

Zero income tax if you buy a home in the Caribbean:



Why buying a home in the Caribbean makes sense, unmissable opportunities, and how it works.

Buying a home in the Caribbean can unlock highly attractive incentives making it a worthwhile move if you have the means.

Financial advisors note that for those who can afford it, now is the ideal time to invest in the Caribbean real estate market. The islands offer a range of opportunities, from lower property prices to tax incentives for homebuyers; some islands even grant special residency permits or citizenship.

These opportunities are available to investors even those with more modest levels of wealth. In short, anyone with capital to invest might well consider buying a home in the Caribbean. These destinations remain highly sought-after thanks to their breathtaking, paradisiacal landscapes featuring soft white sands, crystal-clear waters, and lush vegetation. Furthermore, the climate allows for beach activities year-round, with the exception of hurricane season.

- **Buying a home in the Caribbean: available incentives**

Following the devastation caused by Hurricane Irma in 2017, numerous islands are completing reconstruction efforts and have introduced incentives for property purchases. The market is recovering, making this an ideal time to buy a home before prices rise too high, according to Knight Frank, an international brokerage specializing in luxury real estate.

Across the 18 diverse Caribbean islands analyzed by Knight Frank, home prices range from approximately \$1,000 to \$8,000 per square meter. Prices start at the lower end in locations such as Puerto Rico (€895 per sq. m) and St. Lucia (around €1,790 per sq. m), and reach the highest levels in places like the British Virgin Islands (€4,900-€6,300 per sq. m) and Bermuda (around €7,100 per sq. m).

In the mid-range segment, numerous high-quality homes are available for between just under €2,000 and €4,000 per square meter. Prices range from €1,790 to €2,240 per sq. m in the Dominican Republic and Trinidad and Tobago, while the €2,240 to €3,580 per sq. m range covers properties in Barbados, Guadeloupe, Martinique, the US Virgin Islands, St. Martin, St. Kitts, Antigua, and the Bahamas (where prices are at the upper end of this bracket).

Finally, homes can be purchased for between €3,100 and €4,500 per square meter on the islands of Turks and Caicos and the Cayman Islands.

- **Rental yields in the Caribbean**

Properties purchased in the Caribbean offer excellent returns through vacation rentals. Barbados, in particular, combines attractive buying opportunities with high rental yields. For instance, a sea-view apartment costs around €5,500 per square meter, while the average weekly rental rate for a four-bedroom villa is approximately €1,370. With tourism on the rise, purchasing a home here represents a truly sound investment.

Beyond pricing, various Caribbean islands offer numerous incentives for real estate investors. In Barbados, for example, becoming a property owner allows one to obtain a "Special Entry Residence Permit" valid for five years.

Other Caribbean islands offer highly attractive tax incentives: the Bahamas and the British Virgin Islands grant full exemptions on personal income tax and capital gains tax, as well as waiving inheritance taxes for real estate investors; meanwhile, St. Kitts and Nevis, St. Lucia, Antigua and Barbuda, Dominica, and Grenada offer citizenship to foreign investors.

