

OVER 300 DAYS OF
SUNSHINE EACH YEAR



Investing in Turks & Caicos Islands

North American investors are increasingly buying property in Turks & Caicos Islands. What's the off-shore draw?

Some 80 minutes southeast of Miami, off the Florida Keys are the Turks & Caicos Islands. Often referred to as TCI for short, this small quaint British Dependent Territory south of the Bahamas has grown to become a vacation and retirement Mecca for Canadians. It's no wonder. No different than the droves of Canadians that head out of the city to cottage country each summer, with multiple direct flights out of Toronto each week, more and more Canadians are opting to invest in a second leisure home in TCI to truly get away from it all and enjoy 12 months of endless summers.

Why buy a home in TCI?

TCI is blessed with some of the most stunning beach coastlines in the entire world. In less time than you can go from the GTA to Niagara Falls and back, you can find yourself relaxing on one of the best beaches in the entire world. With sandy beaches that stretch for miles as part of a national park system, it comes as no surprise that travellers consistently rate TCI beaches amongst the very best in the world. And with over 300 days of sunshine each year it is hard not to reconnect with nature and indulge in an active outdoor lifestyle.

In TCI you will discover that you will never see a traffic jam again. There is not even a single traffic light, any fast-food franchises, or mega malls for that matter in the entire country. Fortunately, by car you can get anywhere real quick. If you do like to shop or wine and dine you will find a cornucopia of boutiques, duty-free,

unique eateries, coffee shops, nightlife and fine dining venues. Prefer to eat in and stay connected with the world outside. No problem. What you want is what you get. It is all here. From the simple to the sublime, TCI is the perfect idyllic setting to get back to basics and redefine life as you have always dreamed it could be.

Buying process

Whether you are interested in buying a charming Caribbean cottage, penthouse condominium or a lavish villa, the process of buying a home in TCI is easy. In fact, it is very similar to the process of buying a home in Canada.

Given the strength of the Canadian dollar coupled with historically low interest rates, and softening in the marketplace created due to the downturn in the U.S. economy, now is the best time in over two decades to invest in the TCI real estate market. With luxury fully furnished

condos minutes from the beach priced from as low as \$110,000 (OneOnMarlin.com) – much less than the price of even a modest cottage in Canada – it's no wonder the number of people arriving in TCI is up 10% since last year.

1. Sales agreements

The process starts with a Purchase and Sales Agreement. New developers typically use their own standard form of agreement, especially in the case where you are buying a condominium. But if you are buying a resale offered through the Turks & Caicos Real Estate Association (TCREA.com), they also have an industry standard form of agreement. Either way, you do not need hire a lawyer to prepare the sales agreement for your home in TCI.

2. Deposits and payments

When it comes time to make deposits and payments it is advisable to directly

LUXURY BEACHFRONT
CONDOS AS LOW AS
\$110,000

5 “MUST ASK” QUESTIONS WHEN BUYING REAL ESTATE OVERSEAS

The first five “Must Ask” questions are:

1. Is there year-round access to the property?
Not all roads are accessible year-round in the region.
2. What road and public infrastructure exists?
Buy what you see! Promises are fleeting. Be sure the price you pay is indicative of existing reality.
3. Is there enough fresh water and water pressure? Sometimes it's the smallest of things that adds greatly to the quality of life. Water pressure is one of them.
4. Is the house or condominium plumbed with hot water? Not a silly question. Look under the sinks to see if there is hot and cold service. In many cases, a splitter is used from the cold service to provide water to both and unless you catch this upfront, change orders become prohibitively expensive.
5. How far is it to major medical care? How long in dry season, how long in rainy season? Major medical care is critical. Most major Latin American cities have state-of-the-art hospitals. Be sure to visit the medical facilities as part of your due diligence process.

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wire all funds in trust to one of the more reputable law firms specializing in real estate transactions pending satisfaction of all closing terms and conditions. Given the fact that it is such a small jurisdiction it is not uncommon for the same law firm to be acting on behalf of both the vendor and purchaser, and on occasion even the bank when local mortgage financing is involved. In fact, if you use a law firm that also acts on behalf of the big banks that provides mortgage financing, whether you use local financing or not, as they tend to be more conservative, you can feel a sense of peace at mind no different than you will once you are settled into your new TCI Caribbean home.

3. Closing costs

While real estate commissions are typically paid for by the vendor, you should budget paying your own legal fees typically around 1%, especially if you are seeking independent legal advice. These fees aside, upon registration of the Transfer Deed, the TCI government imposes a one-time stamp duty (Land Transfer Tax) as low as 3.6% of the purchase price. If a mortgage is being registered, there is also a one-time stamp duty of 1% to register the mortgage charge. Once the registered closing documents are returned from Land Registry to the reporting lawyers (usually three to four weeks after submission) disbursements for copies are not more than \$150.

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4. Financing

Although Scotiabank, Royal Bank of Canada and CIBC all have branches in TCI, if you are looking for financing, it is best to arrange the same through your bank in Canada as the local branches will only lend a maximum of 70% of the purchase

price and have more stringent lending requirements. The process can also be long and drawn out as non-residents do not have any local credit history. That said, once you do own property here in TCI you can easily open a bank account to pay bills. On the other hand, as TCI tourism continues to grow even in these economic times, should you choose to place your home in a rental pool, you can collect your short- and long-term rental income using your TCI Bank ATM card from anywhere in the world.

5. Maintenance

Once you have bought a home or condominium, you do need to give consideration to the ongoing maintenance for the property. If you buy a beachfront apartment-style condominium, ongoing maintenance will be taken care of in your strata fees but they can get very pricey. Alternatively, if you would rather be in a detached home, unless you invest in a planned vacation or lifestyle community similar to what you find in the States,

you will have to hire a local property management company.

The bottom line is buying real estate in TCI is extremely safe as you are buying freehold title to property backed by British Common Law in a British Dependent Territory. So long as a reputable law firm is handling the conveyance that can confirm that you are getting free and clear title on closing you can start living the dream even before you have selected a home. Best of all, once you have actually completed the purchase of your home in TCI there is never a cent to be paid in any form of realty taxes. Money saved to go out and enjoy your home away from home where you go to get away from it all. ■

Originally from Toronto, Ont., **KELLY SULLIVAN** migrated to Turks & Caicos Islands in 1996 and has been actively involved in various aspects of the TCI real estate development industry ever since.
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