



PRIVATE ISLANDS

The Island Buyer's Brief

What to check before you buy a private island — tenure traps, foreign-ownership rules, the real cost of holding, and a region-by-region cheat-sheet.

Start here: five checks before you fall in love

An island is the least transparent asset in real estate. The photographs are always beautiful; the paperwork rarely is. Before price is even worth discussing, five things decide whether a purchase is sound.

- What is actually owned — freehold title, a lease with years remaining, or a government grant that cannot be sold at all.
- Whether a foreigner can hold it — and if not, what structure (company, long lease, usufruct) the deal would really run through.
- What it costs to keep — the annual holding cost, which on a staffed island dwarfs the mortgage.
- How you reach it — a boat transfer, a strip, or a helicopter; and what the sea does in storm season.
- What the record shows — how long it has been for sale, and whether the asking price has already been cut.

Tenure: the word that hides four different assets

“For sale” can mean four very different things. Establish which one on the title before anything else — two islands wearing the same word can be worlds apart in value and risk.

Freehold

Outright ownership of the land, indefinitely. The strongest title and the rarest — in Fiji, for example, freehold is roughly a tenth of all land, and large freehold islands with an airstrip are described as nearly extinct. Standard in the Bahamas, the United States and Canada.

Leasehold

The right to hold and use the island for a fixed term, often 25 to 99 years. Value decays as the term shortens; a 40-year residual is a different asset from a fresh 99-year grant. Always establish the years remaining and the renewal terms in writing.

Government lease

A lease granted directly by the state, common where islands are public land. Most Seychelles Outer Islands are held this way through the Islands Development Company and are not sold as freehold at all — they are operated under long leases, sanctioned island by island.

Usufruct

A right to use and enjoy property owned by another, sometimes offered where outright foreign ownership is restricted. Useful, but it is not ownership; treat it as a long licence with conditions.

Foreign-ownership traps, region by region

Who may own an island is a matter of national law, and the rules are where most first-time buyers lose time and money. The headlines:

- Seychelles — every non-Seychellois needs a Sanction to Purchase from the Ministry responsible for land. A non-resident sanction duty (commonly cited around 11%) and an annual immovable-property tax of 1.25% typically apply. Outer Islands are leasehold, not freehold.
- Thailand — foreign freehold land ownership is generally prohibited. Most island interests run through a long lease or a Thai-majority company; the exact instrument, and whether a Chanote title even exists, must be confirmed.
- Fiji — much of the land is native/customary and available only on lease. Freehold exists but is scarce; a runway on freehold land is a genuine rarity.
- The Bahamas — foreign freehold is permitted, but larger acquisitions may require registration or a permit under the International Persons Landholding Act.
- Greece and the Mediterranean — freehold is possible, but heritage rules, Natura 2000 protection and defence/border-zone approvals can quietly bar or delay development. An island outside Natura 2000 is unusual and valuable.

Rule of thumb: never discuss price seriously until you know, in writing, what title is on offer and whether you are legally allowed to hold it. Everything else is negotiable; these two are not.

The running-cost reality

Holding cost is the quiet killer of island ownership. An island is a standing expense, not a dormant asset — insurance, power and water, transfers, maintenance and staff run whether you visit or not. As a rough orientation, before any capital works or storm damage:

- Undeveloped land only — a low band: security visits, basic insurance, keeping access open.
- A developed private estate — a high band once buildings, systems and grounds need year-round upkeep.
- A staffed or operating island — payroll dominates everything; a full team can add more per year than the rest of the budget combined.

Remoteness multiplies all of it: an island reached only by helicopter or a long crossing costs materially more to run than one a ten-minute tender from the mainland. Our on-site holding-cost calculator turns these bands into an indicative annual figure for a given profile.

Region cheat-sheet

Indian Ocean (Seychelles, Tanzania)

Mostly leasehold and government lease; the deepest tenure-law complexity, and our specialist focus. Conservation obligations increasingly shape what can be built.

Caribbean & Bahamas

The most liquid island market on earth; freehold is normal and the paperwork familiar. Exuma cays with airstrips and marinas set the benchmark — and carry the widest gaps between asking and achieved.

South Pacific (Fiji, French Polynesia)

Scale and true remoteness; freehold is rare and prized, much of the land is customary and leasehold. Logistics, not law, are the main constraint.

Mediterranean

Small, storied, tightly regulated. Freehold titles exist but building rights, heritage rules and border-zone approvals decide what you can actually do.

Northern Europe & North America

A different island life — seasons and weather rather than reef. Straightforward freehold title, documented surveys, and the most attainable entry points in the field.

The red-flag checklist

- No clear title document, or a title type described inconsistently across listings.
- A lease with an unstated or short residual term, or silent renewal conditions.
- Foreign-ownership route left vague (“through a company”) with no structure named.
- Acreage that differs between the listing and any survey — resolve on the ground.
- An asking price with a long, undocumented history of reductions, quoted as if current.
- Water rights, foreshore and moorings assumed rather than granted — often still state-owned even on a private island.
- No honest account of running costs, storms, power and water.

How to use privateisland.pro

Every island we profile is drawn from public record and clearly attributed — never presented as our own listing. Each profile carries a price record (documented figures over time), a spec table, tenure and foreign-ownership flags, and satellite references. The market index aggregates that record into medians, documented reductions and time-on-market — the evidence, not the sales pitch.

Read everything for free. When you are ready to act, the Charthouse holds the precise layer — verified coordinates, parcel outlines and off-market notes — and an Island Dossier assembles the full due-diligence review on a single island before you commit.

This brief is general orientation, not legal, tax or investment advice. Figures are indicative and drawn from public sources and our own price-record data at time of writing; confirm every specific on the title and with qualified local counsel. © Private Islands · privateisland.pro