

# State stimulus package boosts outlook for Hua Hin, Cha-am

Condominium demand in tourism hotspots Hua Hin and Cha-am will benefit from the government's recently announced property stimulus measures, according to consultancy Plus Property Co.

The company's latest survey found strong demand for the 17,381 finished condominium units available for sale (as of September) in the two resorts.

Finished units from across 30 projects account for 12,664 units or 73% of the total, while the take-up rate is as high as 89% or 11,318 units. Compared with the same period last year, supply and demand have increased by 145% and 162%, respectively, for finished units.

The market for completed condominium units in these holiday areas still has plenty of growth potential thanks to tourism promotion measures, which will drive foreign investors to make a purchasing decision more quickly, said Poomipak Julmanichoti, managing director of Plus Property.

The property market stimulus measures will also spur demand as the majority of

residential properties priced below 3 million baht are condominium units on the fringes of Bangkok or beyond, he said.

Provinces that stand to benefit first are tourist destinations such as Hua Hin and Cha-am as their economies do not depend much on fluctuating factors like crop prices.

Furthermore, stimulus measures such as loans through the GH Bank and other financial institutions have led to new promotional offers that will inject more cash flow into the market, boost consumer purchasing power and maintain the energetic air in these tourism hotspots, he said.

"The rising popularity of completed condominium units has brought down the available supply in Hua Hin and Cha-am to just 11%. With few developers launching new projects this year, the existing demand gradually bled out of the market," Mr Poomipak said.

"We believe this demand will take one to two years to be completely exhausted. Many projects under our management have reached the 100%-sold milestone this year,

including Baan Thew Lom, Baan Peang Ploen and Baan Imm Aim, which cover 1,300 units combined."

The average price in Hua Hin and Cha-am now stands at 82,997 baht per square metre or 81,927 baht for a completed unit. The average price of completed units is quite close to the overall market average, and they have the advantage of being ready for inspection and to move in. Some units are being brought back on to the market for resale with a 40% price hike or up to 116,410 baht per sq m.

Overall, the market in Cha-am and Hua Hin is very healthy with Thai and foreign tourists flocking to both in droves, especially during long holidays and the high season, said Mr Poomipak.

"The latest data from the Live and Invest Overseas website named Hua Hin the seventh most attractive city in the world for post-retirement life in 2015. We expect unit transfers to rise in the final quarter thanks to the government's stimulus measures and the growing number of tourists," he said.