

***"Contract negotiations in Cambodia can be very different from what you might expect in your home country."***

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If you plan on staying in Cambodia for more than a few months, you will probably want to rent a place to call your own. This is particularly true for foreigners, who cannot easily own land. As in any country, it is imperative that the parties put down their agreement in a properly signed, valid contract. Without one, you could end up paying more in rent than agreed, find someone else sharing your living room, or even out on the street. With the advice in this guide, patience, and common sense, you should be comfortably settled into your new home.

## Doing Your Homework

Whether you use an agent, online classifieds, or call a number off a For Rent sign, once you've found the place that's right for you, you'll want to do some background investigation to see if you would be wise to sign the lease.

First and foremost, know who you are renting from. While it is best to avoid difficult landlords wherever you are, this is particularly true in a country with weak rule of law and an inefficient court system. At a minimum, you should meet the landlord in person to discuss the property and the terms of the lease. Ask where they work, how long they've owned the property, who the prior tenants were and why they moved out. If something doesn't strike you as right, investigate further. You want to find a reputable and trustworthy landlord.

Second, you need to confirm that the person who presents themselves as the landlord, actually is the landlord. Extended families in Cambodia often live and manage properties communally, but the



legal landlord is the person with their name on the title document. Ask to see the title, or if none is available, their land purchase contract.

Finally, scope out the neighborhood for any potential nuisances. Crowing roosters, roaming dog packs, and empty lots that turn into a construction site from one day to the next, can make for an impossibly noisy environment.

## Sealing the Deal

If you are renting through a real estate agent, they will most likely provide a form contract. Take this as an opening proposal; all the significant terms should be open to negotiation. Be aware that contract negotiations in Cambodia can be very different from what you might expect in your home country. What the landlord told you orally when you first visited might have changed when it's time to sign the agreement. A healthy dose of patience will see you through.

The contract should be in English and Khmer, and include a clause making both equally binding. Cambodian law imposes few restrictions on the terms of the contract, and there is no rent control to control future rent increases. The rental term

### IMPORTANT LEASE CLAUSES:

- Security Deposit
- Repairs & Maintenance
- Renewal
- Sublease & Assignment
- Utilities
- Extra Visitors
- Termination

## ABOUT US

BNG Legal is a leading Cambodian law firm providing comprehensive legal services to foreign and local clients.

Registered with the Bar Association of the Kingdom of Cambodia, our legal professionals combine international standards with local expertise.

We differentiate ourselves by coupling a deep understanding of the local business environment with international professionalism and integrity.

We facilitate business, investment and trade between Cambodia and the rest of the world through innovative and cost-effective legal services.

Superior knowledge of local protocol, local procedure, and local people is necessary for any business to succeed in Cambodia.

Conducting daily business in Cambodia, BNG Legal is up to date with the newest procedures and requirements, helping clients efficiently and successfully complete any project.

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can be for a fixed-period, month-to-month, or even year-to-year.

If you think you might want to extend beyond the lease's expiration, you might include a clause giving you the right to renew at a certain price. You'll undoubtedly be asked for advanced payment of rent, or a security deposit. Be sure this amount is clearly stated in the lease agreement, and that it must be returned to you in full, plus interest, upon completion of the lease. For any cash payments – deposit, rent, or utilities – demand a signed receipt, it could be your only record in case of a dispute. Finally, be sure to get a signed copy of the lease for your own records; the landlord and real estate agent should have their own.

## Dealing with Disputes

Unexpected rent increases, broken air conditioners, noisy neighbors and unfair evictions are just a few of typical landlord-tenant conflicts. Unlike some places, Cambodia does not have a specialized landlord-tenant dispute resolution procedure. And given the troubles in the Cambodian court system, suing your landlord is not an option most tenants choose to pursue. Thankfully, most disputes in Cambodia are resolved through negotiation; rental conflicts are no exception. Hopefully you did a little investigation before you moved in and found a landlord you can trust.

Whatever the issue, do some research to fully understand your rights, and approach your landlord in a non-confrontational manner. If for example, your landlord refuses to fix a broken water heater, you might consider hiring someone yourself to fix it, and deducting the cost from the next month's rent. Above all, try to be upfront and come to a negotiated agreement. You could end up being evicted and losing your security deposit if things go wrong.

Disputes with neighbors require a different tack.

Noise, parking spaces, and trash are common concerns, especially for those adjusting to life in Cambodia. You might decide to talk to your neighbor yourself, or ask your landlord to do so on your behalf. Chances are, your landlord knows the neighbor already. If the problem persists, you can complain to your local Sangkat (commune) office. With payment of a modest fee, they can mediate between you and the troublesome neighbor. Again, patience and understanding are key to a successful resolution.

## Moving Out

Avoiding problems when moving out requires a bit of foresight, particularly when first drafting your lease agreement. If the contract doesn't contain a termination clause, getting out of the lease can be difficult and costly. You'll want to include a clause specifying when you can move out prior to the end of the lease, and when your landlord can evict you. Be sure to include a penalty clause for early eviction – it will be hard to stop a landlord determined to remove you, but at least you will be compensated. Also, a sublease and assignment clause is a good idea, particularly if there's a chance your job will reassign you to a new location.

If you put down a security deposit, you have a right to get the amount in full, plus interest, before moving out. Your landlord can deduct the reasonable cost of repairs for anything beyond normal use. To avoid paying for damage you didn't cause, be sure to do a full inspection, with your landlord present, before moving in.

For the unprepared, renting a home in Cambodia can be stressful and unpleasant. This guide has hopefully provided you with a few key practical points to help you manage this process. For draft lease agreements, negotiation counseling, or help in dealing with your landlord, experienced professionals at BNG Legal are ready to help.