



Saint Peter's Bay Buyers Guide

In its turquoise waters and white sand beaches, welcoming culture and rich history, Barbados uniquely retains an untarnished, genuine charm. This island of ocean cliffs and endless beaches cooled by Northeast trade winds is also one of the most advanced in the region with superior telecommunications and utility systems as well as a stable political system and well educated work force boasting a literacy rate of over 97%. It is this unique combination of character, authenticity and innovation that provide the foundation for Saint Peter's Bay.

Saint Peter's Bay Property Rights

Non-nationals are encouraged to invest in the island and purchase property. In Barbados most properties are purchased under a freehold agreement, whereby the title to that property extends for an unspecified period. In the recent past some non-residents chose to own property in Barbados via offshore companies registered in Barbados. Owning property via offshore companies enables the avoidance of property transfer tax and stamp duty at the time of sale. This method of ownership has become less popular since 2007 when the government reduced the property tax from 7.5% to 2.5%. This reduced cost has made it more desirable and easier for purchasers to purchase freehold and execute a simple conveyance.

Transaction Costs

All property investors are required to appoint a local attorney at law. There are numerous reputable attorneys on the island. Legal fees range from approximately 1% – 2.5% of the purchase price plus VAT. Real estate commissions, property transfer tax and government stamp tax are all paid by the vendor and are not a cost of the purchaser.

Finance/Mortgages

US dollar mortgages are readily available to non-nationals in the form of an off shore loan, from three local commercial banks. Terms vary between 50 – 70% of the loan to value of the property with amortization terms ranging from 15 – 20 years. Interest rates are pegged against international LIBOR rates.

Timeline of Purchase Procedures

Once a verbal offer and acceptance is agreed, an attorney at law is appointed and exchange of contracts for sale and purchase are sent to the purchaser's attorney-at-law, payment of a 10% deposit to Vendors attorney-at-law is transferred within 2 – 4

weeks. The remaining 90% of payment is sent at the time of conveyance which generally occurs 10 – 12 weeks later. All foreign currency brought into the island as funds borrowed by non-nationals is registered with the Central Bank of Barbados, which guarantee's remittance of funds registered at the time of sale.

New immigration regime for High Net Worth Individuals

Barbados recognises the value of being a hub for the global elite and the recent government announcement in relation to a new Special Entry Permit (SEP) immigration regime for High Net Worth Individuals (HNWIs) and certain other qualifying persons is consistent with that objective.

Under the new regime individuals with a minimum net worth of US\$5million may be granted a SEP to reside in Barbados indefinitely whether as a retired person, an employed person or as an entrepreneur. The categories of persons within this class who may apply for this permit are as follows:

- 1/ Persons over 60 years and retired;
- 2/ Persons under 60 years and retired;
- 3/ Persons over 60 years who wish to engage in employment in Barbados; and
- 4/ Persons under 60 years who wish to engage in employment in Barbados or operate a global business from Barbados

Applicants are required to prove their source of wealth and applicants and their spouses and dependents must satisfy the requisite security and background checks and provide evidence of adequate health insurance coverage.

The fees for SEPs are paid once (not annually) and are reasonable in cost ranging from US\$3,500 – \$5,000. Work permit fees must be paid for those who wish to work. For an indefinite work permit the fee is paid once and ranges between US\$15,000 and US\$20,000. For a permit of a year's duration the fee ranges between US\$1,500 and US\$2,000.

Changes in status from being retired person to a person engaging in employment in Barbados are permitted.

Persons intending to work as a non-executive director would pay an additional work permit fee to cover the period of the directorship.

