



A guide to buying property in Zambia

The property purchase procedure in Zambia

Buying property in Zambia should be relatively straightforward, but we would always recommend that you instruct the services of a reputable agent, surveyor and lawyer. This document has been compiled as a guide for potential purchasers of property in Zambia. It does not seek to provide or replace legal advice which you should obtain, nor is it intended to have any contractual effect.

Tenure System

All land in Zambia is leasehold. Absolute ownership of land is vested in the State. However, under the Lands Act 1975 and Lands Act 1995 the State and customary authorities have the capacity to alienate land to individuals. For State land, a long leasehold title (usually up to 99 years) can be granted under which exclusivity of use is provided to the title holder.

Leaseholders are expected to obtain a renewal for a further 99 year term.

Land Disposal

The disposal of land in Zambia either through sale or gift requires the approval of the State. Application has to be made to the Commissioner of Lands for consent to assign or transfer. Normally such consent is issued within a couple of days of lodging the application provided that all the requirements have been met.

Acquisition of land in a customary area

In order to acquire land in a customary area, one will require the following:

- Written consent from the area chief
- Approval of the district council in the area
- Additional approval from the Director of National Parks and Wildlife, if the land is in a game management area.

Ownership eligibility of land in Zambia

It must be mentioned here that under the provisions of the Lands Act land can only be held by Zambians. The exceptions are:

- Where the Non-Zambian is a permanent resident in the Republic of Zambia;
- Where a Non-Zambian is an investor within the meaning of the Investment Act or any other law relating to the promotion of investment in Zambia;
- Where a Non-Zambian has obtained Presidential consent in writing;

- Where the Non-Zambian is a company registered under the Companies Act and less than 25% of the issued shares are owned by Non-Zambians;
- Where the Non-Zambian is a statutory corporation created by an Act of Parliament;
- Where the Non-Zambian is a body registered under the Land (Perpetual Succession) Act and is a non-profit making charitable, religious, educational or philanthropic organisation or institution within is registered and is approved by the Minister for the purposes of this section;
- Where the interest or right in land is being inherited upon death or is being transferred under a right of survivorship or by operation of law;
- Where the Non-Zambian is granted a concession or right under the National Parks and Wildlife Act or;
- Where the Non-Zambian is a commercial bank registered under the Companies Act and the Banking and Financial Services Act;

Conveyancing

The law of real property embraces the rules governing the acquisition, retaining, and disposal of land and things attached to the land:

- The law also governs certain interests in the land which are less than full ownership, for example; a right to cross another person's land, called an easement.
- Contracts for Sale normally incorporate the Law Association of Zambia General Conditions but they can be excluded.

The general contents contained in the Law Association General Conditions include:

- General condition 2(a) provides that a deposit of 10% of the purchase price shall be paid by the Purchaser upon exchange of Contracts and
- General condition 2 (b) States that such deposit is to be paid to the Vendor's Advocates as stake holder.
- General condition 3 provides that completion shall take place within 6 weeks of date of contract if no date is fixed by the Special Conditions. Completion will normally take place at the offices of the Vendor's Advocates.

The following are the documents that are used for the sale of property in sequential order;

- Letter of offer to sale;
- Contract of Sale
- Caveat form;
- Assignment;

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Letter of offer to sale

This document layouts the terms of a sale and includes details of the property, price to be paid and the parties involved in the transaction. This document will form the basis of the document to follow.

Contract of sale

A Contract of Sale is the formal document used to indicate the intention of the parties to transact over land and is signed by the Vendor and Purchaser (or their duly appointed agents). The Contract does not require registration. The Zambia Revenue Authority currently collects 5% of the contract sum or 5% of the value assessed by Zambia Revenue Authority for the property as tax over the transaction. This tax is the Vendor's responsibility.

- defines the rights and obligations of the Vendor and the Purchaser.

Caveat Form

In order to protect the Purchaser's interest, the Advocates for the Purchaser may place a caveat in the Lands Registry to inform anyone who would like to transact over the land that the Purchaser is an intending purchaser.

Assignment

In the process of contracting to sell land, the Purchaser prepares an assignment (of the land) which is lodged together with the title deed so that the land is 'assigned' into the Purchaser's names.

The lodging of the deeds at the Registry is effectively the completion. The Purchaser or his advocates after the assignment is filed are responsible for collecting the title deed in the new purchaser's names. This effectively changes ownership of the property.

Taxes and Charges

	Rate in %	Who Pays
Property Transfer Tax	5%	Buyer
Registration Fee	1%	Buyer
Legal Fees		Buyer or Seller
VAT	15% on legal fees	

Property Transfer Tax (PTT)

The Property Transfer Tax Act Cap 340 provides for the charge of Property Transfer Tax on the transfer of property.

The rate of 5% on the sale price realised from the sale of any land and building or Market Value, whichever one is higher. The Market Value is assessed by Zambia Revenue Authority.

Property Transfer Tax Exceptions

The following organizations are exempt from Property Transfer Tax:

- The Government of the Republic of Zambia;
- Any foreign government;



- A n y international organization, foundation or agency as the Minister of Finance may approve for the purpose;
- A n y charitable organization or trust registered under section 41 of the Income Tax Act Cap 323;
- A n d such other organisations or institutions which are granted exemption by the Minister or by amendments to the Income Tax Act from time to time.

Ground Rent

This is an annual payment paid by the property owner and is dependent on the zoning and size of the land.

Property Rates

This is an annual payment paid by the property owner and is dependent on the zoning, size of land, value of improvements and the poundage charged by each respective rating authority (Local council).

Our Agency Services

Residential

Working with corporates, pension funds and investors, we provide up to date advice, leasing and sale services. Our marketing division provides clients with a full range of services offering research, consultancy, marketing and sales. Our team ensures that our clients' products are seen in key buyer locations around the world.

Commercial / Industrial

Whether you are looking for, or currently occupy industrial space sheds or warehouses, office space, retail space or specialised uses like crèches, educational space, gyms and health centres, Knight Frank has experienced teams that are dedicated to advising you the occupier. .

We offer a broad menu of consulting and transactional services. The integration of these services enables us to understand the critical success factors for your business.

Our bespoke commercial agency leasing team ensures we have the optimum expertise for each project, combining a depth of local knowledge with the breadth and reach through our national and international platform. Our relationship with occupiers also ensures we speak to the decision makers who determine occupational strategy.

We devise strategies to empower clients to attain their desired goals; creating value, addressing trends and beating the competition.

Development Consultancy and Research

We have undertaken consultancy advice to clients in the areas of relocation, market overview, research, planning and development and property investment.

Land, Farms and Estates

We have a specialist Land, Farms and Estates consultancy division offering market advice, sales of commercial farms and land, estates and safari lodges throughout Zambia.

We are grateful for the services of conveyancing legal practitioner Kanti Patel from Christopher Russell Cook & Co. in verifying this information. Kanti can be contacted on:

Christopher, Russell Cook & Co., The Office @4658/A, Chikwa Road, Next to Knight Frank Zambia Offices. P.O. Box 34091, Lusaka, Zambia.

Tel: +260 211 229366/7/8/9. Email: kpatel@crc.co.zm or info@crc.co.zm

Please get in touch with us

Timothy D Ware, MRICS Managing Director, Head - Agency M +260 966 751 203
tim.ware@zm.knightfrank.com

Tanya Ware, MZIEA Director - Farms, Estates & Residential M +260 969 568 228
tanya.ware@zm.knightfrank.com

Samantha Chisenga, MZIEA Manager - Agency M +260 977 605 601
samantha.chisenga@zm.knightfrank.com

Mumba Kapumpa Jr. MRICS Manager - Advisory M +260 979 662 150
mumba.kapumpa@zm.knightfrank.com

Mutimbwa Liswaniso, MZIEA Senior Agent - Agency M +260 967 377 261
mutimbwa.liswaniso@zm.knightfrank.com

Fulata Kabwe Agent- Agency +260 9 78 505 064
fulata.kabwe@zm.knightfrank.com

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