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PURCHASING A STRATA TITLE PROPERTY

STRATAWORLD PACIFIC

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PURCHASING A STRATA TITLE PROPERTY?

This is a Strataworld Pacific Information Brochure on purchasing a strata titled leasehold property in Vanuatu. It is a list of essential questions you need to ask the real estate agent, or vendor, before you jump into the deal.

Let's begin with the most essential matter and that is to search the Body Corporate records, paying particular attention to obtaining complete answers to the following queries and details: -

How much are the Body Corporate Levies?

The Body Corporate will issue levies for your property which cover such things as grounds maintenance, common area lighting and water, management fees, rubbish collection and ground rent. This is called an Administration levy.

In addition, there will usually be a levy added to put into a Sinking Fund to cover long-term maintenance of the building, such as roof





repairs, or painting the exterior, which would occur every few years.

You need to know exactly what your share of these charges will be for ongoing costs.

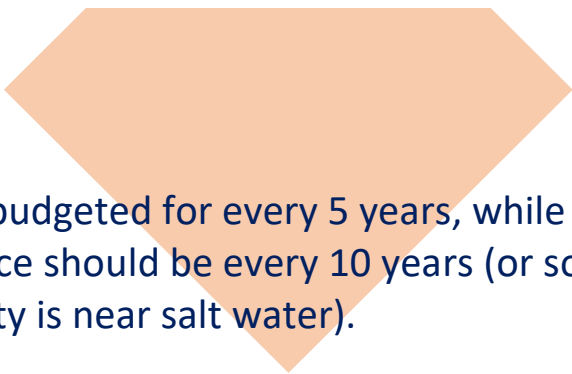

Building Insurance – Who Pays?

Building insurance is usually covered in the normal Body Corporate Administration Fund levies, but if your strata title contains a separate building on its own, this insurance can be made a separate charge for you.

What level is the Sinking Fund?

This is a vital question. We have known some properties which have not set aside any sinking fund at all. If this is the case for your strata property, you can be fairly sure that a special levy will be charged to you to cover building maintenance and roof repairs etc. when they are due to be carried out.

In this regard, you should ask when the last time painting and/or roof maintenance was done. We suggest that in Vanuatu, painting of the exterior




should be budgeted for every 5 years, while roof maintenance should be every 10 years (or sooner if the property is near salt water).

Who are the Body Corporate Committee?

Find out who runs the Body Corporate, and who normally Chairs the Committee. You should ask to see all Body Corporate Committee minutes for the last 2-3 years to find out what has been discussed, and to see if there are any recurring problems or issues put aside which may cost you in the future.

What are the Body Corporate Rules/By Laws?

Make certain you are very clear about what the Rules say. They often limit what you can do in or outside your property. For example, they could restrict you from hanging your washing on the terrace, or even dictate the colour of your curtains. You should also check storage space availability. Ask where you can store your surfboard, bicycles, vacuum cleaner, suitcases etc. The reason is that quite often builders and developers look to



maximise profit, so there is often not enough storage space inside the property.

Litigation?

Is the Body Corporate involved in any litigation, either by others against the Body Corporate, or by the Body Corporate against others? Not only is litigation expensive, it can lead to additional levies to you to fund it.

What else do I need to know?

- (a) Our recommendation is to have a knowledgeable builder and/or Engineer inspect the property for building defects.
- (b) We also suggest that you have a solicitor review all the documentation you discover as a consequence of your investigation, BEFORE you sign any sale and purchase agreement

Need Additional Help?

Our team of experienced professionals are at your disposal to help you make the right decisions.

If you wish, we can gather the detail you need from the vendor and help your proposed purchase become a reality.





About Us :

Strataworld Pacific is a division of Barrett & Partners, one of Vanuatu's leading Chartered Accountants and Business Advisory firms, established since 1972.



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