study of Bangalore, India, reframes twenty-first century megaprojects as 'speculative urbanism', where city-regions leverage real estate futures to engineer growth. Shatkin's (2017) comparative work across Asian metropolises confirms that state actors underwrite such projects by re-regulating land markets and treating urban space as a liquid revenue stream.

The speculative turn is inseparable from the financialisation of property. Aalbers (2019) shows that since the 1990s, housing and land have been folded within global circuits of leverage, securitisation, and portfolio management, converting municipalities from regulators into asset markets. Birch and Muniesa's (2020) concept of assetisation captures the governing logic: things command value for their discounted future earnings, making rent streams calculable, tradable, and hedgeable. This is demonstrated in Fields and Uffer's (2016) paper, where private equity funds re-engineer multi-family rentals, creating high-yield instruments, and accelerating landlord–tenant asymmetries in both New York City, US, and Berlin, Germany. In the Global South, subordinate financialisation channels Northern liquidity into mortgage and land markets, often under austerity regimes.

In essence, risk has become a speculative asset. Catastrophe bonds, insurance-linked securities, and other reinsurance vehicles allow investors to trade on the probability of loss, externalising downsides as they harvest premiums (Froot, 2001). Keenan, Hill, and Gumber (2018) provide empirical evidence from Miami-Dade County, Florida, that elevation already commands a market premium as buyers price in sea-level rises. At the macro level, the Bank for International Settlements (2021, p. 8) notes that 'strong risk appetite' and abundant liquidity continue to inflate property valuations despite mounting climatic exposures. From this perspective, we see that volatility now functions as a value driver, attracting capital towards places and products that can monetise uncertainty through premiums, rents, or public guarantees.

These studies reveal a mechanism that indicates that: crises or policy shifts widen the rent gap; speculative urbanism mobilises state power to rezone, assemble land, and court investors; and financialisation packages those volatile futures into tangible assets. This results in an economy where riskier landscapes become investable, so long as government frameworks translate environmental or social hazards into calculable, tradable, and profitable exposures. Scholars of climate finance note that this logic extends to dedicated instruments such as catastrophe bonds, reinsurance vehicles, and securitised housing products, while illustrating how volatility itself is packaged and traded. These studies point to risk financing and transfer as a recurring mechanism by which environmental hazards are rendered investable (Froot, 2001; Cummins, 2008; Braun and Kousky, 2021).

3.3 | Luxury as symbolic capital in risk zones

Real estate markets have long been understood as a form of symbolic capital. Veblen's (1899) concept of *conspicuous consumptions* suggests that the consumption patterns of the elite function primarily as the public display of wealth and social standing. According to his viewpoint, acquiring an extravagant property signals exemption from 'ignoble

labour' (Veblen, 1899, p. 43) and cements the buyer's prestige hierarchy. In urban or high-visibility contexts, the scale and ornamentation of a property becomes 'evidence of wealth' that emerging professional or social observers can easily read (Veblen, 1899, p. 19).

Bourdieu (1984) shows that culture and symbolic capital are inseparable from consumption practices. He argues that tastes and preferences emerge from a class-specific 'habitus', a set of ingrained dispositions acquired over time. In the luxury housing market, this means that spending on a signature architect or a location in an exclusive enclave is a class signifier: economic capital converted into a built form, confirming and reproducing social distinction. Such properties carry 'objectified cultural capital' that is legible only to those already versed in elite codes of taste (Bourdieu, 1984, p. 105).

Baudrillard (1981) deepens this critique by suggesting that in postmodern consumer society, sign value supersedes use value. Real estate operates mainly as simulacra, circulating as images and narratives divorced from material reality. The idealised renderings, and lifestyle marketing associated with high-end developments, often become more potent attractions to buyers than any structural solidity. In this hyperreal schema, a sea-view mansion is coveted for the symbolic promise of an idyllic, exclusive lifestyle, outweighing, and even obscuring, any vulnerabilities associated with the property.

This study builds on *paradoxical luxury* (Björnsson, Rice, and Wolfgang Mixa, 2024), showing how properties remain valuable, despite their exposure to catastrophic risk, using Sint Maarten as the case sample. They subvert traditional notions of luxury (permanence, heritage or craftmanship), arguing that disasters, and the rebuild cycles that follow, have become part of luxury, conferring status through risk. The ability to absorb loss becomes a new form of conspicuous capital. Owners display their resilience by demonstrating that they can rebuild bigger and faster, turning vulnerability into social credentials.

When combined, Veblen, Bourdieu, and Baudrillard explain luxury as a system of wasted resources, class-marked taste, and hyperreal signification. This article, however, reveals a critical gap: these frameworks assume that luxury's prestige depends on durability and exclusivity embedded in a stable context. Paradoxical luxury in risk zones underscores how ephemerality and regulatory arbitrage can sustain symbolic capital. This raises an equity issue: when an elite valorise ruin, they may displace vulnerable residents or divert public reconstruction funds, a dynamic revisited in the comparative analysis.

3.4 | Governance and risk infrastructure

If speculative urbanism explains 'why' capital seeks volatile terrain, risk governance scholarships show 'how' institutions translate that volatility into either private windfalls or collective protection. Three interlocking domains anchor this dialogue: insurance; land use regulation; and social infrastructure.

Insurance architectures price risk and signal inevitability. Braun and Kousky (2021) trace the evolution of catastrophe bonds and other insurance-linked securities, emerging in the 1990s following Hurricane Andrew (1992) and growing steadily since. These instruments allow insurers and sovereign governments to transfer catastrophe risk to capital markets through collateralised special-purpose vehicles. Catastrophe bonds compensate investors with fixed and floating investment payments while exposing them to principal loss if a predefined trigger is encountered (Braun and Kousky, 2021). Early market data show issuance climbing from less than USD 1 billion in 1997 to almost USD 8 billion by mid-2007, during which period the average speed of expected loss compressed from about 6.5 times to 2–3 times as investors became familiar with the product (Cummins, 2008).

When actual pricing deems sites uninsurable, states may pivot from risk sharing to risk withdrawal. Since 1989, the US Federal Emergency Management Agency has supported voluntary property acquisition in more than 1,100 counties across 49 states, purchasing in excess of 40,000 properties (Siders, 2019). These buy-outs show how programme design at scale can shift property out of private markets and into public custodianship, with implications for equity and long-term land use. A recent comparative analysis of land acquisition programmes in Italy, Japan, and the

US (Otsuyama, Mashiko, and Tsukuda, 2024) reveals that early state purchase of high-risk land, coupled with clear compensation schedules, prevents protracted displacement, and limits speculative land grabs during recovery.

Land use codes and social infrastructure modulate baseline vulnerability. Cutter, Burton, and Emrich (2010) show that US counties with stronger governance and institutional capacities, such as hazard mitigation planning, insurance coverage, and municipal service, score higher with respect to disaster resilience indicators and face lower relative vulnerability to loss. Yet, Klinenberg's (2002) classic 'social autopsy' reminds us that even well-engineered plans collapse when civic networks erode. Cross-national syntheses of post-disaster housing programmes likewise find that states capable of coordinating housing, jobs, and social services shorten the reconstruction timeline and limit speculative displacement (Comerio, 2014).

Late-modern states govern hazards through meta-coordination: orchestrating insurance law, capital market rules, zoning ordinance, and retreat designations within risk regimes (Jessop, 2016). Whether a given regime privileges accumulation or solidarity determines who captures the volatility premium. Comparative housing studies further underscore the distributional dimension of these governance choices. Some programmes have entrenched inequality through selective resettlement and exclusion (Tierney, 2006; Elliott, Loughran, and Brown, 2023), while others have shortened reconstruction timelines and reduced displacement by providing broad-base protection (Comerio, 2014; Siders, 2019). Such findings highlight distributional outcomes as a key mechanism through which governance structures convert disaster into either regressive or solidarity trajectories.

4 | MECHANISMS OF VOLATILITY CONVERSION FROM A COMPARATIVE PERSPECTIVE

The focus on four mechanisms, distressed asset acquisition, aestheticisation and branding of risk, risk financing and transfer, and distributional outcomes, emerges from a comparative reading of the disaster governance literature. Each mechanism recurs across major disasters, although institutional context determines who captures the value of volatility.

Following Hurricane Katrina, Gotham (2012) shows how the privatisation of disaster recovery, through no-bid contracts with multinational corporations and outsourcing by the City of New Orleans, shifted resources away from victims and enabled corporate profiteering, undermining accountability. Similar dynamics unfolded after the 2004 Indian Ocean tsunami in Aceh, Indonesia, where post-disaster reconstruction reshaped land access and resettlement. While initiatives like joint land titling were presented as progressive reforms, the separation of tsunami- and conflict-affected groups created exclusions and inequities and land rights and recovery priorities (Fan, 2013). After the 2011 Great East Japan Earthquake, Aldrich (2012, 2013) demonstrates that recovery outcomes varied widely, with communities possessing strong social capital recuperating faster, while weaker or rural communities faced slower rebuilding, raising equity concerns about who could effectively negotiate the process. These cases underscore a recurring pattern: environmental volatility depresses value for those without liquidity, while enabling acquisition by actors positioned to speculate on recovery.

Disaster also creates symbolic opportunities. In post-Katrina New Orleans, waterfront redevelopments and tourism redevelopment projects were framed as authentic symbols of progress and renewal, even as many neighbourhoods remained in disrepair (Gotham, 2007). In New York City after Hurricane Sandy (2012), waterfront redevelopment was framed as a symbol of resilience and rebirth, even in flood-exposed areas like Lower Manhattan and the Rockaways (Gotham and Greenberg, 2014). These examples parallel findings in Sint Maarten, where rebuilding in hazard-prone zones can be reframed as luxury or resilience branding, converting risk into a cultural asset.

Across cases, financial infrastructure shapes how volatility is monetised. After Hurricane Andrew in 1992, catastrophe bonds and insurance-linked securities emerged as tools to transfer hurricane risk to capital markets (Cummins, 2008; Braun and Kousky, 2021). Japan's earthquake and tsunami in 2011 produced another model, in which state-backed land acquisition and relocation subsidies prioritised collective continuity of communities,

effectively socialising risk instead of commodifying it (Otsuyama, Mashiko, and Tsukuda, 2024). Post-Sandy, US federal flood insurance pay-outs have channelled billions into rebuilding, although much of it was accrued by middle- and upper-income homeowners, reinforcing spatial inequalities (Elliott, Loughran, and Brown, 2023). These cases indicate how risk financing mechanisms distribute volatility between private investors, insurers, and the state.

The equity consequences of post-disaster housing are well documented. Tierney (2006) describes how Hurricane Katrina exposed deep racialised inequalities, with public housing residents facing displacement while wealthier areas were prioritised for protection. In Aceh, relocation sites often fractured community networks and favoured certain ethnic groups (Fan, 2013). In Japan, the post-2011 buy-out and relocation programmes stabilised many households but also generated uneven recovery between urban centres and rural peripheries (Aldrich, 2012). In New York City, Sandy buy-out programmes enabled some neighbourhoods to retreat collectively, whereas others faced piecemeal relocation that eroded community attachment (Siders, 2019). Across contexts, distributive choices determine whether volatility deepens exclusion or enables solidarity.

These comparative studies demonstrate that the four mechanisms are not isolated to Sint Maarten or Grindavík, but reflect broader logic observed across diverse disaster regimes. Distressed acquisition, symbolic reframing, financial transfer, and distributional rules recur in hurricanes, tsunamis, and earthquakes; what differs is whether states or markets capture the volatility premium.

5 | CASE STUDIES

5.1 | Sint Maarten and Hurricane Irma

The Caribbean island of Sint Maarten, which has a tourism-driven economy, had an estimated population of 40,000 in 2017 (STAT, 2017). Average disposable income was estimated at ANG 48,700 per person (EUR 24,850) while median monthly earnings were closer to ANG 1,500,[1] with an estimated 60 per cent of the population in the rental market (STAT, 2017; World Bank, 2020). In September 2017, Hurricane Irma devastated Sint Maarten (Dutch side)/ Saint Martin (French side), severely impacting more than 90 per cent of the island's infrastructure and properties, amounting to 2.5 times its gross domestic product in damage (CRED, 2018; Government of Sint Maarten, 2018). As a result, a significant portion of the population was displaced to shelters (International Organization for Migration, 2017), causing widespread distress in the property market.

The immediate aftermath of this category five event saw government efforts focused on emergency relief and securing reconstruction funds, which were provided by the Netherlands via a Recovery, Reconstruction, and Resilience Trust Fund managed by the World Bank (2020). Distressed homeowners, facing severe damage and economic uncertainty, often opted to sell property (Visit St. Maarten/St. Martin, 2020). Between 2016 and early 2020, more than 1,460 real estate transactions were recorded, with high activity in Lowlands (466 sales), Upper Prince's Quarter (286), and Cole Bay (280) (Central Bank Curaçao and Sint Maarten, 2025). The property price index (base = 100, January 2016) declined sharply after Irma, falling to the high seventies by late 2018, a decrease of more than 20 per cent, an indication of market uncertainty. Nevertheless, sale volume remained strong with on average 80–100 transactions per quarter (Central Bank Curaçao and Sint Maarten, 2025). Central Bank transaction micro data reveal that the post-Irma surge was concentrated in two recognised luxury enclaves: Lowlands and Simpson Bay. Between the fourth quarter of 2017 and the first quarter of 2020, 79 per cent of Lowlands sales (1,224 versus 261 mortgages) and 40 per cent of Simpson Bay sales (242 versus 144) were completed without mortgage financing. This points to cash-rich, often overseas buyers. In working-class districts such as Lower Prince's Quarter, the opposite pattern held: 205 sales versus 283 mortgages. This shows how volumes stayed high even as the real property price index fell below 90. Distressed locals exited at discounted prices while speculative capital treated the dip as a buying opportunity, evidencing extreme price-elastic demand at the top end of the market. These opportunistic buyers entered the market, moving quickly to acquire properties at bargain prices (SMI, 2019).

This rapid post-disaster buying spree exemplifies what Klein (2007) famously called 'disaster capitalism', in which private actors exploit crises for outside gain. Sint Maarten's acceptance of foreign capital—for example, the island does not apply property taxes to non-resident owners, a clear incentive for overseas buyers, but it does have transfer fees (RealEstateSXM.com, 2025)—made the condition for such buy-ins favourable. Global investors anticipated that with the insurance pay-outs and international aid (including the EUR 550 million Dutch recovery fund), the island would be rebuilt, which would facilitate a property value rebound.

One of the key patterns in the Irma reconstruction boom was the proliferation of high-priced but substandard development. On the French side of the island, Mehdizadeh et al. (2023) document uneven and often inferior rebuilding, with many structures left vulnerable even five years after the hurricane. The rebuilding in Saint Martin was slowed by administrative reorganisation, financing bottlenecks, and public opposition to new zoning rules (Jouannic et al., 2020; Mehdizadeh et al., 2023). By contrast, Sint Maarten's National Recovery and Resilience Plan framed recovery as an urgent process requiring speed and simplified implementation (Government of Sint Maarten, 2018). Recovery on the Dutch side of the island, which was principally state-led and backed by substantial financing from the Netherlands via the World Bank, enabled formal reconstruction projects to advance, even as more vulnerable groups, such as undocumented migrants, were excluded from many benefits (Collodi et al., 2021). These differences fuelled cross-border tension about the pace and style of rebuilding.

One real estate agent noted that 'a lot of the prices are inflated' even though cadastral records lack data on construction quality, leaving appraisers to justify valuation based on irrelevant comparisons. A long-time developer on the island described the ease of obtaining permits with 'two pieces of paper' and pointed out that many builders operated 'not up to code' owing to weak enforcement capacity. A government official who remained on Sint Maarten after Irma highlighted the 'disastrous and detrimental response' by local institutions. Prior to 2017, the island already had a stock of poorly constructed buildings (such as informal or speculative fabrications with lightweight zinc roofs), which contributed greatly to storm damage when high winds collided with flimsy materials, causing airborne debris (Abebe, Peña, and Vojinovic, 2018).

In theory, the disaster provided a 'window of opportunity' to build back at higher standards, but in practice much of the new construction remained sub-par (UNISDR, 2017). Other projects that were co-financed through the World Bank-managed Trust Fund were required to meet updated draft Building Decree/Code BC0, which introduced higher wind-load standards based on Eurocodes and required third-party structural audits (VROMI, 2021a). Property developers often prioritise financial expediency over resilience: on the French side of the island, one post-Irma assessment found that many of the new or repaired buildings, including luxury properties, were constructed under lax incentive programmes (Mehdizadeh et al., 2023). Developers converted exposure into symbolic capital (Bourdieu, 1984), banking on visual markers to signify exclusivity while externalising construction risk. This aligns with what is referred to as a 'spectacular recovery' narrative, which is the use of visual normalcy and staged resilience to mask deeper vulnerabilities (Tierney, 2006; Klein, 2007). Such projects exemplify the profit logic behind paradoxical luxury: the appeal to high returns-led investors of accepting lower construction quality, since proper hurricane-resistant building would 'unnecessarily' increase costs and eat into the margins (Mehdizadeh et al., 2023). This led to quickly built expensive villas, condominiums, and hotels that look high end on paper, but may not withstand the next storm, effectively transforming the risk to future owners and the public.

Sint Maarten's real estate market's weak regulatory framework proved ill-equipped to guide sustainable recovery. Building codes and land use regulations on the island have historically been outdated and loosely enforced (Abebe, Peña, and Vojinovic, 2018). Even after Irma, officials struggled to impose better standards. Local government workers noted that the 'island is too small… everyone is connected… so no one is willing to enforce the laws, because it comes down on someone they're connected to'. Permitting processes were often fast-tracked or bypassed in the rush to rebuild, opening the door for unscrupulous contractors and construction crews to implement projects that technically did not follow the policies. An architect constructing on the island admitted: 'If you work with me, you can only choose between three contractors […] you're going to be screwed'.

The government's capacity to oversee and enforce the regulations was limited, and the need to revive the tourism sector and restore tax revenues created a political incentive to favour speed over sustainability. As a result, 'building back better', the mantra of the United Nations and World Bank during their recovery phase, stayed more of a slogan than a reality. There has been little comprehensive planning: for instance, no strong new zoning regulations to keep critical development out of flood-prone areas, no island-wide upgrade of infrastructure to support the building load, and insufficient integration of climate adaption measures beyond the individual project scale (Government of Sint Maarten, 2018; VROMI, 2021b).

The post-Irma landscape was defined by ad hoc, developer-led initiatives. Significant development by private luxury ventures, such as the construction of twin 20-storey residential towers, aimed to show that the island is 'thriving' again, in order to restore belief in Sint Maarten's property market (*The Daily Herald*, 2021; Kaori Media, 2025). The construction of high-profile developments like the Mullet Bay Golf Course, located in low-lying coastal areas, gained political support as a sign of confidence, but they also highlight the short-termism of recovery. Five years on, the consequences of this approach are evident: resorts and condominiums were constructed and sold, while many working-class neighbourhoods and public facilities lagged behind. On the French side of the island, meanwhile, a 'large number' of homes damaged by Irma remained unrepaired or abandoned in 2022, especially in neighbourhoods like Agrément (Mehdizadeh et al., 2023), raising safety concerns.

5.2 | Grindavík and volcanic eruptions

The small Icelandic fishing town and tourism community of Grindavík had an estimated population of 3,400 in 2020, up 16 per cent on 2015 (City Population, 2025; Statistics Iceland, 2025b). Average disposable income was estimated at about ISK 4.2 million per person (EUR 27,000); median monthly earnings were closer to ISK 500,000, with an estimated 80 per cent of households owning their properties (Statistics Iceland, 2021, 2022). Following a 2017 price surge, the local property market was still drifting upwards in 2020, with real house prices rising roughly four per cent year on year (inflation-adjusted) and a steady flow of new flats being built to meet demand (Global Property Guide, 2020; mbl.is, 2020). National price-series data show that the value of housing in Iceland surged by about 70 per cent in nominal terms (45 per cent in real terms) between 2017 and 2022, and even with the Grindavík freeze, the house price index was up about nine per cent year on year in December 2024, reaching an all-time high of 792 points in April 2025 (base 2000 = 100) (Statistics Iceland, 2025a; Trading Economics, 2025).

In late 2023, the town of Grindavík became the site of international news coverage after a sudden volcanic eruption. The Reykjanes Peninsula experienced thousands of earthquakes that year, causing magma buildup under the surface and a significant increase in seismic activity (Veðurstofa Íslands, 2023). On 10 November 2023, the authorities ordered a mass evacuation of the town. Within weeks, eruptive fissures opened up to the north of Grindavík; the Sundahnúka eruptions began on 18 December 2023, with lava fountains and flows visible from Reykjavík, situated 40 kilometres away. Emergency crews had hastily built eastern barriers in an effort to protect infrastructure, but these defences were breached: a lava flow destroyed three houses on the edge of Grindavík in 2024 (Ritstjórn, 2024a). In the same year, 74 houses were listed as destroyed owing to the impact of earthquakes, and there were 408 reports of property damage (Arnljótsdóttir, 2024). Subsequent eruptions, most recently in April 2025, continue to reshape the landscape.

Since the first volcano, Grindavík's real estate market has been frozen because of geological volatility, with its inhabitants potentially forced to sell up and relocate. The state of emergency in Grindavík echoes the 1973 Vestmannaeyjar (Heimaey) eruption, when approximately one-third of the town's homes were destroyed by or buried under lava and ash, and sea water was pumped on to the flows in an attempt to divert them (Gagarín, n.d.; Williams, Jr. and Moore, 1983). The eruption prompted the establishment of the Natural Catastrophe Insurance scheme (Ísland.is, n.d.; Safnhús Vestmannaeyja, n.d.). Unlike Vestmannaeyjar, where much of the town was ultimately rebuilt,

Grindavík has seen almost its entire housing stock transferred into state ownership under a buy-out law, effectively freezing the market (Alþingi, 2024; Fasteignafélagið Þórkatla, 2026).

The Icelandic government's response was decisive. The buy-out scheme was anchored in Act No. 16/2024 (law on property buy-out in Grindavík), which entered into force on 1 March 2024, obligating the state to purchase the residential properties to shift volcanic risk exposure from households on to the public balance sheet (Alþingi, 2024). The operational details were set by Regulation No. 311/2024 (8 March 2024), restricting eligibility to properties registered as primary residence as of 10 November 2023, with a deadline for applications for this buy-out of 31 December 2025 (Stjórnartíðindi, 2024).

The Ministry of Finance created a state-owned special-purpose real estate company to implement this scheme, 'Fasteignafélagið Þórkatla ehf.', which was mandated to buy, manage, and dispose of housing in Grindavík. As of May 2025, Þórkatla had received about 990 applications, approved roughly 90 per cent of them, and acquired the titles to more than 950 dwellings, at a cost estimated at ISK 61 billion (approximately EUR 423 million) (Gylfason, 2024; Sigurdardottir, 2024; Fasteignafélagið Þórkatla, 2025). The purchase price was calculated as 95 per cent of the official fire insurance value (*brunabótamat*) minus any outstanding mortgage debt; if debt exceeded value, the state absorbed the negative equity. In May 2025, Þórkatla introduced a pilot 'friends-of-home agreement' (*Hollvinasamningur*), allowing former owners limited use of their ex-homes in summer while public ownership continues (Fasteignafélagið Þórkatla, 2025).

Parallel housing measures moved along swiftly. The government's social housing agency covered alternative housing for evacuees, paying initially 75 per cent (rising to 90 per cent) of the rental cost of temporary housing for up to three months (Ritstjórn, 2024b). Within weeks, the authorities introduced two housing associations (Bríet and Bjarg) to purchase up to 210 apartments in nearby towns for temporary relocation (Iceland Monitor, 2023; mbl.is, 2023). The nearby towns targeted by these firms were located in areas near Njarðvík (Reykjanesbær) and Hafnarfjörður, with priority leasing rights given to residents of Grindavík in the selected locations (Bjarg, 2023).

These measures demonstrate the government's approach to treating the housing market as a collective responsibility in the face of a disaster triggered by a natural hazard. The intervention preserved property values (via buy-outs) and stabilised housing supply for the uprooted population. With the vast majority of the town's housing stock now consolidated under a single public owner, speculative resale activity has become structurally impossible.

In the short term, Grindavík's sudden evacuation created shockwaves in nearby real estate markets. The demand for homes and rentals around the Reykjanes Peninsula spiked overnight, leaving families to secure lodging before Christmas (Iceland Monitor, 2023). Local news outlets noted concerns about rent gouging and shortages, prompting the state to cap rents and the costs of subsidies for evacuees (Guðbrandsson and Harðarson, 2023; Logadóttir, 2024). The government aimed to counter the potential spike in housing prices due to the disaster by buying entire blocks of flats in neighbouring towns. In Grindavík, however, the abandoned properties became almost a new class of asset: the houses that remain intact are located in a high-risk zone with an uncertain future. Private speculation was minimal; few buyers would gamble on property in an active volcanic area unless deeply discounted. If anything, a reverse speculation occurred: some residents reportedly wanted to sell immediately owing to the intensified earthquake activity, but the government cautioned against distress sales and then stepped in as the buyer of last resort. In agreeing to pay close to the pre-disaster value, the state removed incentives for predatory investors to swoop in at discounted prices.

Media narratives around the volcanic incident have primarily focused on questions of value and justice. Headlines noted that one per cent of Iceland's population lost their homes overnight (Sigurdardottir, 2024). Political debates arose questioning how to assign value to properties whose long-term safety could not be guaranteed, or which some feared might remain in a prolonged state of risk (Ólafsson et al., 2025). The government's buy-out at 95 per cent of the insured value was generally praised as generous, although it raised questions, notably: should a house at the foot of an erupting volcano be treated as 95 per cent 'whole'? Icelandic officials defended the plan as a solidarity measure to keep people afloat financially, allowing them to resettle elsewhere. The market outcome is that Grindavík's real estate has been monetised (via insurance and state funds), but not rebuilt, marking significant

losses distributed across Icelandic society. Nearby towns like Njarðvík have absorbed the growth; their housing markets tightened but also saw significant boosts in government-backed development and infrastructure to host the displaced. This case demonstrates a strong government-led approach in which the volatility of nature prompted an equally dramatic intervention to stabilise housing needs.

6 | DISCUSSION: WHO CAPTURES THE VALUE OF VOLATILITY?

The cases of Sint Maarten and Grindavík offer a strong comparative lens with which to observe how divergent governance regimes mediate the relationship between environmental volatility and real estate value. Sint Maarten, shaped by colonial fragmentation, institutional weakness, and heavy reliance on foreign capital, exemplifies a market-led recovery where disaster becomes an entry point for speculative investment. Here, the weakened state enables private actors to exploit distress, using luxury branding to mask risk. By contrast, Grindavík reflects a technocratic, coordinated Nordic welfare model in which the government intervenes to absorb risk, consolidate assets, and stabilise the housing system through public ownership.

This contrast points to a key question: how do divergent governance regimes convert environmental volatility into real estate value? In both cases, disasters destroy and reorganise. The mechanisms of reorganisation differ sharply, though: one through speculative extraction, the other through public absorption risk redistribution. This discussion synthesises the findings through a four-part typology: acquisition; symbolic framing; risk financing; and distribution. Each reveals how divergent governance logics determine who captures the volatility premium. These cases show how governance logics shape risk outcomes and decide who acquires volatility's value.

A potential objection to this framing is that the contrast between Sint Maarten and Grindavík reflects hazard difference rather than governance difference. Hurricanes invite rapid speculative rebuilding because the land remains habitable, whereas volcanic eruptions may necessitate state-led withdrawal owing to the prolonged uninhabitability. The hazard asymmetry is real, but this does not by itself dictate the observed outcomes. Weak governance in Sint Maarten allowed speculative arbitrage that could, under stronger institutions, have been restrained. Iceland's buy-out programme was not an inevitable consequence of volcanic risk: in a weaker regime, distressed households might have sold at discounts to opportunistic buyers. The cases demonstrate that hazard characteristics set constraints, but governance architectures determine whether volatility is captured privately or absorbed collectively.

Three event-level differences shaped post-disaster management options, and these are the pathways through which volatility is transmuted into value. The first is spatial footprint and territorial solidarity. Hurricane Irma produced island-wide damage in Sint Maarten/Saint Martin and struck nearby islands in the same tourism circuit. This eliminated intra-island receiving capacity and forced displaced households into short-term regional accommodation. In this context, relief and reconstruction depended heavily on external finance and donor programmes, while housing supply was tight and fragmented. By contrast, the Reykjanes Peninsula eruptions primarily impacted a single town, Grindavík. Contiguous municipalities remained functional and could absorb evacuees. State actors then operationalised territorial solidarity through bulk rental support and acquisitions in neighbouring towns, and later, the consolidation of Grindavík housing stock under a public owner. These spatial conditions expanded the feasible set of coordinated public interventions (Bjarg íbúðafélag, n.d.; mbl.is, 2023; Fasteignafélagið Þórkatla, 2025).

The second factor relates to the temporal profile and administrative lead time. Irma was a short, catastrophic shock that destroyed a large part of the built environment within days, compressing decision windows for both households and officials and creating an urgent demand for liquidity. That timing advantaged buyers able to transact quickly before new standards or programmes could be designed and enforced. The Reykjanes sequence unfolded over months, in the form of earthquake swarms and repeated fissure openings between late 2023 and 2025. Authorities had weeks or months to draft and pass the buy-out laws, set the compensation formula, establish the state property company, and define the policy trajectory before a secondary market could form (Veðurstofa Íslands, 2023; Alþingi, 2024; Uwera, 2024; Fasteignafélagið Þórkatla, 2026).

The third element is hazard expectation and preparedness memory. Sint Maarten's risk environment is defined by the certainty of recurring hurricanes but uncertainty about their timing and strength. Residents and markets know storms will return, but despite this, the institutional ability to translates this awareness into resilient codes, zoning, or insurance was weak. In contrast, Grindavík had been volcanically dormant for more than seven centuries, but seismic unrest on the Reykjanes Peninsula since 2019 signalled a new eruptive cycle (Parks et al., 2024). Iceland's seismic monitoring, in combination with institutional memory of the 1973 Vestmannaeyjar (Heimaey) eruption and the existence of the Natural Catastrophe Insurance scheme (Ísland.is, n.d.), allowed authorities to design the buy-out and relocation pathways before fissures opened beneath the town. The two cases highlight the contrast between permanent hazard/weak institutionalisation and reactive hazard/strong institutionalisation.

These three event-level differences define the boundary conditions within which government acts. A widespread footprint and compressed timeline narrow the administrative menu, but robust states still produce counter-speculative tools: temporary transfer moratoria; emergency price gouging controls; acquisition funds; and standardised resilient-rebuild programmes (Comerio, 2014; UNISDR, 2017; Siders, 2019). A localised footprint and longer lead time can be squandered if authorities refrain from pre-committing to public acquisition. Hazard expectation also matters: where risk is permanent but weakly institutionalised, as in Sint Maarten, volatility becomes a recurring opening for speculative capture; where long-dormant hazards are paired with constant monitoring and institutional memory, as in Iceland, volatility can be rapidly collectivised. The observed divergence is best understood as policy architecture interacting with hazard constraints: geometry, tempo, and expectation set the stage; and institutions decide whether volatility is privatised through distressed acquisition or collectivised through buy-outs and asset freezing.

Sint Maarten's post-Irma recovery shows how weak regulation facilitates the privatisation and aestheticisation of volatility. Transaction data show mortgage-free speculative entry into luxury enclaves but distress exits from working-class districts. This aligns with Klein's (2007) 'shock doctrine' and Harvey's (2003) logic of accumulation through dispossession. Developers inflated prices via branded recovery aesthetics, which lends weight to the definitions of paradoxical luxury (Björnsson, Rice, and Wolfgang Mixa, 2024), a form of symbolic capital grounded in risk. Insurance pay-outs and donor funding subsidised speculative gains while reconstruction bypassed legal codes. Volatility was financialised via externalisation risk and valorised optics.

By contrast, the Icelandic response to the Reykjanes eruptions foregrounds a technocratic welfare model that pre-emptively de-commodified risk. The buy-out via Act No. 16/2024 shielded households through state absorption of negative equity and halted private speculation. This diverges from disaster capitalism by removing the asset from market logics altogether, turning properties into publicly-held, non-exchangeable assets. In this case, state intervention functions as asset freezing to prevent capital extraction. The state monetised risk (through insurance) but blocked its reinvestment as capital.

These different pathways substantiate the core proposition: who captures the volatility premium, capital or state? The benefactor depends on the government's ability or willingness to narrate, regulate, and de-marketise destruction.

Across both cases, we can identify four distinct mechanisms whereby environmental volatility is transformed into value, each driven by the respective underlying governance structure: distressed asset acquisition; aestheticisation and branding of risk; risk financing and transfer; and distributional outcomes. See Table 1.

Each of the four mechanisms outlined above maps onto established theoretical debates, as follows. First, acquisition of distressed assets parallels Harvey's (2003) and Klein's (2007) insights into how crises create windows for capital accumulation. Second, aestheticisation and branding reflects Veblen's (1899), Baudrillard's (1981), and Bourdieu's (1984) theories of symbolic capital, previously theorised as 'paradoxical luxury' (Björnsson, Rice, and Wolfgang Mixa, 2024), but only in a market-led context. Third, market versus socialised speculations connect to Aalbers' (2019) and Birch and Muniesa's (2020) work on financialisation, contrasting speculative real estate circuits with state-led assetisation models. Fourth, distributional outcomes align with Tierney's (2006) and Elliott, Loughran, and Brown's (2023) finding that post-disaster housing programmes can either entrench inequality or mitigate it, depending on governance capacity and social infrastructure.

TABLE 1 Mechanisms of volatility conversion in Sint Maarten and Grindavík.

Mechanism	Sint Maarten (market-led)	Grindavík (state-led)	Implications
Distressed asset acquisition	* Seventy-nine per cent of Lowlands sales and 40 per cent of Simpson Bay sales (2017–20) were mortgage-free, indicating cash-rich foreign buyers. * Transaction volumes remain stable despite a more than 10 per cent price drop, signalling speculative entry.	* Act No. 16/2024 mandated the state's purchase of more than 950 dwellings at 95 per cent of the fire insurance value. * Þórkatla consolidated approximately 90 per cent of the housing stock. * Negative equity was absorbed by the Treasury.	Demonstrates how governance capacity mediates value capture: regulatory fragmentation enables arbitrage; public consolidation prevents it.
Aestheticisation and branding of risk	* 'Rebuild with us' marketing enabled substandard, hurricane-prone construction as luxury recovery. * Developers exploited lax regulation and valuation inflation.	* Government framed interventions as 'collective safety'. * Disaster transparency replaced marketing. * No resale or branding possible.	Shows how symbolic capital attaches to risk only under private regimes. State freezing disables luxury branding narratives.
Risk financing and transfer	* Absence of property tax plus the expectation of EUR 550 million recovery fund subsidises speculative gain. * Insurance pay-outs are captured by private actors; costs are externalised.	* Buy-out funded via sovereign debt. * Risk monetised through fire insurance valuation, not commodified. * 'Friends-of-home' leases restrict resales.	Contrast speculative financialisation with state-led asset freezing, a form of *non-performative assetisation* (Birch and Muniesa, 2020).
Distributional outcomes	* Mortgage-backed sales concentrated in working-class zones (such as Lower Prince's Quarter). * Many exited under distress; more than 1,200 homes unrepaired in 2022.	* One per cent of Iceland's population displaced but compensated near-par. * Rent caps and emergencyhousing mitigated ripple effects.	Identical shocks produce regressive or progressive redistribution depending on whether the regime lends weight to disaster capitalism and welfare state theory.

Source: author.

Across both cases, environmental volatility becomes a convertible resource. Disaster opens up a terrain of opportunity, but the mechanisms through which value is extracted or redistributed are fundamentally shaped by governance regimes. In Sint Maarten, volatility is absorbed by private capital; in Grindavík, it is done by the state. This structural difference reveals how institutional capacity, political intent, and socio-historical context determine who captures value when crisis strikes.

In Sint Maarten, postcolonial fragmentation and regulatory weakness allowed speculative investors to absorb volatility through acquisition and branding. Private capital treated the hurricane as an entry point, turning destruction into arbitrage: buying low, rebuilding fast, and selling under the guise of luxury recovery. Here, volatility was privatised and financialised: value was extracted through risk externalisation and symbolic inflation.

In Grindavík, the Icelandic state enacted a pre-emptive, technocratic model of risk absorption. Volatility was collectivised and held in public custody. The state prevented private speculation: it froze the housing market, stabilised

households through relocation, and monetised disaster through insurance-based compensation without returning the assets to the market. Here, the value was distributed and contained.

Both examples demonstrate how volatility is operationalised. Whether through capital- or state-led absorption, environmental risk is mediated by political choices. The question becomes: who benefits and how is this legitimised?

7 | CONCLUSION

The study set out to explain why, and under what conditions, environmental volatility is converted into a source of real estate value, instead of liability. By comparing post-Irma Sint Maarten with post-eruption Grindavík, it demonstrates how the 'volatility premium' is a political, economic artefact that materialises only when specific governance mechanisms translate physical risk into legally recognised, exchangeable assets. In the fragmented regulatory setting of Sint Maarten, the disaster opened a space for speculative acquisition, luxury branding that aestheticised exposure, and privately captured insurance windfalls. In the technocratic welfare state of Iceland, the government pre-empted speculation through a near-universal buy-out, which socialised negative equity, and effectively froze the local housing market. These different trajectories highlight that the outcomes predicted by classic theories of disaster capitalism, speculative urbanism, and financialisation are contingent on the capacity and intent of the state: where regulation is weak, volatility is privatised and financialised; where the state is strong and supports solidarity, volatility is collectivised and contained.

This comparison indicates that while hurricanes and volcanic eruptions differ in probability, duration, and consequences for future habitability, these hazard features only set the stage. The decisive factor is how governance structures respond: they can channel a hurricane into speculative recovery or convert a volcanic eruption into collective compensation. Hazards create disruption, but governance determines whether it becomes a volatility premium or a socialised liability.

In sum, this article makes three contributions to the debate. First, it refines the concept of disaster capitalism by specifying the micro mechanisms of distressed asset acquisition, symbolic branding of risk, and design of risk transfer instruments through which venture capital or the state can capture the gains from destruction. Second, it extends cultural economy debates by documenting 'paradoxical luxury', a form of symbolic capital that celebrates the ability to rebuild quickly and conspicuously in volatile zones, but only under market-led regimes, leaving narrative spaces for such performances. Third, it links these insights to welfare state theory, demonstrating that the option to monetise or socialise volatility is itself a function of fiscal capacity, institutional coherence, and political choice.

Various limitations temper these findings. The research relies on two island cases and a 10-year traction window: longer time-series data will reveal whether the Icelandic asset freeze endures or whether speculative pressure resurfaces once the buy-out moratorium lapses. The ethnographic evidence is rich for Sint Maarten, but thinner for Grindavík, where rapid evacuation restricted fieldwork; future studies could incorporate resident narratives as they resettle. Both cases involve small, tourism-heavy economies, which limits the generalisability of the volatility premium concept to larger metropolitan contexts where insurance markets, credit systems, and planning regimes are inherently different.

These constraints present opportunities for future studies. Cross-national panel analyses could test whether the volatility premium appears in deltaic megacities, seismic high-rises, or wildfire suburbs, and under which conditions of insurance law, land acquisition rules, and fiscal capacity it is most pronounced.

The question of who reaps the financial benefits or bears the monetary consequences remains. This article argues that the answer lies in the architecture of governance. Volatility can be harnessed as a private windfall or absorbed as a collective duty; steering it towards the latter will require that states act before speculative capital does.

CONFLICT OF INTEREST STATEMENT

None.

DATA AVAILABILITY STATEMENT

Research data are not shared.

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ENDNOTE

[1] The Netherlands Antillean guilder (ANG) was the circulating currency in Sint Maarten up until 31 March 2025 when it was replaced by the Caribbean guilder (XCG).

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