



ISSUES IN OWNERSHIP OF REAL ESTATE

BAHAMAS

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1. Is perpetual fee simple ownership of real property permitted? If not, what are the principal forms of ownership, or other principal form of ownership, of real property?

Yes, fee simple absolute property ownership is permitted in The Bahamas.

2. What instruments are used to convey fee simple ownership, or other principal form of ownership, of real estate?

A deed of conveyance is used to convey ownership of real estate.

A deed of assent is used to transfer title in the probate of an estate.

A crown grant is used when the Crown conveys property directly to the purchaser.

3. How in this jurisdiction is the ownership of real property recorded or searched? Who generally performs the search?

Ownership of the real property is recorded at the Registry of Records in The Bahamas by name of owner. Ownership of the real property can be searched by an inspection of the public records for a period of 30 years.

4. What assurances of ownership are available to purchasers of real property (e.g., title insurance or title opinions)? What is the cost of obtaining such assurances?

Both title insurance and title opinions are available to the purchasers of real property, however purchasers normally rely on legal counsel's title opinion in The Bahamas.

5. What are the most common forms of investment vehicles? What are the most common entities employed to own investment real estate in a tax efficient manner?

The most common form of investment vehicle is an International Business Company (IBC)

6. Has this jurisdiction adopted, or is it considering, legislation permitting the creation of real estate investment trusts or similar entities?

No.

7. What state or local transfer, stamp or similar taxes are levied generally on sellers or buyers upon the direct transfer of real estate?

Stamp duty is levied on the transfer of land on an ad valorem basis of the value of the property. Every deed of conveyance, assignment or transfer of realty where the amount or value of the consideration:

- does not exceed \$20,000 will be assessed at 2%
- exceeds \$20,000 but not more than \$50,000 will be assessed at 4%
- exceeds \$50,000 but not more than \$100,000 will be assessed at 6%
- exceeds \$100,000 but not more than \$250,000 will be assessed at 8%
- exceeds \$250,000 will be assessed at 10%

8. What state or local transfer, stamp or similar taxes are levied generally on sellers or buyers upon the transfer of interests in entities which own real estate?

See above.

9. How significant is local regulation and taxation of real estate? How significant is the variation of real estate law among political subdivisions of this jurisdiction?

Real property tax is paid annually and is assessed differently depending on whether the real property is owner occupied, unimproved property or other property such as commercial property.

In respect of owner occupied property:

- exceeding \$100,000 but not exceeding \$500,00 a real property tax of 1% of the assessed value of the property.
- exceeding \$500,000 a real property tax of 1.5%

In respect of Unimproved Property (Vacant Land):

- not exceeding \$3,000 a real property tax of \$30
- exceeding \$3,000 to \$100,000 a real property tax of 1% of the assessed value of the property.
- exceeding \$100,000 a real property tax of 1.5%

In respect of all other property:

- not exceeding \$500,000 a real property tax of 1%
- exceeding \$500,000 a real property tax of 2%

Bahamians are exempt from real property taxes with respect to unimproved property. Bahamians are also exempt from real property taxes with respect to all property in the family islands.

There is no other significant variation of real estate law among political subdivisions of The Bahamas.

10. Must ultimate beneficial owners of entities which own real estate be disclosed as a matter of public record?

The ultimate beneficial owner of an IBC is not obligated to disclose on the public registry. However the beneficial owner is required to provide details to the Central Bank and the Investment Board.