



Property in Laos - a J&C Guide.

REAL ESTATE AGENCIES:

J&C Real Estate:

In Laos there are no accredited Real Estate agents managing properties like those found in Europe, America or Australia. Instead, all property is rented privately and according to the rules of each individual landowner. For this reason, J&C, like other real estate agents in Laos, cannot act as sole property manager. Instead, we merely locate privately rented properties, advertise them and arrange meetings between tenants and landowners. Our service is free for tenants, and we take a fee from the landowner.

The Rental Market:

Unfortunately rental prices in Laos are not in proportion to the standard of living. Most rental properties are geared towards the buying power of foreigners, hence prices do not reflect location, size, number of rooms or aesthetic value of property. Instead, landowners demand rent equal to that of their neighbours' properties or the estimated salary of their tenant. Other times, they simply ask for the amount they need to cover their loan repayments.

In the last few years Laos has seen an increasing number of expatriates, reducing the number of available houses. This situation has led to increased rental prices. Whilst only a few years ago a two-storey, three bedroom house may have been \$300 per month, it now fetches over \$500.

In reaction to the new demand, many landlords have begun building houses that are bigger and more expensive, often above the \$1000 mark, leaving the market with a shortage of houses in the middle price segment (\$300 to \$700)

Finding a property:

J&C endeavours to help our customers locate quality properties at reasonable rates. However, as we are not able to exclusively manage property, we cannot control price fluctuation or landowner behaviour. Therefore, please be aware of the following:

- actual prices may differ to advertised prices
- landlords may not honour appointments or may be late
- houses are not always tidy during visits
- family members or existing tenants may be present
- properties are suddenly unavailable!

RENTING:

Rent Payment:

Unlike in western countries, landowners in Laos do not expect bond money (a deposit). Most leases are paid six months or a year in advance and in cash. The longer the rent is paid in advance, the better the chances are to reduce the total rent price or to negotiate for additional furniture or fittings.

Contracts:

J&C will draw up a contract between the tenant and the landlord. In addition, the landlord will have the contract stamped by the local government authorities to legalise it.

We would like to mention that although contracts are legally binding, situations may arise in which a landlord does not honour it. As court cases in Laos are slow and lengthy and little is done to make sure all parties attend, we would recommend in such cases to complete your lease and simply move to another property.

Sometimes the landlord will ask you to sign a second, token contract in which the rental price is lower. The landlord submits this to the tax department in order to pay less tax. It is entirely up to you whether or not you agree to this, however it does not negatively affect you as a tenant.

In rare cases a landlord may wish to terminate the contract early. Under Lao law, a tenant is fully protected and may remain in the premises until the end of the contract. The tenant may choose to accept a compensation payment from the landlord.

Landlords:

Some landlords might enter your property from time to time and without warning. This behaviour is fairly commonplace and the landlord merely wishes to inspect his/her property to make sure it is being taken care of. If you are concerned about privacy, a friendly chat with the landlord about phoning before entering the property should solve the problem.

Naturally, should you need extra assistance, as part of our after-sales service we can help interpret for you.

Insurance:

Although it would be the responsibility of the landowner to take out insurance for their property, it's quite common for buildings to remain uninsured. If this is worrisome, you can take out insurance on your leased property through local or international insurance agencies. J&C is more than happy to help you arrange insurance.

Maintenance:

Landowner attitudes toward maintenance differ from house to house. In general, landlords are quick to repair larger structural problems while they expect you to undertake minor repairs. Often some patience is required until such repairs are carried out.

If your landlord is neglecting house maintenance, J&C can arrange plumbers, electricians or other maintenance workers and send them to your door for a small fee.

Furnishings and Fixtures:

Most rental properties in Laos come partially furnished. The usual items supplied are television, refrigerator, gas stove, beds, a lounge and dining furniture. Depending on your rental price, you may also find a washing machine, water tank & pump, iron, closets or outdoor furniture. These items are negotiable and some may be swapped for others. Should you purchase your own furniture, you may easily sell this to the next tenant or to the landlord themselves upon your departure.

Bills:

It is the tenant's responsibility to pay for electricity, water, gas bottles, garbage disposal, drinking water, cable TV and internet. Sometimes it can be difficult to arrange this on your own. J&C is happy to provide assistance with arranging these services.

BUYING PROPERTY:**Land in Laos**

The Government is the true owner of all land in Laos. When Lao citizens purchase land, they are really purchasing "land use rights". This is almost ownership, however if the government wishes to take back the land at any stage, they may do so. If that happens, they will reimburse the owner with a symbolic value rather than actual market

value. This usually occurs only when the land is located in an area of interest to the Government, i.e. for new roads, industrial development, public parks, golf courses, etc. J&C recommends purchasing land in areas that are already developed and in areas that the government will have no future interest.

Foreigner Ownership:

Lao law stipulates that foreign citizens may not own land. As land in Laos is often cheap in comparison to other nations, this law exists to protect Laos from being overrun by foreign landowners and is unlikely to change in the near future.

Most foreigners who 'own' land do so by having a Lao national purchase the property on their behalf. Usually this will be somebody trustworthy and close, such as a spouse or relative. J&C recommends exercising extreme caution if purchasing property through a third party.

Land Prices:

Similarly to the rental market, the price of land varies from owner to owner, however it is heavily dependent upon location. Land by the river or close to town will likely fetch a high price, however land outside the city or in outer provinces can be very cheap. It is best to research surrounding properties to gain an understanding of average price.

Land Titles and Deeds:

Land in Laos is usually measured in square metres or hectares. The deed will contain information about the landowner, his/her family, and the land itself. A map is often included with the measurements of the plot.

After issuing a sales contract and paying a deposit, the landowner will prepare the necessary documents for a transfer of ownership. These will be registered at the land title office where the name of the new owner is added to the land title. At a final meeting, the land title (now in the name of the new owner) is handed over against final payment. This is usually done in the presence of the village chief and other witnesses.

**Please contact us for more information at
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