



CB Richard Ellis Reports Phuket Real Estate Resilient to Political Uncertainty

Inetasia Solutions Ltd., October 02, 2007

URL: <http://www.pr9.net/business/realestate/6449october.html>

Phuket is experiencing a buzzing low season with hotel occupancy rates up 20%-30% from last year.

PR9.NET October 02, 2007 - Phuket, Thailand - Phuket is experiencing a buzzing low season with hotel occupancy rates up 20%-30% from last year. The term 'low season' may no longer be applicable based on visitor arrivals in the past several months. "During a recent site inspection with a group of Middle Eastern investors, it was impossible for them to extend their trip due to lack of hotel availability. Quality hotels such as Trisara and Twin Palms were fully booked during a time that is traditionally the low season," according to Mr. David Simister, Chairman, CB Richard Ellis Thailand.

Phuket hotels have shown a stronger than expected performance since Easter and continue to attract a global audience. There are a growing number of Middle Eastern visitors who seek to escape from their summer temperatures, as well as from Asian markets such as Hong Kong, Korea, Japan and China. Australian visitors are also increasingly choosing Phuket as their holiday destination over Bali.

The number of arrivals to Phuket International Airport is projected to reach up to 5 million passengers this year, with a projected annual growth of 5-10% for the next three years. To cope with the rising number of visitors, the international airport terminal is being expanded and will feature more check in counters to better service international chartered flights. The new wing is will in operation by mid-October, in time for the upcoming high season.

Along with the booming tourism industry, Phuket's real estate market continues to draw substantial interest from foreign investors. However, evidence from the number of business registrations and land office show that actual number of transactions in the market has dropped due to the current political situation in Thailand. This is not reflective of demand for high-end villas and condominiums. CB Richard Ellis has seen a greater number of well qualified buyers and enquiries in 2007, but buyers are proceeding to purchase with greater caution.

The enthusiasm of buyers has been severely impacted by proposals to amend the Foreign Business Act (FBA). All sectors of the market including freehold condominium have been affected. However, the issue is not the desirability of Phuket, but more the current political situation.

Despite Thailand's internal issues, Phuket remains the pinnacle of the South East Asian resort market, followed closely by Koh Samui. Both the islands continue to draw substantial interest compared to other resort destinations in the region despite other countries' incentives to draw in foreign investors. Resort markets in Vietnam and Malaysia may offer better terms such as longer leases and retirement visas but there is a lack of quality properties and infrastructure and simply do not yet draw the same level of demand. Destinations such as Krabi and Phang Nga also have the potential to become part of greater Phuket. Phang Nga is now established as an extension of Phuket as a result of its proximity to the Phuket International Airport and new resort developments such as the Raffles Phang Nga.

The continued desirability of Phuket has drawn in a number of high caliber local developers into the market, for example, Italian-Thai Development, The President Group, owners of Intercontinental Hotel and office complex and Gaysorn Properties. The market remains active with new villas and condominium projects launching, offering buyers wider choices. CB Richard Ellis has a number of projects in the pipeline including Cape Sienna in Kamala and Raffles in Phang Nga. Cape Sienna offers 10 exclusive villas situated on the shorelines in Kamala for sale. These 3 and 4 bedroom villas have direct sea frontage and benefit from full access to hotel services such as restaurant, spa and a beach club.

There is a clear trend of international hotel brands entering the Phuket real estate arena. Established brands such as Banyan Tree and Sheraton have successfully sold their residential developments in the past. Jumeirah, although a relatively new brand in Asia, has been tremendously successful in the marketing of Barama Bay where the first two phases- Jumeirah Estates and Residences are nearly sold out.

###

About Inetasia Solutions Ltd.

Inetasia Solutions Limited
Web Solutions, WebTrends, Internet Consultancy & Search Engine Optimization

Phone: +66 2 651 5455
FAX: -
Website: <http://www.inetasia.com>
E-Mail: wjaegel@inetasia.com

Address: Diethelm Tower, Tower A, 12th Floor, Unit
1203,
93/1 Wireless Rd., Lumpini, Pathumwan,
Bangkok, Thailand 10330

[PR9.NET - Your Free Press Release Service](#)