

Thailand Second Home

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Kert Stavorn is a senior legal adviser for Siam Legal International. Kerts practice primarily focuses on real estate, construction and corporate matters.

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Siam International Legal Group is one of Thailand's premier full-service law firms headquartered in the Bangkok Metropolis. With complementary offices strategically located throughout Thailand particularly in Chiang Mai, Pattaya, Hua Hin, Samui and Phuket and international offices in London and Los Angeles, we at Siam Legal offer an extensive range of professional legal, corporate and real estate services accessible to clients both domestically and internationally.

Our more than 40 multi-national legal staff with a track record of providing highly effective legal solutions to both local and international clients delivers a high degree of expertise at reasonable cost. Keeping ourselves abreast with the latest business developments in Thailand and building networks with other business companies, we are an active member of both American Chamber of Commerce and British Chamber of Commerce in Thailand.

Thailand your Second Home

As the holidays come around each year we see an influx of tourists not only to Thailand's traditional popular destinations like Hua Hin, Pattaya and Phuket but across the Kingdom. Most of these tourists flock here during the cool season to escape the harsh European winters. Indeed, they come here with their families and loved ones to celebrate Christmas and New Year on the beach under the rays of sunshine.

While visiting here on holiday in the tropics is a wonderful experience it can also give rise to thoughts of some amazing investment opportunities, And so the big question is, "how can I make a sound investment while on holiday?"

The Second Home Investment Mindset

You've probably heard some fascinating stories about expats who came to Thailand and invested

in property. Each year many people come here to enjoy their holidays in the comfort of a second home, their most treasured property investment in Thailand. Many were smart enough to have anticipated the immense benefits of property investments in Thailand perhaps in their first or second visit in the country. They have made sound investments in Thailand in the form of property i.e. land, condo, villa or apartments and quickly

reap rewards. This kind of investment acquires property for the purpose of affording you and your dependants the same convenience that your first home provides but during a vacation or even for retirement — our home away from home. You can also rent out your condo or villa during the times you are not here. There many agents in Thailand who can take care of this process and also collect the rent for you; this way, your property investments are well protected.

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- **US Tourist Visa**

Benefits of a Second Home

Purchase in Thailand

Aside from the aforementioned merits, there are other compelling reasons why you should consider investing in a second home in Thailand. Firstly, you don't have to pay annual property tax or council tax as they call it in the UK, on property in the Thailand. Generally, the only taxes you will pay are the taxes relating to property purchase and sale. However, some jurisdictions in Thailand do collect a very small tax on the property but others do not.

Secondly, you have many promising property locations to choose from, with choices ranging from beachfront, mountain views, urban and rural landscapes. Thirdly, the issue of security is something that property developers consider highly in their projects. Residents of Hua Hin, however are fortunate in this case as they are residing in an up—market area which is currently inhabited by the King of Thailand and his immediate family. The benefit is special security not only for the royal family but for the entire resort district of Hua Hin.

Securing Your Second Home

For any visitor planning to buy a second home in Thailand for investors who are contemplating another property to add to their portfolio, the following considerations should be observed to ensure a sound investment:

Condominium & Land Purchase

Whether it's a new or a resale unit in a development, it is important to observe the following proper legal procedures for a successful purchase. Check the title search for the current registered owner of the land on which the condominium is constructed; draw up a clear and comprehensive sale and purchase agreement detailing deposit and down payments, and the registration of ownership. Most legal documents in Thailand are filed with the government officials in Thai language. You should seek the guidance of a legal advisor before proceeding with your acquisition.

Off-Plan Investment

Engaging in an off-plan investment allows you to acquire your second home at a relatively low price but can also be a risk if you don't observe some precautions. The important elements to consider in the contract are: time frame, price, payment penalties, developers default or a guarantee that your payment is fully refunded if construction is not completed. Also check building floor plans and specifications, the course of action for dispute resolution in the 2 form of arbitration, and so.

Property Financing

You may find it convenient to apply for property financing to assist in the purchase of your second home. You may apply for loan from Bangkok Bank or UOB in Singapore to help with financing.

Selling Your Property

If you wish to sell your property for some reason you should be prepared for possible difficulties. A number of things can go wrong with the sale of your property, the worst being the failure of your buyer to complete the deal. It is always good to enlist the services of a real estate agent or a broker.

Will

Effective estate planning is drafting a Thai will which lists the beneficiaries of your investments. You should consult a reputable lawyer to draft a will in both Thai and English so that it becomes legally in Thailand and in your home country.

Summary

Purchasing a second home in Thailand should be done in accordance with solid legal planning to ensure the investment is sound. Part of that planning is consulting with a lawyer for proper legal advice and guidance. In the end, there's nothing more rewarding than reaping the financial benefits of having a second home in this beautiful country.

Our Hua Hin office is located at Market Village and is open 7 days a week. You can call us in Hua Hin at 032-526—286 or in Bangkok 02-253-8 100. Please visit Siam Legal on the web at: www.siam-legal.com/realestate where you can read over 15 related articles regarding the legal procedures for real estate transactions in Thailand.

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