



When investing in property in any country there are different laws to abide by. Whether you are looking to purchase a condominium or exploring the option of owning land and house there are certain legalities to be aware of in Thailand.

## Condominium titles

Investing in a condominium in Thailand is the most common means of property ownership amongst the expatriate population due to its ease of maintenance. The cleaning and upkeep of the condominium's communal areas is the responsibility of the managing agent, paid for by the common area fee. However, the process of purchasing a unit in a condominium is straightforward too, and investors should be aware of the following points.

Foreigners can only own up to 49 percent of the total salable area of a condominium building. A foreigner purchasing from a foreign seller transfers this foreign quota, however a foreigner purchasing from a Thai national or purchasing in a brand-new building will need to ensure that there is a sufficient foreign quota left.

- The purchaser must hold a valid passport.
- All funds to pay for the property must be transferred into a Thai bank account or directly to the solicitor.

The 1991 Condo Act states that all foreigners (except those with permanent residency in Thailand) purchasing property in Thailand must ensure that their funds enter Thailand as foreign currency so the Bank of Thailand can control the flow of foreign currency coming into the country. The land department must comply to this so any sale transaction over USD 50K must be supported with a foreign exchange transaction form (FEFT) when the title deed is transferred to the new owner.

The FEFT must clearly state:

- Amount in foreign currency and Thai baht. Note the amount must be higher or equal to the sale value.
- Sender and recipient's name. Note the land department will accept the purchaser's name as the either the sender or recipient name.
- Purpose of transfer.
- Land titles

## **Land Ownership**

Foreigners are not permitted to own land in their name but can own the right to freehold ownership of any property or other buildings on the land. There are two options for foreign acquisition of land in order to build property.

A lease can be purchased on the land. Leases are for a term of 30 years and usually come with two options for renewal of 30 years each giving a total of 90 years.

The freehold of the land can be purchased by a foreigner through their business providing that the shareholder of the business is at least 51 percent Thai. This method allows foreigner owners complete control over the land and the property; however the land ownership is registered to the company and not the individual. Recent changes allowing the male or female Thai spouse of a foreigner to purchase land in his or her own name are mitigated by the requirement that money used in the purchase legally belongs to the spouse and that no foreigner can lay claim to it.

## **Land title deeds green-house-sell-property**

There are six different land titles in Thailand. A solicitor will be able to provide more information on these; however foreigners generally use one of the following three types for leasing land for a new build property or to own land through a company.

### **1. Nor Sor 3**

The Nor Sor 3 land title allows the legal construction of a property on the land, but only represents a usage certification by the government given to the proprietor. It is not a title of possession but does ensure that the person holding the title can benefit from the land or use the title deed as a legal document. As it's issued only for a specified plot unconnected with other adjacent plots, it's regarded as a floating map with no defined boundaries. Problems can occur with defining the actual area referred to on the title deed, and any legal developments must be publicized in the public domain for 30 days.

### **2. Nor Sor 3 Gor**

The Nor Sor 3 Gor land title is similar in legal format to the Nor Sor 3, but refers to a measured-out parcel of land defined by small posts at its borders. The land can be divided into smaller plots and publication of legal developments does not have to be made.

### **3. Chanote Land Title (Nor Sor Gor 4 Jor)**

The Chanote land title is the preferred option for foreign buyers, as it acts as a certificate of legal leasing of the land. The deed itself is issued using GPS to accurately determine the land boundaries and can be used to confirm the lessee's legal right of occupation to the local authority. The total area can be divided into no more than nine separate plots, subject to Section 286 of the Land Allotment Law. A Chanote deed is the most secure of all the available title deeds.