

HOME BUYER'S GUIDE

St. Thomas



SEAGLASS

Island Living

ST. THOMAS OVERVIEW

St. Thomas offers a desirable blend of comfort, convenience, and natural beauty that continues to entice people to make the move and call this enchanting island home. St. Thomas residents have an unparalleled quality of life, with access to beautiful beaches and endless outdoor recreation options, public and private schools, and easy transportation to the mainland. Whether you're seeking a permanent residence, a vacation home, or an investment property, St. Thomas has something to offer for every lifestyle and budget. With approximately 50,000 residents, the island has a small-town feel and a strong sense of community. The practical benefits of living in St. Thomas, such as favorable tax policies and no additional residency requirements for US citizens, make it an attractive option for without compromising on quality of life.

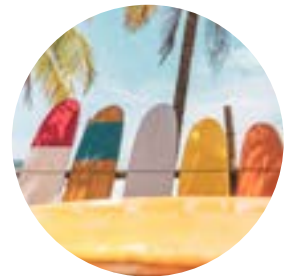
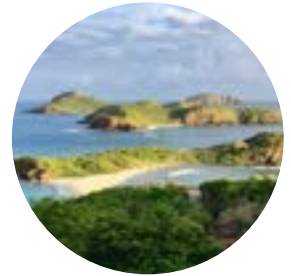
St. Thomas boasts a rich cultural heritage and history that attracts people from all walks of life. From the remnants of colonial architecture to the colorful traditions of local festivals, the island is steeped in a diverse tapestry of cultures and influences. For history enthusiasts and those eager to immerse themselves in a vibrant community, St. Thomas offers a dynamic and enriching environment where past and present intertwine harmoniously. St. Thomas is also renowned for its vibrant calendar of events that showcase the island's rich culture, music, and heritage. From lively festivals and cultural celebrations to sporting events and art exhibitions, there's always something exciting happening on the island.

COST OF LIVING

Living in St. Thomas, St. John, and St. Croix is a little more expensive than on the mainland because all goods must be shipped to the islands. Gas prices, groceries, and other products can cost up to twice the price as in the states, and all items are not always readily available.

SCHOOLS

Public and private schools teach K-12 students on St. Thomas, St. John and St. Croix. Water Island does not have a school, so children travel to St. Thomas or are home schooled. The University of the Virgin Islands has campuses on both St. Thomas and St. Croix.





Buying a Home Checklist

SELECT A KNOWLEDGEABLE REAL ESTATE AGENT

- Partner with a reputable real estate agent who understands your preferences and the local market. Their expertise will prove invaluable in navigating the complexities of the home-buying process.

DEFINE YOUR BUDGET

- Assess your financial situation, factoring in your income, existing debts, and credit score. Establish a budget that aligns with your comfort level and allows for potential future expenses.

SECURE FINANCING

- Obtain a mortgage pre-approval to understand your borrowing capacity and demonstrate your seriousness to sellers. Explore various loan options and select the one that suits your needs.

IDENTIFY YOUR MUST-HAVES AND NICE-TO-HAVES

- Create a list of features your dream home must have, distinguishing between non-negotiables and desirable—but not essential—elements. This will guide your property search.

CHOOSE THE RIGHT LOCATION

- Research neighborhoods based on factors like proximity to work, schools, amenities, and safety. Attend local events and explore the area to ensure it aligns with your lifestyle.

BEGIN YOUR HOME SEARCH

- Utilize online platforms and attend open houses to explore available properties. Take notes, capture photos, and assess each home against your established criteria. Your Sea Glass agent can assist by sending listings based on your preferences.

EVALUATE POTENTIAL HOMES

- Prioritize professional home inspections to identify any issues or needed repairs. Factor inspection results into your decision-making process.

NEGOTIATE THE PURCHASE PRICE

- Work with your real estate agent to negotiate the best possible purchase price. Consider market conditions, comparable sales, and any necessary repairs when determining your offer. Earnest money will be due at this stage, typically 10%.

DETERMINE CONTINGENCIES

- Contingencies offer the flexibility to walk away from a deal if necessary, without legal repercussions. Consider if you want to include financing, inspection, appraisal, inclusions, and subject to sale contingencies.

FINALIZE YOUR FINANCING

- Once your offer is accepted, complete the loan application process. Provide any requested documentation promptly to facilitate a smooth loan approval.

CLOSING PREPARATION

- Conduct a final walkthrough of the property to ensure it meets your expectations. Address any concerns before the closing day.

CLOSING DAY ESSENTIALS

- Review and sign the necessary documents during the closing meeting. Ensure you understand each document and its implications.

CELEBRATE YOUR NEW HOME

- Celebrate the exciting moment of receiving the keys to your new home. Take the time to familiarize yourself with the property and make it your own.

Although the US Virgin Islands are part of the United States, buying property in the territory has distinct differences. Using an experienced local real estate agent can streamline the buying process and prevent surprises along the way.



Owning a Home in the *Virgin Islands*

With its stunning coastal views, vibrant neighborhoods, and diverse range of properties, St. Thomas offers a unique and enticing market for buyers and sellers. The island's real estate market is renowned for its stability and resilience, making it an attractive investment destination for buyers from around the world. Whether you're looking for a new home, condo, or investment property, most of the same laws that regulate real estate in the states apply, however there are some notable differences.

LENDING OPTIONS

Mortgages are available through local banks. Your Sea Glass real estate agent can assist you to find the best option to finance your new property, which include conventional mortgages, FHA (for first time homeowners), and VA loans.

TAXES & FEES

The Government of the US Virgin Islands collects two distinct taxes on real estate. Property taxes are collected annually at a rate of 100% of assessed value x .00377 for homes and condos and 100% of assessed value x .004946 for land. Stamp taxes (also known as transfer taxes) are assessed at a variable rate of 2-5% based on the assessed value or the purchase price of the property.

INSURANCE

In order to obtain financing, most lenders require both windstorm and earthquake insurance. The annual cost is approximately 1.8-2.5% of the replacement value, although insurance for wood frame structures may be higher and more difficult to secure.

CONSTRUCTION

Due to the topography and location of the islands, there are many issues that must be addressed before constructing a home. Proper site planning is key. Consideration must be made for drainage, erosion, earthquakes, hurricanes, and the natural contours of the lot. All supplies need to be shipped in, and construction companies may need to be booked months in advance. The process can be lengthy, but the end result is the home of your dreams.

UTILITIES

Power, water, and internet costs are higher in the Virgin Islands than most states. Electric rates top \$0.53 per kilowatt hour and the service can be unreliable. A lot of home owners choose to add solar panels and generators. Most homes have cisterns and collect rainwater for daily use, however during the dry season water may need to be purchased.



Benefits of Buying in the *Virgin Islands*

1031 EXCHANGE

When you sell a property, you are required to pay a capital gains tax on your profits at either a short-term or long-term capital gains rate. But if you reinvest profits from the sale in a like-kind property of the same or greater value, Internal Revenue Code Section 1031 may allow you to defer the tax liability. This provides options for investors looking to diversify or move markets entirely—including opportunities in the the USVI. Any real estate primarily held for investment or productive use in a business may be eligible for a 1031 exchange with basic qualifications:

- The new investment property must be of “like-kind” to the property being sold.
- A personal residence will not qualify for the exchange, but a vacation home used predominantly as a rental property could qualify.
- The like-kind property to be purchased must be identified within 45 days; the purchase must be completed within 180 days after the sale of the original property.
- A Qualified Intermediary must ensure that all eligibility requirements are adhered to. For instance, the investor must not have access to funds from the sale during the period of exchange, so a third-party Qualified Intermediary will hold the funds in an interest bearing account.
- There are limitations on the amount of capital gain that may be tax deferred. Consult an advisor for more information on this and additional stipulations.
- Of course, always consult a tax advisor before making arrangements for a 1031 exchange.

US VIRGIN ISLANDS CORPORATE TAX INCENTIVES

With Economic Development Commission (EDC) tax incentives, the Virgin Islands is a desirable place to expand or relocate any business. As an unincorporated territory of the United States, the US Virgin Islands has significant tax benefits for companies contributing to the

territory’s economic development. Businesses eligible for tax incentives span a wide range of industries, from manufacturing to service businesses, including hotels, tourist activity, transportation, and more. Through the EDC, qualified businesses may be eligible for tax incentive program that can include:

- 100% exemption on business property tax
- Up to a 90% reduction in corporate income tax
- Up to a 90% reduction in personal income tax

VI SLICE PROGRAM

VI Slice is a program that establishes secondary gap financing for first-time eligible moderate-income households purchasing or constructing a home.

- Applicants must be first-time homeowners from moderate-income households who qualify for a mortgage and will occupy a home in the USVI for a minimum of 10 years.
- It was designed to create opportunities which may increase homeownership rates amongst moderate-income households in the U.S. Virgin Islands.
- The deadline to apply is October 30, 2026.

VA HOME LOANS

VA loans are particularly beneficial to those veterans that do not have much cash available as the VA loan has a \$0 down payment option. VA guidelines generally allow higher debt ratios compared to other loan programs, and it’s considered easier to qualify for.

- No down payment requirements on 15 or 30 year mortgages
- Ability to finance the funding fee
- No mortgage insurance premiums or prepayment penalties
- Low interest rates and low monthly costs
- No prepayment penalties



Buying a Home *Additional Costs*

HOME INSPECTION

A home inspector conducts a comprehensive inspection of major home components. Other inspections may be performed based on specific concerns. Identified deficiencies, not previously disclosed, allow the buyer to request repairs. Costs range from \$350 for a condo and upward of \$1500 for large properties.

PROPERTY APPRAISAL

Offers tied to financing are also contingent on appraisal. The bank conducts an appraisal to verify the property's value against the loan amount. Costs of appraisals can vary due for each property, but are typically around \$800-\$2000 depending on the property and intricacies.

PROPERTY SURVEY

Property lines aren't always clear, so a survey can help you protect your investment by discovering any easements, disputes, or other issues. Sellers sometimes have surveys they can share. If not, you may want to hire a professional. Costs can range from \$500 to \$2000.

LEGAL FEES

Closing disbursements include any expenses your lawyer had to pay for work on your behalf. Fees vary.

TITLE INSURANCE

Title insurance protects both you and the lender from title fraud, municipal work orders, zoning violations, and other property defects.

PROPERTY INSURANCE

Property insurance protects you in case of hurricanes, floods, fires, and other disasters. Insurance can be a significant cost and is required by mortgage lenders.

STAMP TRANSFER TAX

The Virgin Islands government charges a transfer tax when you purchase a property. The stamp tax ranges from 2% to 3.5%, depending on the purchase price. The stamp tax can be negotiated to be paid by the buyer or seller in the buyer's offer. Properties up to \$350,00 will have a 2% tax. Properties from \$350,001 to \$1 million will have a 2.5% tax. Properties valued from \$1,000,001 to \$5 million will have a 3% tax. Properties valued over \$5 million will have a 3.5% tax.

PROPERTY TAX & OTHER SELLER PAYMENTS

Property taxes, utility bills, or condo fees may have been prepaid before the buyers take ownership of the property. The seller will be reimbursed for the portion of the costs from the closing date.

MOVING COSTS

Whether renting a truck, shipping containers, or hiring professional movers, costs to move your possessions, vehicles, pets, and family should be included in your budget.

Relocating Tips and Tricks

RESEARCH THE ISLAND

Familiarize yourself with the island's geography, neighborhoods, and local amenities to help you make informed decisions about where to live and how to navigate daily life.

VISIT BEFORE MOVING

Get a firsthand experience of the island's atmosphere, culture, and lifestyle to see if it's the right fit for you.

SECURE HOUSING IN ADVANCE

Consider working with a local real estate agent who can help you find suitable accommodations within your budget and preferences.

UNDERSTAND SHIPPING OPTIONS

Research shipping options and costs. Consider timing and logistics involved. Purge unnecessary items to minimize shipping costs and streamline the moving process.

PREPARE FOR ISLAND LIVING

Be prepared for slower-paced days, limited access to certain goods and services, and the need to adapt to a new culture and environment. Patience and flexibility are key as you adjust to life in St. Thomas.

CONSIDER EMPLOYMENT AND INCOME

Secure employment or have a reliable source of income lined up before making the move. Research job opportunities, requirements for business ownership, and tax benefits.

BUDGET WISELY

Create a realistic budget that accounts for living expenses. Factor in any additional costs associated with island living, such as higher prices for imported goods and services.

RESEARCH HEALTHCARE OPTIONS

Familiarize yourself with the healthcare system in St. Thomas, and ensure you have adequate health insurance coverage.

PREPARE FOR CLIMATE AND NATURAL HAZARDS

Be prepared for occasional hurricanes and tropical storms, and have a plan in place for emergency preparedness and evacuation if necessary.

GET INVOLVED IN THE COMMUNITY

Engage with the local community, and make an effort to meet new people. Join clubs, volunteer organizations, or community events to build connections and establish a sense of belonging in your new home.



WORKING

U.S. residents do not require any additional permits or visas, however wages can be lower and job opportunities may be limited.



SHOPPING

While there are many shopping areas, products are not always available on island and may need to be shipped via freight forwarders.



MOVING

Companies that specialize in shipping your household items and vehicles can help make the process easy to manage.



SERVICES

The island lifestyle moves a little slower than life in the U.S. Patience and a sense of humor can help you navigate your move to paradise.

St. Thomas Basics

Shopping

Although the selection of goods is not as extensive as in the States, St. Thomas has quite a few places to do your shopping. The prices are typically higher than on the mainland because all products must be shipped to the island. Occasionally that can cause supply chain issues, and some products may be hard to find.

- Moe's Fresh Market is a chain of grocery stores with locations in Red Hook, Yacht Haven Grande, Charlotte Amalie, and the north side of the island. Moe's offers fresh produce, a butcher shop, a deli with salad bar, and an extensive selection of wine and liquor.
- Food Center is a full service grocery to the west of Red Hook on Route 32 with large selection of foods and beverages. It offers fresh produce, a butcher shop, and a deli.
- Chelsea Drug Store is a conveniently located drug store and pharmacy in Red Hook. The store has a good selection of over-the-counter drugs, toiletries, sunscreens and beach items.
- Cost U Less is a newly rebuilt wholesale warehouse store with an enormous liquor and wine selection, fresh produce, groceries, dry goods, household and beach items. Many items are only sold in bulk.
- PriceSmart offers membership shopping and has a large selection of everything from groceries to appliances to housewares.

Transportation

CAR DEALERSHIPS

There are many car dealerships on St. Thomas that sell both new and used vehicles. New car prices include customs fees and shipping charges, so the sticker price is higher than in the states.

SAFARIS

Open-air safari buses run on main roads along specified routes. Short routes are \$1 per person, and longer routes are \$2.

TAXI SERVICES

There are multiple taxi companies on the islands. The companies offer large passenger vans, cars and SUVs. Most drivers are well-versed on the territory's history and culture and are willing to provide island tours as well. Rates are regulated through the VI Taxi Cab Commission, although some drivers may try to upcharge. The official rates can be found on the commission's [website](#).

CAR RENTALS

Rental cars are available at the St. Thomas airport from major brands. There are also local rental agencies on both St. John and St. Thomas. Reservations should be made in advance when possible during high season as companies can run out of available vehicles due to the large amount of tourists who visit the island in the winter months.

PASSENGER FERRIES

There are multiple ferry terminals on St. Thomas. The schedules between the terminals differ and are subject due to weather and special events.

The Red Hook terminal provides service to Cruz Bay in St. John and to locations in the British Virgin Islands. The trip from Red Hook to Cruz Bay takes approximately 20 minutes.

The Crown Bay terminal offers limited service to Cruz Bay, which takes around 30 minutes. It also offers the only ferry to Water Island. The Water Island ferry is a small vessel that runs on a two hour schedule.

Routes from Charlotte Amalie run to destinations in the British Virgin Islands, as well as to St. Croix.

Schedules and contact information for ferry companies can be found on vinow.com.

CAR FERRY

Daily service from Red Hook to Cruz Bay is offered for cars and trucks. The car barges are operated by more than one company, so if you buy a ticket with one company, you can't use the return ticket on a different one. There is also a port fee that is collected by the VI government. Be sure to check the return times, as the car barges don't typically run after dark.

About

Sea Glass Properties



At Sea Glass Properties, our mission is simple and unwavering: to prioritize trust, integrity, and excellence in all that we do. With our agents deeply rooted in the local community, we bring invaluable expertise and knowledge to provide progressive and innovative solutions in the ever-evolving real estate environment. Our dedication to these fundamental values ensures that our clients receive the highest standard of service, fostering lasting relationships and contributing to the overall growth of our community.

We offer the experience required to help you find your perfect home, investment property or business opportunity. Working with Sea Glass Properties is a unique experience. We know the Virgin Islands property market better than anyone else. Our agents have vast local experience because they learn from their buyers and sellers with each listing.

Let's Work Together!

St. Thomas: 340.774.5277

St. Croix: 340.715.7772

seaglassproperties.com



SEAGLASS

WHY CHOOSE SEA GLASS PROPERTIES?



OVER 40 AGENTS

Sea Glass Properties has a large network of experienced agents with contacts and potential buyers in St. Thomas, St. John, or St. Croix.



AWARDS + ACCOLADES

With over \$1 billion in sales, we listed and sold the highest number of homes in the Virgin Islands.



HOME BUYERS SERVED

We are the fastest growing US Virgin Islands real estate firm because we build relationships with an eye toward the future.



ONLINE NETWORK

Our state of the art website showcases properties with custom detailed information, high resolution photos, and video tours.

Recommended List of Service Providers

MORTGAGE LENDERS

First Liberty Mortgage
340-774-1101

Leeward Island Mortgage
340-715-2530

North Point Mortgage
401-440-0095

Merchants Commercial Bank
340-779-2265

Banco Popular
340-693-2806 or 340-693-2842

First Bank
340-775-8825

Schaffer Mortgage in STX
340-778-4444

Capital Mortgage STX
340-773-8100

Lotus Mortgage Group
407-716-3178 or 407-810-9444

Flagstar Bank
248-388-1266

Dave Osborn (Commerical)
561-325-8770

Virgin Bay Mortgage
302-893-2424

TITLE COMPANIES

Streamline Title and Escrow
orders@streamlinevi.com
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Recommended List of Service Providers

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