

Due Diligence Report

For Foreign Purchasers in a Thai Development — House Sale & Land Lease Structure

This report sets out the essential legal verifications every foreign purchaser must complete before — and immediately after — signing a contract under which the developer sells you the house and grants you a lease over the land. Under Thai law, foreigners cannot own land, but they may lawfully own the structure (the house) and hold a registered leasehold over the land beneath it. For that ownership to be legally effective, two separate registrations must be completed at the Land Office.

Failure to complete these registrations leaves you with contractual rights only — not real, enforceable rights against third parties. The points below should be raised with the developer in writing and answered before any further payment is released.

1. The Building Permit (ใบอนุญาตก่อสร้าง)

Because the developer is selling the house to you while leasing the land, the building permit is a critical document. It evidences that the structure was lawfully constructed and identifies the person in whose name the house exists.

Questions to put to the developer:

- Please provide a certified copy of the original building permit for the house being sold to me.
- On completion of the sale, will the building permit be transferred into my name, so that the official record reflects me as owner of the house?
- If the permit cannot be transferred, what document will the developer issue to evidence that I — and not the developer — am the legal owner of the structure?

Why this matters: The building permit, together with the house registration steps below, is the principal evidence that the house is yours and not the developer's. Without the permit in your name (or a clear paper trail showing the transfer of ownership of the structure), you may find that on resale, inheritance, or dispute, the developer — or its creditors — can still claim the house as theirs.

2. Registration of the House in Your Name

A house in Thailand can be separated from the land and owned independently. To make your ownership of the house effective against third parties, the sale of the house must be registered at the Land Office. This is normally done after the seller (the developer) publishes a 30-day public notice stating its intention to dispose of the structure separately from the land.

Questions to put to the developer:

- Has the statutory 30-day notice been posted at the Land Office announcing the sale of the house separately from the land?

- Has the house been registered in my name at the Land Office as a structure owned separately from the land?
- Please provide a copy of the registration record and the official receipt evidencing payment of the applicable transfer fees and stamp duty.

Why this matters: Without registration at the Land Office, the house is — in the eyes of the law — still treated as part of the developer's assets sitting on the developer's land. Registration is what converts the contract into a real, enforceable right of ownership over the structure.

3. The Lease of the Land — Must Be Registered

The contract grants you a lease over the land — and, on the information provided, this lease is in fact a sublease (the developer is leasing from a head landlord and granting you a lease out of its own leasehold interest). Under Section 538 of the Civil and Commercial Code, any lease of immovable property exceeding three years is enforceable only for three years unless it is registered at the Land Office.

Questions to put to the developer:

- Will the lease (sublease) be registered at the Land Office, with my name endorsed on the reverse of the land title deed (Chanote / Nor Sor 3 Gor)?
- Please provide a copy of the head lease from which my sublease is derived, so that I can verify that the head lessor has consented to subletting and that the head lease itself is duly registered.
- What is the agreed term of the lease, and are any renewal options drafted in a form that survives a change of ownership of the underlying land?
- Who will pay the registration fee (1% of the total rent over the term) and the stamp duty (0.1%) at the Land Office?

Why this matters: An unregistered lease of more than three years is not void, but it is only enforceable for three years. If the developer sells the land, becomes insolvent, or the head lease is terminated, an unregistered sublease offers almost no protection. Registration with your name on the title deed is the single most important step in securing your right to remain on the land for the full term you contracted for.

4. Verification of the Foreign Sellers' Right to Work

If any of the individuals representing the developer — or signing documents, accepting payment, or holding themselves out as directors or sales agents — are foreign nationals, they must hold a valid Thai work permit authorising those specific activities. Without one, their acts can be challenged and the developer exposed to penalties under the Foreign Business Act and the Working of Aliens Act.

Question to put to the developer:

- Please provide copies of the work permits of every foreign national involved on the seller's side of this transaction — directors, shareholders signing on behalf of the company, sales staff, and any foreign principals of the developer.

Why this matters: A contract negotiated or executed by a foreigner working without a permit can expose both sides to legal and immigration risk, and may give you grounds to challenge the validity of representations made during the sale.

The Bottom Line — Two Registrations Are Mandatory

For the structure contemplated by your contract — sale of the house + lease of the land — to give you the rights you are paying for, both of the following must be completed at the Land Office:

1. Registration of the house in your name (preceded by the 30-day public notice).
2. Registration of the lease of the land, with your name endorsed on the reverse of the land title deed.

By operation of Thai law, any lease with a term exceeding three years is enforceable only if registered. Both steps — not one — are required for you to own the house as the contract promises and to hold a secure long-term right to the land beneath it.

5. Checklist — Documents to Obtain Before Final Payment

#	Document / Action	Status
1	Certified copy of the building permit for the house	<input type="checkbox"/> Received
2	Evidence that the building permit will be (or has been) transferred to the purchaser	<input type="checkbox"/> Received
3	Confirmation of the 30-day notice posted at the Land Office	<input type="checkbox"/> Received
4	Land Office registration of the house in the purchaser's name	<input type="checkbox"/> Received
5	Copy of the head lease (to verify consent to sublet)	<input type="checkbox"/> Received
6	Registered sublease with purchaser's name on reverse of title deed	<input type="checkbox"/> Received
7	Copy of the land title deed (Chanote / Nor Sor 3 Gor) after endorsement	<input type="checkbox"/> Received
8	Work permits of all foreign nationals acting on the seller's side	<input type="checkbox"/> Received
9	Receipts for transfer fees, registration fees, and stamp duty paid	<input type="checkbox"/> Received

Prepared by Lawyers for Expats Thailand Co., Ltd. — General Manager, Foreign Affairs. This report is provided as general guidance for foreign purchasers and does not constitute legal advice on any specific transaction. Each contract should be reviewed individually before signing or releasing further payment.