



A Buyers Guide

There are no restrictions to owning property on the island. Any non-Barbadian wishing to purchase property on the island must initially get permission from the Central Bank of Barbados. This is simply a formality. All money brought into Barbados must be registered at the Central Bank, which, in turn, guarantees repatriation when the property is sold.

In Barbados, property passes conveyance of title, evidenced by the recording of the deeds and the certified survey plans at the registry of title. A purchaser will require a registered Barbadian attorney to search the register and establish title to the property prior to the completion of sale.

The title may be taken in an individual's name or through a corporate vehicle set up to own the property. It is usual in the case of non-residents of Barbados that they purchase property through a company, which may be incorporated outside Barbados but which must be registered in Barbados.

Purchasers should be aware that once an agreement has been made, and a 10% deposit of the agreed purchase price has been paid, the sale must proceed. Alternatively, the deposit will be forfeited.

The period between payment of deposit and completion is likely to be at least 3 months. The Vendor pays a property transfer tax of 2.5% of the purchase price and a government stamp duty of 1%. There is **no** Property Transfer tax payable by the buyer for existing buildings; however, there is a Property Transfer Tax of 2.5% payable by the buyer for land purchase. Each party bears their own legal fees, which average between 1.5% to 2% of the purchase price. Legal fees are subject to 15% VAT.

Financing is available for individuals or corporations who are non-resident under Barbados Exchange Control regulations, subject to being able to prove adequate income stream in dollars or other hard currency to service the mortgage.

An annual tax is charged on property. The assessment is made on the improved value, or if undeveloped, on the site value. These Government valuations are reviewed every three years. Please see guide below:

- **Improved Properties**
- 0% on the first Bds\$125,000
- 0.1% on Bds\$125,001 to Bds\$350,000
- 0.65% on Bds\$350,001 to Bds\$850,000
- 0.75% on Bds\$850,001 and over
- **Commercial Properties**
- .65%
- **Unimproved Value of Land**
- .60%

Mortgages

• Mortgages are available for non-nationals and in general terms they are limited to between 50% - 70% loan to value and a maximum term of 10 years. Professional advice and guidance is available from our sister company, Caribbean mortgages.

Income Producing Property

• There is an active rental market for both long-term and vacation rentals. Returns in the residential market can vary widely depending on the type of property but in general investors should expect returns in the 5% to 12% range on income plus capital appreciation.