

OVERVIEW OF LAND PURCHASE AND SALE IN BARBADOS

All dollars quoted are Barbados dollars

Buying a Property

- Land and property are available without restrictions to non-nationals
- Exchange Control requirement - a non-Barbadian buyer must first get permission from the Exchange Control Authority to remit funds to Barbados. This step is merely a formality and allows for the subsequent repatriation of funds without any exchange control restrictions, should the property be sold at a later date
- No Property Transfer Tax (PTT) for buyers
- Legal Fees - Approximately 1.5% - 2% of the Purchase Price (plus 15% VAT)
- Annual Land Tax
 - On the initial \$125,000 - 0%
 - On the next \$225,000 - 0.10%
 - On the next \$500,000 - 0.65%
 - On the excess of \$850,000 - 0.75%
- Annual Property Insurance
 - 0.4% for a residence
 - 0.6% for commercial buildings
 - 0.9% for hotels

Restrictions affecting the use of the land may arise in two ways.

1. The Chief Town Planner may restrict the use of the land by designating the area as residential, commercial or agricultural. The Purchaser will need to ensure that his/her intended use of the property accords with zoning regulations. The Purchaser is required to submit a physical development plan to the Chief Town Planner prior to any further development of the property.

2. Restrictions may also be imposed on the use of the land by private covenants or conditions made by previous owners of the land or may run with the land in a development. These covenants remain binding on the land in the hands of a new Purchaser and may seriously restrict the use to which the purchaser may subsequently put the land. It is recommended, that the Purchaser discuss this aspect of the transaction in detail with their Attorney-at-law.

Selling a Property

- Property Transfer Tax for land only - 10% of the Purchase Price
- Property Transfer Tax for house and land - first \$125,000 exempt, 10% on the excess
- Legal fees - Approximately 1.5 to 2% of the Purchase Price (plus 15% VAT)
- Stamp Duty - 1% of the Purchase Price
- Land Surveyor's fee - Approximately BDS\$1,500.00 (plus 15% VAT)
- Real Estate Commission - Normally 5% of the Purchase Price (plus 15% VAT)

The above overview is not intended to be exhaustive, nor will it be an adequate substitute for proper legal advice. Every purchaser is strongly encouraged to obtain local legal representation and tax advice in connection with any proposed purchase of property in Barbados.