



CB Richard Elis (Thailand) Focus on Asia's Growing Retirement and Second Home Market

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For the last 30 years South East Asian countries have competed to attract tourists. Today the focus is on quality not just quantity. Part of this strategy is to attract retirement and second home (RSH) purchasers, according to a recent report from CB Richard Ellis Thailand.

PR9.NET July 27, 2007 - Bangkok, Thailand - For the last 30 years South East Asian countries have competed to attract tourists. Today the focus is on quality not just quantity. Part of this strategy is to attract retirement and second home (RSH) purchasers, according to a recent report from CB Richard Ellis Thailand.

RSH purchasers have become major components in the tourism and property markets in Spain, Florida and Australia's gold coast. The RSH market is growing in South East Asia. Competition between countries is intensifying but significant obstacles still remain in particular foreign ownership of property, availability of property loans for foreigner, and visas.

The benefits of the RSH market are that once a property is purchased, repeat visits by the buyer are guaranteed avoiding the growing competition to attract tourists. The length of stay is longer and more money is spent on local goods and services.

Thailand has been at the forefront of retirement and second home development centred in Phuket and the Andaman coast, Pattaya, Hua Hin, Cha Am, and Koh Samui. Thailand offers an attractive combination of quality of living compared to cost but still has restrictive property ownership rules. Thailand is facing growing competition from Singapore, Malaysia, Indonesia and Vietnam to attract RSH purchasers.

Malaysia has been the most aggressive country in providing an attractive property ownership, property financing and visa structure. The 'Malaysia My Second Home Programme' allows foreign ownership of land with houses, the ability for foreigners to borrow money to fund a property purchase and a ten year visa. In 2006, 8,700 people had successfully applied for the 'Malaysia My Second Home Programme'.

Singapore as well as developing two integrated resorts with casinos to attract visitors also has Sentosa Cove, a resort development aimed specifically at foreigners. Overseas buyers are permitted to own a 99-year lease for land with houses. This is the only place in Singapore where foreign land ownership is permitted although there is no restriction on foreign ownership of condominium developments. Vietnam allows foreigners 50-year leases.

The RSH market is destined to grow driven not only by expatriates working in Asia, but also by Asian buyers. Thailand has enjoyed huge growth in medical tourism driven by Middle East and South Asian demand for good quality, reasonably priced medical care. These medical tourists could also become RSH purchasers particularly as countries like India look at relaxing controls on investment overseas.

"Thailand faces growing competition to attract RSH purchasers from other countries that can offer an attractive combination of quality and cost of living. This competition means that, in order to succeed, countries will have to offer attractive property ownership, property financing and visa regulations," according to Mr. James Pitchon, Executive Director at CB Richard Ellis Thailand.

Thailand has introduced a retirement visa and about 12,000 foreigners had successfully applied in the first seven months of 2006.

The RSH market will continue to grow. The strongest growth will be from Asian buyers. In 2007, the Korean government relaxed conditions for Korean nationals investing in property overseas and CB Richard Ellis has already seen an increase in Korean demand for Thai property. India has also relaxed its conditions for its nationals investing overseas.

As the market becomes more competitive countries will need to examine property ownership and financing restrictions as well as visa policies to fully benefit from the booming RSH market.

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