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OWNERSHIP

The preferred real estate title deed in Thailand is ownership. The only true ownership title deed to land in Thailand is called a "Chanote" and is issued in accordance with the Land Code (1954). Condominium units also have "Condominium Ownership Title Deeds" which are issued in accordance with the Condominium Act (1979). Ownership deeds issued under the provisions of these Acts are registered with the land department and state the ownership, boundaries, area measurements, and encumbrances (such as mortgages or servitudes, if any) with particularity. A purchaser of land or a condominium unit is registered as the owner of the land or condominium unit on the relevant title deed at the land department at the time of transfer.

There are also three basic types of possessory (in other words, not true ownership) right documents for land still in use in Thailand. They are the "Nor Sor 3 Gor", the "Nor Sor 3", and the "Sor Kor 1". Of the three, the Nor Sor 3 Gor is the preferred. This document contains an accurate location of the land and boundaries (but unlike in the case of land under Chanote title deed, no survey markers are placed by the land department) along with verification of the utilization of the land in the past. A Nor Sor 3 is similar to the Nor Sor 3 Gor except that the measurements and boundaries of the Nor Sor 3 Gor are more accurate. Further, a Nor Sor 3 requires a 30-day public notice period before transfer to a new possessor whereas the transfer of a Nor Sor 3 Gor can be registered immediately. The least preferable is the Sor Kor 1. This document is an unregistered form stating a claim by an occupant of land that the land belongs to him. The measurements are vague or missing and can be easily disputed. Encumbrances, such as a mortgage, can only be registered on Chanote, Nor Sor 3 Gor, or Nor Sor 3, title deeds. However, in some cases, it is possible to upgrade a Sor Kor 1 to a Nor Sor 3 Gor or a Chanote title.

As mentioned, condominium units also have ownership title deeds. This is in contrast to buildings with similar units that are not licensed under the Condominium Act (1979) and which are merely apartments that can only be rented or leased from the owner of the entire building. The owner of a condominium unit, also owns a pro rata portion of the common area of the entire condominium project (based on the proportional area of their individual unit). Unlike land, foreigners are allowed to own up to 49% of the floor space of a condominium project. However, the money to purchase a foreign owned condominium unit must be brought into Thailand in foreign currency for that purpose or held in a "foreign currency account" in Thailand.

LEASE

Land, structures and any part of either may be leased. The maximum lease term is 30 years



and the Civil and Commercial Code provides for an additional renewal lease term of up to 30 years. Leases for industrial or commercial purposes have a term of up to 50 years. This again is renewable for a period of 50 years. However, the availability of industrial or commercial leases is significantly limited. The Civil and Commercial Code provides that any extant lease is enforceable against a new owner of the property who becomes the new lessor under the original lease terms. However, because any additional lease term is a "renewal" (and not an "extension") a clause providing for a renewal term is enforceable as against the original lessor but not against a new lessor. Any lease of more than 3 years must be registered or it will not be enforceable for any term beyond 3 years.

USUFRUCT

A usufruct gives the grantee the right to possess, manage, and exploit a property. It can be either for the life of the grantee or a period of time up to 30 years with the possibility to renew it for up to another 30 years. The rights of a usufruct may be transferred. However, in any case a usufruct ends with death of the original grantee.

HABITATION

A habitation is a right to occupy a building for either the life of the grantee or up to 30 years with a possible renewal term of up to 30 years. Unless otherwise prohibited, the grantee's family may occupy the building with the grantee. However, a habitation is not transferrable in any way.

SUPERFICIES

A superficies is the right to own freehold title deed to a building on someone else's land. A superficies may be granted for the life of the grantee or up to 30 years with the possibility

of a renewal term of up to 30 years. Unless prohibited by the act creating it, a superficies is fully transferrable by the grantee.

SERVITUDE

A servitude binds the owner of a "servient" property to suffer certain acts or refrain from certain rights inherent in his ownership for the benefit of another "dominant" property. This right commonly granted for purposes of physical or utilities, access or for both. The rights and obligations of the dominant and servient property owners travel with the two property deeds in perpetuity.

CHARGE

A charge is similar to a servitude, however, it is a personal right which gives the grantee a specified use or enjoyment of the property (such as access across the land). A charge may be granted for the life of the grantee or up to 30 years with the possibility of a renewal term of up to 30 years. A charge is only transferrable if so specified by the act creating it.

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