Siam Legal Phuket Issues Advisory on Short-Term Rental Compliance for Real Estate Investors

March 12, 2026

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Siam Legal Phuket has released a comprehensive legal advisory to help property owners understand Thailand's regulatory framework governing short-term rental properties, as the island's tourism-driven real estate market continues to attract international investors seeking rental income opportunities.

The advisory comes as many foreign property owners in Phuket explore short-term rental arrangements for their villas and condominium units, often without fully understanding that such activities may fall under Thailand's Hotel Act B.E. 2547 (2004) and require specific licensing. The firm's guidance addresses critical compliance issues that property owners must consider before listing their properties for tourist accommodation.

Under Thai law, providing accommodation for compensation on a short-term basis may constitute a hotel business operation, which typically requires proper licensing from authorities. The legal classification depends on multiple factors, including the structure of rental arrangements, duration of guest stays, and the

scale of operations.

"Many property owners assume that any rental activity is automatically permitted once they purchase a property, but the legal framework is more nuanced," said Omar O Manee, Senior Legal Advisor at Siam Legal Phuket. "The distinction between legitimate long-term leasing and regulated short-term accommodation services can significantly impact an owner's legal obligations and potential liabilities."

A 2023 amendment to Thailand's hotel regulations expanded the exemption threshold for small accommodation operators, increasing it from properties with no more than 4 rooms and 20 guests to 8 rooms and 30 guests. Properties falling within these parameters may operate without a hotel license, though other regulatory requirements still apply.

The advisory also highlights a November 2023 circular from the Department of Lands that specifically clarifies condominium units cannot be used for hotel business operations. This restriction affects many international investors who purchase condominium units specifically for vacation rental purposes.

Beyond national regulations, property owners must also navigate condominium juristic person rules and building management policies, which often contain additional restrictions on short-term rental activities. These building-specific regulations can prohibit or limit rental arrangements regardless of broader legal permissions.

The distinction between long-term residential leases and short-term tourist accommodation remains a critical consideration. While standard residential leases typically span months or years, short-term stays marketed to tourists through online platforms may trigger hotel business classifications, even for single-unit owners.

As a Phuket real estate lawyer, the firm emphasizes that early legal review can help investors structure their property arrangements appropriately and avoid regulatory violations that could result in fines or forced cessation of rental activities.

Siam Legal Phuket's advisory service includes a comprehensive analysis of specific property situations, a review of condominium regulations, guidance on structuring compliant rental arrangements, and assistance with any necessary licensing applications. The firm has expanded its property law team to address growing demand from expatriates and international investors navigating Thailand's evolving regulatory landscape.

Siam Legal International operates as a full-service law firm in Thailand, providing legal services across immigration, business formation, property transactions, family law, and litigation matters. The firm maintains offices in Bangkok, Chiang Mai, Phuket, and Pattaya, serving both individual and corporate clients throughout

Thailand's property markets.

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Siam Legal Phuket

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