

# House and Villa Ownership in Thailand

Homes and Villas - Is it possible for foreigners to own land?

House ownership for non-Thai nationals or foreigners is best explained by separating the physical building from the land.

The building structure can be owned by a non-Thai national outright in what is called the house registry. The house registry secures ownership of the structure.

Thai law stipulates that non-Thai nationals cannot own land in their name. Land ownership can be structured through either a Thai Company or a long-term registered lease. Under Thai law a 30-year lease period is legally protected and ownership cannot be disrupted. A protected 30 year lease with 2 renewal options; a 30-30-30 lease is common for developers to offer. This option offers two additional terms of 30 years contractually resulting in a total of 90 years.

These two methods are the most common methods for securing land interest in Thailand.

## Questions to ask when purchasing a house or villa

Siam Real Estate property consultants advise their customers to look for a property that matches their interests and requirements first and then examine the ownership of those particular properties. Your options to secure ownership as the new buyer will depend on who is selling the property. What is the current ownership?

1. Is it a Thai national who owns the land outright in their name? What are the options available to you to transfer ownership?
2. Is it a Thai Company that controls the interest in the land? Can the company be transferred to your name? Does this company have other assets or liabilities?
3. Is the Land held through a registered lease structure? What are the terms and conditions of the lease?

The answers to these questions will dictate what options exist to transfer ownership to you as the new buyer. Your Siam Real Estate consultant will help you narrow down your selected properties and understand what ownership options are available to you.

## Buying from a Developer or a Resale Property

Primary and secondary market explained. What are the advantages to purchase off-plan or from a private seller?

Some basic definitions are a good place to start. These definitions are frequently used when purchasing a property from a developer (Primary Market) or a resale property (Secondary Market).

**Developer** - Developments are properties that can be purchased from a developer. These properties can be completed, under construction or soon to be constructed. This is commonly called off-plan or the Primary Market.

**Resale** - Resale market refers to a property has been previously owned and is now being resold by a private individual. This is also commonly known as the Secondary Market.

Whether you purchase resale property from a developer or an individual or property there are many advantages to consider.

### **The Primary Market - Advantages to Buying Off-Plan**

Purchasing property from a reputable developer early in the sales cycle can be a great investment. Here are the top reasons why Siam Real Estate buyers are looking to purchase off-plan.

**Deferred Payments** - Buying off-plan allows you to make payment instalments at completed milestones of the build cycle. You don't have to pay the full capital upfront. Invest in a project early and this can be deferred up to 24 months.

**More Options** - Buying off-plan gives consumers access to a wider selection of units - houses, townhouses, villas.

**Capital Gains** - Purchasing property at pre-launch pricing gives Siam Real Estate buyers access to inventory before it hits the open market. This offers our clients greater capital appreciation and allows them to exit the property efficiently when it is time to sell.

**New & Customizable** - Opportunity to customize the property to your personality and tastes. Receive a new completed unit that matches all your requirements. It is not necessary to renovate or live with finishing and fixtures you don't care for. These properties have never been lived in, they offer the latest in terms of building materials and quality

## **The Secondary Market - Advantages in Buying a Completed Property**

A completed property on the secondary market may be the right purchase if you prefer an investment that you can see and feel or not interested in buying a project off of a piece of paper.

The top five reasons why Siam Real Estate customers prefer purchasing a resale property.

**Ready to Move in** - If you're looking for a primary residence the secondary market is a simple and speedy way to transfer ownership and occupancy can be almost immediate.

**Size** - The cost of land in Thailand has increased in value over the past fifteen years. At that time, it was much more affordable to build and develop. In the past, developers built bigger houses and condominium, livable areas were larger with properties having big gardens and pools. Focus your search on older projects if size matters.

**Value** - Often resale properties offer better value compared to brand new properties which carry a price premium. In addition, a seller's personal or financial situation could motivate a seller to offer a better price if looking to exit an investment quickly. This can be an advantage to a buyer. Lastly, there is greater price flexibility on the secondary market. To compete with the demand for new property, sellers of resale property are able to offer attractive price discounts

**Taxes** - After 5 year's ownership the property transaction tax is reduced from approximately 6.3% to approximately 2.5% on freehold property.

**Immediate Returns** - If looking to invest to generate income a completed house means no delays. The property is ready to hit the rental market NOW, meaning your investment can generate a return from day one.

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**Siam Real Estate can help** - When purchasing a house or villa it comes down to understanding what the current ownership is and what options are available. Are you purchasing the property from a private individual, known as the Secondary Market, or are you purchasing a new home direct from the developer, called the Primary Market? Siam Real Estate consultants are here to assist you to make a fully informed decision based on your individual requirements.