



Expat Counsel

HOW MUCH SHOULD YOU KNOW ABOUT PROPERTY BEFORE BUYING?

Part II: More about the title report

Last time we talked about some of the things you should ask your lawyer to put in the title report before you sign a contract of sale. There are several other important items that should be in this report, too.

But wait a minute, you say. I'm in love with the house, the price is right and if I wait until I have all this information somebody else may have snapped it up.

That's what a reservation sheet is for. With a small deposit you can usually reserve a lot or a house or a condo, particularly in this market. Just make sure you write in, and the seller understands, that your deposit must be returned if the property report turns up something that can't be fixed. We usually write something like "Deposit will be returned if land title report not favourable," or something similar on the reservation form. If the seller doesn't speak English well, this should be explained to him or her in Thai by the estate agent or your representative.

Back to what should be in the report on your property before you buy. Another im-

portant factor is access. The report should show that the property you want to buy has direct access to a road. If it's in a development the road need not be a public one, but the report should tell you if there are problems with access.

Speaking of access, there's something else. You have to be able to get electrical power, water and telephone service from somewhere. If these are supposed to come across somebody else's land, and there is a legal problem with this, the report should say so.

And now that we're on the subject of services, where do the effluent go? Is there sewer access, or a septic system? Is the septic system legal? Better check the report.

Is the lot the same as that described on the title deed? This should be checked at the land office (the government office where land titles and other such documents are filed) and mentioned in the report. If there is a house to be built or being built on the property, there should be a construction permit. Although law requires these permits to be issued before construction begins,

some buildings are started before the builder gets this permit. If there is a building permit, though, the name of the person in whose name the building permit is issued should be mentioned in the report.

The person named on the building permit is not conclusively considered the owner of the house, but many consider it prudent to have this permit switched to the name of the buyer. This may not be possible prior to the sale, however, if all the documentation necessary to the transfer of the permit is not yet in place.

The report should also disclose the assessed prices for the land and house, if any. While the taxes and how they work on purchase and lease of real property go way beyond the scope of this article, knowing these is the first step to calculating taxes and tax planning.

Town planning is an important factor. Is the lot you're buying in a zoned area? If so, does the planning category of the area allow for improvement, e.g. a house on the lot? The report should tell you this.

Expropriation. Don't forget it. The report

should tell you whether your land has been or will be taken by the government for some reason. In particular, municipalities plan roads all over Thailand. Though these may not be built immediately, you don't want to buy property through which an as-yet-unbuilt road passes.

The bottom line is that if you're spending the money to buy a house or condo in Thailand, you should spend a little extra to make sure you're getting what you pay for — 99% of the problems mentioned in this series can be resolved before you buy. But if you only discover them after you buy, they may be hard to fix without the cooperation of the seller, who will be less interested in all of this once he or she has your money. ■

James Finch of Chavalit Finch & Partners
finch@chavalitfinchlaw.com and
 Nilobon Tangpravit of Siam City Law
 Offices Limited nilobon@siamcitylaw.com
 For more information see
www.chavalitfinchlaw.com
 Comments? Questions? Contact us at the
 email addresses above.

