

REAL ESTATE IN THE BAHAMAS

The International Persons Landhold Act:

In 1994, the International Persons Landholding Act was passed and incorporated by the Bahamian Government. Owning property by foreigners as well as by companies controlled by foreigners would now be much easier.

Any purchase of property or interest in property must be filed with the Ministry of Financial Services & Investments for registering with the Investment Board. Proof of ownership and payment of stamp duty and property taxes is required together with a small fee of \$25.00 for the registration process in order to receive a certificate of registration.

Acquiring property in The Bahamas is not subject to any permits unless a foreigner intends to become the owner of five (5) or more contiguous acres of unimproved land or property or any interest therein by way of freehold or leasehold.

Foreigners owning properties in The Bahamas may apply to the Director of Immigration for an annual home owner's residence card. Although this pass does not confer resident status, the owner, spouse and dependent children are entitled to enter and remain in the country for the duration of the validity of the card. The cost of the annual pass is \$500.00 not including the application fees of \$50.00.

All information as stated above is subject to changes without further notice. Please refer to the official Bahamian government websites for the current status on stamp taxes, real property taxes and fees and regulations pertaining the International Persons Landhold Act.

Real estate transactions:

All real estate transactions are subject to government stamp tax which is due and payable on the date of the property conveyance or realty transfer in order to have the new ownership registered. The calculation of the stamp tax is based on the value of the property which is not always the sales price. Stamp duty is 2% on the transfer value up to \$20,000, 4% thereafter up to \$50,000, 6% thereafter up to \$100,000, 8% thereafter up to \$250,000 and 10% on values higher than \$250,000. Usually, seller and buyer each pay half of the stamp duty while the recording is covered by the buyer. Law firms preparing the paperwork for the transaction are charging a fee of approximately 2½% of the sales price to each the buyer and the seller. Sales commissions to real estate agents are usually paid by the seller unless otherwise agreed upon.

Real property taxes:

Real property taxes are charged annually based on the assessed property value. The current status of the property (owner-occupied, rentals and commercial or unimproved land) determines the rate. Owner-occupied properties up to a value of \$250,000 are exempt of taxes. Thereafter, annually ¾% are charged up to a property value of \$500,000 and annually 1% on properties valued higher than \$500,000. Unimproved land is taxed at an annual rate of 1%, respectively 1½% of a value above \$100,000. Any other property is taxed at 1% increasing to 2% for property values higher than \$500,000.

International Persons Landholding Act

http://laws.bahamas.gov.bs/statutes/statute_CHAPTER_140.html

Permit for the purchase of real property

http://forms.bahamas.gov.bs/dp_form.asp?fid=41

Certification of land purchase

http://forms.bahamas.gov.bs/dp_form.asp?fid=84