

REAL ESTATE

Acquisition of real estate in Grenada is an extremely simple process.

The first step is to obtain the services of a good attorney who would ensure that the title is good.

The purchaser's attorney prepares the deed from the seller at a maximum fee of 2% of the purchase price, on a sliding scale so that the higher the purchase price the lower that percentage is.

There is also stamp tax due to the Government of approximately 1% of the purchase price.

Acquisition of land by non Grenadian

A non Grenadian must obtain the requisite Aliens (Land Holding) Licence from the Government of Grenada in order to own land. The process usually takes no more than three months and the following documentation is required in support of an application

- duly completed Application Form
- Police Certificate of Character from Country of Origin
- Bankers' Reference from Country of Origin
- two Character References from Country of Origin

There is no fee for an Alien's (Land Holding) Licence but a higher rate of Property Transfer Tax is charged (see below)

PROPERTY TRANSFER TAX

Anyone selling property in Grenada must pay this tax at the rate of 5% of the market value which is usually the price.

Non-Grenadians pay an additional 10% on sale so that the total payable on sale by a non Grenadian is 15%.

Additionally a non Grenadian purchasing must pay 10%.

Property may also be bought through a company incorporated in Grenada but this does not remove the necessity for an Aliens (land Holding) Licence.

Changes are in the pipeline to reduce the Property Transfer Tax on sales and purchases in a development of more than forty rooms, which is operated through a central management as an hotel.

For example, this new concession may apply to condominium developments where purchasers agree that the developer will manage the upkeep and letting of the property.

These changes will be posted once they come into effect.

The Property Transfer Tax Act has now been amended to reduce the tax for both seller and buyer within an Approved Tourism Development.

A developer is responsible for securing such approval.

Once approved, the rates of tax are 5% to each of the buyer and the seller on the first transfer relating to a particular property and at the rate of 2.5% on any subsequent transfer.

Property Tax

On domestic property the annual property tax is .01% of the value assessed by the Government for that purpose.