

## Phuket property market 'still in good shape'

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Data released by the Government last Thursday indicates that the property market in Phuket is still in good shape, especially compared with other provinces in the country.

The figures, released by the Government Housing Bank's Real Estate Information Center (REIC), indicate that houses priced from one to five million baht are in demand, and that many property developers are still focusing on the budget market and condominium units.

During a seminar entitled, "Analysis of Phuket's housing market situation", held at the Royal Phuket City Hotel, REIC Director Samma Kitsin said that Phuket is still a very good place for real estate investment.

He offered the following numbers from REIC research: In the third quarter of 2010 there were 16,800 properties for sale on Phuket's housing market: 8,750 properties in housing estate projects, 4,350 condominiums, 950 villas, and 2,750 properties in various National Housing Authority (NHA) projects aimed at poor people.

The combined value of the private housing estate and condominium projects was B55.2 billion.

By the end of February 2011, less than half that amount – B22.7 billion – was still on the market. Of the 950 villas, 400 have already been sold.

The NHA properties have been selling even faster, with only 430 of the 2,750 properties still on the market.

Houses popular on the Phuket market are one and two-story single houses, semi-detached houses, and town-houses priced between B1 million and B5 million.

Mr Samma said that according to REIC research, factors that influenced the sale of a property included the developer's experience, a project's location, pricing and design, and the facilities included.

However, Phuket Property Association President Tanan Tanpaiboon said that Phuket's housing market has been slowing down since the beginning of 2011, especially the high-end market tailored towards foreign customers.

Mr Tanan said the continuing strength of the baht was the main cause of a 20- to 30-per-cent decrease in foreign customers.

He said that Russian investment in property was the only market showing growth.

However, Mr Tanan did point out that ultra-luxury villas marketed to the super-rich are still doing well because demand in this sector depends more on satisfaction than on the economic climate.

He also said the market for budget housing was still doing well.

"The semi-detached houses prices between one and two million baht are popular among Thai people, especially people moving to work in Phuket who are looking to buy rather than rent."

Mr Tanan added that property developers now are starting to expand projects in the north of the island, and that areas in Phang Nga province are the next target for development and investment.

- Source: <http://www.thepuketnews.com/phuket-property-market-still-in-good-shape-24515.php>