

Overview

The Bahamas enjoys an attractive tax-free status. There are no income, capital gains or inheritance taxes. There are other forms of taxation by way of customs duties on imported goods as well as a transfer tax on the conveyance of real estate.

A non-Bahamian citizen may acquire property in the Bahamas without restriction or prior approvals as long as the property being acquired does not exceed 2-acres in size. The purchaser need only register the acquisition with the Secretary to the Investments Board and with the Central Bank of The Bahamas. If the size of the property exceeds 2 acres or if the property being acquired is not for use as a residence and/or will be used for commercial purposes the purchaser must apply to the Secretary to the Foreign Investments Board for approval to acquire the property.

Real Estate Practices

The real estate profession in The Bahamas is regulated by The Bahamas Real Estate Association (BREA). All persons who wish to work in any field of the real estate profession such as sales, leasing, appraising, managing or developing of real property must obtain a license from BREA. Only Bahamian citizens and permanent residents of The Bahamas with the right to work are eligible to be licensed.

The rates of commission on the sale of real estate by a licensed agent are set by BREA. The rate of commission on the sale of unimproved property is 10% and the rate on improved property is 6%.

All properties listed for sale by licensed members of BREA are listed as a Gross price. A Gross price indicates that the Seller is responsible for the following fees: payment of the agents commission, if an agent is involved in the sale, the Sellers attorneys fee and 50% of the Government Stamp Tax. The Stamp Tax is a graduated tax based on the sales price and varies from 4% - 12% depending on the value. The sale of property over \$250,000 is charged at the rate of 12%. The Purchaser is responsible for the payment of his/her attorney's fees as well as 50% of the Government Stamp Tax.

The Bahamas has a Multiple Listing Service, The Bahamas MLS. Only those properties that are listed for sale or lease exclusively with a member of the Bahamas MLS may be posted on the MLS. Property owners are encouraged to list their properties for sale or lease with members of the MLS as it ensures that the information on the property will be disseminated to other members and receives the widest possible exposure.

Mortgage facilities are available in the local market for non-Bahamian buyers. These facilities are available in US Dollars rather than the local currency. Rates are typically 2 – 2-½ % above LIBOR and down payment requirements typically range from 30% - 40% of the sales price.

There are various factors that can delay closing or settlement. One of these factors is whether or not the purchaser is required to apply to the Investments Board for approval to purchase as mentioned previously. The purchasers' attorney handles this procedure and the entire process typically takes between 60 - 90 days.

Information courtesy of [**Bahamas Realty Limited**](#)