



We Make Your
Dreams Reality

James Sarles
Realty

Bahamas Real Estate Buying Guide

Absolutely Everything You
need to Know about Buying
Property in this Tax Haven



sarlesrealty.com

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ABOUT US

James Sarles Realty has unrivalled luxury property listings, tremendous local knowledge and experience, which makes buying or selling property a pleasure.

James Sarles Realty was founded by James Sarles in 2003, and became a Coldwell Banker franchise in 2006 as part of the island affiliates network, providing state-of-the-art marketing and networking tools to expose our property listings to the widest possible audience of potential buyers, a distinct advantage over other real estate firms.

Our team is committed to making your move to The Bahamas, or simply buying a home here, simple and easy. We can assist you every step of the way, whether you are looking for a luxury waterfront home, condo, vacation rental home, beachfront property, a home with great boat dockage, investment property, canal-front home, or land for custom-builds.

We also deal in a large selection of commercial properties perfect for any business venture.

You can check our YouTube Channel at <https://www.youtube.com/channel/UCK4Gy79T1jQ268xWVGKLt8g>

Facebook Page: <https://www.facebook.com/jamessarlesrealty>

Instagram: <https://www.instagram.com/jamessarlesrealtybahamas/>

LinkedIn: <https://www.linkedin.com/in/jamessarlesrealestate/>



FREQUENTLY ASKED QUESTIONS

HOW DO YOU GET TO THE BAHAMAS?

Getting to The Bahamas couldn't be easier. Conveniently accessible by air and sea, The Bahamas welcomes visitors arriving at commercial and charter flights, ferries, cruise lines, and private planes and pleasure craft. For more information, click on the link below:

<https://www.bahamas.com/getting-here/flying>

WHAT CURRENCY IS USED IN THE BAHAMAS?

The official currency of the Bahamas is the Bahamian dollar. It is also the official currency of the Caicos Islands and the Turks.

The ISO 4217 code for the Bahamian dollar is BSD. However, to distinguish it from the other dollars, it is also sometimes represented by B\$.

The Bahamian dollar is pegged to the US Dollar, which means that all businesses in the Bahamas accept US currency. However, if you are holding any other currency, you might want to exchange it before landing in the Bahamas.

It might also be useful to know that the Bahamas dollar is divided into 100 cents.

IS IT SAFE IN THE BAHAMAS?

The Bahamas is a country that is safer for foreigners than Bahamians, as most violent crime is against other Bahamians. This is because Bahamians understand that their country is heavily dependent on tourism, therefore most people will refrain from causing any harm or theft to foreigners as it will have a negative impact on the country as a whole, making life generally harder for all Bahamians.



FREQUENTLY ASKED QUESTIONS

WHAT ARE THE BEST REASONS TO INVEST IN THE BAHAMAS?

The Bahamas is made up of 700 unbelievably beautiful islands dotted around the sparkling Atlantic Ocean. In addition:

- There is no income tax, capital gains tax, and inheritance tax
- There is also no property tax in Grand Bahama Island until 2035
- It's a stable real estate market with a wide variety of properties to choose from, Excellent investment opportunities.
- It's an English-speaking country.
- It's a politically stable democratic government.
- It has easy access with direct flights from the USA and Canada.
- It has skilled professional workforce, stable government and economy, sound legal framework, modern infrastructure, proximity to key markets and investment incentive policies are just some of the elements which create this ideal investment climate.
- It has Great Weather.
- Low Taxes
- Plentiful Real Estate Opportunities.
- Amazing Local Culture.
- Majestic Settings for Recreational Activities.
- Allows You Freedom to Live Your Way.
- The Locals are friendly to newcomers, there's no foreign language to cope with, crime is relatively low, and the islands are positioned just off the Florida coast. The Bahamas is one of the most famous Islands in the Caribbean. Although it primarily serves as a tourist highlight, it's still an excellent place to live.



FREQUENTLY ASKED QUESTIONS

IS IT SMART TO BUY IN THE BAHAMAS?

The islands of The Bahamas are a tropical hot spot and rank among the best vacation destinations in the world. Our beauty, amazing weather, and the fact that there are so many islands (700 in total) are part of what makes this tropical archipelago special.

HOW HARD IS IT TO BUY PROPERTY IN THE BAHAMAS?

There are no restrictions on foreign buyers owning a house in The Bahamas and foreign buyers enjoy the same rights as Bahamian citizens, including the right to buy homes for sale on the beach.

CAN A NON-BAHAMIAN BUY PROPERTY IN THE BAHAMAS?

Yes. Overseas Investors may acquire residential properties in The Bahamas of up to five acres without prior Government approval. There are no restrictions on foreign property ownership in the Bahamas. Foreigners buying property can apply to the Bahamian government for permanent residency status, a move some people make because it may carry significant tax advantages in their home countries.

IS THIS A GOOD TIME TO BUY IN THE BAHAMAS?

It's never been a better time to buy! Perhaps thanks to its favourable property ownership laws for foreigners, the Bahamas is often considered to be the most stable real estate market in the Caribbean. It's been ranked #1 by Global Property Guides (GPG) long-term real estate investment ranking.



FREQUENTLY ASKED QUESTIONS

WHAT KIND OF PROPERTIES ARE AVAILABLE TO PURCHASE IN THE BAHAMAS?

The Bahamas has Real Estate for everyone including residential and commercial properties, vacant land, acreage, single-family homes, condominiums, private islands, resort properties, office/retail buildings, shopping centers, and warehouses.

CAN I FINANCE PROPERTY WITH A MORTGAGE?

Yes. Major Banks and life insurance companies offer mortgages to Bahamians Permanent Residents and Foreign investors.

WHAT TYPE OF TITLE DO I RECEIVE?

Most property is sold freehold. You can check the government website to verify for yourself at :

https://bahamas.gov.bs/wps/wcm/connect/mof_content/internet/all+services/c/conveyance

CAN I GET TITLE INSURANCE IN THE BAHAMAS?

Yes. There are companies in the Bahamas representing major international title insurance companies offering title insurance. You can verify yourself at:

<https://idm-inc.com/title-insurance/>



FREQUENTLY ASKED QUESTIONS

DO I NEED TO HIRE A LAWYER WHEN PURCHASING PROPERTY?

Buyers and Sellers need to hire lawyers to represent them in the real estate transaction. Your attorney will ensure that the documents of title are properly prepared and are in good order, and gives an Opinion on the title to the property. This Opinion is considered to be the same as title insurance, as the lawyer is liable should the purchaser find that there is a defect in the title. The opinion of title is insured under the indemnity insurance of the law firm. Title Insurance is also available. For a list of Bahamian attorneys at:

<https://bahamasbarassociation.com/services/members-directory/>

ARE BAHAMIAN REAL ESTATE AGENTS LICENSED? WHAT KIND OF FEES DO THEY CHARGE?

Buyers in The Bahamas real estate market are strongly encouraged to enlist the services of a local real estate agent. All legal brokers and sales agents must obtain licensing from The Bahamas Real Estate Association (BREA), which is a part of the National Association of Realtors.

AFTER I PURCHASE A PROPERTY, WILL I BE ABLE TO REPATRIATE THE PROCEEDS OF SALE WHENEVER I SELL IT?

Yes, you will be able to repatriate the entire proceeds including any profits, provided you register the purchase with the Exchange Control Department of the Central Bank at the time of purchase.



FREQUENTLY ASKED QUESTIONS

CAN A NON-BAHAMIAN LIVE IN THE BAHAMAS?

Yes. As an owner of a property, you can apply for annual residency. An owner of a property valued at \$750,000 or greater qualifies you to apply for Permanent Residency. Accelerated consideration is given to applicants whereby the investment exceeds \$1.5million. The Bahamas welcomes investment by non-Bahamians and has created a number of policy documents to facilitate the purchase of Bahamian property.

The “International Land Holdings Act 1993” in particular aims to ease the purchase of properties in The Bahamas by non-nationals. All that is required is registration with the Investments Board and the Central Bank. The cost of this registration varies from \$25 - \$100.

Bahamas immigration policy permits a homeowners' card to non-Bahamian business or homeowners. This gives them rights to enter the country at each port along with their spouse and minor children. Non-Bahamians acquiring properties over \$1.5million are also given accelerated consideration for permanent residency status. This cost of the homeowners card is \$500 per year, and permanent residency is \$10,000.00.

A non-Bahamian wishing to purchase undeveloped lands of 5 acres or more (that will not be used for a private residence) will be required to obtain a permit from the Registrar General's office

The background of the top half of the page is the flag of the Bahamas, which consists of three horizontal stripes of blue, yellow, and blue, with a black triangle on the hoist side. The flag is slightly wavy, giving it a sense of movement.

THE BUYING PROCESS

HOW TO BUY PROPERTY

Ensure you have financing organized prior to beginning your property search. Decide what type of property would ideally suit you ie; beach, condominium, single family house, boat dockage, # of rooms, location, and price range. Select a BREAA (Bahamas Real Estate Association) licensed agent who understands your real estate goals.

Be prepared to wire 10% deposit when you are ready to make an offer and it is accepted. The Real Estate Agent and Bahamian Lawyer will require copies of Passport and ID as part of KYC (Know Your Client Anti Money Laundering).

Your agent will suggest local reputable lawyers to represent you in the transaction. Always ask your lawyer to give you an outline of the cost of their fees. The Bar Standard is 3.5% of the Sales Price. View multiple properties with your real estate agent of choice for comparative analysis.

Your Real Estate Agent will guide you in making an offer on the most suitable property. Make sure you are clear on your conditions such as Subject To Financing, Subject to Inspection, Who pays for any currency conversion etc.



THE BUYING PROCESS

Once your offer or counter offer has been accepted, the vendor's attorney will prepare a PSA(Purchase Sales Agreement)

Once the attorneys of both vendor and buyer are content with the sales agreement, it will be signed by both parties, and the deposit will be sent to the vendor's lawyer pending signing of the conveyance.

Sales agreements can be written for closing periods between 30 and 90 days. And can include specific personalized terms ie. "subject to financing" in order that you will not lose your deposit if you are unable to secure financing to buy the property.

Once all title documents are researched and the lawyers are happy with the legal status of the property, any easements, and ownership, you will be asked to sign the conveyance, at which time the outstanding funds for completion will be requested to be transferred to the vendor's lawyer.

WHAT ARE THE FEES AND COSTS FOR FOREIGN NATIONALS PURCHASING AND OWNING PROPERTY IN THE BAHAMAS?

1. Purchase price of the property
2. Legal fees – 3.5% of the gross purchase price.
3. VAT (Value Added Tax) - All real estate transactions in the Bahamas are subject to a Government VAT (formerly referred to as Stamp Tax). This is essentially a transfer tax levied on all property sales. The buyer is responsible for paying one half of this Tax and the seller is responsible for paying the other half.



THE BUYING PROCESS

VAT Rates on transactions valued at:

- \$100,000 or less - 2.5% *
- \$100,001 to \$300,000 - 4% *
- \$300,001 to \$500,000 - 6% *
- \$500,001 to \$700,000 - 8% *
- \$700,001 to \$1 Million - 9% *
- Exceeds \$1 Million - 10% *

WHAT ARE THE PROPERTY TAXES IN THE BAHAMAS

Properties in The Bahamas are subject to an annual Property Tax that is based upon the value of the property and also the status of the owner. The Property Tax office will often request an assessment of your property to properly calculate the tax due based upon value at today's market prices. See Government Website at

<https://tinyurl.com/4ezhbczw>

Property tax bills are issued in October of each year and are due to be paid by December 31st in the same year to avoid a 5% interest charge.

- Where the property is "owner-occupied": The first \$250,000 is tax-exempt.
- On that portion in excess of \$250,000 and less than \$500,000 the rate of tax is 0.75% of the market value of the property;



THE BUYING PROCESS

- On the portion in excess of \$500,000 and less than \$5,000,000 the tax rate is 1% of the market value of the property.
- On the portion in excess of \$5,000,000 the tax rate is 0.75% of the market value of the property.*

In respect of unimproved property other than unimproved property exempt by virtue of Section 39 of the Real Property Tax Act:

- Upon that part of the market value that does not exceed \$3,000 a fee of \$30.00
- Upon that part of the market value which exceeds \$3,000 but does not exceed \$100,000 a tax rate of 1% per annum of the market value of the property.

In respect of any other property:

- Upon that part of the market value that does not exceed \$500,000 a tax at the rate of 1% per annum of the market value.
- Upon that part of the market value in excess of \$500,000 a tax at the rate of 2% of the market value of the property.

(Market Value is defined as the amount the property would realize, if sold in the open market, without any encumbrances or restrictions.)

EXEMPTIONS FOR PROPERTY TAXES

- Real Estate owned by Bahamians and situated in the Family Islands
- Properties in Freeport, Grand Bahama are also exempt from property tax until 2035 based on The Hawksbill Creek Agreement
- Real Estate approved as commercial farm land (by the Ministers of Agriculture, Trade and Industry and Finance)



THE BUYING PROCESS

- Unimproved real estate owned by Bahamians, meaning property without physical additions or alterations, or any works benefiting the land which have not increased the market value thereof by \$5,000 or more.
- Places of religious worship; school buildings and their gardens and playing areas
- Real estate owned by foreign governments
- Real estate owned by foreign nations, used for consular offices or residences of consular officials and employees
- Real estate used exclusively for charitable or public service, from which no profit is derived
- Registered historical buildings

LUXURY REAL ESTATE

Luxury homes in The Bahamas typically start around BS\$1 million (equivalent to US\$1 million) and prices in this market range from around \$750 to \$2,000 per square foot (at the time of the publication of this post).

Of course, the price of the property isn't the only cost you should prepare yourself for — it's critical to keep in mind that you'll have to pay The Bahamas real estate tax and other fees. Custom in The Bahamas dictates that real estate prices are quoted to include payment of 50% of the government stamp tax and value-added tax, the real estate agent's fees and the seller's legal fees. As a buyer, you are responsible for:

- 50% of the government stamp tax (10% on properties over \$100,000)
- 50% of the VAT (12%) on commissions and legal fees associated with the purchase
- Your own legal fees



THE BUYING PROCESS

Financing from Bahamian financial institutions is available, but be prepared for a hefty down payment. Most banks in The Bahamas will require a down payment of around 40%, and financing to non-citizens will be given in US dollars at international rates.

TITTLE INSURANCE

Title insurance, which is used in the US to protect buyers against financial loss from defects in title to real property, is not required —or even commonly used—in The Bahamas. Your attorney is responsible for confirming the validity of the property title and checking for any issues relating to it.

There are, however, some companies in the country that offer title insurance for buyers who really want it (or for those whose bank requires it before issuing a mortgage). Premiums average around 0.2% to 0.27% of the value.



HOW WE CAN HELP

Whether you are relocating or just moving home, buying your dream home will be one of the most exciting experiences you will ever have. Coldwell Banker James Sarles Realty specialize in high-end homes including waterfront and canal property and have a dedicated team who will help you to choose, make an offer and finally move into the perfect property.

Our team of agents are highly experienced in assisting clients find the perfect home that matches their needs and will meet with you to discuss exactly what you are looking for. If you do not live in Grand Bahama our agents will be happy to discuss properties and provide photos and virtual tours via email.

Here is a checklist for you to help you prepare for purchasing your new home:

FINANCING

Getting pre-approved for your mortgage will not only give you peace of mind, it also means that you know your budget helping to narrow your search.

Decide what you want - Knowing what our clients are looking for is very important to us and writing down your requirements will help us present the correct properties to you. For example, what is your preferred type of location? How many bedrooms do you want? What features are you looking for in a home?



HOW WE CAN HELP

CHOOSING AN AGENT

Here at James Sarles Realty we endeavor to provide our clients with all the information they will need about purchasing a property in Grand Bahama and to build up a picture of what it will be like to live on our beautiful island.

We will provide a service that is personal to you and set up communications that are best for you so that we can keep you informed at all times. When you choose our team to help you with your search we guarantee to provide a first class service so that the process of purchasing your new home runs smoothly.

SEARCHING FOR PROPERTY

Once we have an idea of what you are looking for and your budget, we can then prepare a comprehensive list of properties for your consideration.

Our agents can provide you with any information you may need on legal requirements, terms of purchase or government requirements and are happy to answer any questions regarding the properties you have seen.

When you are ready to purchase your chosen property, speak to your Coldwell Banker James Sarles Agent so that they can help you with the negotiations to ensure you get your dream property for the best price possible.



HELPFUL LINKS

Our Links

LinkedIn - <https://www.linkedin.com/in/jamessarlesrealestate/>
Facebook - <https://www.facebook.com/jamessarlesrealty>
Instagram - <https://www.instagram.com/jamessarlesrealtybahamas/>
YouTube - <https://www.youtube.com/channel/UCK4Gy79T1jQ268xWVGKLt8g>
Website - <https://www.sarlesrealty.com>

Other Links

Traveling - <https://www.bahamas.com/getting-here/flying>
Lawyers - <https://bahamasbarassociation.com/services/members-directory/>
Title Insurance - <https://idm-inc.com/title-insurance/>
Conveyance - https://bahamas.gov.bs/wps/wcm/connect/mof_content/internet/all+services/c/conveyance
Government Website - <https://bahamas.gov.bs>