

**Asia:
Rents (US\$/month)**

Japan – \$7,854
Hong Kong – \$4,808
Singapore – \$4,286
India – \$3,427
Philippines – \$2,130
Thailand – \$1,993
Vietnam – \$1,746
Malaysia – \$1,259
Cambodia – \$1,156
China – \$1,006

Source: Global Property Guide

Phuket luxury villa transactions hit Bt3.5bn

Despite continued restrained demand in the broader property market, Phuket luxury villa transactions hit Bt3.5bn in the first half of 2009.

According to the Phuket Luxury Villa Market Update Mid-Year Report released by leading Thailand consulting firm C9 Hotelworks, sales volumes for units priced upwards of Bt65m outperformed other sectors by significant numbers.

C9's Managing Director Bill Barnett said supply and demand fundamentals for the high end are continuing to strengthen given that excess supply is being absorbed, while macro issues are restricting demand for new product launches.

"While market recovery prospects are being set back to 2011, there has continued to be a gradual upswing in activity, driven primarily by earlier than anticipated momentum in many of the financial source markets where potential overseas buyers originate from" Barnett said.

According to the research, the existing inventory of luxury villas is valued at Bt10bn with 92 units currently on the market. For the period of January to June of this year 19 properties were sold, while the resale market emerged with over Bt1bn in transactions.

"Mixed use hotel managed projects provided



A luxury Beach Villa at West Sands Phuket

branding premiums with a 55 percent uplift in achieved pricing per square meter," said Barnett. "Developers are seeing a stabilisation of gross margins despite upward cost pressure on labour and

commodities such as timber. From our discussions with quantity surveyors materials such as steel are now back to levels similar to the first half of 2008; while construction volume remains low there is no expectation that pricing will drop."

The report concludes that continued tight equity and debt market will limit new developments while barriers to entry highlighted by limited ocean or beach front land indicates positive long term stability. Resales, rentals and an emerging fractional ownership market are tapped to drive wider demand in the near to medium term.