



## Expatriate Counsel

# **DON'T BE SHY:** What you should know about condominiums in Thailand, part II

### **HOW DO YOU WISELY BUY A CONDO IN THAILAND?**

First, a little consumerism. Always look at a minimum of three competing projects and compare the maintenance fees and what these fees cover. Is there some kind of sinking fund that has been built up to provide for capital expenditures in the future? If not, and you buy in now, you are paying for the wear and tear on the building's machinery and equipment by owners in the past.

Especially if there isn't a sinking fund, you may want to hire an experienced contractor, civil engineer or architect to give you a report on the place. Remember, the useful life of a residential high-rise building is 40 or 50 years. If you're buying in after 20 years you should know how the building's structure is holding up.

Are there major moving parts, such as lifts, water and electrical equipment that need to be replaced? What will all of this cost, and what will be the impact of this on the maintenance fees?

Don't be shy. The best way to find out about how a condominium is run is to hang around there for a while. Go up to people in the lobby. Tell them you're thinking of buying and ask them what you should know. People are glad to talk about these things, and everybody who lives in a place knows the dirt about it.

If there don't seem to be foreigners around, take a Thai speaker with you. In particular, what you want to know is whether the manager — the individual or company the condominium juristic person has hired to run the place — is effective and responsive to the needs of the individual owners.

In the same vein, never underestimate the knowledge of the estate agents who take you around. They know a lot.

Next put in some real time inside the unit you want to buy. Spend the night there if the owner will let you. Try everything — the oven, the air-conditioners (especially), toilets, showers, the hot water, everything.

We are willing to bet you that practically every moving part in a 20-year-old condo

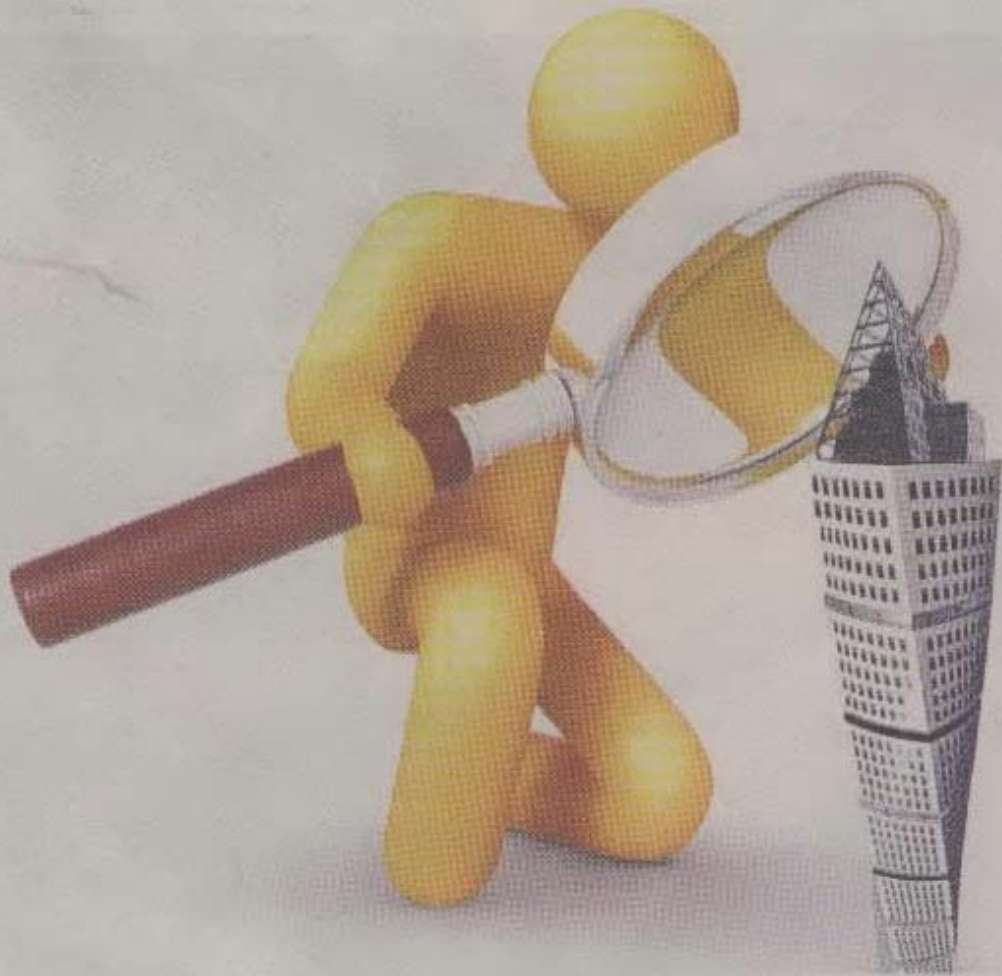


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needs replacing. When you negotiate the price you can get the owner to reduce it to accommodate some things you will need to replace. If you discover these after you've signed on the dotted line, forget it.

The same goes for furniture, if you're buying the place furnished. After 20 years of use it is junk, and you may be better off having the owner cart it out than include it in the price. You may, moreover, be able to negotiate a little reduction to accommodate

replacements, and new furniture is not expensive in Thailand.

Next time we'll talk about the things you'll need to ask your lawyer before you put money on the table. ■

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