



Expat Counsel

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FOREIGNERS: LEGAL PROBLEMS OF HOME OWNERSHIP IN THAILAND PART III: A house on a lease

Here's yet another problem that foreigners with homes in Thailand run across — the house is on a long lease. We'll explain it fully below, but this one can be fixed.

If you acquired your home in Thailand on a 30-year basis you may find that the lease covers both the land and the house. What's wrong with that?

Well, to begin with, let's look at the reason you have leased. Without a major investment and individual government approval, foreigners aren't allowed to own real estate in Thailand. They are, however, allowed to long-lease it, so many if not all foreigners are now leasing the land.

But what about the house that sits on the land? There's nothing in Thai law

that would prevent a foreigner from owning it. In fact, there's a procedure for this. First, the foreigner through a representative posts notice of claim of ownership of the house at the amphur (the district or sheriff's office) and the tessabal (the municipal office) that have jurisdiction over the area where the house is located. Thirty days later the foreigner can register ownership of the house in his or her name at the land office, just like any other real estate is registered. Even if the land on which the house sits is leased.

Why do houses not get registered and why are they put on a lease? Two reasons. First, a lease is always more uncertain than ownership and the landlord may have his or her reasons for giving only a

lease on the house. If the lease is prematurely terminated, it will be more convenient for the landlord to get both land and house back. This might happen, for example, if you die and you haven't made proper provision for succession in the lease. Under Thai law, unless provided otherwise, the property will revert to the landlord when the tenant dies. All the rights of the lease, including the house, would, in this event, go back to the landlord.

But you paid a full price for the land and house, right, not some reduced price because you only have a lease? Thus you should insist that the landlord convey the house to you separately.

No use in running the risk that it will go back to the landlord or his or her heirs

when the lease ends. By the way, many wooden houses can be disassembled and moved. If you own such a house you can move it away from the landlord's lot whenever you want. If you only lease the house you can't do this.

Next time we'll give you the second reason the landlord may have included your house in the lease, and why it shouldn't be that way. ■

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