

# ST THOMAS BUYING GUIDE

 COLDWELL BANKER | ST. THOMAS



# ST THOMAS BUYING GUIDE

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# ST THOMAS BUYING GUIDE



## WELCOME TO ST THOMAS

St Thomas provides visitors and residents with the perfect blend of Caribbean paradise and cosmopolitan lifestyles, and is the perfect place to relax, unwind, and enjoy a more relaxed pace of life. At only 32 square miles in size, our small but perfectly formed island has much more to offer than you may think, with our world renowned golf course, beautiful beaches, scuba diving, world-class shopping and more. St Thomas is packed full of surprises, and fun.

St Thomas is home to the Capital and largest city in the US Virgin Islands; Charlotte Amalie, with a deep water harbor which has a long history with pirates, including the infamous Blackbeard and Bluebeard. Today the harbor is one of the busiest ports of call for cruise ships in the Caribbean, and is surrounded by some of the most stunning Danish colonial architecture.



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## ABOUT ST THOMAS REAL ESTATE

At less than 3 hours from the US, St Thomas is the perfect place for a vacation, a second home, or even to relocate, and the best thing? There is no need for US citizens to bring their passport for entry!

Often, people are concerned that they need to wait for the “right time” to buy, and that property prices may fall further so that they can get a better deal. They are assuming that the best course of action is to wait for the bottom in the market and then buy. The problem with this approach is that you don’t know where the bottom is until you see it in the rear view mirror, meaning until you’ve missed it!

St Thomas has many affordable homes available. Whether you are looking for your first home, your last, or something in between, visit our site and indulge your dreams while searching our large database of luxury property.



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## THE A TO Z OF PURCHASING YOUR DREAM HOME

Every home buyer has a number of concerns, all of which we can help you with:

### Setting a Time Frame

There are a lot of variables in the home-buying process, which means the time it takes to find and buy your new home varies too. A typical home search process may take three to four months, including the mortgage approval process, comparing and evaluating properties, making an offer and the closing process. The loan process typically takes 30-45 days.



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## The Lending Process

Perhaps one of the most intimidating aspects of buying a home is the mortgage approval process. We'll be here to help guide you through this, but there are many ways you can prepare early to make the process smoother. Start by making sure your budget is under control; make a list of all your monthly expenses, compare it with your income, and see if adjustments need to be made. You should also try to pay off small credit card balances.



Start gathering documents you may need, such as W-2 forms, income tax returns for the past few years, pay stubs, records of child support or alimony, bank statements for the past several months, and your credit report. Also, be sure to allow for closing costs. Getting several offers will allow you to compare loans and get the best deal.

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## Determining How Much You Can Afford

A general guideline to consider is that most buyers purchase a home that costs about one and a half to two and half times their current annual income. For example, someone earning \$50,000 a year might purchase a home for \$75,000 to \$125,000. Mortgage payments should be about 26-28 percent of your gross monthly income. Existing debt is also considered in the mortgage process, and total debt payments (car payments, credit cards, student loans, etc.) should not exceed 40 percent of your gross monthly income.



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## SUCCESSFUL BUYING TIPS

- 1. Become a pre-approved buyer.** As a pre-approved buyer, you have better leverage when it comes to negotiating with the seller. The pre-approval process is simple and will help show sellers that you are a serious buyer.
- 2. Beat your competition to the best listings.** Staying on top of market trends is vital when you're looking for a home. Like any other home-buyer, you want the best home at the best price possible. Of course, these are the homes that never stick around for too long so you'll need to make every effort to keep yourself aware of the latest and best listings. Seeking the assistance of a professional Buyer Specialist will help you stay well-informed and updated on a regular basis.
- 3. Research market trends in your area of interest.** Familiarizing yourself with the area that you are interested in will help you get a better idea of what homes are selling for as well as how long they are typically on the market. Be sure to investigate price ranges for the type of home you want. Having the help of a Buyer Specialist is a serious advantage when it comes time to make an offer.



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4. **Prove that you are a serious buyer.** There are many different ways to prove to the seller that you are sincerely interested in buying their home. One way is by getting pre-approved, which will later give you the edge in an offer situation. An even better way to accomplish this is to put down a larger payment to catch the attention of the seller.
5. **Don't settle too fast.** Buying a home might be one of the largest investments of your lifetime. Because of this, your primary goal should be to make sure that you get the best deal possible for the home you are interested in.
6. **Keep your offer simple.** The purchase contract should be kept simple and without any unnecessary conditions, especially repairs. A seller will be more interested in an offer that is not going to be slowed down or delayed by things that do not severely affect the value of the home.
7. **Don't go it alone.** With an ever changing market, today's home buyers will find it very difficult to go through the buying process on their own. Having an experienced Buyer Specialist who can keep your best interests in mind, makes a significant impact when buying a home and maximizing your investments.



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## Needs Vs. Wants

There is a lot to consider when buying your new or next home. You want to make sure that you get the BEST house for YOU. Choosing the right home, the right neighborhood, the perfect layout- it can become overwhelming. It doesn't have to be if you journal your thoughts and think about what the most important factors you want in your new home are.

In your journal, include a list of "needs vs. wants" in a new home. This doesn't mean you can't have what you want in your home, but rather that you have a priority list of the most important features. You may not be able to obtain all the "want" items on your list, within your budget. You may have to compromise on a few items to stay in line with your budget.



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Here is a review of “needs vs. wants:”

## Wants

- Specific carpeting, paint, exterior color
- Pool
- Jacuzzi
- Hardwood floors, tile, carpet
- Bay windows
- Built-in entertainment center
- Brass lighting fixtures
- Skylights
- A pretty view

## Needs

- Adequate square footage for comfortable living.
- Sufficient bedrooms for your family
- Sufficient bathrooms
- Comfortable eat-in kitchen
- Easy access to school

Once you have found your dream home:

- The title Search and the Property Survey are done once You, the Buyer/s, have done your property inspection and want to proceed with the purchase of your new Island home
- Sign the sale contract
- Pay your 10% deposit
- Sign the transfer documents and receive the keys to your new home



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## GETTING A MORTGAGE

When it comes to the loan process, there are several steps that one must go through. By making yourself familiar with it, you will better understand what is required of you and how you need to prepare. After all, the more knowledgeable you become the more comfortable and in control you'll feel.

### 1. Organize Your Documents

In order to obtain a mortgage, your lender will require certain documentation from you to make sure that you will have the ability to repay the loan you take out. Such documentation includes proof of employment, credit history, tax returns, pay stubs, bank statements, divorce and child support statements if applicable, and any other information that the lending company feels might be necessary.



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## 2. Qualification

Before you apply for a loan, getting qualified will help you establish how much you can borrow. When purchasing a home, there are two options one may choose from to qualify for a loan. The first option, pre-qualification, is a quick process that usually happens in a matter of minutes. While pre-qualification is helpful, your other option – pre-approval – is more beneficial and gives you better leverage when negotiating with the seller.

## 3. Find the Right Loan Program

While searching for the right loan program, there are many things to take into consideration. For example, you might want to think about how long you plan on keeping the loan. The length of your residence will determine the type of loan you want to get (i.e. adjustable or fixed). To figure out which loan program is the best, one will need to compare different programs and everything that each one involves such as rates, fees and points.



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## 4. Obtain Loan Approval

The process of obtaining loan approval involves the following steps:

- Review of loan application (Be sure to fill it out completely).
- Verification of credit history, employment history, assets such as bank accounts and mutual funds, property value and any additional information that the lender might require
- For any requests of additional documents and information, respond promptly.
- Do not make any major purchases such as a car or new furniture until the loan is closed.
- Make sure you will be in town for the closing date. If you cannot be there for the closing of the loan, you can carry out a power of attorney to authorize someone to sign on your behalf.

## 5. Close the Loan

Once the loan is approved, your next step will be to sign the final loan documents, which usually takes place in the presence of a notary public.



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## PROPERTY TAXES AND STAMP DUTY

Stamp duty in the U.S. Virgin Islands:

- 2 percent for properties valued up to \$350,000
- 2 ½ percent for properties valued from \$350,001 to \$1 million
- 3 percent for properties valued from \$1,000,001 to \$5 million
- 3 ½ percent for properties valued over \$5,000,001

The Virgin Islands have recently passed a new law for Real Estate tax, which states “All real estate subject to taxation must be assessed at 100% of fair market value.” As below:

- Unimproved non-commercial real estate at .004946
- Residential real property at .003770
- Commercial real property at .007110
- Timeshare real property at .014070



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## Tax Exemptions and Credits

Taxpayers may reduce their amount of tax by qualifying for one of the several credits, formerly known as exemptions, that are available to property owners. Property owners may qualify for the Homestead credit and any one other credit for which they are eligible. (Title 33, Chapter 81, Section 2305). To qualify for any of the below credits the property owner must be living in the home as a primary residence as of January 1.

These credits are as follows:

- Homestead Tax Credit
- Veteran Tax Credit
- Senior Tax Credit
- Disabled Tax Credit
- Farmland Tax Credit
- Economic Development Tax Credit
- Non-Profit Organization Credit
- Class 1 Inheritance Tax Credit
- Circuit Breaker Tax Credit

Visit our website for more information



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## TAXES IN ST THOMAS

Other taxes in St Thomas, and the whole of the US Virgin Islands are the same as they are on the mainland, although there are no Federal Income Taxes. We have a local Income Tax that uses the Federal Form and the funds do stay in the US Virgin Islands, but as St Thomas is your primary residence, you do not pay Federal Income Tax only our local income tax which mirror the Federal Tax....

- Property Tax
- Income Tax (taken and paid by employer)
- Social Security (taken and paid by employer)
- Healthcare (taken and paid by employer)



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## RELOCATING TO ST THOMAS

If it is your dream to live island life all year around and you are in the market for a property to relocate to, it couldn't be easier for US citizens, as there is no need for a visa or work permit and you can even become a citizen in 30 days.

In addition, if you plan to move your business to St Thomas with you, the US Virgin Islands has an Economic Development Commission (EDC) and tax beneficiary status, which if you also have residency could mean you receive up to a 90% exemption from federal tax, for you, your business and dividends passing through your personal return.

If you are moving to St Thomas from outside of the USA, you will need to first obtain a visa such as work visa, student visa or temporary visa, and secure a resident alien status.



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## A LITTLE HISTORY OF ST THOMAS

The first inhabitants of St. Thomas were the Cibony Caribs, and the Arawaks. Christopher Columbus discovered the Virgin Islands in 1493, naming them 'The Virgins' after the beauty of St. Ursula, and her 1,000 virgins. The islands had a quiet period after the visit of Columbus, although Spanish settlers from Puerto Rico, are said to have carried out regular raids on the islands forcing many of the Indian inhabitants to work while others fled. The European exploration spelled the demise of the indigenous groups living on the islands as they had no immunity to the different diseases brought over with the explorers, nor were they prepared for the harsh labor they were forced into.



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Over the next few decades, the Indian population had plummeted on the islands and they no longer exist in what is known today as the USVI. Many countries expressed an interest in St. Thomas during the 1600's including Holland, France, England, Spain, Denmark, & the Knights of Malta. However, it was the Danes who managed to establish the first settlement on St. Thomas in 1672 with the Danish West India Company in 1733, and sugar plantations began to appear all over the island. The slave trade serving sugar plantations on the islands thrived until a rebellion caused the abolition of slavery in 1848. The lack of slavery led to many plantation owners abandoning their properties, and land and decline in the economy ensued. Very little was heard about the US Virgin Islands until World War II, when the United States negotiated to purchase the islands from Denmark for \$25 million in gold. Although the islands were purchased in 1917, citizenship was not granted to Virgin Islanders until 1927. Tourism grew on the island once the US imposed an embargo on Cuba in 1959, and today St. Thomas is a thriving destination for visitors in search of the perfect destination and for those looking for a new home.



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## SHOPPING AND COST OF LIVING IN ST. THOMAS

St. Thomas has a long history of trading, dating back to colonial times, and holds the long tradition of having one of the Caribbean's first duty free ports, in operation since 1972. The port provides shoppers with bargain luxury items, including jewelry, perfume, liquor and diamonds. The Havensight Mall which is adjacent to the cruise port is filled with duty free shops. If you are looking for one of a kind shops and galleries, head to Charlotte Amalie, and enjoy the little alleyways and waterfront shops. Another area for local art, and other unique buys is Cruz Bay, just a short ride away on the Island of St. John.

When you are considering moving to another country, one of the most important things to be aware of is the average cost of day to day living in that country. From grocery shopping bills, to transportation, childcare, utilities, and eating out, [Click here](#) to find out some very important information on the cost of living in St. Thomas.



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## INTERNET AND CELL PHONE INFORMATION

### Internet Speed in St Thomas

One of the most important factors to consider for many of us when we move is the internet speed available in the new country or area, we have included the details below

#### Average Download Speed

5.5 mbps

#### Average Upload Speed

2.5 mbps

Another very important factor is cell phone coverage and price, almost every Caribbean island has good cell service, however if you are not a permanent resident, and are bringing your cell phone with you, it is best to check with your provider about costs of overseas use. Another great option is to purchase a pay as you go sim card so that you can use your phone anywhere in the Caribbean without the hidden surprises. iRoam have some good deals.



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## USEFUL INFORMATION

### Healthcare

#### Closest Hospital:

- St. Thomas: Roy Lester Schneider Hospital (169 beds)
- St. John: Roy Lester Schneider Hospital on St. Thomas
- St. Croix: Governor Juan F. Luis Hospital (188 beds)

#### Closest Emergency Medical Facility:

- St. Thomas: Schneider Regional Medical Center, and East End Family Health Center
- St. John: The Myrah Keating Smith Community Health Center in Susannaberg
- St. Croix: Charles Harwood Clinic in Christiansted and Frederiksted Health Care in Frederiksted



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- **Telephone & Internet Services**

Viya- 340-779-9999

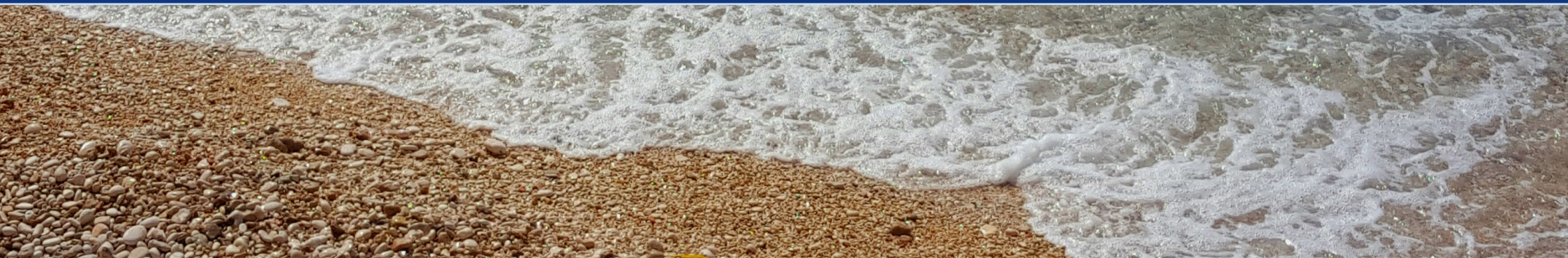
Broad Band VI- Tel: 340-719-2943

- **Utilities**

Virgin Islands Water and Power Authority (WAPA) - (340) 774-3552

- **Schools**

St Thomas is committed to educate, every student passing through their schools to the highest standard, there a number of schools available on the island from Elementary right up to University. [Click here for more information on Education in the US Virgin Islands](#)



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## ST. THOMAS FAQ

### Can I drink the tap water in St. Thomas?

The water from the taps is safe to drink in St. Thomas, and your hotel or villa will tell you if it not safe. If you are not sure ask, and if you still would rather not, there is plenty of bottled water readily available in stores.

### Is St. Thomas in the Hurricane Belt?

St. Thomas is situated in the hurricane belt, and is quite vulnerable to these storms, however the warnings are usually early and there are plenty of tips on how to prepare.

### What time zone is St. Thomas in?

St Thomas observes Atlantic Standard Time all year round and does not use Daylight Savings time.

### What currency is used in St. Thomas?

As St. Thomas is a part of the United States, the currency here is the US Dollar.

### What supermarkets are available in St. Thomas?

- Food Centre, East End
- Moe's Fresh Market, Red Hook
- Pueblo Supermarkets, Charlotte Amalie



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## What are the liquor and drug laws in St. Thomas?

Alcoholic drinks can be sold any day of the week including a Sunday, and you are permitted to have an open container on the beaches, as long as you don't litter. The drinking age is 18 in St Thomas, meaning under 18s also cannot purchase alcoholic beverages from shops, bars or restaurants.

## What Embassies and Consulates are there in St. Thomas?

- Austria- Charlotte Amalie, Consulate
- Denmark- Charlotte Amalie, Consulate
- France- Charlotte Amalie, Consulate
- Philippines- Charlotte Amalie, Consulate General
- St Kitts & Nevis – Charlotte Amalie, Consulate
- Sweden – Charlotte Amalie, Consulate



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## How do I make a phone call to, from and in St. Thomas?

Call St. Thomas from the USA and Canada

Dial 1 + 340 + Landline Number

Dial 1 + Mobile Number

Call St. Thomas from other international countries

Dial 00 + 1 + 340 + Landline Number

Dial 00 + 1 + 340 + Mobile Number

Call the USA and Canada from St. Thomas

Dial 1 + Area Code + Landline Number

Dial 1 + Mobile Number



Call other international countries from St. Thomas

Dial 011 + Country Code + Area Code (without the first 0 for UK) + Landline Number

Dial 011 + Country Code + Mobile Number (without the first 0 for UK)

## How do I make a local call in St. Thomas?

Dial 1 + 340 + Landline Number

Dial 1 + 340 + Mobile Number

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## How accessible is the internet?

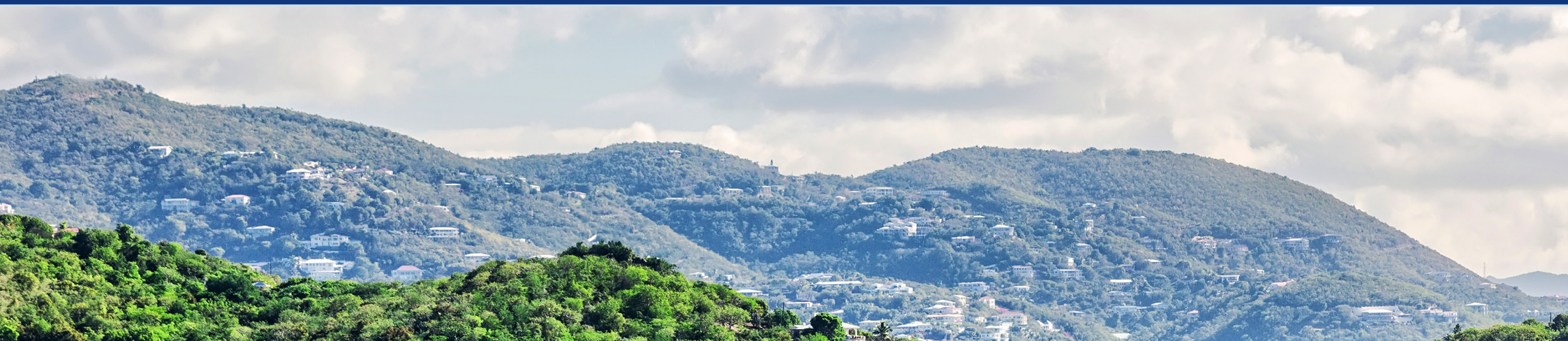
Most resorts, hotels and villas will have Wi-fi connections to use, and there are also several free wi-fi hotspots to connect to around the island.

## What is the rate of consumer tax?

There is no consumer tax on St Thomas

## Can I retire to St Thomas?

It is easy for Americans to retire here because it is a US territory. For US citizens there are no special requirements on residency, working or retiring here. For citizens of other countries, US mainland immigration policies apply.



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## ABOUT US

Coldwell Banker St. Thomas offers unparalleled service to ALL clients in the St. Thomas real estate market. Your complete satisfaction with our service and representation is our number one priority.

We serve the entire St. Thomas real estate market. Whether you are considering buying a home, selling a home or both, we know this area inside and out.

Let us know if there is something specific you are looking for and we'll find what you need. Enjoy your visit and please contact us if there is anything we can do to make your next home buying or home selling experience the best it can be!



**View our St. Thomas Listings**

