

## Completing your construction project in Thailand

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Before you embark on designing and building your dream home — or business — in Thailand, pause for a moment. As exciting and full of potential as your project may be, the process of completing a construction project involves many rules and regulations, as well as reliance on contractors. Therefore, before committing yourself, you should know what you're getting yourself into and plan accordingly.

First, consider the nature of your construction project. Environmental and land-use restrictions may affect possible locations. These are governed by the Town and City Planning Act of 1975, its amendments, and ministerial regulations arising out of it.

The restrictions under the Act differ from town to town and city to city. Their purpose is to formulate, execute and enforce comprehensive city plans that promote sanitation, convenience, orderliness, attractiveness, utilisation of property, public safety, economic development, social and cultural development and preservation, and so on. Land-use regulations in Thailand usually take the form of single-use zoning plans that limit the uses of land in particular zones. The possible zones in Thailand include:

- low-population residential;
- medium-population residential;
- commercial and high-population residential;
- industrial and warehouse;
- special industrial zones;
- rural and agricultural areas;
- recreational and environmental preservation areas;
- national parks;
- educational institutions;
- Thai cultural promotion areas;
- religious institutions;
- government offices and public utilities; and
- communication and transport areas.

On top of land-use regulations, there are often overlapping, location-specific environmental regulations. These usually include height restrictions for buildings and restrictions on the percentage of land that can be developed.

Second, consider the design of your project. Standards for the design of building projects are outlined in the Building Control Act of 1979, its amendments and ministerial regulations issued under it. They can include standards relating to restrictions on the size, shape and height of buildings; number and design of bathrooms and toilets; and regulations prescribing the aesthetic features of buildings. Restrictions can vary based on province, so it is important to contact the local Land Department Office where you want to build to obtain detailed information on the restrictions.

Third, consider the construction of your project. Construction, renovation and alteration standards can be found in the Building Control Act, its amendments and ministerial regulations issued under it. Construction standards include quality and durability regulations regarding construction materials; regulations governing electrical, water and gas systems; fire safety standards; requirements regarding the distance between buildings and the road or public land; safety standards in regard to construction; and so on.

Fourth, compile a reference list of permits, reports and inspections that will be necessary for the completion of your project. A permit is required for most construction projects in Thailand. There are different types of permits, reporting and inspection requirements, depending on a project's location and scope. For example, different permits and procedures are required for construction, alteration, demolition, removal and change-of-use. Permits for construction projects can be obtained at the Land Department Office.

In order to be issued a building permit, you must already have — among other things — relevant infrastructure permits (such as water and electricity permits), land development permits and completed architectural plans. The exact list of permits, reporting and inspection requirements will depend on the specifics of your project.

Fifth, remember that trust is good but control is better. Consider carefully who to engage in the design and construction of your project, and under what terms. Contract work is governed in Thailand by the title pertaining to Hire of Work in the Civil and Commercial Code (Sections 587 to 607), but you will want to create a written contract with your contractors to ensure that expectations are clear. This will help you avoid problems down the road. A good contract should include, for example:

- the goals and parameters of the contracted-for job, including a copy of the construction plans;
- the price mechanism for determining the cost of the job;
- terms and method of payments;
- the completion date;
- liquidated damages for delays or breach;
- who will provide materials and equipment;
- quality specifications;
- at what time the title to materials and equipment provided by the contractor passes to you;
- insurance requirements for the project;
- post-construction liability; and
- mechanisms for dispute resolution.

These considerations should not stop you from pursuing your construction project in Thailand, but they should be borne in mind. Otherwise, you could be opening yourself up to heavy fines, a prison sentence, the demolition of your project and lawsuits.