



Bahamas 1Q14

Market Overview Report

The commercial real estate market in The Bahamas remains flat with very little movement both in sales and leasing. Year over year there has been a marginal increase in the vacancy rate in the Class A buildings from 8.01% in April 2013 to 8.38% in April 2014. The majority of the Class A buildings are occupied by offshore financial services companies. Many in this industry have consolidated their operations into smaller premises.

The Class B properties continue to run at a relatively high vacancy rate of 19.61%. However, there has been a marginal improvement in this sector with the addition of 82,936 sq.ft. of new space and a decrease in the vacancy rate from 22.35% in April 2013.

There has been a marginal increase in the commercial sales market. NAI Bahamas Realty Commercial and NAI LAC have recently negotiated the sale of a 30 acre site within a ¼ mile radius of the new \$38 billion Baha Mar development. The list price was \$15 million.

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Overall Market Trends for 1Q14



Market Overview:

Country Statistics		Principal Lease Terms		Principal Business Taxes		Economy	
Area - (Km2)	13,940	Term (Years)	3-5	Corporate Tax	0%	Currency	B\$
Population	347,000	Rent Paid	Mthly & Qtrly	Withholding Tax	0%	Conversion Rate (vs USD)	1:1
Population Growth	0.904%	Rent Reviews	3-5 Yrs	Value Added Tax (VAT)	0%	GDP (USD)	\$7,79B
Capital	Nassau	Indexation	% PA or CPI	Property Transfer Tax For Properties >B\$100,000	10%	GDP/Capita	US\$23,307
Capital Population	250,000	Repairs & Maintenance	Landlord: Structural/Capital Tenant: Maintenance			Inflation	2.76%
						Interest Rate	4.75%
						Unemployment Rate	14.7%

Significant Lease Transactions:

Tenant	Address	Size	Submarket
Island Traders Building	East Bay Street	20,124 SF	Eastern District
Beaumont House	Bay Street	5,566SF	CBD