

Title:

How to Successfully Acquire Property in Thailand.

Word Count:

1537

Summary:

Living in Thailand should be an enjoyable and relaxing experience. If you plan and prepare in advance for the acquisition your property you will be rewarded for your efforts. Those you take short cuts in the recommended process above will save some money but in the end it will not be worth it if something goes wrong. Property is a solid investment in Thailand as well as a great place to live while enjoying life in paradise.

Keywords:

thailand property, thailand visa, k1 k3 for thai, thailand legal services, thai lawyers, thai Thailand Lawyers, thai Attorneys, thai Soliticors

Article Body:

How to Successfully Acquire Property in Thailand.

Living in Thailand is a dream for many foreigners who wish to escape the cold winters and the high cost of living in their home country. Thailand offers the foreigner many benefits including beautiful beaches, tasty food, friendly people, world class health care and inexpensive property. Many foreigners come here to retire and others come only part of year to enjoy what Thailand has to offer. For those to desire to long stay in Thailand, the ability to acquire property is an important issue. A substantial amount of their life savings is used to acquire this dream property. From the perspective of a Legal Advisor, I would like to share with you the process to successfully acquire property in Thailand.

Select a Property Agent

Since you will be looking for property in a foreign country you need expert local assistance. The agent knows how to communicate in Thai and they're familiar with the geographical area. They can show you many quality properties in their inventory. Typically, a good agent will weed out the poor quality units. They want satisfied clients and they will avoid problematic developments. The agent will save you valuable time in selecting and showing you the property in your price range that meets your needs. I can honestly say

that purchasing directly from the developer isn't going to save you money versus buying it from agent. A quality property for sale in Thailand is generally offered at a fixed price by the Seller. The best benefit of using a property agent is that they will act as a liaison between you and the Seller. They will obtain a fair price for you and act on your behalf to represent your best interests throughout the entire process.

Legal Planning

Before you sign any deposit agreement or contract, you should sit down with a lawyer or solicitor to discuss the legal process. You need to know the correct legal process in Thailand for the foreigner to acquire property. Remember that you are spending part of your life savings to acquire this property and you must carefully plan your steps in the process. Siam Legal offers free legal consultation to potential property buyers. You should get the legal facts of the property and contract laws in Thailand before you deposit any money.

Legal Structure

In Thailand, a foreigner may only own a condominium in his/her own name. If the foreigner wishes to acquire land and build a house, he/she should obtain a long term lease on the land, typically 90 years (registered 30 years initially and two renewals of 30 years each). The foreigner should apply for the construction permit to build the house in their own name. This way the foreigner owns the house and has a secured long term lease on the land. The lease is written with the option to reassign to another person (if you sell), ability to sublease and with a purchase option (should the law change in the future to allow freehold ownership by the foreigner). Therefore, a lease is the most common legal method for the foreigner to acquire property in Thailand.

Title Investigation

A comprehensive examination of title deed recorded at the Land Department should be done. You need to verify that the Seller has clear and legal title of the land before you enter into a contractual agreement. The title search will trace the land to its first possession. This investigation will also verify the right to vehicle & utility access to your property; provide the residential zoning, environmental and planning codes in the area and show any registered mortgage or liens on the land. It is a good idea to make sure that you can build a structure on the land. Also you need to find out if you have legal access to drive your car to it. Don't take the word of anyone who tells you it has been checked before. The lawyer conducting the title investigation will provide you a full report and a copy of the title deed in English language.

Due Diligence

Every financial transaction requires some sort of due diligence on behalf of the purchaser to verify that it is a sound investment. When you purchase shares of a company listed in stock market or a mutual fund you will generally research the profile and performance of the company or fund. The same is true when you purchase a property from a developer. You should check with the previous buyers to see if they are satisfied with the quality and time frame of construction. If you don't have the time to spend on checking the history of the developer, a local lawyer near the development will know or can check the project, its directors and their reputation.

Deposit

When you feel satisfied with the property and it meets your expectations, you will be asked to make a deposit to show your good faith to continue the process. In return, the Seller will reserve the property for you and start the process by drafting the contracts for purchase. Unless you write specifically a "get-out" clause in the deposit agreement, for example "subject to clear title" or "subject to agreement on the contract terms," the money deposited is non-refundable.

Review of Contracts

Now you are ready to proceed to acquire the property upon verification of a clear title. The Seller will have the contracts prepared for you. Since the Seller will write the contracts, it is highly recommended that you have a lawyer or solicitor review the terms and conditions. First, you want protection for yourself should there be a delay in the property being built. A proper remedy should be stated in the contract. Second, the Seller will state a penalty if you are late with your payment. This should be fair and reasonable to both parties. Finally, your payment schedule should be reasonable and practical. Normally, a first payment is 25 percent. Thereafter payments are made on a progressive basis: 25 percent when the roof is on, 25 percent when the door and windows are secure; and 25 percent when the fixtures and fittings are completed. Your lawyer will make recommendations and these concerns will be given to the Seller for amendment of the contracts before you sign.

How to Pay

You will transfer funds into Thailand from overseas for the purchase. The funds transferred will be in foreign currency and converted by the Thai Bank to Thai

Baht. A British couple for example will transfer Sterling from their London bank and wire to the bank in Thailand. The Thai bank will convert the funds into Thai baht and deposit it into local bank account. The Thai bank will issue a Foreign Exchange Form to confirm the transaction. The bank will only issue this form if the transaction is over \$20,000 USD. When you wish to repatriate the funds back to your home country, you will need to show the Foreign Exchange Form and supporting documents. Your lawyer or solicitor in Thailand can act as an escrow agent and disperse the payments to the Seller per your instructions.

Construction Phase

The building of your dream house will take time for the construction. The rainy season in Thailand sometimes runs longer than normal which can delay the process. A good developer will keep you posted on the progress of your house construction. Photos should be provided by the Seller to you at each stage if you are not in the country. Your property agent should work for you in this time period to answer any questions you may have about the process or timeline for the completion of the construction.

Handover of Property

At the conclusion of the construction period, you will receive notification from the Seller that your property is ready for inspection. You or your representative will go to the property site and conduct a thorough inspection for any defect in construction or materials. Once you have accepted the condition of the property, you will go to the Land Department for the transfer or registration process. If you lease the land, the registration of the lease will take place. If you are not able to appear in person, a lawyer or third party can represent you by means of a Power of Attorney.

Warranty

Thai Government regulations provide for 5 year warranty on main structural parts. A one year warranty is generally offered in most contracts on component parts or accessories which are major parts of the building. A good developer will be quick to respond to requests for repair of any defects. Keep this in mind when you are asking your questions during the due diligence process.

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will save some money but in the end it will not be worth it if something goes wrong. Property is a solid investment in Thailand as well as a great place to live while enjoying life in paradise.

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