



## Buying a condominium in Cambodia

A strata title is the mechanism that allows foreigners freehold ownership of private units in co-owned buildings in Cambodia. Those property titles were introduced in 2009 to attract foreign investors and to accommodate the existing (and projected) growing expatriate population. Strata titles are convenient insofar as the process remains quite straightforward once the following acquisition criteria are fulfilled:

- Strata Titles apply only to buildings constructed in 2010 or after
- Foreigners can only own up to 70% of the floor space
- Strata Titles cannot be issued to units on the ground floor
- Strata Titles cannot be delivered to any property within 30km of the closest land border

### How is a Strata Title created?

In order for a strata title to be delivered, a developer has first to purchase a piece of land with a hard title on which the building will be constructed. This acquisition must be done under the name of a development company. Once this hard title has been delivered by the relevant authorities, the eligibility criteria are verified to guarantee that the development project can be partitioned into individual Strata Titles after at least 80% of the construction is completed. Upon completion of this due diligence, the potential buyers can then engage with the development company itself.

### How can I be sure that the project has obtained a legitimate Strata Title?

The Ministry of Land Management is the sole authority that has the right to register a Strata Title. Therefore, it is strongly recommended to verify the legitimacy of the land developer's Hard Title with the Ministry. The documents that constitute the registration of the development project provide key information about the title classification. Upon verification of the ownership of the Hard Title, it is also advised to check its eligibility to be divided into Strata Titles.

### What documents are required from the buyer?

The Ministry of Land Management requires both the marital status and identity documents to be certified and translated into Khmer. It is important to note that Strata Titles are only delivered in Khmer language, meaning that the buyer must also translate his/her name into Khmer. All the different parties must provide slightly different documents for the acquisition to occur.

**What are the costs involved during a Strata Title transfer process?**

A public fee and a service fee apply to each Strata Title. Those fees must be paid to the General Department of Taxation (GDT). After the required documents have been submitted to the relevant authorities, the GDT will issue an invoice specifying the transfer tax that has to be paid. This tax represents 4% of the property value which is appraised by the cadastral authorities. The title transfer can then be completed after issuance of the evidence that the transfer tax has been paid.

**Does the buyer have to be in Cambodia for the Strata Title to be transferred under his/her name?**

Yes, the buyer must be present in Cambodia as fingerprints are required on the certified documentation, the Sales Agreement and the application of Ownership Transfer.

*Belaws' real estate lawyers have extensive experience in assisting foreigners acquiring a condominium in Cambodia through a Strata Title. If purchasing real estate in Cambodia is something that you wish, please book a consultation with our real estate expert lawyer [here](#).*