

## **Purchasing Property in Vanuatu**

All land in Vanuatu, as is most of the South Pacific, is Leasehold. When a property is registered, it is registered as a leasehold title. The Minister of Lands is the Lessor in the urban areas (around the CBD). Land other than urban (which has in many cases now been subdivided for resale), has a “custom owner” Lessor.

The Constitution states that the maximum term of lease is 75 years. Some leases are 50 years, nearly all new leases these days are registered for 75 years, this includes strata title leaseholds.

When you buy an existing lease, you purchase the remaining term, not a new 50 or 75 year period.

All urban leases can be renewed for a fee. This is 10% of the “unimproved land value” (as assessed by the Government’s Valuation Unit) and administrative fees.

Land that is rural will have a different renewal fee depending on the Lessor. This can range from a simple one off payment of 30,000 Vatu (around \$350 AUD), to 2% of the unimproved land value.

A renewal of lease can be negotiated at anytime at terms suitable for both lessee and lessor. We have assisted in this many times and it is a straight forward process.

If you have a property in the urban area, there are municipal rates/taxes to cover roads, refuse collection etc. All properties will incur (if they have the services) electricity, water gas and ground rent. Ground or land rent is a nominal amount calculated on a square meter basis on the unimproved value of your land. It generally runs about AUD\$300-400 per year. House and contents insurance is optional.

Anyone can purchase leasehold property in Vanuatu if they have the funds. If you purchase land or house over a 50,000 vatu, you are entitled to apply for a residency permit which means you can stay in our beautiful country all year round

You generally will have lawyer’s fees of around 1/2% of the purchase price or by negotiation. Stamp duty is an extra 2% of the purchase price, and Government registration fees are 5% of the purchase price. If buying a business or property owned in a company name it is possible to reduce these down to 4% in total. Your lawyer or accountant will advise you of this at the time of purchase.

You can currently get finance to purchase property from the ANZ, Westpac, BRED and the National Bank of Vanuatu. Generally on residential property you require 30% deposit and on commercial 40% deposit. The bank lending criteria is generally on the same basis as in Australia or New Zealand.

A property transaction, especially when you live in another country is a significant transaction and it is recommend that you use a Vanuatu lawyer to handle your property purchase and give advice if needed.