A Foreigner's Property Investor Ownership & Tax Guide 2026

by Eddie Buehler, Real Estate Consultant at Seaboard Properties Pattaya Thailand.

Buying property in Pattaya is one of the most exciting milestones a foreign investor can hit — but taxes and legal structures are part of the deal. Know the rules before you sign anything.

Understanding the Basic Rules

Let's start with the big one: **in Thailand, foreigners can't own land in their own names.** That's the foundation everything else sits on.

What Can You Own?

You can buy a condo and own it 100% freehold — as long as foreigners haven't collectively passed **49% of the total saleable area** in that building (the "Foreign Quota"). Condos are the first choice for most foreign buyers in Pattaya because this form of ownership is simple, secure, and straightforward.

Three Tax Buckets to Know

Every property journey in Thailand comes with taxes and fees, which generally fall into three main categories:

- **Buying** — Transfer fees, stamp duty, withholding tax
- **Owning** — Annual land tax, rental income tax
- **Selling** — Exit taxes, SBT, capital gains withholding

Not sure whether to buy new or resale? Check our deep dive: **Brand New or Resale Condo? The Real Cost, Risk and Rewards Explained.**

Phase 1: Taxes & Fees When You Buy

Purchasing a property means registering the transaction at the local Land Office — and that comes with unavoidable costs. Typically, the total adds up to anywhere from **1% to 6.3%** of the property's value, depending on how long the seller has owned the place and what was negotiated in the contract.

1

Transfer Fee — 2%

Covers the official transfer of the title deed (Chanote) into your name, charged at 2% of the **government-appraised value**. In Pattaya, the normal arrangement is to split this 50/50, so each side pays 1%.

2

Stamp Duty — 0.5%

Charged at 0.5% of the registered price or appraised value — **whichever is higher**. If Specific Business Tax (SBT) applies, you won't pay stamp duty. Almost always split equally between buyer and seller.

3

Specific Business Tax — 3.3%

SBT applies if the seller has owned the property for **less than five years**. It's 3.3% of the registered or appraised value (whichever is higher). No SBT if held over five years or used as primary home for one year.

4

Withholding Tax — 1% to 3%

Income tax on the capital gain. For company sellers, it's a flat 1%; for individuals, it's calculated using **Thailand's progressive tax scale**. In Pattaya, closing costs including this one are typically shared evenly.

Example: Buying a Resale Condo in Jomtien

Imagine you're picking up a resale condo in Jomtien for **฿3,000,000 THB**. The seller bought it six years ago (no SBT applies). The government appraised value clocks in at ฿2,800,000 THB.

Cost Item	Total	Your Share
Transfer Fee (2% of ฿2.8M)	฿56,000	฿28,000
Stamp Duty (0.5% of ฿3M)	฿15,000	฿7,500
Withholding Tax (~1% of ฿3M)	฿30,000	฿15,000
Total Closing Costs	**฿101,000**	**฿50,500**

You're looking at about **฿50,500** — roughly **1.7% of your purchase price**. That's a manageable and predictable cost when you plan ahead.

Key Advice

Always get the closing cost agreement **in writing** before you sign. Most deals work out to a **1.5%–2% share for the buyer**, so budget that from the very start.

Pro tip: Ask your agent to provide a full closing cost estimate before you commit to any purchase price negotiation.

Phase 2: Taxes & Costs That Come With Ownership

Land and Building Tax

Thailand rolled out its annual property tax recently, but rates are **much lower** than what you'd see in most Western countries. For residential condos (not rented out as hotel rooms), the rate hovers around **0.02% of the appraised value** each year.

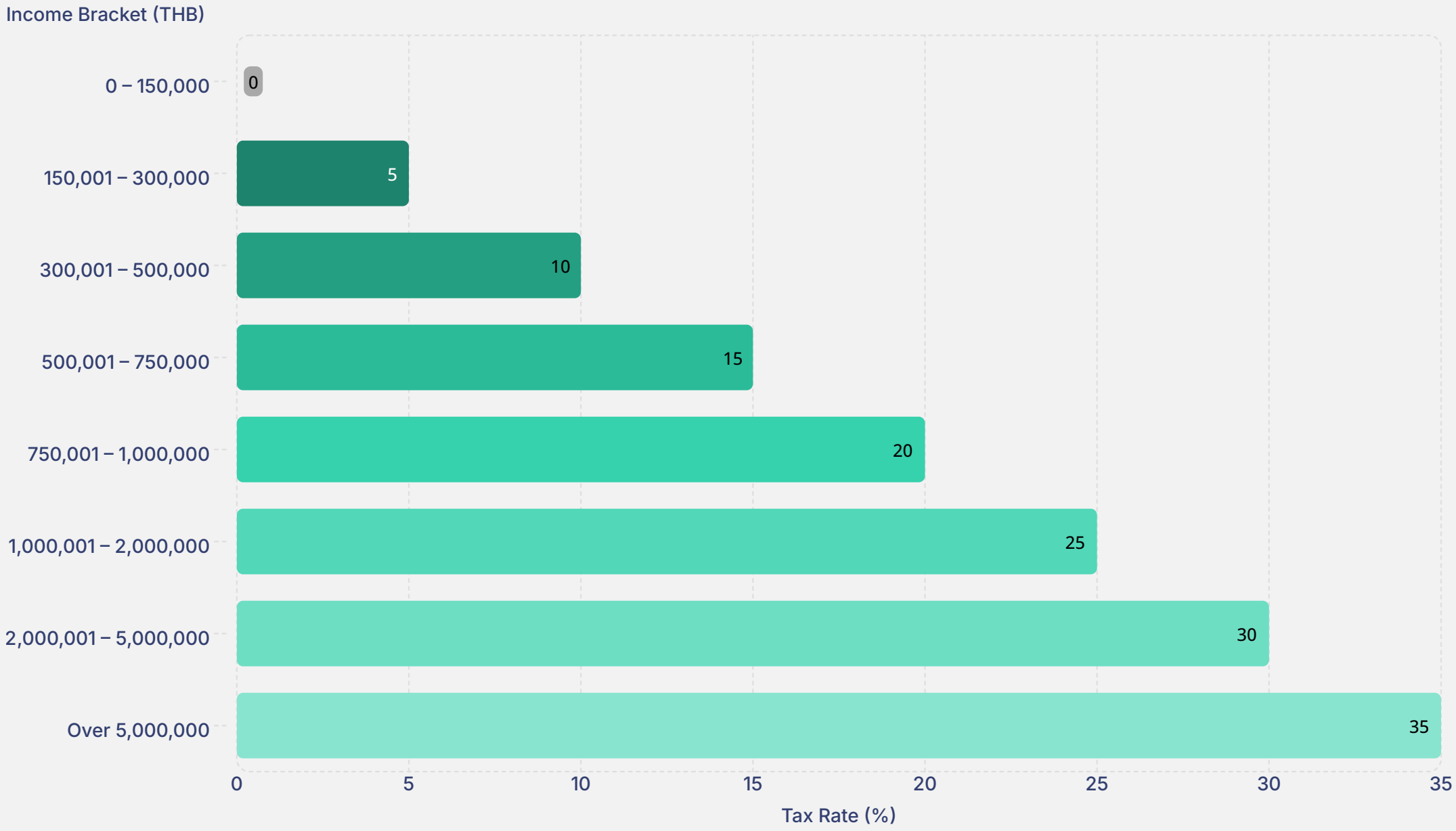
If your condo is valued at ฿3,000,000, expect a yearly tax bill of about **฿600** — barely $20. That's a drop in the bucket compared to your annual maintenance fees.

Personal Income Tax on Rental Income

If you rent out your condo, the money you earn is subject to **Thai personal income tax**, even if it goes straight into an overseas account. As a non-resident making money within Thailand, you must file a yearly tax return (PND 90 or 91).

You're allowed to automatically deduct **30% of your gross rental income** as "expenses," with no receipts required — a significant benefit for foreign landlords.

Thailand Progressive Income Tax Rates



Example: Rental Income Tax in Pratumnak

You rent a condo in Pratumnak for **฿20,000 per month**. Here's exactly how your tax liability breaks down under the Thai system.

01

Gross Annual Income

฿20,000/month × 12 = **฿240,000** total rental income for the year.

02

Apply 30% Standard Deduction

฿240,000 × 30% = ฿72,000 deducted automatically. **No receipts needed.**

03

Calculate Taxable Income

฿240,000 − ฿72,000 = **฿168,000** taxable income.

04

Apply Progressive Tax Rates

0% on first ฿150,000 + 5% on next ฿18,000 = **฿900 total tax.**

The Bottom Line

Your total income tax for the year on ฿240,000 of rental income is just **฿900**. That's an effective rate of less than 0.4% — an extraordinarily low burden compared to rental taxes in most Western countries.

The combination of the 30% automatic deduction and Thailand's generous lower tax brackets makes Pattaya rental property one of the most tax-efficient investments available to foreign buyers.

Want to maximize returns further? Check our **Comprehensive ROI Calculation Guide.**

Phase 3: Selling & Dealing With Exit Taxes

When you sell, you become responsible for the same seller-side taxes discussed earlier: stamp duty, withholding tax, and — unless you've owned for five years or registered as your primary residence for a year — Specific Business Tax (SBT).

Hold for 5+ Years

Owning your property for at least five years means **no SBT** on the sale. You'll only pay stamp duty, your share of the transfer fee, and withholding tax on your profit — significantly reducing your exit costs.

Register as Primary Residence

Alternatively, register the property as your **official home for at least one year**. This also exempts you from SBT, giving you a legal and straightforward path to a lower-cost exit.

What You'll Still Pay

Even with SBT exemption, budget for: **Transfer Fee (your 1% share)**, Stamp Duty (0.5%), and Withholding Tax based on your capital gain. These are unavoidable but manageable with good planning.

The best tax move? Hold the property for at least five years or register it as your official home for a year. That way, you dodge SBT and keep your exit costs to a minimum.

Ownership Structures: What's Right for You?

A crucial question every foreign buyer must answer: **how should you legally hold your property?**

Each structure has distinct advantages, risks, and legal implications.

Direct Freehold Ownership

RECOMMENDED

Buy a condo within the 49% Foreign Quota — your name goes straight onto the Chanote at the Land Office. The cleanest, safest method for foreign investors.

- **Pros:** Fully secure ownership, easy to sell or pass to heirs
- **Cons:** Only works for condos — not villas or land

Leasehold Ownership

ALTERNATIVE OPTION

If a condo's foreign quota is full, or if you want a villa or house, you can secure a 30-year lease on the property.

- **Pros:** Opens up more property types, sometimes better prices
- **Cons:** Asset isn't yours forever; renewal after 30 years not guaranteed by law

Thai Company Ownership

COMPLEX STRUCTURE

Set up a Thai limited company to purchase land or houses. At least 51% must be owned by Thai nationals, with the foreigner holding up to 49%.

- **Pros:** Control over land or a house through your company
- **Cons:** Government scrutiny, setup costs, complex legal compliance

For the vast majority of our clients, **direct freehold condo ownership** is the best fit if you want security, simplicity, and solid long-term value. Not sure where in Pattaya fits your plan? See our **Complete Pattaya Neighborhood Guide 2026.**

Why the FET Form Matters

There's one utterly essential piece of paper for every foreign buyer: the **Foreign Exchange Transaction (FET) form.**

What Is the FET Form?

To legally buy a condo in the Foreign Quota, the purchase funds must come from **outside Thailand in foreign currency**. When your bank in Thailand receives the funds, they issue an FET form.

No FET form = No title transfer. At the Land Office, this document is non-negotiable. You cannot transfer the Chanote into your name without it.

Always ensure your transfer clearly notes: *"For the purchase of condominium unit [Number] in [Condo Name] project."*

Final Thoughts: Smart Planning, Less Stress

Thailand's tax system is friendlier than most for property investors — annual holding taxes are low, and income tax rates are reasonable by global standards. The real trick is **knowing and planning for the rules before you sign anything.**

→ Save for Transfer Fees

Budget 1.5%–2% of the purchase price for your share of closing costs from day one.

→ Hold for 5+ Years

Plan to keep your property for at least five years to sidestep Specific Business Tax on exit.

→ Stick to Freehold Quota

Use the secure foreign quota freehold structure and avoid risky legal shortcuts.

At **Seaboard Properties Pattaya**, we guide you from your first viewing to the day you sell — ensuring the best returns while your contracts and taxes are always in good order.

Meet Your Pattaya Property Consultants

Your trusted partners for foreign property investment on Thailand's Eastern Seaboard — Seaboard Properties Pattaya

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