



Property ownership in Thailand – Thai company vs. foreign ownership

It is a well-known fact that foreigners in Thailand are technically not allowed to own land in their own name. The simple way around this is to have a reputable lawyer set up a Thai company, which owns the land or property as an asset of the company. The person who sets up the company would have power of attorney regarding every decision, such as buying or selling additional/existing property. Setting up a Thai company is a very simple procedure which can be done at any reputable lawyer's office for a fee of no more than \$1,000.

The one exception to Thai company ownership is in regard to condominiums. Under the Thai 'Condominium Act', 49% of the liveable square meterage of a condominium building can be owned by foreigners. This allows people to purchase condominium units in their own name, without the use of a Thai company.

Buying property or land in Thai company ownership is a simple and bureaucracy-free process which hundreds of thousands of foreign people do here on a regular basis. Virtually every foreigner who owns a house, land or a commercial business does so through a Thai company, as these cannot be purchased under foreign ownership. Generally speaking, buying property is also very straight-forward in Thailand, with very low taxes as well as the abundance of developer financing (which my company Heights Holdings offers as well) at 0% interest.

Regarding Thai company vs. foreign ownership, I find that Thai company has excellent potential for people looking to rent out the unit for a specific number of years before selling on. This allows them to generate the maximum possible R.O.I. per year in rental income before reselling the unit after 5 years, for example. Thai company ownership also works very well for investors looking to purchase multiple properties in order to create a portfolio which provides strong cash flow.

Foreign ownership is often preferable for people who are buying second homes for personal use and may not be entirely familiar or confident in the local business market, or those looking to take advantage of early off-plan promotional pricing and subsequently 'flip' the property near or immediately after completion of the project. One should remember that the ownership type of a property can be changed at a later date if there is adequate foreigner square meter quota remaining in the building. With an ever increasing number of Thai buyers into the local market this is something worth keeping in mind.

If you would like any more information on property in Pattaya City, Thailand, or specific information on Heights Holdings' diverse range of projects please do not hesitate to contact me directly.

Oliver Nabarro
VP Corporate Strategy
Heights Holdings

Tel: +66 (0) 8 6109 8882
Email: oliver@heights-holdings.com
Website: www.heights-holdings.com