

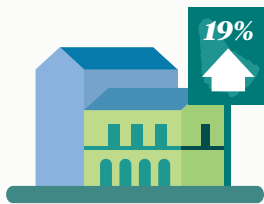
Barbados residential market insight

2023

KEY FINDINGS



Residential sales jumped 53% in Q1 2022 compared to the same period a year earlier



Prime prices on Barbados's West Coast command a 19% premium on average over those on the South Coast



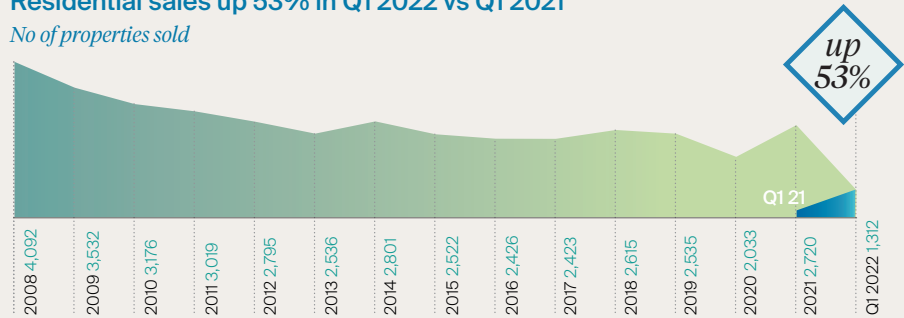
The South Coast saw price growth of 11.2% in 2021 compared to 2.5% on the West Coast



By July 2022, Barbados's 12-month welcome visa had attracted 3,784 applications

Residential sales up 53% in Q1 2022 vs Q1 2021

No of properties sold



Source: Terra Caribbean

Welcome Visa applicants July 2022

APPLICANTS	APPROVED	INDIVIDUALS	FAMILIES	MALE	FEMALE
3,784	2,417	64%	36%	64%	37%

KEY NATIONALITIES OF APPLICANTS
US, UK, Canada, Nigeria and Ireland

Source: Barbados Government

Barbadoss's property market is struggling from a lack of stock, ten words I never thought I'd write given the decade long glut of inventory that we witnessed post the financial crisis and prior to the pandemic.

While available properties and new build completions fall across the country, the demand from tourists and permanent residents remains robust. This provides an opportunity for investors as the country continues to recover from the pandemic.

Welcome visa

The island's success in pitching itself as a work-from-home base during the pandemic and its innovative 12-month welcome visa has sparked the interest of 3,784 applicants with some 2,417 being approved according to government figures.

The move by Prime Minister Mia Motley not only boosted the economy and profile of the island at a time when tourism was hit hard by the Covid-19 crisis, but the scheme has been copied by numerous global policymakers keen to attract their own cohort of digital nomads.

The scheme allows non-residents to live and work in Barbados for up to 12 months provided they earn at least US\$50,000 a year or have the same amount in savings.

Prices

The West Coast continues to command a premium over the South Coast of the island

with average prices around 19% higher. But in terms of price performance, the south registered stronger annual price growth of 11.2% in 2021 compared to 2.5% on the West Coast.

Sales & rentals

Residential sales increased 33% in 2021 year-on-year and transactions in Q1 2022 were up 53% on the same period a year earlier. The expected shift in sentiment due to global recessionary fears will likely temper activity into 2023.

Super-prime sales (US\$ 10m+) have been strong in 2022 with modern, turn-key properties most in demand. The pandemic has seen the appetite for refurbishments wane as buyers seek to enjoy the location and lifestyle from day one. Plus, with supply chain disruptions pushing up construction costs to around US\$400-800 per sq ft there is little appetite to take on the extra cost.

Rental activity is down 23% in Q2 2022 but up 18% compared to pre-Covid levels in 2019. The slowdown over a 12-month period reflects the surge in demand at the height of the pandemic, rather than a marked slowdown.

Currency

One unexpected boon may be Barbados' currency. Pegged to the dollar (2:1) investors wanting exposure to the strengthening greenback may look to combine currency play with a lifestyle gain and a potential inflation hedge.

NEED TO KNOW



Residency: Special Entry and Reside Permits (SERPs) allow non-Barbadians to get a five-year residency with a property investment of US\$2m or more.



Taxes: There is no capital gains tax in Barbados. Individuals who are domiciled in Barbados are taxed on their worldwide income.



Currency: The Barbadian dollar is pegged to the US dollar 2:1

The number of stay-over tourists visiting Barbados from January - June in 2022

208,812



Out of 193 countries, Barbados ranked 73rd for the Global Sustainability Index in 2022.

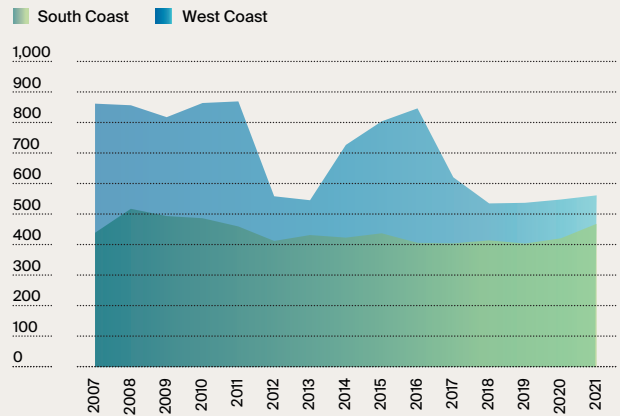
Barbados ranks 58th out of 189 countries for the Human Development Index

58th

Source: Barbados Statistical Service

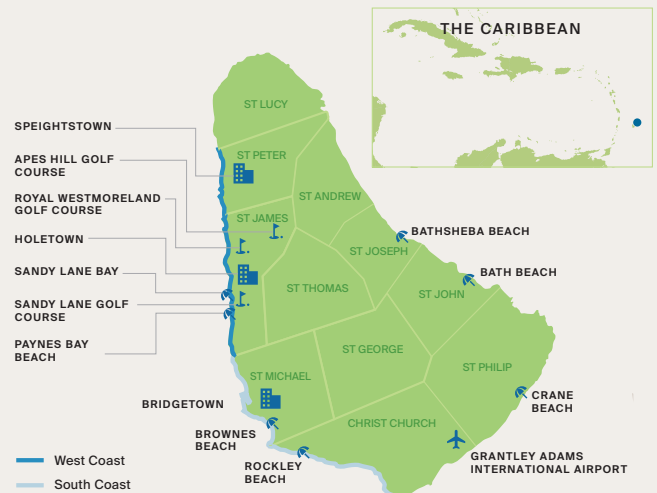
Prime price performance

US\$ per sq ft



Source: Knight Frank Research, Terra Caribbean

Barbados at a glance



Please get in touch with us

If you are looking to buy, sell or would just like some property advice, we would love to hear from you.



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