



News Release

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Phuket property market to see continuous improvement

Phuket's residential property market has shown signs of improvement in line with the global economic recovery, according to new research from Knight Frank Thailand. The company's Managing Director Phanom Kanjanathiemthao said the market should see continuous improvement if not affected by any future political turmoil.

He said: "Although the market was slow in the second quarter due to the political situations, there was no new supply launched so it didn't affect the market much. However, foreign investors and buyers have started making more inquiries for villas during the past two months".

Phanom added that most villas in Phuket were not pre-built, so therefore helped reduce the chance of oversupply in the market. The research noted that prices dropped 14 per cent in the first quarter - from an average selling price of THB59 million (US\$ 1.89 million) during the previous year to THB50.3 million (US\$ 1.6 million). That was also as a result of political uncertainty which forced villa owners to reduce their prices to attract buyers.

In terms of the condominium market, the supply during Q1/2010 was 4,686 units, up 65 units from the end of last year. New projects were small developments with one- and two-bedroom units, while the average selling prices were slightly increased from THB88,885 (US\$ 2,841) per sqm to THB89,113 (US\$ 2,849) per sqm.

"The increase in price doesn't sound reasonable when compared to the slowdown in Phuket property market, however from our survey we found there was a number of condo transactions from time to time. The condo market seems to be in a better shape than the villa market," added Phanom.

He believed political stability will help regain investors' and buyers' confidence – not only for Phuket market but for Thailand as a whole. Moreover, the local economies of Phuket's main condo and villa buyers, such as Singapore, Australia, Germany, Switzerland, England and Russia, are on the rise.



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“This allows buyers in those countries to feel more confident about buying holiday homes in world famous tourist destinations such as Phuket. In addition, an increase in direct flights to Phuket, as well as an expansion of Phuket International Airport which is scheduled for completion in 2013, will be positive factors to the market. The strong baht and high interest rates should not affect the villa and condo markets in Phuket much, as most villas are sold in US dollars and most buyers tend to buy properties in cash rather than getting loans from financial organisations in Thailand,” Phanom concluded.

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Notes to Editors

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