

Summary Transcript of Online Townhall Meeting – 09.12.2025

Topic: Buying and Renting Real Estate in Thailand as a Foreigner

Date: 9 December 2025

Time: 2:00 PM to 3:00 PM (Bangkok Time)

Location: Virtual event hosted by the Embassy of Switzerland in Bangkok

Link to the full Townhall:

YouTube:

<https://www.youtube.com/watch?v=LrGs9tZuVRA>

Facebook:

https://www.facebook.com/watch/live/?ref=watch_permalink&v=1432864478410268

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A) Introduction

Pedro Zwahlen (Ambassador of Switzerland to Thailand, Cambodia, and Lao PDR):

The Ambassador welcomed viewers to the online townhall meeting organised by the Swiss Embassy in Bangkok and thanked members of the Swiss community and other interested participants for joining. He introduced the topic of the session: **buying and renting real estate in Thailand as a foreigner**, a subject that frequently raises questions among Swiss nationals living in Thailand, whether for personal use, retirement or investment purposes.

Given the strong interest and the significant differences between the Thai framework and Swiss or European practices, the Embassy invited professionals from the real estate and legal sectors, as well as a Swiss national with first-hand experience, to help clarify key issues and highlight aspects that should be carefully considered before making a decision.

He recalled that, as an Embassy, Switzerland **cannot provide legal or real estate advice** but can play a facilitating role by creating a platform where **qualified professionals** and experienced individuals share their insights, practical knowledge and general guidance.

The Ambassador introduced the panellists:

- **Mr Gerald Enright**, Managing Director at RE/MAX Executive Homes
- **Mr Luca Bernardinetti**, Managing Partner at Mahanakorn Partners Group
- **Ms Werinorn Manphan**, Counsel at Mahanakorn Partners Group
- **Mr Josef Schnyder**, real estate owner in Thailand and elected representative of the Organisation of the Swiss Abroad

He outlined the structure of the townhall meeting: a market overview, a legal overview, and details of a personal experience in buying real estate, followed by cross-panel reactions and a Q&A session.

B) Panellists' presentations

1) Overview of the real estate market in Thailand

Gerald Enright (Managing Director, RE/MAX Executive Homes):

Mr Enright explained that the Thai real estate market is highly segmented, with substantial differences between central Bangkok, suburban areas, tourist destinations and up-country locations. Each segment responds to different demand patterns and presents distinct opportunities and risks for foreign buyers.

He emphasised that prospective buyers should clearly define the purpose of their purchase at an early stage. Buying for personal use, long-term residence, retirement or investment leads to very different outcomes in terms of location, property type and risk exposure. In his experience, many difficulties arise when buyers focus primarily on the property itself, rather than on whether it matches their long-term objectives.

From an investment perspective, he noted that Bangkok generally offers greater market stability, but not necessarily the highest returns. Rental yields tend to be moderate, while capital appreciation remains relatively steady compared with more volatile tourist markets. He also highlighted that resale could take time, particularly if a property is not correctly priced or is located in an area with limited rental demand.

Mr Enright further pointed out that new developments often command a price premium, while second-hand properties may offer better value and more realistic returns, provided that their condition and location are carefully assessed. Finally, he stressed the importance of local knowledge, for example regarding flooding patterns, infrastructure and neighbourhood dynamics, as these factors can significantly affect both liveability and investment performance.

2) Legal considerations for foreign buyers and renters (high-level overview)

Luca Bernardinetti (Managing Partner) and Werinorn Manphan (Counsel), Mahanakorn Partners Group:

Mr. Luca Bernardinetti and Ms. Werinorn Manphan provided a structured, high-level overview of the legal framework governing property ownership and rental arrangements for foreigners in Thailand, emphasizing both statutory constraints and compliant pathways commonly adopted in practice.

They explained that, as a general rule, foreign nationals may legally acquire condominium units in Thailand, subject to the statutory foreign ownership cap (currently 49% of the total sellable area of a condominium building) and strict foreign-currency remittance requirements. By contrast, direct ownership of land by foreigners is prohibited under Thai law, necessitating alternative legal mechanisms such as long-term registered leases, usufruct or superficies rights, or carefully structured family-law or estate-planning solutions where applicable.

The speakers stressed that legal compliance alone is insufficient without proper execution. Particular emphasis was placed on the importance of:

- conducting thorough legal and title due diligence prior to purchase or lease,
- ensuring correct registration with the Land Department (especially for leases exceeding three years),
- documenting inbound foreign funds accurately (e.g. Foreign Exchange Transaction Forms), and
- aligning ownership or usage structures with the foreign buyer's long-term objectives (residential use, investment, succession planning, or exit strategy).

From a risk-management perspective, they cautioned strongly against informal, aggressive, or non-compliant arrangements—most notably nominee structures or sham Thai shareholding setups—which are illegal under Thai law and may expose investors to severe consequences, including unenforceability of rights, forced divestment, or asset loss.

In a broader thought-leadership context, the speakers highlighted that successful foreign property investment in Thailand requires a mindset shift: from attempting to replicate foreign ownership models, to adopting *jurisdiction-specific, legally sound solutions* that balance control, usability, and

enforceability. They concluded that early legal structuring—integrated with tax, succession, and regulatory considerations—is critical to preserving value, protecting rights, and avoiding costly disputes later in the investment lifecycle.

For readers seeking further detail, the annex contains a presentation by Mahanakorn Partners Group providing detailed legal explanations and case studies.

3) Personal buying experience in Thailand

Josef Schnyder (Swiss national, property owner; elected representative of the Organisation of the Swiss Abroad):

Mr Schnyder shared his personal experience of purchasing a condominium in Bangkok after deciding to settle in Thailand following early retirement. At the time, he had no prior knowledge of the Thai real estate market and initially conducted extensive market research, including multiple visits to Thailand and viewings of numerous properties, before taking a decision.

He described the key considerations that led him to purchase rather than rent, including high rental costs at the time, his long-term intention to remain in Thailand and a desire to diversify his assets. He explained why he ultimately opted for a centrally located condominium, highlighting accessibility, resale potential and legal certainty as decisive factors.

Mr Schnyder emphasised the crucial role played by professional legal support, particularly for due diligence, verification of foreign ownership quotas, preparation of contracts and assistance with the transfer of funds. He explained that proper documentation of the origin and purpose of funds was essential, both for compliance with Thai banking requirements and for future resale or repatriation of proceeds.

He also shared practical challenges encountered after the purchase, including construction defects and neighbour-related disputes, illustrating that ownership may involve unexpected issues even when a transaction is legally sound. These experiences reinforced, in his view, the importance of thorough preparation, realistic expectations and a willingness to address problems through formal channels when necessary.

C) Cross-panel reactions

Before moving to the Q&A session, the Ambassador invited panellists to briefly react to points raised by other speakers. The discussion reinforced several recurring messages: the importance of acting lawfully, seeking professional advice, properly documenting transactions and avoiding informal or risky arrangements.

D) Questions & Answers (with YouTube timestamps)

1. (1:09:05)

Is money transferred from Switzerland to purchase property taxable in Thailand?

Mr. Bernardinetti explained that taxation depends on Thai tax residency, the nature of the funds and whether taxes have already been paid abroad. Double taxation agreements and proper documentation of fund inflows are essential.

Key takeaway: Seek tax advice in advance and ensure that fund transfers are clearly documented.

2. (1:13:07)

Is it possible and legal to use a Thai company to purchase a condominium unit when the foreign quota has been reached?

Mr. Bernardinetti explained that this may be possible only if the company is a genuine operating business. Using nominee or shell companies solely to acquire property is illegal and strongly discouraged.

Key takeaway: Non-compliant structures can lead to serious legal and financial consequences.

3. (1:14:38)

If a property held under a 30-year leasehold is sold, can the proceeds be transferred back to Switzerland?

Yes. Provided the original purchase and sale are properly documented, proceeds may be repatriated after payment of applicable taxes in Thailand.

Key takeaway: Documentation of both inflow and outflow of funds is crucial.

4. (1:17:12)

Can a joint venture be set up where a Thai owns the land and a Swiss national owns the house?

In principle, such arrangements are not permitted, as they are considered a circumvention of foreign ownership restrictions.

Key takeaway: Seemingly creative structures may still be unlawful under Thai law.

5. (1:18:36)

Apart from short-term rental restrictions (e.g. Airbnb), are there other major limitations on renting out property?

Short-term rentals are the main restriction. Longer-term rentals are generally permitted, subject to condominium rules, contractual terms and tax obligations.

Key takeaway: Rental is usually possible but must comply with building rules and legal requirements.

E) Conclusion

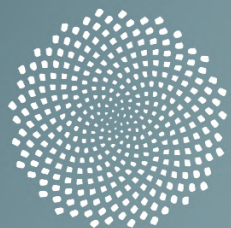
Pedro Zwahlen (Ambassador of Switzerland to Thailand, Cambodia, and Lao PDR):

The Ambassador thanked the panellists for their time, expertise and clear explanations, and expressed his appreciation to the audience for their interest and questions.

He concluded that buying or renting property in Thailand is possible for foreigners, but requires careful preparation, compliance with local laws and reliance on professional advice. The recording of the townhall will remain available online, on Facebook and YouTube.

Annex: Mahanakorn Partners Group - Investing in Real Estate in Thailand

See the presentation provided by Mahanakorn Partners Group in the following pages.



MPG

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GROUP

Investing in Real Estate in Thailand

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Overview of Real Estate Investment Framework in Thailand



Top Destinations for Foreign Buyers

Thailand continues to attract foreign investors seeking real estate opportunities in dynamic urban centers and resort destinations. The most popular locations include:

1. **Bangkok**
2. **Pattaya**
3. **Phuket**
4. **Chiang Mai**
5. **Samut Prakan**



Foreign Ownership Restrictions

Under Thai law:

1. **Foreign nationals cannot own land** in Thailand.
2. **Land ownership is strictly regulated**, with only limited exceptions under special investment promotion schemes.



Ownership of Buildings

While land ownership is restricted:

1. **Foreigners** may own buildings, including condominiums, in their own name.
2. **Condominium ownership** by foreigners is limited to 49% of the total floor area of all units in a building (per Condominium Act B.E. 2522).



Alternatives to Land Ownership

Foreign investors may structure land usage through:

1. **Long-Term Leases:** Up to 30 years, renewable once for an additional 30 years.
2. **Corporate Ownership:** A Thai limited company (with **no more than 49% foreign shareholding** and Thai majority headcount) may hold land, though this must be structured carefully to avoid nominee issues.



Use Rights without Ownership

Legal mechanisms granting usage rights include:

1. **Superficies Agreement:** Grants the right to build or use structures on land owned by another party. May be granted for **up to 30 years**, the lifetime of the landowner, or the superfiary.
2. **Usufruct Agreement:** Grants the right to use and derive income from land (e.g., rentals or agriculture) for **up to 30 years** or the lifetime of the usufructuary.

Real Estate Project Development in Thailand

Key Regulatory Framework Governing Property Development



Town Planning Act B.E. 2562 (2019)

Establishes zoning classifications and defines land-use parameters. Land is categorized into specific zones, each with tailored development criteria:

1. **Commercial Zones** – Business and retail activity
2. **Residential Zones** – Housing developments of varying density
3. **Infrastructure Zones** – Utilities, transport, and public facilities

Each zone governs allowable land use, density, and permitted building types.



Building Control Act B.E. 2522 (1979)

Regulates construction activities nationwide. Developers must comply with:

- Licensing requirements for construction and modification
- Technical regulations on building height, structure, spacing, and safety



Environmental Impact Assessment (EIA)

Mandatory for specific large-scale or high-risk developments. EIA approval is required before construction begins for:

1. **Aviation facilities**
2. **Hospitality and tourism projects** (e.g., hotels)
3. **High-rise or large residential/commercial buildings**

House Ownership & Long-Term Leases

- **No land ownership for foreigners**, but **structures (houses) can be owned separately**
- **Common structure:** 30-year land lease + separate house ownership agreement
- **Lease term limit:** Maximum **30 years** under Thai law
 - “30+30+30” renewals are **not legally binding**; automatic extensions **invalid**
- **Renewals not guaranteed:** Must be renegotiated and re-approved by the landowner
- **House ownership:**
 - House can be **registered in the foreigner’s name**
 - Ownership ends with the lease unless renewed
 - Does **not** confer land ownership
- **Alternative protection tools:**
 - **Usufruct:** right to use property (30 years or lifetime)
 - **Superficies:** right to own a building on Thai-owned land (stronger protection for construction investments)



Inheritance, Succession & Minors

- **Statutory succession:**

- Thai Civil & Commercial Code §§1629–1639 define legal heirs
- A **foreign spouse is a legal heir** and may inherit land or a house
- **Land Code §94:** Foreign heirs must **sell or transfer inherited land within 1 year**
- Failure to comply may result in **state seizure and auction**

- **Protection of the surviving foreign spouse:**

- **Usufruct:** Lifetime or up to 30 years right to live in and use the property (registered at Land Office; ~1% fee + stamp duty)
- **Superficies:** Right to own the house on Thai heirs' land (up to 30 years or lifetime; renewable)
- **Thai will & estate planning:** Can direct land sale, distribution of proceeds, or grant usufruct while preserving ownership for Thai children

- **Minors as heirs:**

- Must have a **legal guardian**
- **Court approval required** for property management or sale
- **Guardianship planning essential** in estate structuring



Land and Building Tax & Registration Fee



Annual Tax Payment Schedule

- The Land and Building Tax must be paid annually between January and April.
- Local authorities issue tax assessment notices in February, and payment must be made by the end of April each year.



Tax Base Determination

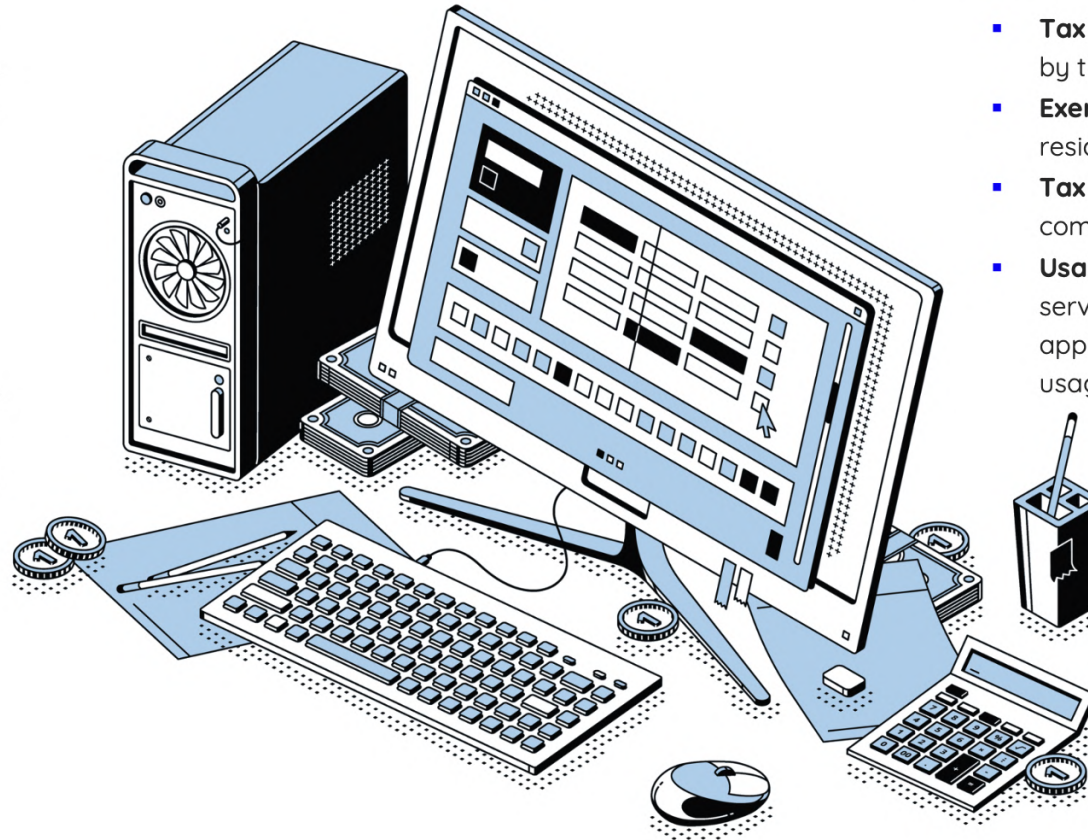
- The tax is calculated based on the official appraised value of land and/or buildings, as assessed under the Land Code and determined by the Treasury Department.



Tax Calculation Formula

Tax Payable = (Tax Base – Exemption) × Tax Rate × Usage Proportion

- **Tax Base:** The appraised value issued by the Treasury Department
- **Exemption:** May apply for qualified residential or agricultural use
- **Tax Rate:** Varies by use (e.g., residential, commercial, agricultural, or vacant)
- **Usage Proportion:** If the property serves multiple purposes, the tax is applied proportionally based on each usage type



Land and Building Tax Rates by Usage Type

Usage Type	Maximum Tax Rate	Exemption (if applicable)	Conditions / Notes
Agricultural Use	0.15%	Up to THB 50 million (individuals only)	<ul style="list-style-type: none"> Must involve rice farming, crop farming, orchards, livestock, or aquaculture. Juristic persons not eligible for exemption.
Residential Use (own land + house)	0.3%	Up to THB 50 million	Owner's name must appear in the house registration as of January 1.
Residential Use (own building only)	0.3%	Up to THB 10 million	Applies when renting land. Owner's name must appear in the house registration as of January 1.
Other Uses (e.g., commercial, industrial)	1.2%	None	No exemption applies.
Vacant / Underutilized Land or Buildings	1.2% (base rate)	None	If unused for 3 consecutive years, 0.3% is added every 3 years, up to a max of 3%.
Mixed Use (multiple usage types)	Proportional	Based on applicable usage category	Tax calculated proportionally by usage type, each with its own rate and exemption.

Selling Property as a Foreigner

- **Right to sell & repatriate:**
 - Foreigners may freely sell their **condominium unit or house**
 - Sale proceeds may be **repatriated abroad**
- **Foreign quota check (condos):**
 - Buyer's eligibility under the **49% foreign quota** must be confirmed
 - If the quota is full, the buyer may register only via **leasehold or a Thai company**
- **Taxes & fees on sale (individual sellers):**
 - **Withholding tax:** 1% of registered value or progressive rates
 - **Specific Business Tax (SBT):** 3.3% if sold within 5 years
 - **Stamp duty:** 0.5%
 - **Corporate sellers:** Subject to **corporate income tax on profits**
- **Repatriation of proceeds:**
 - Original **FET form or credit advice required**
 - Bank issues outward remittance form for **tax-free transfer abroad**



SCENARIO 1: Mr. A – Buying a Luxury Condominium in Bangkok or Pattaya

Under the Condominium Act, **foreigners CAN own condominium units outright in Thailand**. However, there are key legal requirements:

1. Foreign Quota Limit (49% Rule)

- **Maximum 49% of the total saleable area** in any condominium building can be owned by foreigners
- The remaining 51% must be owned by Thai nationals
- If the 49% quota is full, you cannot register ownership as a foreigner

Recommendations: Ask the developer or juristic person for confirmation that foreign quota is still available

2. Foreign Currency Requirement

- You must bring funds **from outside Thailand** to purchase the condo
- Obtain a **Foreign Exchange Transaction (FET) Form** from your bank
- This form must state: "*For purchase of condominium unit no. [-], condominium project name*".

Remark: Please be advised that without this document, the Land Department will *not proceed* with the condominium unit ownership transfer.

3. Due Diligence Before Purchase:

- Verify the **condominium title deed** is free from encumbrances or mortgages
- Check that the seller is the registered owner
- Confirm the unit is not subject to any liens, court orders, or disputes
- Verify unpaid common fees, maintenance fund status
- Check building permits and occupancy certificates are in order

SCENARIO 1: Buying a Luxury Condominium in Bangkok or Pattaya, cont'd

Common Pitfalls:

- **Off-plan purchases:** Ensure the developer has proper licenses and construction permits; many projects face delays or cancellations
- **Using Thai nominee structures:** Some agents suggest buying in a Thai person's name—*this is illegal and highly risky*, you could lose everything
- **Undisclosed debts:** Common area fees or sinking fund contributions may be unpaid

Taxes and Fees:

The general tax implications involved with the registration of transfer of ownership of the condominium unit would be as follows:

- **Transfer Fee** – 2% based on appraised value of the property (appraised by the Land Office);
- **Withholding Tax (WHT)** – 1% based on registered transaction value or appraised value, whichever is higher;
- **Stamp Duty** – 0.5% based on registered transaction value (Stamp duty is only applicable in cases where specific business tax is not applied);
- **Specific Business Tax (SBT)** – 3.3% based on registered transaction value or appraised value, whichever is higher (if applicable).

Under the CPA, the condominium developer shall be solely responsible for withholding tax and other necessary expenses, if any, incurred in relation to the registration of transfer ownership of the condominium unit. However, the condominium developer and the purchaser may equally share the cost of the transfer fee. As such, it is advisable for the company to clearly confirm with the purchasers in the SPA and reservation form as to whom will be responsible for transfer fees and all taxes and/or at what percentage.

Bottom line for Mr. A: Buying a condo as a foreigner is straightforward /F you follow the rules, verify foreign quota availability, and bring funds properly documented from abroad.

SCENARIO 2: Ms. B – Buying an Old Townhouse in the Bangkok Suburbs or a Province

This is where things get more complex, because **foreigners generally CANNOT own land in Thailand**.

The Land Code allows only narrow exceptions—most notably Section 96 bis, under which a foreigner may own up to one rai (1,600 m²) of land for residential purposes if they invest at least THB 40 million in Thai government bonds or other approved assets; such ownership requires approval by the Minister of Interior. In practice, these approvals are rare.

What Are Ms. B's Options?

Since she cannot own land directly, here are the **legal alternatives**:

Option 1: 30-Year Lease (Most Common for Foreigners)

- Foreigners can lease land for up to **30 years**, renewable for additional 30-year terms (though renewals are not guaranteed)
- The lease must be **registered at the Land Department** to be enforceable. A lease not registered at the Land Department is enforceable only for 3 years maximum.
- Ms. B can own the **house/structure** on the land, but only lease the land itself

Recommendations: Ensure the lessor (Thai owner) has clear title and authority to lease

Option 2: Thai Company Structure

- Some foreigners set up a Thai limited company with 51% Thai shareholders and 49% foreign ownership
- The company owns the land, and the foreigner controls management
- **Major legal risk:** Nominee structures (where Thais hold shares but have no economic interest) are **illegal** under the Foreign Business Act
- Authorities can investigate and confiscate land if nominees are discovered
- **We generally do NOT recommend this approach** for residential purposes due to high risk

SCENARIO 2: Buying an Old Townhouse in the Bangkok Suburbs or a Province, cont'd

Option 3: Thai Spouse Ownership

- If Ms. B is married to a Thai national, her spouse can own the land and register a lifetime usufruct in favour of Ms. B. A usufruct grants the right to use and occupy land for a specified period—often the holder's lifetime—without ownership. This ensures Ms. B's ability to reside in and enjoy the property throughout her life
- Ms. B can own the house structure

Recommendations: All funds used for purchasing the land and building the house should be documented as Ms. B's separate property. At the Land Office, Ms. B should sign a declaration confirming he does not claim ownership of the land; this demonstrates that the transaction is not a nominee arrangement, which is illegal.

Additional Checks for Townhouse Purchases:

- Verify title deed type (Chanote is best; Nor.Sor. 3 Gor is acceptable; avoid Nor.Sor. 3)
- Check for easements, rights of way, or access issues
- Confirm building permits were obtained for the structure
- Assess property boundaries (survey if necessary)

Bottom line for Ms. B: Ms. B cannot own the land, but she can lease it (30 years) or have her Thai spouse own it.

SCENARIO 3: Mr. C – Renting a Condominium

Key Legal Considerations:

1. Lease Term Options:

- **Short-term (less than 3 years):** No registration required; simple rental agreement
- **Long-term (3 years or more):** Lease must be registered at the Land Department to be enforceable beyond 3 years
- **Maximum term:** 30 years (same as land leases)

2. What to Check in the Rental Agreement:

Rent and Payment Terms:

- Confirm monthly rent, payment schedule, and deposit (typically 2 months' rent). Landlords sometimes withhold deposits for minor wear and tear; thus, we recommend taking photos/video at move-in
- Clarify utilities: Are water, electricity, internet included or separate?
- Understand common area fees: Who pays? (Usually tenant, but confirm)

Termination Clauses:

- Can you terminate early? What's the penalty?
- What notice period is required (typically 30 days)?
- Are you liable for the full lease term if you leave early?

SCENARIO 3: Renting a Condominium, cont'd

Maintenance and Repairs:

- Who is responsible for repairs? (Major repairs usually landlord; minor repairs often tenant)
- What condition must you return the unit in?

Deposit Return:

- Under what conditions is the deposit refundable?
- Timeline for return (typically 15 days after moving-out)

3. Common Pitfalls:

- **No written contract:** Always insist on a written lease agreement in both Thai and English
- **Undisclosed rules:** Some condos have strict rules (no pets, no overnight guests, quiet hours); review condo regulations
- **Subletting restrictions:** Most leases prohibit subletting without landlord consent

4. Registration (for leases 3+ years):

- Both parties must appear at the Land Department
- Registration fee: 1.1% of the total rental amount for the entire lease term, consisting of a 1% registration fee and a 0.1% stamp duty.
- **Benefit:** A registered lease is enforceable against future owners if the property is sold

Bottom line for Mr. C: Renting is simpler and more flexible than buying, but always use a written contract, understand your deposit rights, and register leases over 3 years for full legal protection.

SCENARIO 4: Ms. D – Renting a Townhouse

Renting a townhouse is very similar to renting a condo, but there are a few additional considerations:

Key Differences from Condo Rentals:

1. Utilities and Bills:

- Unlike condos, there's no juristic person managing common areas
- Foreigners will need to deal directly with utility providers (water, electricity, internet)

Recommendations: Confirm utilities are properly registered and paid up-to-date

2. Neighborhood and Access:

- Check access rights if the townhouse is in a gated community or private soi
- Understand any village rules or fees
- Verify parking availability

3. Landlord Verification:

- Ask to see the **title deed and building permit** and check the name
- If signing with an agent, ensure they have proper **Power of Attorney** from the owner

Recommendations: Verify the landlord actually owns the property

Bottom line for Ms. D: Renting a townhouse is straightforward, but verify the landlord's ownership, thoroughly inspect the property, and clearly define maintenance responsibilities in writing.

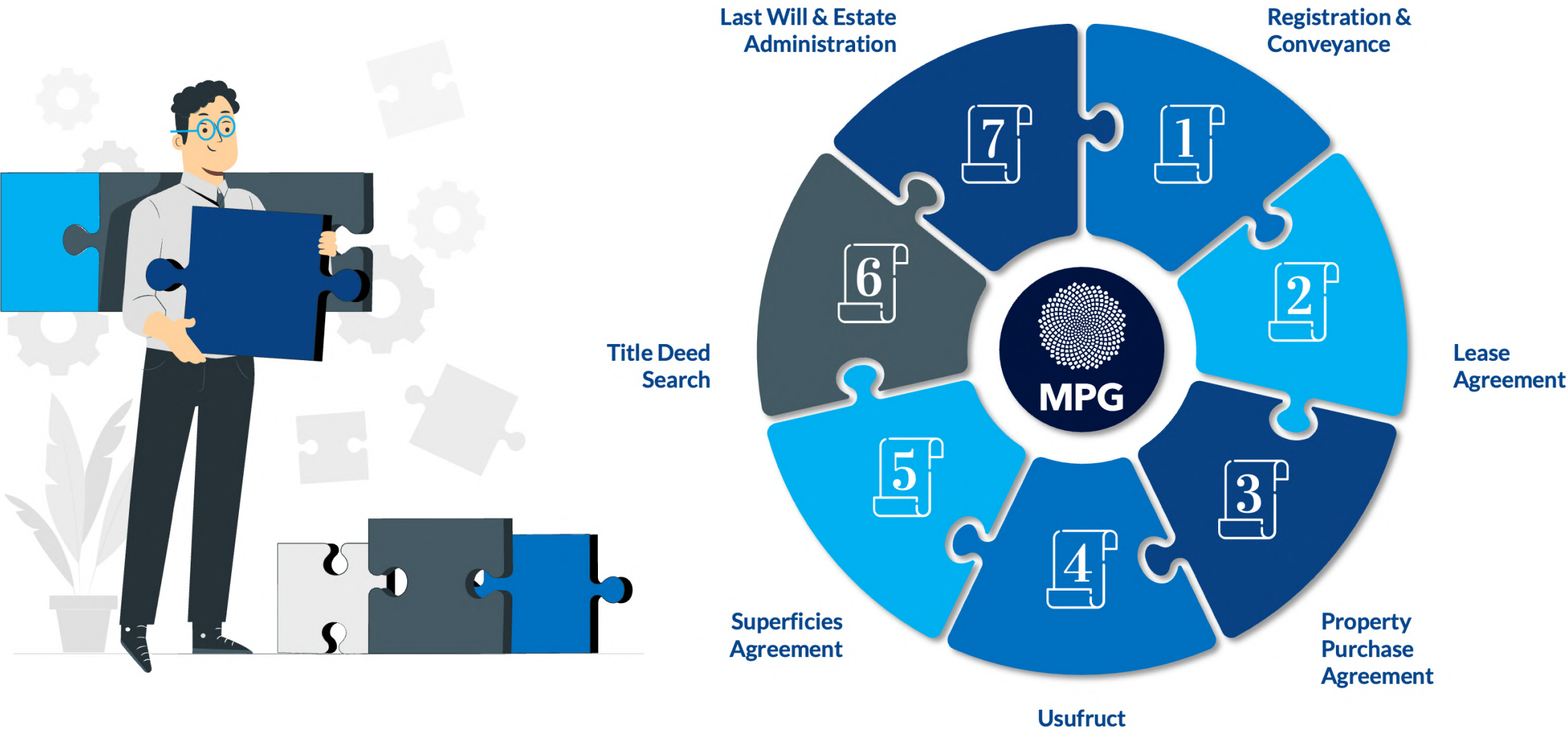
Download the December 2025 Thailand Foreign Property Report

The report covers:

- Land & Lease Rules
- Buying Through Companies
- FET & Purchase Documentation
- Market Outlook
- Inheritance & Succession
- Taxes & Money Transfers
- Selling Property



How MPG Supports Your Thailand Property & Investment Strategy





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