What’s changed in the last 12 months?
Barbados’s real estate market continues to evolve, diversify and mature. The financial crisis took a heavy toll on the Caribbean’s property markets but fast forward a decade and there are clear signs the market is stabilising. Prime price declines on Barbados’s desirable West Coast have bottomed out, sale volumes are rising, infrastructure is being upgraded (e.g. airport) and for UK buyers, a key component of demand in the prime segment, the exchange rate is finally working to their advantage.

The Barbadian dollar is pegged to the US dollar, against which, the pound has increased from 1.27 at the start of 2017 to 1.32 on 1 Jan 2020, this has not only meant that UK buyers are experiencing a discount compared to three years ago, but where UK vendors plan to sell up and move back to the UK, they are more flexible on price.

Since 2018 a number of reforms have boosted Barbados’ investment credentials. Mia Mottley’s government converged corporate tax rates for domestic and international businesses and the IMF announced a US$288 million special interest rate loan as part of the Barbados Economic Recovery and Transformation (BERT) programme.
**Why buy in Barbados?**
Low tax, security, privacy and accessibility underpin Barbados’s appeal for international buyers. Unlike other Caribbean islands, Barbados is served by 26 direct flights each week to Grantley Adams International Airport, putting New York, Boston, London, Manchester and Frankfurt within each reach. With a population of around 288,000, the island offers a packed social calendar from horseracing to polo and surfing as well as five PGA Golf courses.

Barbados is one of only a handful of islands in the Caribbean that sits outside the Hurricane Belt. Widely considered low risk, the last major hurricane to hit Barbados occurred in 1955.

**What are the key buyer trends in 2020?**
UK buyers still account for around 40% of purchasers, with US, Canadian and Northern European buyers representing other key components of demand. A high proportion of buyers are seeking either a beachfront property or one offering sea views and apartments are increasingly popular with overseas buyers given their easy maintenance.

Whilst not a high-yielding investment, most second home purchasers aim to rent their Barbados property with rental demand highest between December and February, although temperatures rarely drop below 23C providing year-round appeal.

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**Fig 3. Sale volumes are recovering**
Residential sales, Barbados

**Fig 4. Barbados prime residential price index**
Indexed, 100 = 2008

**Fig 5. The breakdown of overseas buyers by nationality, for $1.5m+ sales**
2019

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