

Buying & Selling Property In Barbados



Barbados

Sotheby's

INTERNATIONAL REALTY

Buying Property In Barbados?

Transaction Costs

- Attorney Fees are approx. 1% - 2.5% plus 17.5% VAT.
- You will be expected to pay the proportionate amount of Land Tax based on date of purchase.

Standard Purchase Procedures

- Verbal offer and acceptance (in some cases a reservation agreement may apply)
- Appointment of an attorney-at-law
- Exchange of contracts for sale and payment of a 10% deposit to vendors attorney-at-law within 2 to 4 weeks
- Conveyance and payment of 90% remaining balance within 3 to 6 months (in the case of off-plan developments, stage payments based on construction progress apply)

Mortgages/Finance

- US\$ Mortgages are readily available to non-nationals from the offshore sector of certain local commercial banks. Terms vary from bank to bank. Below are a few general guidelines:
 - LTV Ratio varies between 50% - 70%
 - Minimum loan value: US \$500,000
 - Interest rates are pegged against international LIBOR rate.
 - Amortization term: range from 15 – 25 years maximum or retirement.
- Attorney fees may vary and should be obtained from individual attorneys.

Exchange Control Regulations

1. Non-nationals are required to obtain the approval of the Exchange Control Authority for purchasing property.
2. Approval is usually granted but is given at the discretion of the authority.
3. The monies for the purchase of the property in Barbados must be registered with The Central Bank of Barbados.
4. As part of the approval process, the purchaser should present proof of the remittance.
5. Should the purchaser decide to sell the whole or part of the property purchased, the sale will be subject to the permission of the Exchange Control Authority.



Selling Your Property In Barbados?

Transaction Costs

- Attorney Fees – Approx. 1% - 2.5% plus VAT
- Real Estate Agents Fees – 4% to 5% plus VAT (includes marketing, viewing, signage etc.)
- Stamp Duty – 1%
- Proportionate amount of Land Tax based on date of purchase.
- Property Transfer Tax:
 - Unimproved property – 2.5%
 - Improved property – First US\$ 75,000 exempt
 - Improved property – Over US \$75,000 – 2.5

Standard Selling Procedures

- Verbal Offer and acceptance
- Appoint an attorney-at-law.
- Exchange of contracts withing 2 to 4 weeks

- Provision of copies of prior deeds
- Draft conveyance sent to Purchaser's attorney for perusal.
- Signing of Conveyance
- Balance of purchase price paid by buyer.
- Completion of sale within 3 to 6 months

The Following Bills Must be Fully Paid

- Solid Waste Disposal Tax (this has been abolished but any arrears must be paid)
- Land Tax Arrears
- Water Bill
- Electricity Bill

Costs Associated with Owning Property in Barbados

Annual Costs

- Property Insurance – US \$2.00 to US \$3.00 per US \$500.00
- Contents Insurance – US \$2.50 to US \$3.50 per US \$500.00
- Land Tax
 - Site Value – Vacant Land
 - <4,000 sq. ft – 0.8%
 - >4,000 sq. ft – 1.0%

- Improved Value – Residential
 - First US\$75,000 – Exempt from taxes
 - On > US\$75,000 but < US\$225,000 – 0.1%
 - On > US\$225,000 but < US\$425,000 – 0.7%
 - On > US\$425,000 – 1.0%

NB: Property tax is capped at a maximum of US\$50,000 in residences.

- Improved Value – All other properties – 0.95%

Rebates on property taxes are available but must be applied for as follows:

- Pensioners
- Agricultural properties
- Villa properties

Monthly Costs

- Utilities: Electricity, Water, Telephone, Cable

The following are due monthly where applicable:

- Condo fees
- Property/Homeowners Association fees
- Pool and garden maintenance
- Property Management fee – minimum of US\$250

Rental Agent Commission Fees

Long Term Rentals

- 1 month's rent – 1st year
- 1/2 month's rent – 2nd year
- 1/4 month's rent – 3rd year

- Short- Term Rentals

- 10% to 30% commission is payable on short-term rentals.



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