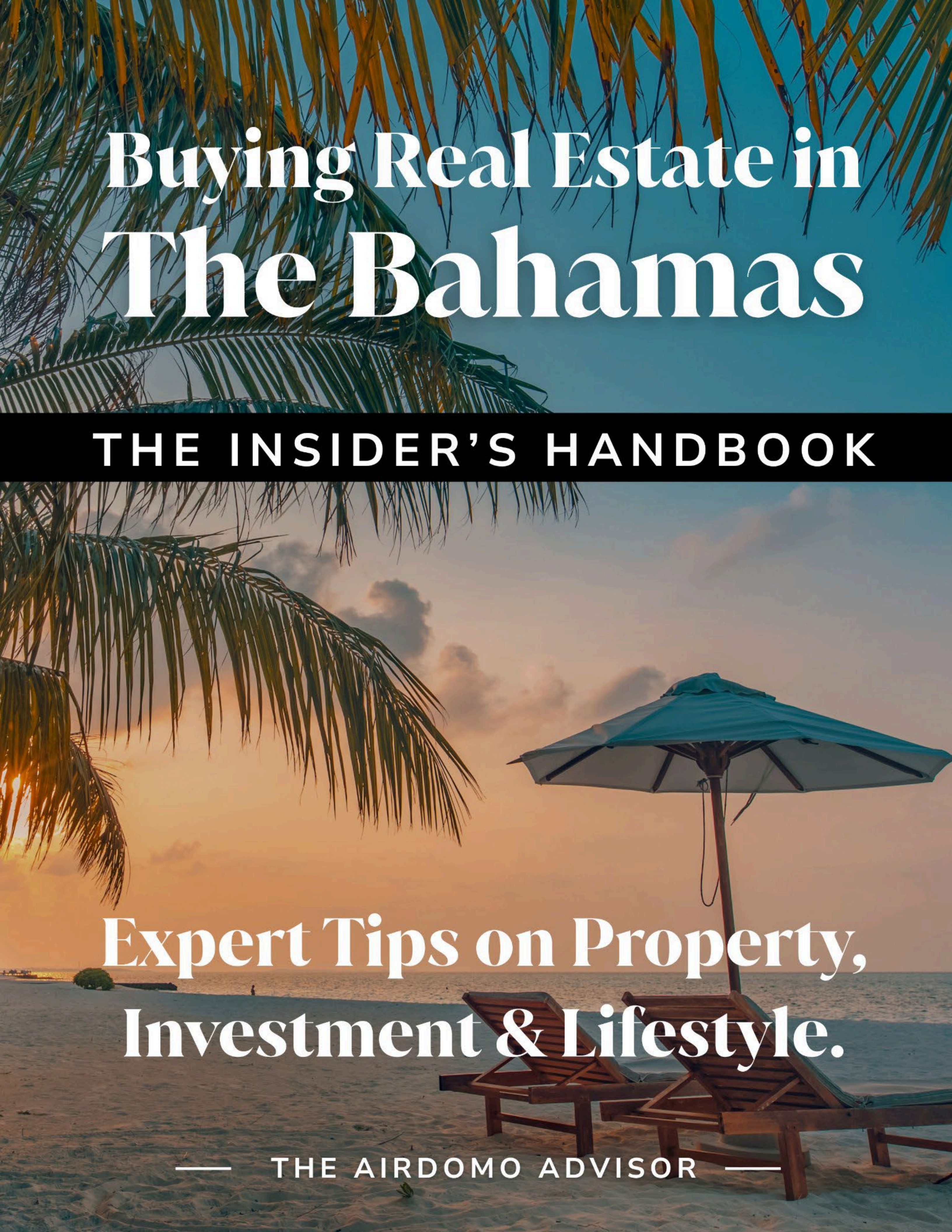

Buying Real Estate in The Bahamas

THE INSIDER'S HANDBOOK

Expert Tips on Property, Investment & Lifestyle.

— THE AIRDOMO ADVISOR —

Important Notice

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A Letter From Our CEO

Dear Reader,

If you're reading this guide, you're already thinking seriously about owning property in The Bahamas. That puts you in good company. For generations, this archipelago has attracted people who value privacy, financial clarity, and the kind of natural beauty that doesn't need a filter.

I started Airdomo because I kept meeting international buyers who were ready to move on a property purchase but couldn't find a process that matched the price point. A million dollar home purchase should come with precision, transparency, and support from people who know the local market cold. Too often it doesn't.

The Bahamas is a market that rewards informed buyers. The tax structure is among the most favorable in the world. The legal framework is built on English common law. The currency is pegged 1:1 to the U.S. dollar. And the real estate itself, from branded residences on Paradise Island to private cays in the Exumas, is as varied and compelling as any market in the Caribbean.

This guide covers ownership rules, the buying timeline, tax obligations, neighborhood character, and how our concierge team and Alliance partners support you from first inquiry through closing and beyond.

We do the homework so you can focus on the exciting part.

Welcome to Airdomo.

Stephanie Gilezan
CEO & Co-Founder, Airdomo

Market Overview

Who Buys Here

The Bahamas draws a broad cross-section of international wealth. The largest buyer group is North American: high-net-worth individuals and families from the U.S. and Canada, many of whom already vacation in Nassau or the Out Islands and are converting from visitors to owners. Direct flights from Miami, New York, Atlanta, and Toronto put the islands within 1 to 3 hours of the major East Coast hubs.

You'll also find a significant presence of European buyers (particularly British), Latin American families looking for stable, dollar-denominated assets outside their home markets, and a growing cohort of tech and finance professionals attracted by the zero income tax environment and the remote-work infrastructure that has improved substantially since 2020.

Most purchases are end-user driven: vacation homes, retirement properties, or family compounds. Institutional investors are present in the resort and branded-residence segment, but the majority of transactions are private buyers purchasing for personal use with optional rental income.

Why They Choose The Bahamas

Four factors consistently separate The Bahamas from competing Caribbean markets. First, the tax environment: no income tax, no capital gains tax, no inheritance tax, and no wealth tax. Second, the currency: the Bahamian dollar is pegged 1:1 to the U.S. dollar, eliminating exchange rate risk entirely. Third, the legal system: based on English common law with a well-established conveyancing process and strong title protections. Fourth, the sheer scale of the market: with over 700 islands and cays, The Bahamas offers everything from branded luxury condos on Paradise Island to uninhabited private islands in the Exumas, all within one jurisdiction.

Market Character

The Bahamas is the largest and most liquid luxury real estate market in the Caribbean. Over 11 million tourists visited in 2024, and the luxury segment has seen 6 to 12% annual price appreciation across prime areas since 2022. Nassau and Paradise Island are the most active markets by volume, but the Out Islands (Exumas, Eleuthera, Harbour Island, Abaco) are attracting increasing attention from buyers seeking privacy and frontier value. Approximately 75% of luxury purchases are made in cash, and foreign investment accounts for roughly 60% of the market.

> *The Bahamas is the only Caribbean jurisdiction that combines zero income and capital gains tax, freehold ownership, permanent residency through property investment, a 1:1 USD peg, and the deepest luxury resale market in the region.*

Can I Own Property Here?

The Short Answer

Yes. Foreign nationals can purchase residential property in The Bahamas and receive the same freehold ownership rights as Bahamian citizens. For residential purchases of up to five acres, no prior government approval is required. You simply register your purchase with the Bahamas Investments Board and the Central Bank after closing.

The International Persons Landholding Act

Foreign property ownership is governed by the International Persons Landholding Act. Under this law, a non-Bahamian purchasing a home, condominium, or undeveloped residential land of five acres or less registers the transaction after the fact for a fee of $500 to $1,000. For purchases exceeding five acres, or for commercial and development properties, you must obtain a permit from the Investments Board before closing. The permit process adds time but is well-established and routinely approved for legitimate investments.

Freehold vs. Leasehold

Most residential property in The Bahamas is freehold, meaning you own the land and structures outright, in perpetuity, with unrestricted rights to sell, lease, or pass the property to your heirs. Leasehold properties exist (typically Crown Land parcels leased for development) but are far less common in the residential market. Condominium ownership is also freehold, governed by strata-style arrangements with HOA management.

Corporate Ownership

Foreign buyers can hold Bahamian real estate through a locally incorporated company (under the Companies Act, 1992), an International Business Company (IBC under the IBC Act, 2000), or a foreign entity registered in The Bahamas. Corporate ownership can offer estate planning advantages and simplified future transfers. The Bahamas maintains a private (not public) register of beneficial ownership.

Residency Through Property Investment

The Bahamas offers a clear pathway from property ownership to residency. Purchasing a home at any price point qualifies you for an Annual Homeowner’s Residence Card, which allows you and your immediate family to enter and exit The Bahamas freely for the duration of the permit. Investing $1,000,000 or more in residential real estate qualifies you for Economic Permanent Residency (EPR), which grants the right to live, work, and bank in The Bahamas indefinitely. The EPR threshold increased from $750,000 to $1,000,000 on January 1, 2025. Processing times for EPR applications currently run approximately 3 to 4 months.

> *The Bahamas is one of the most accessible Caribbean jurisdictions for foreign buyers. Residential purchases under five acres require no prior government approval, and property investment provides a direct pathway to permanent residency.*

The Buying Process

The typical purchase timeline in The Bahamas runs 60 to 90 days from accepted offer to closing. Below are the key steps.

Step	Description	Timeline
1. Engage an Attorney	Retain a Bahamian attorney for conveyance, title search, and Central Bank registration. Fees typically run 2 to 2.5% of the purchase price plus 10% VAT on the legal fee.	Week 1
2. Make an Offer	Submit a written offer through your agent. Once terms are agreed, your attorney prepares a formal Heads of Agreement or Sale and Purchase Agreement.	1-2 weeks
3. Pay Deposit	Upon signing, pay a deposit of 10% to the seller's attorney, held in escrow until closing conditions are satisfied.	At signing
4. Due Diligence	Your attorney conducts a title search through the Registry of Records (typically 30+ years), verifies no encumbrances, and confirms clear title.	2-4 weeks
5. Central Bank	Register the purchase with the Exchange Control Department. This ensures you can repatriate full proceeds including profit when you sell.	2-3 weeks
6. Closing	Pay balance, VAT on conveyance, and legal fees. Conveyance is executed, stamped by Inland Revenue, and recorded in the Registry of Records.	1-2 weeks

> *Total timeline from accepted offer to closing: approximately 60 to 90 days for a cash purchase. Most foreign buyers (roughly 75%) purchase with cash.*

Taxes, Fees & Cost of Ownership

VAT on Conveyance (Transfer Tax)

The Bahamas replaced its traditional stamp duty system with a Value Added Tax (VAT) structure on property transfers. The rates differ significantly depending on whether the buyer is Bahamian or foreign.

For Foreign Buyers (Non-Bahamian Citizens):

Foreign buyers pay a flat 10% VAT on all property purchases regardless of value. This rate took effect July 1, 2023. The VAT is typically split 50/50 between buyer and seller unless otherwise negotiated, meaning each party pays approximately 5%.

For Bahamian Citizens (graduated rates):

Purchase Price	VAT Rate
Under $100,000	2.5%
$100,001 to $300,000	4%
$300,001 to $500,000	6%
$500,001 to $700,000	8%
$700,001 to $1,000,000	9%
Over $1,000,000	10%

Note: VAT on conveyance is assessed on the higher of the purchase price or the government's appraised value.

Attorney Fees

Bahamian attorneys typically charge 2 to 2.5% of the purchase price for conveyancing. A 10% VAT applies to the legal fee itself, making the effective cost approximately 2.2 to 2.75%.

Agent Commission

Real estate commissions are 6% for improved property and 10% for undeveloped land, paid by the seller.

Annual Real Property Tax

Unlike some Caribbean jurisdictions, The Bahamas does levy an annual real property tax. However, rates are low by global standards, and owner-occupied residential property receives favorable treatment.

Owner-Occupied Residential Property:

Assessed Value	Annual Tax Rate

First $300,000	Exempt
$300,001 to $500,000	0.625%
Over $500,000	1% (capped at $50,000)

Commercial, foreign-owned non-occupied, and investment properties are taxed at higher rates. All property in Freeport, Grand Bahama is currently exempt from real property tax under the Hawksbill Creek Agreement.

If You Rent Your Property

Rental income is not subject to income tax. Short-term vacation rentals (under 45 days) are subject to a 10% VAT. Landlords must obtain a business license, renewed annually, with fees typically ranging from $250 to $1,250.

Ongoing Costs

Insurance is essential (mandatory if mortgaged), typically running 1.5 to 3% of insured value annually due to hurricane exposure. HOA and strata fees vary by community. Utility costs are moderate by Caribbean standards.

What Does NOT Apply

Tax Type	Status in The Bahamas
Income Tax	Does not exist
Capital Gains Tax	Does not exist
Inheritance / Estate Tax	Does not exist
Wealth Tax	Does not exist
Rental Income Tax	Does not exist (VAT on short-term stays only)

The Bahamas has no income tax, no capital gains tax, no inheritance tax, and no wealth tax. The only recurring obligation for property owners is real property tax, which is modest for owner-occupied homes and exempt entirely in several island categories.

Key Areas & Neighborhoods

The Bahamas spans over 700 islands and cays across 100,000 square miles of ocean. Real estate activity concentrates on a handful of key markets, each with a distinct character.

Nassau & Cable Beach (New Providence)

Nassau is the capital and commercial center. Cable Beach, anchored by the Baha Mar resort complex, is the island's primary tourism and condo corridor with strong short-term rental demand. Central location with the best access to infrastructure, dining, healthcare, international schools, and commercial services.

Buyer profile: Rental income investors, resort-condo buyers, professionals and retirees who want urban convenience with beach access.

Paradise Island

Connected to Nassau by bridge, Paradise Island is home to the Atlantis Resort, the Four Seasons Private Residences at Ocean Club, and Ocean Club Estates. This is a branded-residence market where private ownership blends with hotel-caliber services and global brand association. Properties range from high-end condos to expansive waterfront estates.

Buyer profile: International buyers seeking branded luxury, resort amenities, and strong resale liquidity. Families who want a turnkey vacation home with professional management.

Lyford Cay, Old Fort Bay & Albany

The western communities of New Providence represent the pinnacle of Bahamian luxury. Lyford Cay (established 60+ years ago) is the traditional prestige address: invitation-only, members-only golf course, private school, extremely limited inventory. Old Fort Bay blends historic charm with modern luxury in a gated waterfront setting. Albany features a championship golf course by Ernie Els, a mega-yacht marina, and designer residences attracting a younger ultra-high-net-worth clientele.

Buyer profile: Ultra-high-net-worth families seeking privacy, generational legacy properties, and an established social network.

The Exumas

A chain of 365 cays stretching southeast of Nassau, the Exumas represent the ultimate in privacy and natural beauty. The water here is legendary. The area offers everything from private island ownership to waterfront villas in gated communities like February Point. Access has improved with expanded air service and new marina facilities.

Buyer profile: Privacy-driven buyers, private island seekers, adventurous families, and investors positioned for long-term appreciation.

Eleuthera & Harbour Island

Eleuthera is a long, narrow island known for its pink sand beaches and small-town charm. Harbour Island, accessible by water taxi from North Eleuthera, is the jewel of the Out Islands: a tight-knit community of pastel cottages, boutique hotels, and a famously beautiful three-mile pink sand beach. Real estate is limited and tightly held.

Buyer profile: Buyers seeking authentic island character over resort infrastructure, second-home owners who value community and exclusivity.

Grand Bahama (Freeport/Lucaya)

Grand Bahama offers the lowest luxury entry point in The Bahamas. Freeport operates under the Hawksbill Creek Agreement, which exempts all property from real property tax. The market is rebuilding after hurricane damage, with prices well below Nassau levels.

Buyer profile: Value-oriented buyers, retirees seeking affordability, investors betting on recovery and development.

The Abacos

The Abaco Islands are known for sailing, fishing, and a laid-back boating culture centered around Marsh Harbour and the loyalist cay communities of Hope Town, Man-O-War Cay, and Green Turtle Cay. The market is recovering from Hurricane Dorian (2019) with significant rebuilding and renewed investment interest.

Buyer profile: Boating and fishing enthusiasts, buyers drawn to small-island community life, rebuilding opportunity investors.

How Airdomo Works in This Market

The Concierge Process

Airdomo is a concierge platform that connects serious international buyers with the right property, the right local expertise, and the right transaction support, from first inquiry through closing and beyond.

Step 1: Discovery Call

You speak with an Airdomo advisor who understands The Bahamas market: which islands match your goals, what the realistic price bands are, and how ownership structures and residency pathways apply to your situation.

Step 2: Curated Property Selection

Based on your criteria (budget, use case, island preference, rental income goals) we present a shortlist of properties sourced from our inventory and our Alliance partner network, filtered to what actually fits.

Step 3: Alliance Partner Introduction

We connect you with a vetted, on-island Alliance partner: a licensed Bahamian real estate professional who handles viewings, local negotiations, and boots-on-the-ground diligence.

Step 4: Transaction Support

Your Airdomo concierge coordinates between you, your Alliance partner, your Bahamian attorney, and the Central Bank registration process. We track milestones, flag deadlines, and make sure filings happen on time.

Step 5: Post-Purchase

Airdomo can connect you with property management, rental licensing support, insurance providers, and residency application assistance. Your investment continues to get attention long after closing day.

> *Ready to explore The Bahamas? Visit airdomo.com to start a conversation with our concierge team.*

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