

FREQUENTLY ASKED QUESTIONS

Q: WHERE IS VANUATU?

A: Vanuatu is an archipelago of some 80 islands in the shape of a "Y" situated North-East of New Caledonia and North-West of Fiji. The capital Port Vila is only 2 to 3 hours flight time from major cities in Australia and New Zealand. Time zone: GMT + 11 hours.

Q: WHAT LANGUAGE/S VANUATU HAS?

A: The local language is Bislama (pidgin English) however English and French are commonly spoken languages.

Q: CAN ANYONE VISIT AND/OR RESIDE IN VANUATU?

A: Most non citizens of Vanuatu can visit for a period of 1 month without an entry Visa and extensions of stay up to several months are available on application.

For longer periods it is necessary to obtain a working permit or a residency permit or a VIPA approval.

Working permit is generally the responsibility of an employer.

Residency permit are normally issued on application when a purchase of real estate in Vanuatu (by a single or couple) in excess of 10,000,000 vatu (approx 125,000 AUD or 130,000 NZD) is made. An application must be lodged and a fee of 57,600 vatu per person is payable per year.

For foreign investors who apply for a VIPA approval on a business investment project, the approval provides the investors with the right to apply for a residency permit.

Q: CAN ANYONE PURCHASE PROPERTIES IN VANUATU?

A: Vanuatu has no restrictions on foreign purchase of real estate and local banks can receive the necessary funds from overseas. People do not need to reside in Vanuatu to purchase real estate.

Q: ARE PROPERTIES SOLD AS LEASEHOLD OR FREEHOLD?

A: Land tenure in Vanuatu is regulated under Chapter 12 of the Constitution, the Land Reform Act [Cap. 123] 1980 and Land Leases Act [CAP 163] 1984.

All rural land in Vanuatu belongs to the indigenous custom owners.

Urban land belongs to the Government.

Non indigenous people can acquire land only in the form of a Leasehold registered title whereby the Lessor is the custom owner or the Government and the Lessee is the investor.

Q: HOW LONG IS THE TERM OF LEASEHOLDS?

A: The term of Leases varies between 50 and 75 years, however recent Leases are generally granted for a term of 75 years. When purchasing a Lease it is important to check the starting date as the purchase will be for the remaining term.

Q: WHAT HAPPENS AT THE END OF THE LEASE?

A: Urban Leases are subject to extension or renewal under the Land Leases Act [CAP 163]. A premium not exceeding 10% of the unimproved value of the land and an administrative fee are payable depending on the type of application.

Rural Leases can be extended or renewed at any time by negotiation between the Lessor and the Lessee.

Q: WHAT ARE THE COSTS OF PURCHASE OF A PROPERTY?

A: The costs involved in the purchase of a property in Vanuatu are:

- Stamp Duty and Registration: 7% of purchase price
- Land rent (and body corporate) pro-rata adjustment
- Legal / conveyancing

Q: WHAT ARE THE OUTGOINGS OF A PROPERTY?

A: Regular outgoings include:

- Yearly land rent the amount of which varies depending on the zoning (residential, commercial, etc.) and on the location of the property
- Only in urban areas there are municipal charges (rates)
- The cost of services like electricity, gas, water, etc. varies depending on urban or rural location
- Insurance
- Property Tax administered by rural provinces

Q: HOW DOES THE FINANCE ON PURCHASE WORKS?

A: There are several banks in Vanuatu that offer loans for the purchase of properties including BSP, ANZ, WANFUTENG, BRED and NBV. Normally the equity required on the purchase of residential properties is 20% and 40 to 60% on commercial. Leasehold titles are subject to mortgages to secure the finance.

Q: WHAT ARE THE STANDARD TERMS OF A PURCHASE OF PROPERTY?

A: Normally a contract for the purchase of property will provide for a 10% deposit payable on signing the contract and held in trust by a stakeholder (real estate agent or solicitor), 14 to 21 days finance condition, 30 to 60 days settlement. All sales of Lease are conditional upon obtaining the consent of the Lessor for the transfer of the Lease to the purchaser. Such consent normally takes 2 to 3 weeks.

Q: IS IT POSSIBLE TO PURCHASE STRATA TITLE APARTMENTS AND SHOPS?

A: Apartments, shops and block of lands can be purchased on their own strata title under the Strata Titles Act [CAP 266] of 2000.

Q: IS IT EASY TO RENT OUT A PROPERTY IN VANUATU?

A: The rental market in Vanuatu is really good and it does offer higher returns than Australia and New Zealand. Suitable properties can also be offered for short term/holiday rental achieving higher letting fees.

Q: ARE THERE GOOD BUILDERS IN VANUATU?

A: Vanuatu offers excellent builders for all types of constructions. Both non Citizens companies and Ni-Vanuatu builders can offer very good standard of building and finishing. It is advisable to see their previous work/buildings before engaging anyone to build your house.

We have extensive experience in building due to our past Project Management business for building called GH Solutions. We can offer information on:

- Building
- Engineer Plans, Supervision & Cyclone Certificate

- Building Permit

For more information contact us on +678 7719898 or e-mail francesca@waterfront.com.vu

Q: WHAT TYPE OF CONSTRUCTION CAN BE BUILT?

A: Vanuatu is in a tropical area subject to cyclones and earthquakes therefore all buildings must comply with simple and logic standards which make the construction cyclone and earthquake safe. Most buildings are in cement blocks or concrete and are strengthen by steel. Thatched roofs and coral feature walls are popular and very suggestive. It is necessary to provide a cyclone certificate by a local approved engineer in order to obtain insurance.

For any further question please contact us and we will assist you with our professional services, knowledge and expertise.