

# Real Estate and the Legal Aspect of Property Development Projects

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25 January 2013

# Discussion Points

- Introduction to Real Estate Development
- Real Estate Laws
- Relevant Regulations for Development
- Examples
- Procedure for Construction Permit
- Construction Permit Checklist
- Who you can consult with?

# Introduction to Real Estate Development

- What is Real Estate?
  - Refer to land, building, and any other construction attaching to the land.
  - In general term, land and anything attached to it.
- What is Real Estate Development?
  - Activities that range from the renovation and re-lease of existing buildings to the purchase of raw land and the sale of improved land or parcels to others.
  - Developers buy land, finance real estate deals, build or have builders build projects, create, imagine, control and orchestrate the process of development from the beginning to end.
- Focus: Building and Construction Permit

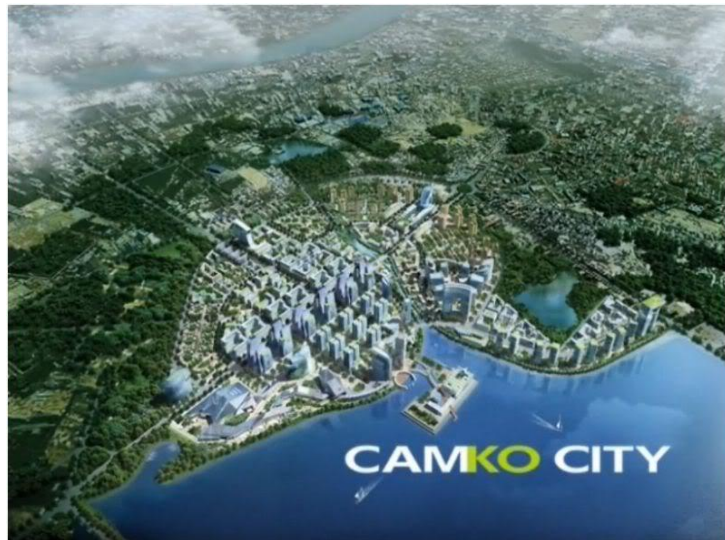
# Real Estate Laws

- Below are the relevant laws related to real estate development:
  - Land Law dated 30 August 2001
  - Civil Code dated 08 December 2007
  - Law on Co-own Building dated 12 August 2009
  - Law on Foreign Co-Ownership dated 24 May 2010
  - Law on Implementation of the Civil Code dated 21 December 2011

# Relevant Regulations for Development

- Sub-Decree # 86 on Construction Permit dated 19 December 1997;
- Prakas # 33 on Servicing Fee for Construction Permit dated 12 April 2006;
- Circular # 1 on Arrangement and Check of the Application Form of Municipal Construction Permit dated 24 February 2006; and
- Decision # 1 on Use of Motor and Car Parking dated 29 January 2007.

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# Procedures for Construction Permit

- Check to see if the site has a Land Use Plan or Master Plan in existence as there may be special requirements, i.e. height restrictions, historical site, etc.
- Fill out official Construction Permit Application (“CPA”) and submit to the Phnom Penh Municipality or Provincial Governor and to the Construction Permit Office at the Department of Urban Planning and Construction Unit of the Ministry of Land, Urban Planning and Management (“MOLUPM”) and obtain receipt of filing the CPA.
- Wait 45 days which starts from the date that the CPA was submitted with complete documents.

# Procedures for Construction Permit Cont.

- After 45 days, the Construction Permit Office will notify the Applicant whether the Construction Permit has been approved or denied. In some cases, the Construction Permit Office may request for modification of which 45 days shall commence again from the date the Applicant submitted the revised construction permit.
- Once the Construction Permit is approved, the Construction Permit Office will deliver to the Applicant and a copy will be deposited at the Phnom Penh Municipality or records of administration of the province.



# Post Issuance of Construction Permit

- Before the start of the construction work, a detailed blue print of the building signed by the Ministry of Public Works and Transport is required.
- Additionally, the Khan or Srok (Village) will need to be informed of the construction permit (attached with a copy of the approved construction plans).
- Work on the construction site (such as completing the foundation bases) must be started within a period of one year from the date of issuance of the Construction Permit or the Construction Permit may be invalidated.
- If the foundation bases cannot be completed within one year, a request to renew the construction permit is necessary.

# Post Completion of Construction

- The Applicant must notify the chief of Khan or Srok and the Office of Construction Permit upon the completion of the construction.
- The Office of Construction Permit will verify whether the finished construction is in compliance with the construction as detailed in the construction permit.
- If any aspect of the building is substantially different from the plans in the construction permit, the compliance certificate or closing construction permit will be refused.
- If the compliance certificate or closing construction permit is refused, the municipal can demand that the owner modify the building to be in compliance.

# Construction Permit Checklist

- Application Form for Construction Permit must be signed by the owner of the land and the project applicant (who must be a licensed Cambodian Architect or licensed Cambodian Construction Engineer);
- A property title or a possession title or a long-term lease certificate;
- A property sheet certified by a surveyor or an agent of the Cadastral Office detailing the description of the land site and surrounding areas;
- A Location Sheet of the building on the lot of scale 1/ 200e detailing the coordinates, boundaries, un-built terrain, parking space, pipe systems and landmarks after construction; 1/500e scale subject to approval from the Cadastral Office;

## Construction Permit Checklist Cont.

- All Floors Plans of the building on a scale of 1/ 100e detailing the location of all premises, their surface areas, sanitary installations and pipe system;
- All Underground Plans, Septic tank and Foundation Plan on a scale of 1/ 100e;
- Building facade on a scale 1/ 100e detailing the building elevation, roof elevation and building materials;
- A minimum of two side elevation on a scale of 1/ 100e; and
- A Calculation Sheet for the building size and utilization index.

# Who you can consult with ?

- P&A Asia offers full legal services for your development project commencing from the initial stage of incorporation of your real estate development business until the final stage of selling to consumers.
- P&A Asia works with the Ministry of Land and related departments to provide answers to all your questions and concerns.
- P&A Asia provides full legal and tax compliance as well as corporate secretarial services to assist you in starting your business.





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