

Phuket Property Market

REAL ESTATE IN THAILAND THE EXPAT PERSPECTIVE

By Malcolm Scorer

An Englishman's home is his castle. Wherever I lay my hat, that's my home.

Well known sayings and one thing's for sure, over the past few years the number of expats who have decided to 'lay' their hats in Thailand has increased dramatically.

Most are seeking the kind of lifestyle that can only be dreamed of in their home country. The weather is tropical with a touch of humidity and pretty consistent from month to month, ie hot. The country in general is safe, considerably cheaper than anywhere in Europe or the USA, the food is to die for and to top it all the nightlife is world famous.

So we all know why we are here and why we want to stay. But getting here is one thing, living here is another. We foreigners or 'farang', as we are affectionately known, do like our castles, but the question is how do you go about either, renting, buying or building one?

Renting

This is the easy option as that does not really present any real problems or difficulties.

Buying an Apartment/Condo

Currently, under Thai law foreigners may own up to 49% of a property.

Hence if a property developer has built an apartment block of 100 condos, he can sell 49 of the space (units) to foreigners. In this case each 'farang' who buys one of the 49 will wholly own his flat in his/her own name.

Buying a house or Land

Buying and building however are another matter. The first hurdle to cross is that Thai law prohibits the outright ownership of land by

foreigners. So, can you, a 'farang', own land and property?

Well, sort of.

There are a number of ways that you can achieve a close approximation to this, some safe, some not so safe, and some just plain stupid.

Lets start with the latter:

Mr Single Man arrives at Don Muang airport and wants to buy a house.

In consoling his sorrows in a bar one evening, he meets Miss Thai Right and decides to set up home. Having been told by a mate over a few beers that he cannot own a house, he decides to buy one in the name of Miss Thai Right.

A few months down the line, Miss Thai Right decides that the house belongs to her and she no longer needs Mr Single Man. End of story. He then has no house, and not a leg to stand on. Not entirely successful from his point of view.

Surprising enough this is the story most often heard and despite the fact that most have to work hard to earn money, we do seem to have a penchant for giving (throwing?) it away.

To avoid this sort of disaster, what can Mr Single Man do? (Actually this also applies to Mr & Mrs Married Couple)

In the past many people have opted for the easy route, by buying the house in the name of their Thai partner. Effectively, giving them the money to buy a house and hoping that they will not leave you out in the cold.

As we have already seen above, history tells us that this method does not always have a happy ending!

Method 1

Land for building comes with a title deed or 'chanote' in Thailand. It is possible to have your Thai partners name on this list as owner, and under that name your own name, as you lent the money in the form of a mortgage. This means that the house cannot be sold without your consent.

Continued Page 17

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