



Parliament of the Cayman Islands

PRIVATE MEMBER'S MOTION NO. 4 /2021-2022

Motion on Increased Assistance to Caymanian Home Buyers

WHEREAS the rising cost of land and homeownership has made it increasingly challenging for young Caymanians looking to build or purchase their first home;

AND WHEREAS the COVID-19 Pandemic has made obtaining a home even more difficult given the economic downturn and the disruptions to the global supply chain that has increased the cost of imported goods, including building supplies;

AND WHEREAS all the above pressures on housing cost and the cost of living, in general, has been exacerbated by the Russian/Ukrainian war, which is further driving up the cost of goods;

AND WHEREAS the USA experienced an 8.5% inflation rate in March 2022 (a 41-year high), with Cayman's domestic overall inflation rising by 7.6 % over 2021, but with the Housing & Utilities component rising by 11.5%, and expected to climb higher in 2022;

AND WHEREAS; In response to inflationary pressures, the US Federal Reserve and the Bank of England have begun increasing interest rates; thus impacting interest rates in Cayman, which will make the cost of loans and mortgages, and thus homeownership, even higher; for young Caymanians;

AND WHEREAS the Cayman Islands Government has announced a record budget surplus of some \$221M as of March 2022, which includes an effective windfall of \$18.6 M more than was initially budgeted. A windfall that should allow Government to reduce stamp duty to Caymanians in a meaningful way, especially for housing;

BE IT THEREFORE RESOLVED that the Government consider as a matter of urgency amending the Stamp Duty Act as follows:

For First Time Caymanian Property/Home Buyers:

- (a) 0% duty on land-only with a value of up to CI\$200,000; and for houses, apartments, or other dwelling purchases with a market value of up to CI\$500,000, for owner-occupation; And

- (b) 2% duty on the value above CI\$200,000 on land purchases; And for houses, apartments, or other dwellings purchased for owner occupation, on the value above CI\$500,000.
- (c) In cases where the property is transferred to two (2) or not more than ten (10) persons who are first time Caymanian Homeowners:
- i. 0% duty for bare land purchases with a market value of up to CI\$350,000 and houses, apartments, or other dwelling purchases with a market value of up to CI\$600,000, for owner-occupation; and
 - ii. 2% duty on the value above CI\$350,000 on raw land purchases; and for houses, apartments or other dwellings purchased for owner occupation, on the value above CI\$600,000.

For property purchased by a Caymanian that does not fall into the 'First Time Caymanian Property/Home Buyers scheme'

- (d) 5% Stamp duty for Caymanian persons only.

Moved By: Mr. David Wight, MP
Elected Member for George Town West

Seconded By: Ms. Barbara Conolly, MP
Elected Member for George Town South

Received in the Office of the Clerk this 31st day of May, 2022.

Passed by the Cayman Islands Parliament this 9th day of June, 2022.

Clerk of Parliament