

Buyer's GUIDE

*Tips and info for buyers of
property in the Bahamas*

Abaco
Real Estate
Agency

1 242 477 5712
Bill Thompson





Looking To Purchase a Second Home in Abaco?

Or are you looking for a lot on which you can build your dream home?

It can be a pleasant experience without major surprises if you do it right from the start and know what to expect.

Abaco Real Estate Agency have helped hundreds of people find a home in Abaco. We know the market, we know the ins and outs, and we know the pitfalls.

We would love to get to know you! We would like to know what you are looking for and how we can be of service to you.

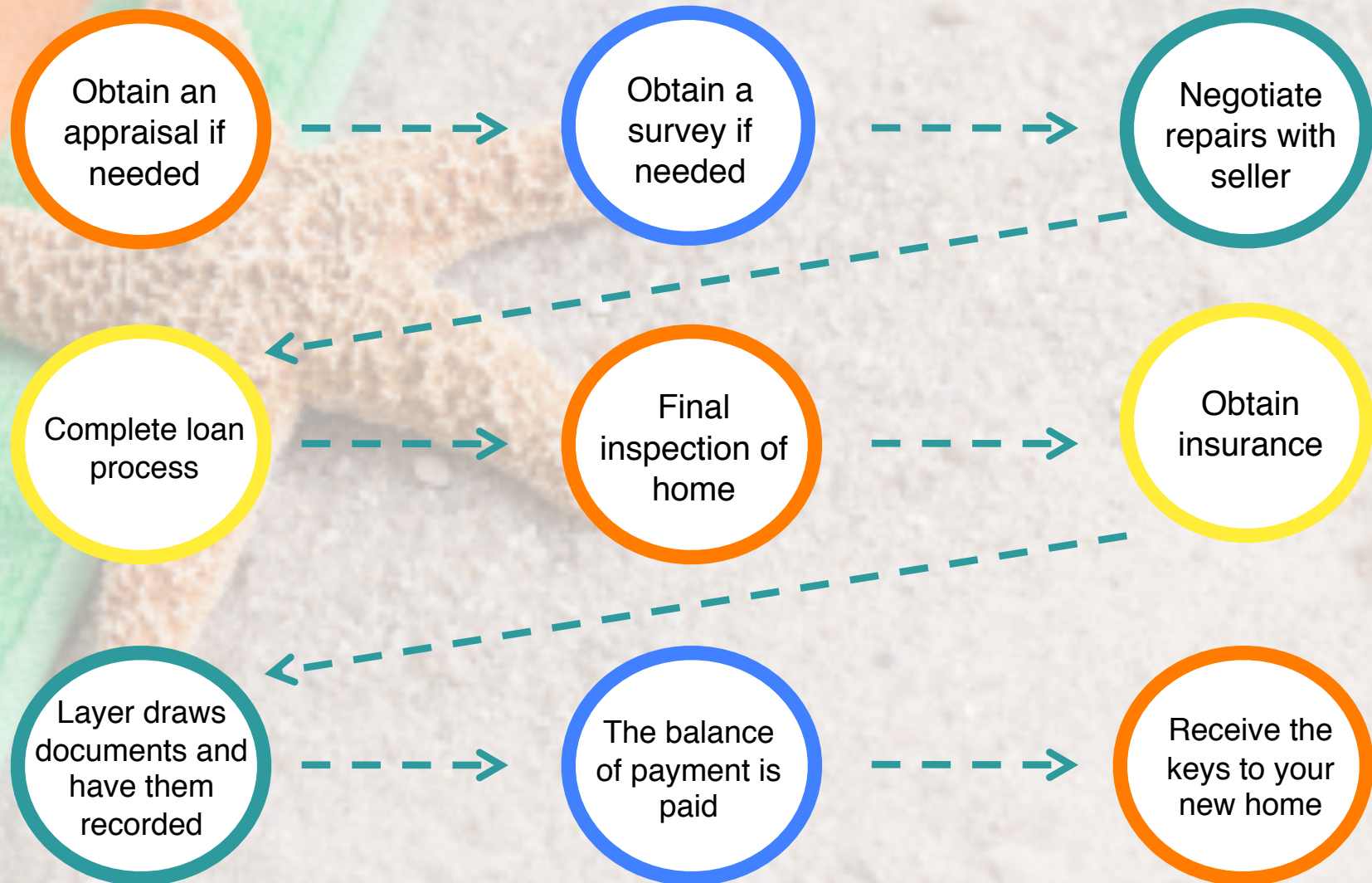
One thing is for sure. You will always feel welcomed here in Abaco.



The Buying Process - Part 1



The Buying Process - Part 2















The Cost of Buying Property

Please check with your lawyer for the latest fees. The Government Stamp Tax and the VAT for the transaction are generally shared equally between buyer and seller – unless otherwise agreed.

Closing fees: Recording fees (\$3.50 per page) on the conveyance and other closing documents which need to be recorded. Fee for Permit to purchase if applicable. *Note: Laws are subject to change without notice.*

 Tax & VAT Transactions under \$100,000	 Tax & VAT Transactions over \$100,000	 Real Estate Commission	 Legal Fees	 VAT
 The buyer pays 3,75% VAT (no Stamp Tax) on real estate transactions under \$100,000	 The buyer pays 5% on real estate transactions over \$100,000. This includes stamp tax and VAT	 Paid by the seller	 The buyer pays his own lawyer, usually 2% of sales price.	 Buyer pays VAT for the services he obtains. 7,5% on Appraisals, Legal fees, Insurance, Surveying fees.

Buying property

in the Bahamas if you are non-Bahamian

Under 2 acres – single-family use

If you are a non-Bahamian citizen and you don't own property already, you only need to register your investment with the government if:

1. You are buying less than two acres.
2. You are buying a home for a single family that sits on less than two acres of land.

Over 2 acres or 2 acres other than single-family use

If you are purchasing for anything other than single-family use, or the property is over two acres in size, you need to apply for a Government permit to purchase the property.

There is a fee for this permit.

Registering your investment with the Foreign Investment Board insures that you will be able to remit the net proceeds of sale outside the Bahamas in the currency of the original investment.

You also need to register your investment with the Exchange Control at the Central Bank of The Bahamas.

For more info, see this link: [The International Persons Landholding Act.](#)





Annual Real Property Tax – Part 1

This is only a guide. Please consult a Bahamian lawyer before you invest in Bahamian Real Estate. The laws are subject to change without notice.

Homes

No tax on the first \$250,000.

On property between \$250,000 and \$500,000, the rate is 0.75 %.

On the portion over \$500,000, the tax rate is 1% of the market value of the property.

Maximum payable annual tax is \$50,000, no matter how much property you own.

Lots

If the market value is \$7,000 or less, the fee is \$100.00 a year.

If the market value is more than \$7,000 the tax rate is 1.5 % a year.

Commercial

If the market value is \$500,000 or less, the tax rate is 1% a year.

If the market value is more than \$500,000 the tax rate is 2% a year.



Annual Real Property Tax – Part 2

Exemptions only for Bahamian Citizens

- ✓ No property tax in the family islands.
- ✓ No property tax on land owned by Bahamians.
- ✓ No property tax on commercial farmland that is approved by the Ministers of Agriculture, Trade and Industry and Finance.
- ✓ No property tax for properties used for Charitable or public service from which no profit is derived.
- ✓ No property tax for properties in Freeport, Grand Bahamas.

Home Owner's Residence Card



A home owner's residence card does not give you permission to work. However, it makes it easier to enter every time you return to The Bahamas.

You can apply to the Director of Immigration to get a homeowner's resident card. If Immigration is satisfied that you are a person of good character and able to support yourself and your family, they will issue a card for a fee.



Visas are not required of citizens of the United Kingdom or Canada, provided their stay does not exceed 3 weeks and that they have a return ticket leaving the Bahamas.

Visas are not required of US citizens for staying less than 8 months.

Bahamas Immigration Department permits are needed to reside, work or engage in any business.

Permanent Residency

There are two categories of permanent residency:

1. Permanent residency with the right to work
2. Permanent residency without the right to work.

One of the criteria for permanent residency is the investment of a minimum of \$500,000 in The Bahamas. This investment may take the form of the purchase of real property with a minimum value of \$500,000.

Applicants must be of good character, show evidence of financial support and commit in writing that they wish to live permanently in the Bahamas. Wives and dependent children (under 18 years) may be endorsed on the certificate when the original application is made.



Major international investors and owners of residences valued at \$1.5 million or more, receive speedy consideration for permanent residency permits.



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Building Your Dream Home

Questions you might have about building in Abaco

Part 1



Building Permit

You will need to obtain approval from the Local Government. In Abaco that is Hope Town Council. After approval by the local government, you can apply for a building permit issued by the Ministry of Works in Marsh Harbour. A local architect or engineer would be able to assist you with this.

Building Professionals

There are good qualified architects, contractors and engineers available in Abaco. Most architects in the Bahamas were schooled either in the United States, Canada or the United Kingdom and have international accreditations. There is a local licensing Board for architects.

The leading contractors are all civil engineers with international accreditations or have certified engineers on staff. Many of the smaller contractors are products of a good apprentice system and are very adept and skilled at efficiently carrying out residential construction. Civil, mechanical and electrical engineers in the Bahamas, like the architects - were schooled in other countries and hold international accreditations from those respective countries and must also have a license issued by their respective Local Boards.



Questions you might have about building in Abaco

Part 2



Local Financing

There are options for local financing. Normally that requires a 40% down payment of the value and the funds are given in US\$.

Building Costs

On average you can count on the cost of building in Abaco approximately 50% higher than a similar Home in south Florida. This is mainly due to freight, duty and delivery cost to site representing approximately 65% of the F.O.B. material cost.

It should also be pointed out that building standards are higher in the Bahamas than in South Florida. The building cost for an average home in Abaco may be between \$200 to \$250 per square foot. For a better than average home the cost might range from \$250 to \$400 per square foot. For a luxury home even more.



How Can We Help You?

As licensed members of The Bahamas Real Estate Association (BREA), Bahamas Multiple Listing Service (MLS), National Association of Realtors (NAR) and the Abaco Chamber of Commerce, we look forward to serving you.

In 2015 we celebrate our 42nd year of service in the Abaco Real Estate market. During this time we have helped hundreds of clients buy a home or a lot in Abaco. Many of these clients return again and again to buy or sell their properties, and quite a few have become our friends.

Our small team of estate agents provide in-depth local knowledge about the Abacos and we are enthusiastically dedicating our talent, energy and creativity to give you, the client, the personalized service you deserve.



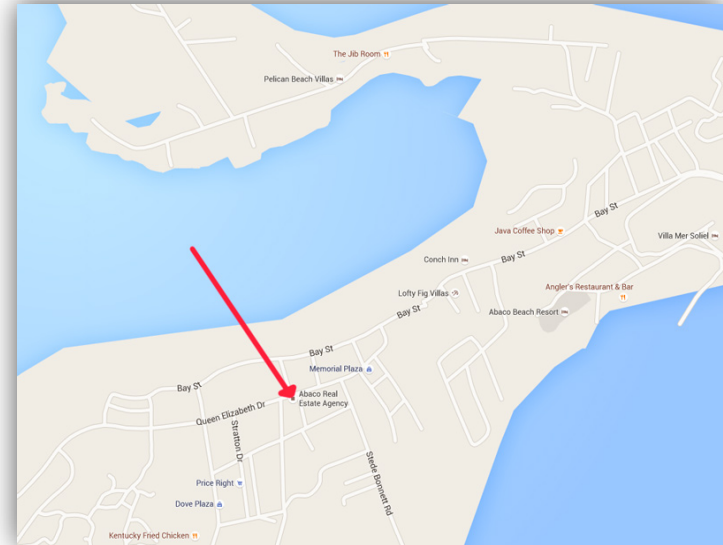
Our Goal Is To Give You
A Superior Experience

Contact Info

Our main office is located in the "Percy Archer" building on Queen Elizabeth Drive, 300 yards east of the one traffic light in Marsh Harbour.

Contact Real Estate Broker Bill Thompson at cell: 242- 477 5712

Email: billt@abacobahamas.com
or any of our other licensed agents.



Our main office contact is Elaine Thompson at
Tel: 242-367-2719 or
242-367-2358.

Fax: 242-367-2359 or email:
elaine@abacobahamas.com

From the USA and Canada
please call: 321-215-7250.

