



Real Estate 911

by Deborah Finch and James Finch
of Chavalit Finch & Partners, Ltd.

When a child is locked in the bathroom with water running and he says he's doing nothing but the dog is barking, call 911.

Erma Bombeck

Many of you may have seen a popular television show called Nanny 911. The reality show usually follows a typical family who can't control their children. They enlist the help of a nanny who enters the home, provides some tough love, behavior modification, and establishes some logical rules for the family to follow. After a few days the family learns how to function in a realistic way and

the nanny leaves.

Recently we've been contacted by a number of clients who have encountered real estate problems. Some involve misrepresentations by sellers or miscommunications between the parties. Other times buyers have failed to follow the basic rules of real estate purchases. Through the use of tough love, behavior modification and establishing some basic rules to follow, most of the issues have been resolved. It has become apparent to us, however, that some real estate 911 information needs to be conveyed to anyone considering purchasing real estate so they don't fall prey to the pitfalls that abound.

Here's an example of where real estate 911 could have been used. We were recently in a restaurant and overheard a conversation between a real estate agent and a client. The agent—a young woman—was attempting to explain that under

Thai law foreigners are unable to take direct title to land. The client, a much older man, didn't want to listen to the advice being offered and felt he already knew all the facts he needed to know. The reality that there were Thai laws governing ownership of the land was not of interest to him. Somebody had told him he could take title to a house right away in his own name. He was even berating her for not being more "creative." Wait till he gives his money to that somebody and then finds out, too late, that she was right.

Here are a few rules of real estate 911.

Rule #1 Research all laws governing purchase and ownership of land, homes and condos in Thailand. Do not base your decisions solely on friendly advice from friends, home owners, real estate agents or developers. Often friends and acquaintances are misinformed or are basing information on old laws. Contact a lawyer who will represent your interest in the purchase or research the information on your own

and go to the land office to confirm what you have found out. It is crucial that you do this **BEFORE** you put substantial money down.

We were recently contacted by a foreigner who wanted to sell his home. He had a potential buyer and was about to complete the final details when it was discovered that the foreigner didn't own the house, and that it was held in the name of the developer's wife. Eventually the problem was solved, but there were quite a few days of anguish involved, since the foreigner thought he had owned it. What if the developer and his wife had split up and the wife had decided to sell the place on her own?

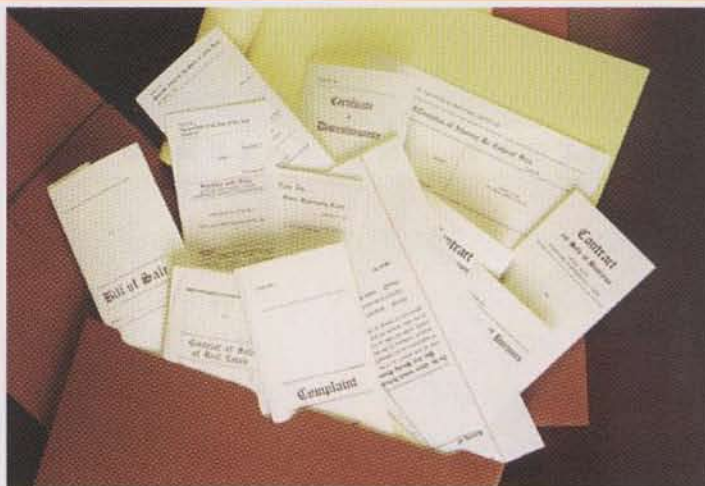
Rule #2 Make sure you review the sales contract or lease closely. This document is the key to protecting your rights and you should view it accordingly. Once again, if you do not feel that you can do this adequately on your own, you should seek advice from someone who will competently



represent your interests. This should not be anyone who benefits financially from the sale. We can't tell you how times we have heard our clients may say that they trusted someone like this to do the right thing and have been disappointed.

You have to take responsibility for your own purchase and that starts by making sure there is a legal document that states clearly what is expected of all parties, what is to be provided by all parties and what is being purchased. You should also be aware that if the sale contract or lease, and not just a small synopsis of it, is to be registered at the land office, it must also be in Thai. You, therefore, must make sure that all contracts that you agree to are translated exactly into the Thai language.

A client of ours recently fell in love with a piece of property and wanted to build a dream home there. Before purchasing, however, he asked us to do a title search. The search disclosed that while he could build on the land, to meet the town plan-



ning restrictions the house would have to be so small he decided not to go forward. This guy was one of the lucky ones. He discovered this fact before he purchased the land.

Rule #3 Make sure you do a title search of the land. Many of all the title searches we have completed have shown some irregularities with ownership. Almost all of these issues can be corrected. However, if you purchase without correcting them, you may not end up with what you think you will be getting. You may, for example, find as a result of the title search that if the mortgage is not released on the property before you pay the seller, you will be obligated to pay off the seller's mortgage even though you have already fully paid him/her for the house. A title search is crucial to protecting your interests in the property and making sure you are purchasing the piece of real estate you selected.

In Thailand you have a choice about buying real estate: stick with the rules or do something quickly that you don't understand. By following some of the advice mentioned above, we hope you won't need to call 911.

Chavalit Finch & Partners, Ltd. are lawyers specializing in real estate and business transactions. They can be contacted by email at finch@chavalitfinchlaw.com, on the web at www.chavalitfinchlaw.com or by telephone at 032 522237, 032 522273. Their offices are located at 19/51 Hua Hin Soi 19, (Wat Klai Kangwon), Petch Kasem Road, Hua Hin, Prachuab Kirikhan 77110, Thailand.