

Bangtao Tropical Residence on track

Sales activity and new launches slowed in the Phuket condominium and villa markets during the second half of 2008.

Furthermore, many developers have or are still considering delaying plans, according to the latest CBRE Phuket residential market report.

The global economic conditions, continued political conflicts, and, in turn, reduced tourism numbers, aren't stopping everyone.

The developers behind Bangtao Tropical Residence, who began construction on their project in early 2008 plan to finish ahead of schedule despite a tumultuous past year.

"All of it didn't stop us," sales and marketing manager Steve Hatton said.

"We believed we had the right product... also I think the fact that we are already financed assures buyers we are not relying on sales to complete the project."

Residence Park Property Company Ltd, the team behind the project, have some 19 years



experience in the market, with Bangtao Tropical Residence being the first project they decided to complete themselves.

The luxury condominium resort and spa project is being built on approximately 4 rai of land, near Surin and Bangtao beaches.

Completion is planned for December 2009, with 23 of the 68 residences already sold.

In Phuket, the number of completed units reached 1,882 units (from 49 projects) in Q3 2008, up 11 percent q-o-q and 30 percent y-o-y, the CBRE report cited.

Less than a fifth of this existing supply was luxury and high-end.

The average cost of luxury and high-end condominiums fell to Bt50 million/unit (Bt142,830 sqm) and Bt25.5 million (Bt123,276 sqm), respectively.

With regards to villa units there were 5,580 existing and offplan in Phuket as of December 2008, with 2,635 units in already sold-out projects.

The average asking prices was Bt114 million for luxury units, almost Bt55 million for high end units.

Andara phase 3 launched

Phase 3 of Allan Zeman's luxury residential project in Phuket, Andara, has now been launched, and the legendary Hong Kong businessman says he is pulling out all the stops to ensure the continued success of the project.

Following the sold-out completion of luxury villa phases 1 and 2, resort residence phase 3 will feature 37 apartments on 12 rai of land at Kamala Beach, Phuket.

Unlike other projects on the island, director of sales and marketing Jonathan Gascoyne said separate showrooms would showcase each type of unit for potential buyers.

The apartments will range in size from 185 to 854sqm, with 2, 3 & 4 bedroom options available.

Gascoyne acknowledged a tougher market meant more needed to be done to stay ahead of the pack.

The project is on schedule for completion in October, while the resort opens in December. Prices start at Bt27.2 million - a cheaper option to Andara Luxury Villas, which started at US\$3 million.

Asia Brief

The following is a round-up of news from Asian property markets. These stories and more can be read online at www.property-report.com

Indonesia: Bali airport expansion

Indonesian Vice President Jusuf Kalla said Bali's Ngurah Rai international airport will be expanded under a project to be started in April 2009.

"The expansion project will have to be started not later than April 2009 and the next three months should be used to prepare the tender. The project should be completed within two years' time," Kalla said.

Malaysia: Green Index launched

The green drive is gaining momentum in Malaysia with the Green Building Index (GBI) to be launched in April this year, reported The New Straits Times.

Developed by the Malaysian Institute of Architects (PAM) and Association of Consulting Engineers Malaysia (Acem), the GBI aims to reduce the nation's urban carbon footprint.

The GBI is Malaysia's first certification tool that will provide guidelines for environmentally friendly construction.

China: China considers REITs

China is considering introducing real estate investment trusts (REITs) to help increase financing channels for real estate developers, according to Qi Ji, vice minister of the Ministry of Housing and Urban-Rural Development.

The move would help the country's real estate developers raise money by means other than commercial bank loans, which are now the primary source of funds, Qi said.

Singapore: Banyan Tree revenue up 10%

Singapore-based Banyan Tree Holdings says its business has not been adversely affected by the unrest in Thailand with its overall revenue up by 10 percent in 2008.

"Overall for 2008, our hotels outside of Thailand have maintained a robust booking pace, with an increase of 10 percent in revenue compared to the same period last year. This is primarily driven by a higher average daily rate and new inventory in Morocco, Maldives, Lijiang, Dubai and Sanya," a Banyan Tree spokesperson said.

Asia Property Report online (www.property-report.com) is a real estate news and information web portal updated daily.

PROPERTY REPORT FAX

1.3%

Forecast growth for Thai economy in 2009

2.5%

Forecast contraction for Singapore economy in 2009

5

Number of years before global credit system will fully recover from current liquidity crisis

Source: Fergal Harris, Asia Pacific Head, Commercial Real Estate, Standard Chartered Bank

Colliers: Commercial market already on downwards slope

Real estate services provider Colliers International (Thailand) has warned that Bangkok's commercial property market is already on a downwards slope with multinational firms beginning to slash spending as their head offices suffer the impact of the global economic crisis.

Colliers International (Thailand) managing director Patima Jeerapaet said demand for office and retail space had fell significantly in the last quarter of 2008 quarter because US and European multinationals were beginning to suspend business expansion around the world, including that in Thailand.

"Our customers are trying to reduce their office space to save money, and some are moving from grade A locations to grade B," she said.



The occupancy rate of serviced apartments also contracted in the last quarter of 2008, with foreign firms cutting staff or reducing allowances for their accommodation.

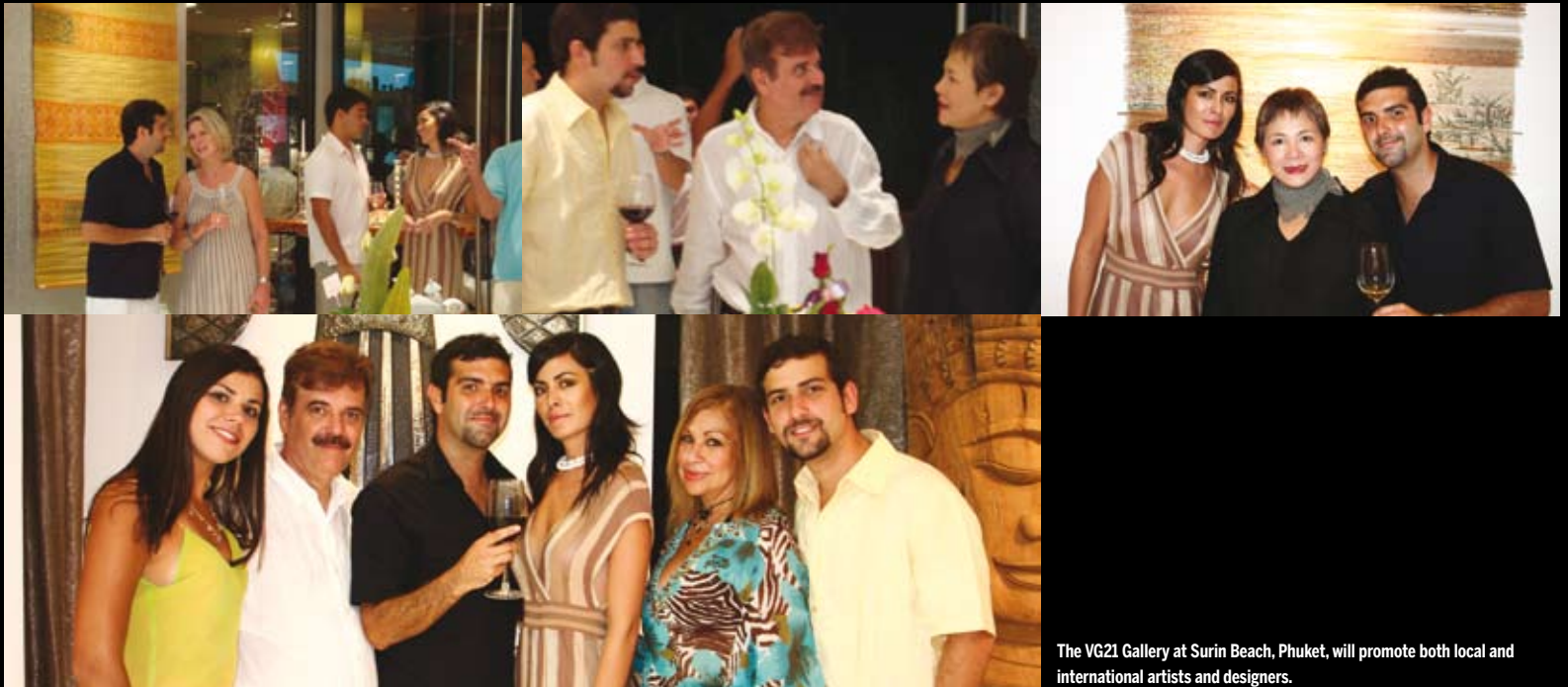
The outlook for 2009 in Thailand's industrial estates is similarly bleak, according to Patima. Multinational companies, especially those in the auto

industry, are expected to reduce investment earmarked for expansion plans, and this will drag down demand for industrial space.

"In our business view, Thailand's commercial property sectors, including industrial estates, office space and serviced apartments, will suffer a direct negative impact from the global economic crisis," she said.

Society

VG21 Gallery grand opening



The VG21 Gallery at Surin Beach, Phuket, will promote both local and international artists and designers.

Bang Tao Tropical Residence show unit opening party

Australian ambassador visits Phuket



Clockwise from top left: Paul Smith and Ratthanon, Anne with clients, Ratthanon and friends.



H.E. Mr. Paul Grigson – Australian Ambassador to the Kingdom of Thailand – recently visited Phuket and met with senior government officers and business executives in Phuket at The Chava Resort, Surin Beach.

(From left) Khun Tanan Tanphaibul, Managing Director of the Heritage Suites and President of the Phuket Real Estate Club, Khun Suttida Tanphaibul, Sales Director of the Heritage Suites, Khun Larry Cunningham, Director of The Chava Resort and Honourary Australian Consul to Phuket, Khun Smith Palawatvichai, Deputy Phuket Governor, H.E. Mr. Paul Grigson – Australia's Ambassador to the Kingdom of Thailand