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Column :

Headline : BT100 BN projects in Pattaya, Hua Hin

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BT100 BN PROJECTS IN PATTAYA, HUA HIN

Developers expect growing demand among locals, buyers of second homes

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THE NATION

Pattaya and Hua Hin are proving to be popular locations for both residential and commercial buildings, with investment for this year and the following two years expected to top Bt100 billion, developers told The Nation early this week.

Meanwhile, Phuket, and Koh Samui continue to be popular locations to develop vacation residences for both domestic and foreign buyers, with investment of not less than Bt10 billion a year expected.

Pattaya's expected property projects include condominiums, shopping complexes and luxury hotels worth over Bt50 billion this year and for the following two years. The developments to support the growing number of tourists and those interested in buying second homes in this location.

For example, MBK Group set aside

an investment budget of between Bt5 billion and Bt6 billion to develop a mixed-used project combining a shopping complex and hotel.

Union Pattaya Property Co plans to develop a mixed-use project that combines condominiums, a shopping complex and a hotel worth more than Bt3 billion in Pattaya between now and 2017.

Meanwhile, other property firms from Bangkok such as LPN Development Plc, Supalai Plc and Raimond Land Plc also plan to develop condominium projects worth over Bt10 billion combined this year.

Hua Hin is also a popular site for vacation residences. More than 90 per cent of the demand for residences in Hua Hin is from Thais, according to a survey by Plus Property Development Co Ltd, a subsidiary of Sansiri Plc.

Residential projects launched in Hua Hin commonly combine condominiums and villas.

Property firms launching residential projects in Hua Hin include both local developers and property firms from Bangkok such as Sansiri Plc, SC Asset Corporation Plc, Charn Issara Development Plc, Land & Houses Plc and Baan Ratchadumri Co Ltd. They plan to develop residential projects worth over Bt50 billion in this district of Prachuap Khiri Khan through 2015.

Meanwhile, Phuket is becoming increasingly popular among locals, making up for a drop in demand after foreign investors delayed their decision to buy residences when Europe plunged into financial crisis in 2008.

The demand for residences in Phuket is for places priced from below Bt2 million to more than Bt10 million per unit.

Although the earthquake in Phuket early this month affected homebuyers' confidence, most property firms believe it will be a short-term problem.

Koh Samui in Surat Thani province is still the destination for luxury vacation residences for both local and foreign investors.

The demand in Koh Samui is for residences priced over Bt5 million per unit. Land on the island for residential development is limited.

Supalai Plc managing director Atip Bichanond said that the company is interested in developing residences on Koh Samui due to strong demand from both local and foreign investors.

"Our policy is to expand our investment in the provinces, as the property market in Bangkok faces high competition," he said.

Sansiri Plc senior executive vice-president Uthai Uthaisangskul said the demand for residences in Hua Hin has seen strong growth in both inland destinations and beachside locations. That is seen in its success selling out 13 residential projects worth Bt25 billion within five years.

The company has also expanded its new residential projects in Phuket, Pattaya and other tourist destinations, where it has seen strong demand for second residences.

Meanwhile, Knight Frank (Thailand)'s research has shown that demand for residential units at tourist destinations close to Bangkok such as Pattaya and Hua Hin have seen strong growth since the floods hit Bangkok last year.

According to a survey of property experts by The Nation, this is the time

to expand investments to new locations outside Bangkok to serve business growth in the long term.

"We have to expand our investment outside Bangkok to balance our business growth in the long term," Pruksa Real Estate Plc director and chief business officer Prasert Taedullayasathit said. Its first condominium, worth Bt1.25 billion, in Hua Hin is a pilot project for expanding its investment in the provinces, said SC Asset Corporation Plc chief operating officer Kree Dejchai.