

Doing Your Homework

Ten Quick Steps to Plan for Home Ownership in Thailand

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The truth is that there are a few people who didn't plan and who are perfectly happy about it. They jumped on an airplane in a cold, industrialized place where they had lived all their lives, showed up someplace in Thailand, pulled out the chequebook, bought a house and never looked back.

If you're not that kind of person who can do this, you may already know who you are. At the supermarket does it take you fifteen minutes to decide which tomato? Do you find it impossible to pick a shade of paint for the dining room? There is, however, a vast group in between the two extremes already mentioned, who want to make rational decisions, but don't want to spend years doing it. If you're thinking of buying a house in and maybe even living in Thailand, what do you take into consideration?

Forgetting the violence, which was Patton's stock in trade, the idea is to come up with something practical that won't take a lifetime to implement. So we've come up with the top-ten planning issues that you should focus on while you're going through the process of buying a house in Thailand. They are:

1. Do you want to live outside your home country? Talk to your parents and your kids about this. Are some of them so full of life's emergencies that you can't afford to be away from them for long periods? Are they too frail to visit you on the other side of the world? Do you have lifelong friends you don't want to leave? It is important to know with whom you will be associating as an expatriate. While you're here looking it over you should get to know people in the local community. The professionals you meet should be able to introduce you to people like you who have been here a while. Make the effort to get to know some of these people in an informal setting. They will be able to tell

you a great deal about what it's like to live here. And what they don't say is even more valuable. What kind of people are they? And if you don't want to be stuck in an enclave of foreigners, ask your professionals to introduce you to Thais in your profession or church or with similar interests.

2. Can you afford to? Budgeting is an art and the more time you spend on it the more accurate it will be. At a bare minimum, you should take the following into consideration: First, calculate your income and savings. Then factor out: a) Yearly international travel. How many trips to your home country do you plan to make? b) Health insurance. Does your home country health or retirement plan cover you? If not, for full coverage here in Thailand for a healthy person, figure around 5,000 baht a month. c) Cost of the house you will buy. d) Utilities. For a single telephone line, water and lights for a three-bedroom house in Thailand, figure 6,000 baht a month, mostly in electricity. e) Local transportation. If you will buy a car you should expect to pay one-third to one-half up front and then a monthly payment of 15,000 to 25,000 baht for an inexpensive new car. If you're using taxis or tuk-tuks figure 7,000 to 10,000 baht a month per person. f) For food, figure 20,000 baht a month per person.

3. Visa. If you're over fifty, you can get a retirement visa to Thailand simply by showing that you have 65,000 baht a month in income or 800,000 in a Thai bank. If you're less than 50 or plan to work you should get a work permit. For this, see our article "Getting a Work Permit in Thailand on www.chavalitfinchlaw.com. If you're married to a Thai, you can reside in Thailand without working, but must have a work permit if you plan to work.

*"A good plan,
violently
executed now,
is better than
a perfect plan
next week."*

George S. Patton (1885 - 1945)

"It is a bad plan that admits of no modification."

Publilius Syrus (~100 BC)



4. Visiting houses. Don't consider buying unless you've visited more than five. Try everything in those you're interested in, looking for all defects. If there are defects, note them and have them fixed as part of the purchase contract process. If you aren't sure, ask someone to introduce you to a local builder or contractor (not the one who did this house) to inspect it for you and compare it to others in the price range and area.

5. Don't forget the neighbors. When seriously considering a house talk to at least two close neighbors about the city, the development and the house itself. If they are Thai, get someone to translate for you. Neighbors are amazingly forthcoming about everything.

6. The developer. Ask anyone in town—professionals, the neighbors, foreigners you meet on the golf course about the builder and the seller. Our experience is that feedback on developers is like that on lawyers—for their own reasons practically no one wants to rave. But if you talk to enough people, you can get a realistic picture of whether this person or company is fair, stands by its commitments and is timely.

7. Get a land title report. It should tell you who has title, so you can make sure you're paying the right person, and can register what you buy with the land office. It should also give you an idea of the assessed value of the property. Also, any expropriations, such as planned roads through it should be covered. If there are claimants to the property, the report should reflect this. Details of the building permit and the zoning should also be included.

8. The contract. If it's a lease, it should provide that if you die during the term of the lease, your heirs will inherit the lease, otherwise it may revert to the landlord. It should also provide that you can assign the lease and, if the taxes are paid, the lease with extensions starts running anew. It should also say that if Thai law changes and allows foreigners to hold land on a freehold basis that the landlord will allow you to change to this, provided you pay the expenses involved. The contract can provide that you own anything on the land, including a house, even if you are a foreigner.

9. Registration. A lease isn't enforceable beyond three years if it's not registered with the land office. Thus yours should be registered as soon as you have paid for it. The registration fee for a lease will be about 1.1 percent of the entire lease price.

10. Change. Change is one of the immutable features of life, anywhere. You must, therefore, try to look to the future. Where will you be in ten years? There are so many factors that may affect this reality: marriage, divorce, health, frailty or death of a loved one, to name only a few. It isn't that you can cover all bases in this regard, just know and be ready for change. If, for example, you have to move back to your home country for a few months to take care of an aged relative, who will handle your affairs here? What if you die in Thailand? Will somebody take care of your affairs and your assets? All of this is better done with a little advanced planning than at the last minute. Once you are living here, establish a circle of friends and professional contacts that will enable you to respond to the challenges of life.

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