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REAL ESTATE



BLUE SKY THINKING...
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BUYERS GUIDE

Index

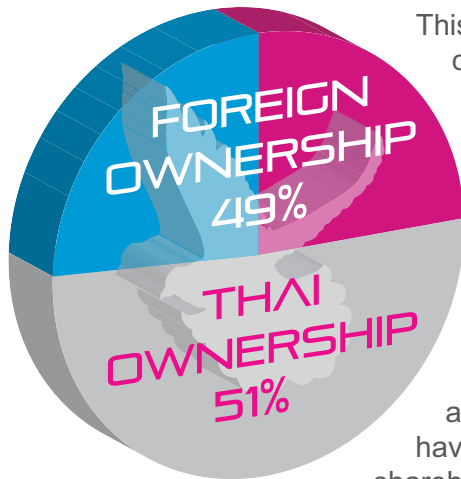
- 1 Methods of Ownership page 2
- 2 Buyers Costs page 3
- 3 Land Titles page 4
- 4 Land Measurements page 5
- 5 How to Proceed page 6





METHODS OF OWNERSHIP

Corporate Ownership



This method allows you to acquire land and the house or condominium on which it stands, through a Thai limited liability company. The laws pertaining to foreign interests in a Thai legal entity dictate that there can be no more than two foreign directors, who between them can own up to, but not exceed shares. Of the 7 shareholders required to formalise limited liability company, at least 5 must be Thai nationals and between them they must possess at least 51% of the shares. This might appear a somewhat dangerous way to hold and control your property, but in reality, it is a common and secure method due to Thai law allowing the issue of classified stocks, foreign shareholders have 'Ordinary Shares' - one share, one vote, and Thai shareholders have 'Preferred shares' multiple shares, one vote, so allowing the minority shareholders to retain control.

It is perfectly acceptable for the foreign interest in the Thai limited company to be a juristic person, such as a BVI (British Virgin Island) company, for those buyers who need to take into account tax liabilities.

Condominium Purchase

The Condominium Act allows up to (but not exceeding) 49% of a condominium development to be acquired as direct freehold title by foreign nationals. Some developments allow 100% ownership by foreign nationals. The rules governing this acquisition method are very specific and dictate that (in most cases) funds should be remitted from overseas and that a Foreign Exchange Transaction form is obtained from a Thai bank, to register the purpose of the monies.

It is still possible to obtain freehold title outside of the allotted 49%. However, this must be undertaken by using a Thai legal company, in which you as an individual, or through a non-Thai juristic entity, have a controlling interest (see Corporate Ownership).

Leasing

Freehold ownership of land in Thailand is restricted, ownership of the property on that land is not. When you are purchasing a condominium outside of the 49% direct freehold allotment, or another property type, you generally acquire the land title as leasehold, for a duration of 30 years.

The leasehold contract will usually include an option/addendum to renew and extend the lease for 2 further 30 year periods. This is a contentious issue and CyanSiam advise that this type of contract be written by Lawyers experienced in Leasehold.



BUYERS COSTS

Reservation Agreement

To Reserve your chosen property we require you to sign a Reservation Agreement and a deposit 100,000 bt minimum

On completion the transfer costs are approx 2 -3 %* of the purchase price of the property

This includes in total:

Stamp Duty	3.3%
Transfer Fee	2%
Withholding Tax	1%
Business Tax	0.1%

In most cases the above costs (totalling 4-6%*) are split equally between the vendor and purchaser.



To set up a Thai Limited Company initial costs will start at be approximately 50,000 Bt plus ongoing costs per month depending on the type of company you have and the Law firm you choose.

Finance

Arranging finance in Thailand as a foreigner has been extremely difficult, unless you are married to a Thai citizen. If you are buying a Condominium obtaining a mortgage is easier as the Title is considered more secure. Some developers do offer finance up to 70% but you need to check the figures carefully.

It has been stated that the Bangkok Bank, recently opened in Singapore, may offer finance towards property investment in Thailand and recently the United Overseas Bank is also offering a similar service to foreigners due to the interest shown. UOB have the option of arranging a loan from Thailand unlike Bangkok Bank. The Siam Commercial and Thai Military Bank will also consider foreigners under certain conditions.

Realistically the easiest route would be to remortgage in your own country if you require finance.

* Please note these costs can change frequently and vary depending on method of purchase.
CyanSiam cannot be held responsible for the validity of the information given above and advise due diligence.



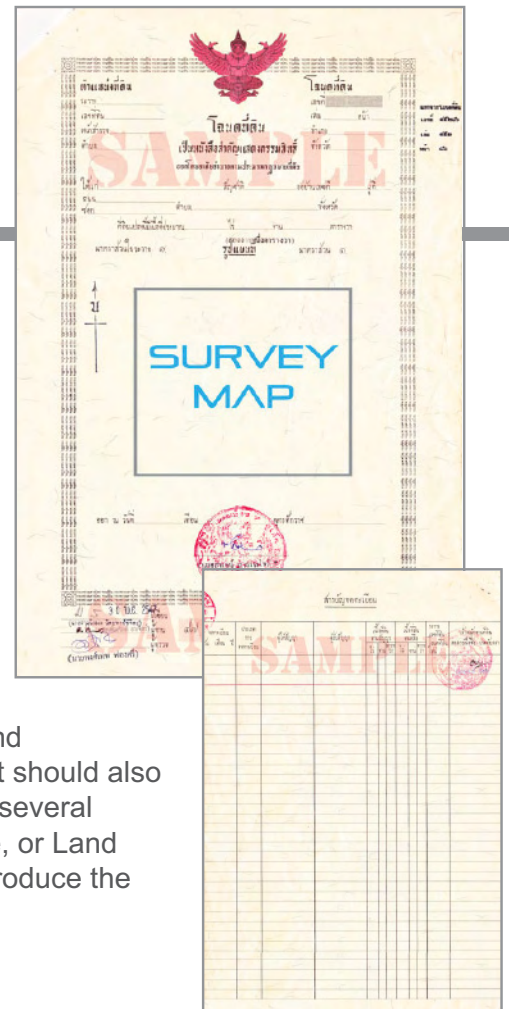


LAND TITLES

There are 5 different types of land titles in Thailand, but please note only 2 titles are recommended for foreign investors: **Nor Sor 3** and **Chanote**.

Ownership Title Deed or Chanote (Nor Sor 4)

The ultimate certification of land ownership. Holders of the title deed have full rights to transfer or sell the properties and to bar other parties from violating their rights over the land protected by the ownership title deed law. These title deeds must be registered at the Land Department in the province in which the land is located. It should also be noted that a parcel of land may be commonly held by several individuals. A person whose name appears on a Chanote, or Land Title Deed, has all the legal rights to that land, and can produce the deed as evidence of ownership to Government officials.



Nor Sor 3 Gor

Similar to the Nor Sor 3 certification (below). The only difference is that the map survey of the land plot is based on an aerial-viewed photograph of the land.

Land Titles to avoid

Sor Kor 1 This document means that land occupants are occupying or making use of certain land plots, whose ownership has not been claimed by any entity. The document does not indicate legal possession of the informer so one cannot transfer the ownership of the property to any one else. The Sor Kor 1 is rare now as the government's land ownership legislation has covered most areas of the country.

Nor Sor documents are issued to show the possessors' exploitation of the land. Though these documents do not provide ownership rights, as do Title deeds, they can still be registered for transfer of the lands for which they are issued. Here are the different types of Nor Sor documents (Nor Sor 3 Gor is shown above as it is viewed as a legitimate title):

Nor Sor 3 A governmental letter certifying the utilization of a certain land plot by certain people and that the plot of land has been surveyed and its official map created.

Nor Sor 2 Gives the government's permission for a person or legal entity to make use of the land temporarily. The possessor needs to utilize at least three-quarters of the land plot within three years after the document is issued. This right is non transferable. At the end of the period, land occupants can seek the right to demand a higher privileged title deed.

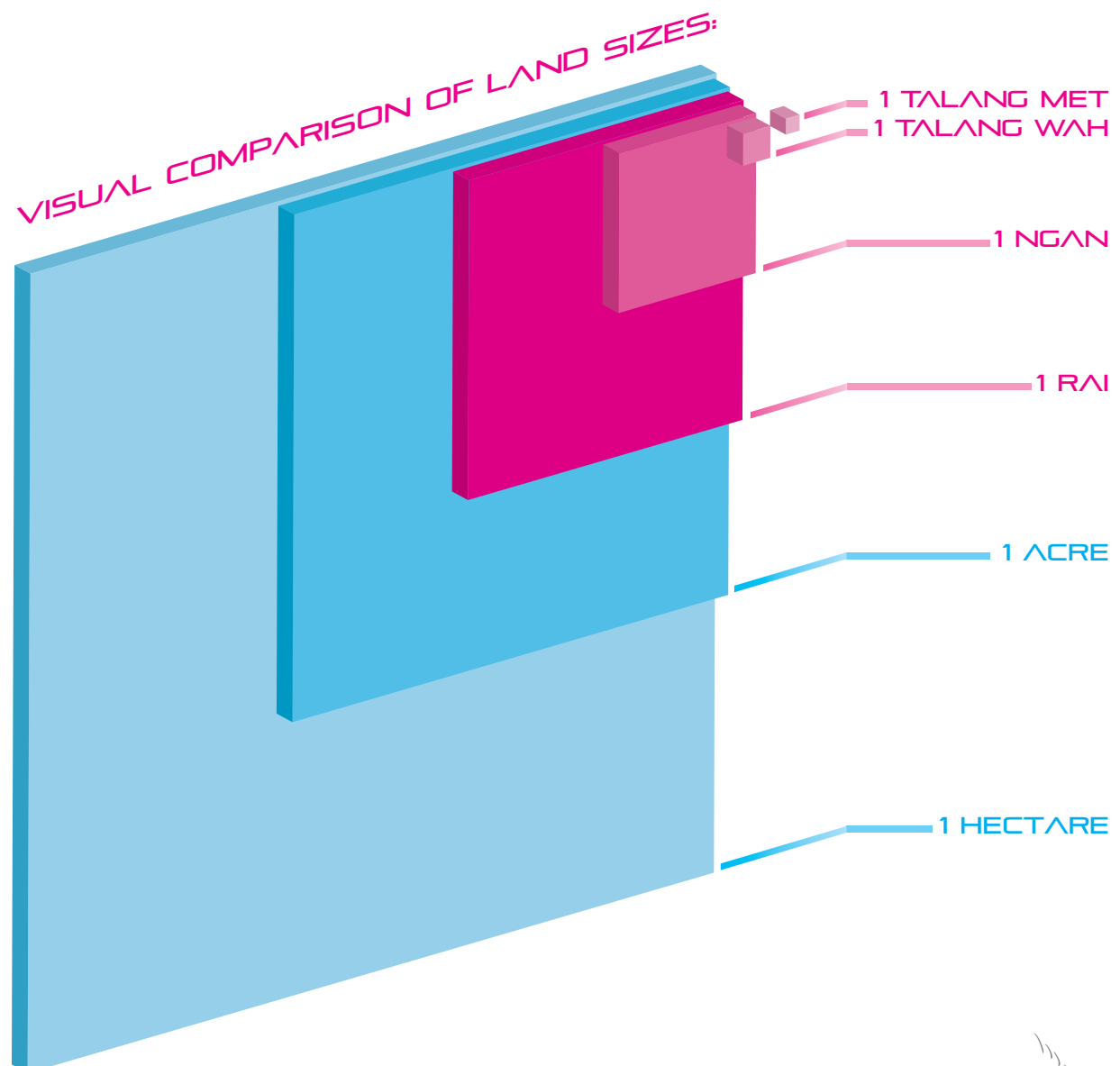


LAND MEASUREMENTS

Land in Thailand is measured in units of **Talang Met**, **Talang Wah**, **Ngan** and **Rai**.

Thai Land Measures			
1 Talang Mett	1 m ²	(10.8 ft ²)	
1 Talang Wah	4 m ²	(43 ft ²)	(4 Talang Mett)
1 Ngan	400 m ²	(4,306 ft ²)	(100 Talang Wah)
1 Rai	1,600 m ²	(17,223ft ²)	(400 Talang Wah • 4 Ngan)

Western Land Measures			
1 Acre	4,000 m ²	(43,561 ft ²)	(10 Ngan • 2.529 Rai)
1 Hectare	10,000 m ²	(107,642 ft ²)	(6 Rai and 1 Ngarn)





HOW TO PROCEED

Contact us with your requirements, whether you are already here in Phuket or planning a move to Phuket, we will provide you with full details of properties to suit your needs, we know our properties and can advise immediately.

Ask any questions about certain properties, the legal side of ownership, and Phuket itself. We are happy to advise on all aspects of arranging your trip to Phuket

We will pick you up from your hotel or accommodation and arrange accompanied viewings to suit your timetable.

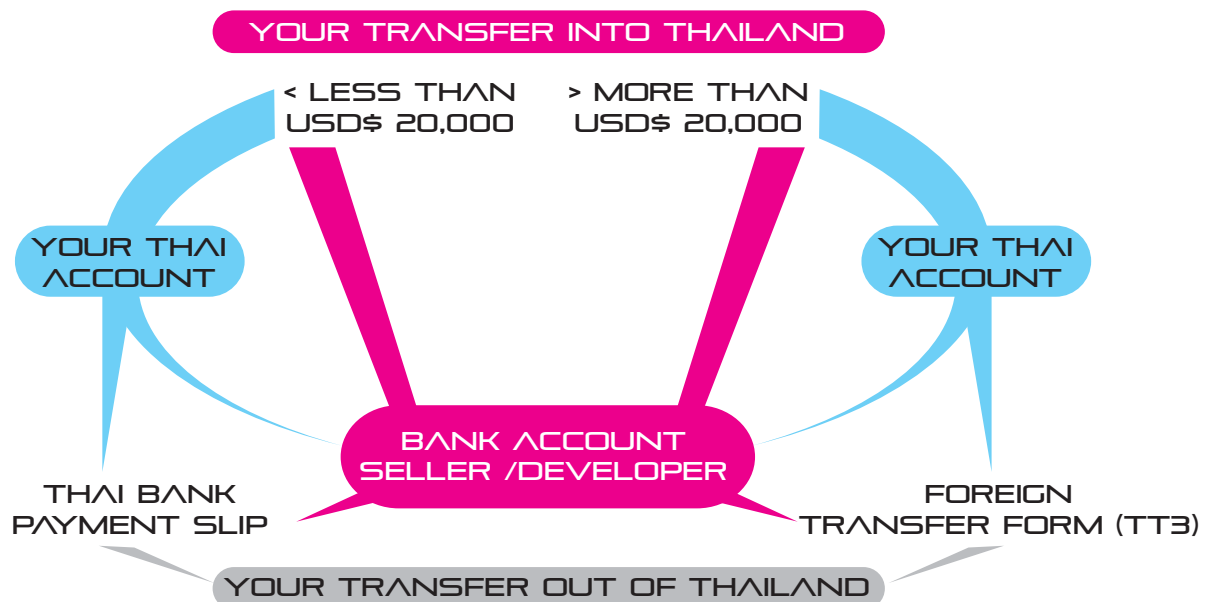


If your time is precious please take a look at our 5* Turnkey service.

We can tailor-make this package to suit your needs whether you are buying for investment purposes or to move here and live the dream.

Once you have found your perfect home, at the right price, we can advise on choosing your lawyer so that you can discuss the methods of purchase and are happy to proceed with a reservation deposit and contract.

Methods of Payment will depend on the property you have chosen. This will be explained to you before you sign your reservation agreement. We would advise using a Lawyer who can utilize an Escrow Account but if you have to transfer funds to Thailand please note the flow chart below explaining the procedure required to take funds back out of Thailand.



For any other methods of payment, you need to get a payment slip from the bank to use as support documentation (instead of a Foreign Transfer Form - TT3)

So, you are now the proud owner of a property in Phuket - we will provide you with a comprehensive welcome pack providing invaluable information about living, working and relaxing on the island, we are always happy to help.

Remember our advice is unbiased & free, our service does not stop once you have signed on the dotted line whether you utilise our service packages or not.