



Cabinet backs foreigners owning land

On Tuesday 25 October 2022, principle of draft regulation of the Interior Ministry regarding allowing land ownership by foreigners (“the Draft”) has been approved by the cabinet. The Draft allows four groups of foreigners to purchase land in Thailand including:

- Rich foreign nationals or wealthy global citizens;
- Wealthy pensioners;
- People who want to work from Thailand; and
- Highly skilled professionals or specialists.

Under this Draft, such foreigner may purchase up to 1600 square meters of land for the residential purpose in Bangkok, Pattaya City, as well as other municipalities and zones specified as residential areas, and shall be granted permission by the Minister.

In order to purchase land in Thailand, it should be noted that the permission to own lands under this bill is subjected to the condition that the foreigners shall invest at least 40 million baht each for 3 consecutive years. Indeed, the investment could be in any of the following including real estate or infrastructure funds, or real estate investment trusts. In case such foreigners withdraw the investment before designated period, their ownership of land shall be revoked.

The purpose of amending this bill is to facilitate the passage of the Long-Term Residence Visa, which was announced in the Government Gazette on 2 June 2022. Furthermore, the government hopes that this bill will help boost the country's economic growth by attracting the interest of those four specific groups of foreigners to invest in Thailand.

However, there is some confusion regarding the percentage of condominium units that foreigners may own. In fact, the regulation governing the percentage of condominium units that foreigners may own remains unchanged at no more than 49 per cent of total units. The law has yet to be issued because it must be reviewed further by relevant authorities. Nevertheless, many views that this bill may have some adverse effect on Thai's people who still do not own houses or lands in case that the bill is passed.

In addition, there are many criticisms on this proposed amendment because it may lead to land speculation which could potentially be trouble for Thai citizens which cannot afford higher price of land. However, this Draft could be amended in every five years to be consistent with contemporary situation of Thailand.