

2025

Purchasing Guide

Guide to Purchasing in The Bahamas



*Exclusive Listing- The Island Retreat

Agent Bio

Karina Pinder has spent her life immersed in the beauty of Abaco, and now she and her husband, John, are raising their two children, Valentina and Astor, amidst the island paradise. When they're not out exploring the Abacos by boat, discovering hidden blue holes, or simply enjoying the laid-back island lifestyle, you'll find them with their two kids and two Potcakes, Loki and Digger.

Karina's passion for the islands is matched by her dedication to helping others find their own piece of paradise. With a degree in International Business from her studies in Paris, France, (The American University of Paris) and a concentration in Marketing and Advertising, she brings a unique blend of skills to her real estate career. Her experience with several Advertising Agencies and in particular her Abaco Bulletin and Hope Town Bulletin has made her a go-to resource for locals and visitors alike, and she's eager to share her insights with her clients.

But Karina is more than just a real estate professional; she's an active member of the Hope Town community. She's passionate about supporting local initiatives, from fundraising events to youth programs (such as The Annual Christmas Play) and even volunteers with HT Fire & Rescue.

With her deep roots in the community, her extensive knowledge of the islands,

***I sell more than
beautiful homes &
properties... I sell The
Bahamas Lifestyles!***

and her commitment to providing personalized service, Karina is the perfect partner to guide you through the process of buying or selling your dream property in the Bahamas.

A Home for your Lifestyle!

Karina Pinder- Bahamas Estate Agent

Call 242.375.3864

Email:

Karina.Pinder@TheThompsonGroupBahamas.com

Follow me on Social Media!

@BahamasLifestyle #BahamasLifestyles



2025 Market Update

Abaco has seen tremendous growth since experiencing Hurricane Dorian in 2019. With increase of demand, the prices of homes and vacant properties have steadily increased. (Minus an understandable dip in 2020 due to Dorian and Covid)

In 2024 for Example Hope Town/Elbow Cay saw 12 SOLD homes and 32 Vacant Properties sold. The average prices of the total homes and vacant lands SOLD in 2024 in Hope Town/Elbow Cay were:

Developed Homes Average
\$1,979,066.666 (12 total listings SOLD)
Vacant Land \$518,859.59 (32 total listings SOLD)

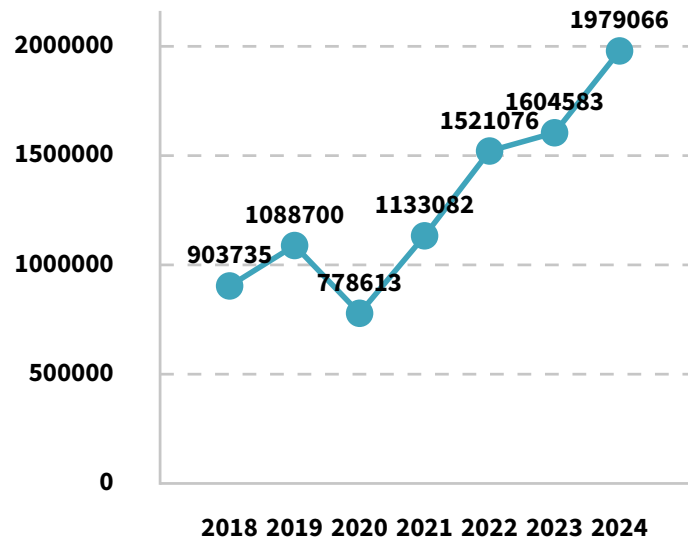
Abaco's market has been increasing in value and demand!

2025 has already picked up with even more steam with 13 listings already under contract within the first three weeks of the year with 5 of those being homes and 8 vacant properties.

As of this third week in January, there are 26 Home listings active on the market for Hope Town and pricing between \$1,395,000 to \$18,000,000. There are 37 Vacant lots active on the market and pricing ranging from \$87,500 to \$15,780,000.

Hope Town/Elbow Cay has one of the most robust markets in Abaco, but the upward trend is seen throughout Abaco. Guana Cay, Treasure Cay, Green Turtle Cay, the mainland including developments like Winding Bay, Baker's Bay etc.

Average Sold Homes price



**Note 2019 & 2020 are Dorian and Covid years*

■ \$ Value

Tourism numbers in Abaco are also climbing and we have recently surpassed our 2019 pre-Dorian stopover visitor numbers, which signals that our economy is back! Abaco is the place to invest, with so many opportunities for every person or Lifestyle!

BAHAMAS TOURISM

2024 was a record breaking year for the entire Bahamas. The Bahamas welcomed 11.22 Million foreign air and sea arrivals in 2024, making it the best year ever. Abaco had an increase of 11.9% in air arrivals marking a strong recovery. Foreign air arrivals reached 1.72 million in The Bahamas matching 2023 numbers and exceeding 2019 numbers by 3.3%. More than \$10 Billion in foreign direct investment has been secured for The Bahamas in 2024 with more in the works for this coming year. Time to invest in The Bahamas!

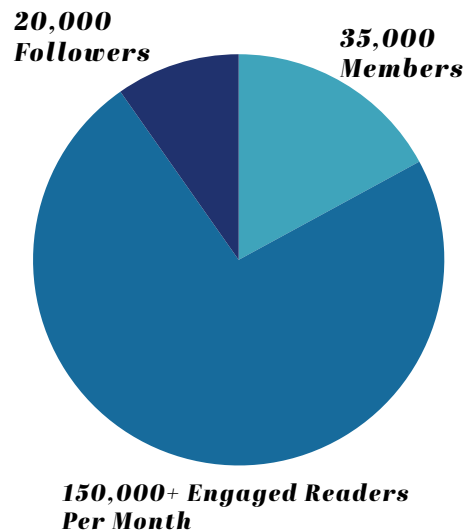
Marketing Plan

In 2010, I established The Bulletins on Social Media, namely Hope Town Bulletin and Abaco Bulletin. These platforms were created with the aim of disseminating information about events, providing guidance to visitors, and serving as a centralized hub for all things related to Abaco. Over the years, these pages have experienced significant growth, particularly after Hurricane Dorian, establishing themselves as a leading source of information. Visitors, second homeowners, and local residents come together to exchange information, stay updated on local news, and learn about upcoming events. I have carefully screened members

Teaming up with The Thompson Group's wide-ranging marketing and networking resources ensures that my clients' listings reach their intended audience, and my buying clients stay updated with the latest market information and off-market listings.

to ensure their genuine connection to Abaco. With a membership of over 35,000 individuals, these pages attract more than 150,000 engaged readers every month. This extensive reach and, most importantly, direct connection to the target demographic are crucial for marketing properties on behalf of my clients and for gaining valuable local insights for my buyers. This resource has provided me with a distinctive chance to

The Bulletins Reach



gain comprehensive understanding of the market and of our visitors to Abaco. I am eager to utilize my extensive local knowledge in assisting my clients, whether they are buying or selling.

TARGET MARKET STRATEGY

I plan to harness my Bulletins assets to benefit my clients through a strategic marketing approach. Teaming up with The Thompson Group's wide-ranging marketing and networking resources ensures that my clients' listings reach their intended audience, and my buying clients stay updated with the latest market information and off-market listings.

Closing Costs

A typical sale, called a "Gross Sale", assumes that the *vendor (seller) will be responsible for the payment of:*

- The real estate agent's commission. The commission on the sale of developed property is 6% of the gross sales price. The commission on the sale of undeveloped property is 10%.
- One half (1/2) of the Government Value Added Tax (VAT).
- The vendor's legal fees. Legal fees on a conveyance of property are usually 2.5%.

Subject to Contract Agreements which can differ from Industry Standards.

The Purchaser will be responsible for:

- 1/2 of the VAT as set out above, The purchaser's legal fees as detailed above. Recording fees on the conveyance and other closing documents which need to be recorded.
- Payment of the permit under the International Persons Landholding Act, if applicable.
- In the event that the sale is a "Net Sale" the purchaser would be responsible for payment of all of the above mentioned fees (both vendor and purchaser).

FEES

Closing costs can differ depending on the agreement in the contract, but these are the general average fees for closing on properties in The Bahamas.

Commission:

This is normally paid by the seller unless specified in the contract. (Plus 10% VAT Tax)

Developed Properties 6%

Undeveloped Properties 10%

Legal Fess:

Each party normally pays their own legal fees which on average is 2.5% (Plus 10% VAT)

(VAT) Value Added Tax:

Non-Bahamians pay 10% no matter the value and is usually shared between buyer and seller unless specified in contract. Bahamians please see breakdown per value.

Legal Fees

Having a good lawyer to facilitate your real estate transaction is important.

- Attorney fees carry liability so their fees tend to be higher than others outside of The Bahamas.
- If you are interested, the strongest form of protection is Title Insurance, which your lawyer can assist you with obtaining.
- Some lawyers will offer a flat rate for larger purchases, but that is negotiated between you and your lawyer.

***Average Legal fees
are 2.5%***



There are several lawyers nationwide that deal with Real Estate transactions. Here are two that I recommend.

Simon Lowe

King & Co.

Simon Lowe, Partner

slowe@kinglawbahamas.com

(242) 327 3127

Nathan Smith

Schreiner-Smith & Co.

East Bay Street & Victoria Ave.

Suite No. 4 Malcolm Building

(242) 601-0011

schreinersmith@gmail.com

Insurance & Financing

INSURANCE is available and can insure everything from Home, vehicles and/or art, jewelry etc.

- Home owners Insurance is covering the Replacement Costs. Building Costs are anywhere from \$800-\$1500 per sq ft.
- Fire has a 250 deductible and 2-10% Hurricane.
- Insurance will depend on your location, elevation and building materials for example wood versus poured concrete.

We recommend Abaco Insurance Agency in Marsh Harbour as they offer Royal Star which is AA rated.

Abaco Insurance Agency
Marsh Harbour

Phone: 242-367-2549

Phone (2nd): 561-531-5075

Mobile: 561-459-4934

Fax: 242-367-3075

www.abacoinsurance.info/home.html

- Once we are under a Hurricane Watch, no changes can be made.

FINANCING

Bahamian financing is available for Bahamians and Non-Bahamians. The average rate is NY Prime plus 2. Most Non-Bahamians chose to leverage in their home countries due to it being more affordable.

- If you are financing you must have full insurance and Life Insurance policy.
- I recommend Scotia Bank and RBC Royal Bank of Canada as financing options.

***Peace of mind
starts with the
right
coverage!***



Property Taxes

The payment of Real Property Tax is required by law in The Bahamas. The bill is due and payable once produced and must be paid in accordance to the Real Property Tax Act to avoid interest. Assessments are carried out by the Department of Inland Revenue to determine the value of a property and it's related property taxes.

- Real Property taxes are due by 31st of March each year in respect of the tax year commencing on 1st of January of that year .
- Property taxes are typically billed in Mid-October for the ensuing tax year.

RATES OF TAX

Owner-Occupied

First \$300,000 – Tax Free
Next \$200,000 – @ 0.625%
Over \$500,000 – @ 1.0%
Ceiling Owner-Occupied tax – \$150,000

Commercial

First \$500,000 – 0.75%
Balance over \$500,000 – 1.0%
Over \$2 Million - 1.6%

Unimproved Property owned by Non-Bahamians

First \$7,000 – \$100.00
Over \$7,000 – 2.0%

Residential

Up to \$75,000 – Flat fee of \$300
Over \$75,000 – -0.625%

***Annual Real Property Taxes
Is capped at \$150,000.***



Local Knowledge

PROPERTY MANAGEMENT

Renting your home for vacation rentals has its perks but also added fees. The industry goal in Hope Town for example is 25 weeks per year but the average is 20 weeks.

- Key Holding fee is usually around \$250/month
- Rental Income Properties normally charge 10% on each rental
- To pay your bills, they can arrange that plus a small % fee.
- To become a rental income property you must apply for a business license.



BUILDING COSTS

If you are interested in buying an undeveloped property, and want to build your own dream vacation home; building costs of course vary due to materials, styles and locations.

On Elbow Cay they roughly range from \$800-\$1,500 per sq ft. These costs are due to shipping & freight costs, materials, duties and labor costs. Please also speak to a few builders to estimate building timeframes as that depends on the builder and project scope.

PERMANENTE RESIDENCY

The threshold for permanent residency in the Bahamas is \$1,000,000 (as of January 2025) for applicants who are investors or financially independent. This does not include the right to work in The Bahamas. You may also apply for a Homeowners Card which allows owners extended stays.

The Home Owner's Identification Card is a type of Residence Permit that is issued in accordance with the International Persons Land Holding Act – Chapter 140. This type of residence status facilitates the entry of persons who lawfully own a primary residence in their country of origin and also own a habitable residence in The Bahamas.

ESTIMATED TIMELINE

We advise roughly 90 days or so to close. BIA (Bahamas Investment Authority) is needed for all foreign investments, this board only meets once a month and must approve, which roughly takes 6 weeks. Around Holiday times (i.e. December) it may slow transactions down.

Investors seeking to acquire real property in The Bahamas, particularly non-Bahamians dealing with undeveloped land of two or more adjoining acres, must go through the process of obtaining a Permit to Acquire Property. This application process is also mandated for Bahamians if the intended use of the property is not as an owner-occupied residence.

Local Knowledge

Continued...

DOCK SLIPS

If the property that you are looking at does not have a dock slip or access to a dock slip, don't fret. There are several new options for owners who want a spot for their boat.

- *Sea Spray Marina* rents out slips short term or long term
- *Hope Town Inn & Marina* also has short term and long term options but more accessible if residing on that side, or staying aboard.
- The Thompson's Dock slips are available for purchase and have the option of adding a boat lift. Slips come with power and water availability. There are additional air conditioned storage units (8x8) available for rent for all your gear!
- Several locals rent out slips on the island, for example Steve Sweeting's dock in White Sound that you can inquire about.
- The public docks and Hope Town Sailing Club dock are available first come first serve and for smaller vessels only (under 20')
- Dock Slips purchases can range from \$150,000-\$300,000+

LOCAL KNOWLEDGE

- Busy Seasons are summer (June- 1st week in August) and again for Holidays (around U.S Thanksgiving and December. Spring Break months get another height in the season around March and April.
- We do not have city water on the cays, so each home has either a cistern or above ground water tanks. Many homes have water makers, but purchasing water delivery is a frequently used option for homeowners.
- If renting, most companies require an automatic generator as power tends to fluctuate.
- There is diesel and propane delivery services on the island available for your convenience.
- *Internet:* There are a few options available such as; Aliv box, Bahamas WiMAX, Fiber optic cable (if it's in your area) and the newest option: Starlink!
- *Gate Key:* Driving through town is illegal. Currently Hope Town Council has an option for certain circumstances to drive through town, which you must apply and get approved for a gate key in order to access.

**Local Agent
with Local
Knowledge is
key!**

Relevant Laws

The Family Island Development Encouragement Act

Provides duty concessions on the importation of building materials, equipment and supplies for commercial and/or residential developments on specified Family Islands.

The Hotels Encouragement Act

Provides duty free entry of approved construction materials, furnishings and fixtures for hotel development as well as provides for exemption/concession from real property tax for the first twenty years of operation of a hotel/resort. Hotels with as few as four guest rooms on a Family Island and those with a minimum of ten rooms in New Providence qualify for concessions under the Hotels Encouragement Act.

The act has been amended to also include shops and restaurants, which have a touristic component, and entertainment facilities.

The Industries Encouragement Act

Provides duty-free concessions for the importation of machinery, raw materials and building supplies for manufacturing entities in addition to exemption from Real Property Tax for a 15 year period. Duty free concessions for applicants is valid for the first five years of operation. Thereafter, applicants would be required to pay a reduced rate of duty (10%) on all approved materials and equipment imported.

The Free Trade Zones Act

Designates areas within The Bahamas as free industrial and commercial zones.

The Bahamas Vacation Plan and Time Sharing Act

Provides duty-free concessions for building supplies for the construction of timeshare facilities.

The Hawksbill Creek Agreement Act

Allows the Port Area that is the free trade zone of Freeport, Grand Bahama, freedom from all taxes until 2015 and from excise taxes, stamp duties and most customs duties until 2054.

The Tariff Act

Allows for customs duty exemption on specified raw materials, supplies and equipment for Agriculture, Floriculture, Horticulture, Fisheries, Forestry, Cottage and Light Industries, and Commercial Printing.

The Export Manufacturing Industries, Encouragement Act, The Agricultural Manufactories Act, The Spirits and Beer Manufacture Act

Investment incentives under these acts include exemption from the payment of customs duties on building materials, equipment and approved raw materials and real property taxes for periods up to 20 years.

The City Of Nassau Revitalization Act

Provides incentives and duty concessions in connection with the restoration, repair and upgrade of buildings, commercial and residential, in the City of Nassau. developments on specified Family Islands.

Switching BPL

Congratulations, you're now a new homeowner! Firstly, welcome to the community. Now, let's get your power switched over.

To switch your *Bahamas Power and Light (BPL)* bills to a new home, you can:

Email: customerservice@bplco.com to request a service transfer

Call BPL customer service at (242)225- 5275

- Complete a service transfer form.

You'll need to provide the following documents to BPL:

- Proof of identification, such as a passport, driver's license, or national ID

- Proof of address, such as a bank statement or utility bill
- Property ownership documents, such as a lease agreement or deed.

If the new property is newly constructed, you'll also need to provide:

- A copy of the Occupancy Certificate
- A copy of the Electrical Installation Approval
- The property owner or landlord is responsible for bringing power to the building and paying for any needed infrastructure.

Another Option is....Go Solar!



Contact

Further Questions?

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