



Owning a property in Aruba is easier than you think!

Here's a few facts about purchasing a property on the Island that are good to know:

You do NOT have to be a permanent resident of the island to buy a home or land, contrary to what you may have heard. You can buy a home either on property land as well as on lease land, and the process would be the same as for the local residents. And, a non-resident homeowner has the right to live on the island for 180 days per year!

Lease land

Besides property land you can buy properties which are built on lease land. This land is owned by the Land of Aruba (Government) and duration of a lease is 60 years.

A yearly fee is paid for these lease rights. After the 60 years, you will have to request to extend the lease. After approval, the lease duration is another 60 years. The only thing that might happen when the lease period is extended is an increase in the yearly fee.

Most of the houses situated in Arashi, Malmok, Tierra del Sol, Topaz, Safir, Esmeralda, Ruby, Opal, Salinja Cerca and Palm Beach are built on lease lands. Many non-residents have bought there and will keep buying in those areas although the homes are built on lease land!

The reason why they keep buying properties in those areas is because of their locations. These areas are close to the spa's, golf course, tennis courts and shopping malls. Another huge advantage is the short distance to the ocean.

Taxes

The most attractive fact when you are thinking of buying a house in Aruba is that the costs related to the ownership of a house or land are very low.

The only yearly tax you have to pay is called land tax. This land tax is usually based on the selling price and is paid per year. Example:

- 0.0% for properties with a value of AWG 120,000 or less;
- 0.2% for properties with a value between AWG 120,000 and AWG 250,000;
- 0.3% for properties with a value between AWG 250,000 and AWG 500,000;
- 0.4% for properties with a value between AWG 500,000 and AWG 750,000;
- 0.6% for properties with a value of AWG 750,000.

Closing Costs

When you are considering purchasing a property in Aruba, you have to realize that there are additional costs involved besides the selling price.



These additional costs, the closing costs, are approximately 5 to 8 percent depending on the selling price. The closing costs are calculated as follows:

- Transfer tax (one-time tax)
 - Approximately 3 percent, when the selling price is < AWG. 250,000.
 - Approximately 6 percent, when the selling price is > AWG. 250,000.
- Notary fees transfer deed:
 - Between 0.5 and 3 percent of the Selling Price or Registered Value of the property.
- Notary fees mortgage deed:
 - Between 0.5 and 2 percent of Selling Price or Registered Value of the property.

Financing

For purchasing a property in Aruba you can either pay Cash or Finance in Aruba with one of our local Banks. You will need 40% Down payment and the interest rate is between 5% - 7%, or you can refinance your property and pay cash in Aruba.

Documents needed when purchasing a property in Aruba

- Copy of Passport (in color and both pages must be visible)
- Proof of Address (Latest Utility Bill)
- Source of Funds Document and Proof of the Funds.
- Personalia Form
- You will have to register to get your Tax Number in Aruba. In Aruba this is called "Persoonsnummer".