



Fees when purchasing property

When investing in property in Thailand, there are a few costs that the buyer and seller will incur that need to be considered as part of the transaction.

These are fees payable to public authorities including Land- and Treasury Department as summarized below.

1. Transfer fee

The transfer fee is two percent of the assessed value of the property. The assessed value of the property is the amount determined by the Treasury Department compiled using data from the Land Department. Generally, the transfer fee is split between the seller and the purchaser, but is sometimes used as negotiating tool as part of the sale.

2. Stamp duty or specific business tax

The seller incurs either specific business tax at 3.3 percent or stamp duty at 0.5 percent. The former is used for owners who have held the property for less than five years as way to deter speculative investors in Thailand's property market.

3. Withholding tax

This is a progressive tax to be paid by the seller of the property. Also, taxes are normally split equally between the parties to be agreed.

4. Sinking fund

This is a lump sum payment for all brand-new condominiums paid by the first owner of the property. It is held in reserve and used in the case of major later refurbishment works.

5. Common area fee

Calculated depending on the size of the property, the common area fee is paid by the owner usually per annum. Common area fee pays for the daily upkeep of the property and its facilities including cleaning and maintenance as allocated by the property management.

6. Utility meters

Upon successful transfer of ownership of a property, the purchaser is required to pay the registration of the electricity meter for a brand-new property and the transfer of ownership of the electricity meter for resale properties.