

Lease Land For Your Lifetime

Except in rare cases, a foreigner (a non Thai person) cannot acquire land ownership title in Thailand. As a result, leasing a plot of land for 30 years and registering this long term lease of land contract at the local Land Office is one of the ways known and practiced by foreigners.

Please note that I do not recommend a 30 years lease of land contract plus promises by landowner to renew the lease of land contract at the end of the 30 years. (This is explained in my article – *Does a 90 years Lease of Land Exist in Thailand?* published by *Pattaya Mail* newspaper on October 24, 2008)

Foreigners are commonly advised to enter into a risky 30 years lease of land contract with promises by the landowner to renew the lease. However, these foreigners may not be aware that a lease of land contract can be made and registered for **the lifetime of the foreign lessee**. Leasing land for the lifetime of the lessee or of the landowner is expressly provided by *Section 541 of the Civil and Commercial Code*:

“Lease contract can be made for the duration of the life of the lessor or of the lessee”

The lease will be registered as a lease for the lifetime of the foreign lessee. This registered right on the land or “*real right*” is binding on any third party for the lifetime of the lessee, this would include the landowner’s heir(s). In other words, no one, not even the landowner’s heirs, will have any rights over the leased land unless and until the lessee dies.

A Land Office rule, effective since December 2008, confirmed that a lifetime lease registration made for the lessor’s (landowner) or for the lessee’s lifetime is only applicable to individuals or “*natural persons*”. The Land Office cannot proceed with the lease registration if the foreign lessee is a company, a partnership or any kind of juristic entity.

Tip

The lease registration fee payable at the Land Office is calculated based on the rental amount for the first 30 years lease period. The foreign lessee’s responsibility here is 50% of this fee, unless agreed otherwise between the landowner/ lessor and the lessee. Also, there is a stamp duty payable.

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