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Investing in Real Estate in Belize

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Real estate in Belize has increased in value at an impressive rate in the past five years. Investment by Canadians and Europeans, accompanied by potential upcoming direct flights from Europe, is likely to increase the area's popularity further. Americans who cannot afford to retire in the U.S. are considering Belize as inflation rises at home, and investors may have an opportunity to jump on board before the Belize real estate market takes off.

Located in Central America, Belize is slightly smaller than the state of Massachusetts and is bordered by Mexico to the north, Guatemala to the west and the Caribbean Sea to the east. There are an estimated 301,270 people residing in Belize, and the population is growing at a rate of 2.207 percent, according to the CIA World Factbook. English is the official language, though Spanish is more widely spoken. 76.9 percent of Belizean residents are literate.



Belize real estate values and its economy in general are on the rise

Belize was the British colony known as British Honduras from 1854 to 1973. At that time the country's name was changed, though it was not officially granted independence until 1981. Territorial disputes between Britain and Guatemala were the primary reason behind the delay, and land disputes between Belize and Guatemala continue. In 2005, both countries signed a Framework for Negotiation and Confidence Building Measures, under which they continue to meet regularly in efforts to end the dispute.

The government is a parliamentary democracy and recognizes Queen Elizabeth II as the head of state. The Queen is locally represented by Governor-General Sir Colville Young. Sr. Prime Minister Dean Barrow took office as head of government in February.

Belize has a gross domestic product (GDP) of \$2.444 billion which is growing at an estimated rate of 2.2 percent as of 2007, according to the CIA World Factbook. Agriculture makes up 21.3 percent, producing goods such as bananas, cacao, sugar, fish and lumber. Industries such as garment production, food processing construction and oil account for 13.7 percent of GDP. Services, including tourism, make up for 63 percent. The local currency is the Belizean dollar (BZD), which is worth roughly half of the U.S. dollar.

Why invest in Belize real estate?

Real estate values in Belize are on the rise. "[The value increases are] averaging about 20 percent a year across the board. If you get into some beach lots, for instance, they're going up about 25 percent minimum per year," Patrick Doyle, sales and marketing for Caribbean Property Consultants (CPC) Real Estate Solutions, Ltd., said. And with \$1.00 BZD equaling \$0.51 USD, many Americans are turning toward the country in search of an [affordable retirement](#). The exchange rates are even more attractive to Canadian and European vacationers and retirees.

"More Canadians and Europeans are investing in our beautiful part of the world than ever before," Ricardo Cardenas, regional vice president of RE/MAX Latin America and Caribbean, said in an e-mail interview. CPC's website, from which the company derives 80 percent of its business, received 8,000 hits last month from Canadians alone, according to Doyle.

Direct flights from Europe are anticipated to be established within the next year. "When [Europeans] can fly over and back for \$700 to \$800 they're going to look and buy. Get in ahead of that," Doyle said. Several cities in the U.S.—including Atlanta; Charlotte, N.C.; Dallas; Houston; Miami and Newark, N.J.—already offer direct flights to Belize.

Foreign citizens receive the same property rights as Belizean citizens and there are no restrictions placed on foreign buyers. The system is based on British property law. Additionally, there are no capital gains taxes or inheritance taxes in Belize, according to Doyle.



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 Belize lies north of Guatemala and Honduras along the Yucatan Peninsula

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All transactions and documents are conducted in English, the official language, which simplifies the negotiation process for American and other English-speaking investors. However, it is still recommended that investors seek the help of a reputable agent and/or attorney when dealing with transactions and contracts in a foreign country.

Purchasing real estate in Belize

Investors can get in touch with local real estate agents to receive listings of available properties, but many properties are for sale by owner rather than by an agent. Because three-fourths of available properties are not officially advertised, investors may have the best luck if they visit Belize and just "start asking around," according to *Belize First Magazine*.



Northern Belize has traditionally been more popular with foreigners, but the southern part of the country offers more traditional beaches and lower prices. "Ambergris Caye and the town of San Pedro are really quite popular and busy, [with] tourism bustling all the time. And it's fine, but a lot of people are looking for what they imagine as a

Caribbean property, which is tranquil and real quiet and aquamarine out front. That occurs in the southern part of the country," Doyle said. Dangriga Town, located at the mouth of Stann Creek along the coast, has "beautiful beaches" and lower prices than more popular regions in the north, he said. Placencia, located on a peninsula in southern Belize, is another area to consider, according to Cardenas and his associates.

Fees and other expenses for purchasing property in Belize will likely come to approximately 6 to 7 percent of the purchase cost, according to Doyle. This breaks down to about 5 percent for stamp duty, 1 to 2 percent for legal fees and approximately \$200 or \$300 for registration and courier fees. Annual property taxes in Belize are extremely low, coming to only \$25 or \$30 a year on many properties, Doyle said.

Potential problems

Working with a reputable agent and/or attorney is of utmost importance when purchasing investment property in Belize. It is particularly important for investors to thoroughly research potential brokers before conducting business, because no license is required to be a real estate broker in Belize.

"All you need is enough money to print business cards, and, presto, you're a broker. Selling real estate is a popular first job for expats in Belize, and some do it on the side without a work permit. Quite a few hoteliers, dive shop operators and taxi drivers peddle real estate to tourists on the side," according to *Belize First Magazine*.

And investors should never agree to purchase Belizean property sight unseen. Although, in general, Belize is a straightforward country in which to do business, it is still possible to encounter scam artists or agents who are simply unknowledgeable. Cardenas and his associates said that investors should be safe conducting transactions in Belize as long as they confirm that those with whom they do business are trustworthy and are sure to "walk the land" before making any purchases.



Investors should always view a property in Belize before making any agreements

The December 2007 issue of *International Living* displayed the headline, "Belize: buy before the Europeans!" That may turn out to be good advice. Belizean real estate values could be poised for profits, especially if those direct flights from Europe come into play next year as anticipated. Investors hoping to get into a market ahead of rising property values may want to consider casting their eyes on Belize.

"In Central America, [Costa Rica](#) took the lead in selling real estate to foreigners about 10 years ago; people that bought then have enjoyed great appreciation and many benefits," Cardenas said. "If you missed that opportunity, you owe it to yourself to research the current opportunity that Belize is offering to foreigners; you can buy now and ride from the beginning the positive wave of real estate investment."

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