



### Is land in Vanuatu Leasehold or Freehold?

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 a lease is 75 years. Many leases are 50 years from their creation or from Independence on 30 July 1980, nearly all new leases these days are registered for 75 years, this includes strata title leaseholds.

### What happens at the end of the lease?

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.

### What annual outgoings should I expect when I purchase a property?

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

### Are there any restrictions on who can buy property in Vanuatu?

No. Anyone can purchase leasehold property in Vanuatu if they have the funds. If you purchase land over a certain value you are entitled to apply for a residency permit which means you can stay in our beautiful country year round.

### What Other Costs are incurred when I purchase a Property?

You generally will have lawyers fees of around 1/2% of the purchase price or by negotiation.

Stamp duty is 5% of the purchase price and Government registration fees are 2% 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 time of purchase.

### Can I borrow money from local Vanuatu banks to purchase a property?

Yes you can. Currently ANZ, Westpac, BRED and the National Bank of Vanuatu operate here. Generally on residential property you require 20% deposit and on commercial 40% deposit. The bank lending criteria is generally on the same basis as in Australia or New Zealand.

### Do I need to use a lawyer or can I use my lawyer back home?

A property transaction, especially when you live in another country, is a significant transaction. We strongly recommend using a Vanuatu lawyer to handle your property purchase and give advice if needed. First National Vanuatu can recommend several to meet your needs.

### Are there good quality builders to build my own home in Vanuatu?

In Vanuatu there is a good range of professional builders to choose from. Your first choice would be between a using a Ni Vanuatu builder or a foreign trained builder. There are several professional construction firms. Their contact details are all advertised in the local phone book. Price of construction and standard of finish varies. It is a straight forward exercise to approach the builders and ask permission to view previous examples of their work and for them to quote on your designs. In Vanuatu we are occasionally exposed to cyclones and earthquakes. As a result houses are engineered to a much higher level than you would find generally in most first world countries. A good start to planning to build a home would be to decide on plans and have a local engineering firm do the engineering specifications required and then get your chosen construction firm to quote. Building rates are currently between \$1050 and \$1200 per m2 (average rates).

### What are the building codes in Vanuatu?

In Vanuatu you can build houses with thatched roofs if you choose. The main thing to remember is that you will need a building inspection done and certificate provided to insure against cyclone damage. This is the driving factor behind the strength in buildings here in Vanuatu. In the lease for any given piece of land there will always be conditions. These will also determine what can be built. I.e. Residential or commercial, setbacks from boundaries, standards of construction, methods of waste disposal etc. Generally they all protect the buyer by maintaining a reasonable standard.

The key requirement is to submit plans to the local council for approval which is a simple process and receive a building permit number.

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