



LEGALESE: What you should know about condominiums in Thailand, part III

How do you make sure your condo purchase is on solid legal ground? The first thing that you should do is have a title report from a lawyer who is on your side. This will tell you that the condominium has been properly formed and that the seller actually owns the unit that he or she is trying to convey to you. It should also tell you what fees for the condominium are overdue. Examples of these are maintenance, water pump and tap water fees, past electricity fees and common area fees. Since these must be paid by the owner, if you take the condo without your predecessor having paid them, they become your responsibility. The report should also disclose what you will have to pay for a sinking or reserve fund and security money for the electric and/or water meter.

In addition to the above, the title report

should confirm that the condo was built pursuant to a valid construction permit, when the construction was completed and that the town or city planning authorities did not, at the time the building was constructed, prohibit the construction. The land on which the building sits should not be subject to expropriation, such as for a planned municipal road.

As to contracts, the 2008 amendment to the condominium law mentioned in an earlier article has real impact. It says that the advertising is considered part of the developer's contractual commitment. Thus, for example, if the ads for the condo say the place is wired for the Internet, and it's not, or has 24-hour security, and it doesn't, the developer must provide these. What if there's a picture in the ads of a pool but the condo as built doesn't have one? The developer

can now be forced to construct it.

Under the amendment mentioned above, the contract must follow the forms required by the Ministry of the Interior. Items that deviate are not enforceable. For example, let's say there's a provision in the contract that says you lose everything if you miss a payment. Since the ministry forms don't include this, the developer can't enforce it against you, even if it is in the contract you sign.

As to your contract, it should be registered at the land office after the condominium manager certifies that you can own it as a freehold interest rather than just lease it. The contract should provide a time limit such as 45 days within which your freehold interest should be registered. If there is a mortgage on the unit, the seller should agree in the contract to pay it off before it

is transferred to you. There should be a provision that if the seller changes his or her mind and decides not to convey to you, that your money will be returned plus a penalty.

Your lawyer should go to the land office with the developer or seller's representative to make sure the condo is registered in your name. You don't have to go yourself because the land office has a special form for power of attorney so you can appoint your lawyer to do this on your behalf. ■

*James Finch of Chavalit Finch and Partners
finch@chavalitfinchlaw.com
and Nilobon Tangprasit of Siam City Law
Offices Limited, nilobon@siamcitylaw.com
Visit www.chavalitfinchlaw.com
Comments or questions? Contact us at
the email addresses above.*

