



There is no doubt about it, the grass is greener on the other side. As more and more people journey to tropical destinations like Phuket, they realise that home is where the heart is. As the world becomes smaller and travel quicker, the idea of a holiday or retirement home

outside their own country is a realistic prospect.

The property market in Phuket as an idealistic tropical destination is within the reach of a larger segment of the population more so now than ever before.

We thought it would be a good idea to show

you some of what is available around Phuket Island and why many people from around the world have decided to buy a little piece of paradise in a tropical setting.

But first of all, some ground rules:

Can I Own a House and Land in Thailand?

Ownership of land is governed by the Land Code BE 2497 (1954), the Civil and Commercial Code, Land Reform for Agriculture Act BE 2518 (1975) and the regulations set forth by the Ministry of the Interior.

Although Thai law prohibits foreigners from owning land in Thailand, there are various ways in which you can structure your affairs so that you can own land, and still comply with existing Thai laws:

Nominee with Lease and Option to Buy - you can use a Thai Nominee to purchase the house/land and have a 30 year lease with a 30 by 30 year option from the nominee. In order to be enforceable, any lease for a period of longer than three years must be registered, which involves payment of a registration fee and stamp duty based on a percentage of the rental fee for the whole lease term. The original registered lease remains in force and effect even if the property is sold. The drawbacks to a lease include the fact that the parties can contractually agree to renewals, but this right cannot be registered and is not effective against a purchaser of the property, and that the lessee cannot (without the lessor's consent) sublease, sell or transfer his or her interest.

Nominee with Mortgage - you can use a Nominee to purchase the house/land and have a mortgage (registered with the appropriate land department office) on the property in your favour.

However, in some circumstances the Thai courts have ruled that this was not a bona fide mortgage, but rather it was a mortgage contrived to circumvent the existing laws of Thailand prohibiting foreign ownership of land. It is important to note that only the owner of the land is entitled to mortgage the land; the lessee of land does not have the same privilege.

Usufruct Interest (Sidhi-kep-kin) - gives you temporary ownership rights to things on or arising from the land. In practice, a usufruct is limited to a 30 year maximum period; like leases, the agreement can be successively renewed.

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