

## PROPERTYFOCUS Properties in Phang Nga

by Bill Barnett

Looking at the title of this article, your first impression might be "Phang Nga isn't in Phuket". And you'd be correct.

But getting in your car and taking a 20-minute ride over the Sarasin Bridge you suddenly realize it's faster to reach Natal Beach, in Phang Nga, than many of Phuket's nether regions. Over the past five years there has been a tremendous march north in Phuket – both in hotel development and real estate.



With the mix-use Laguna complex – home of the much-touted **Banyan Tree** – along with glitzy neighbours such as Amanpuri and **Irisara**, an entire new industry of multi-million dollar villas was born. On Mai Khao Beach, at the northern tip of the island, development mogul Bill Heinecke built the JW Marriott, along with a successful vacation ownership complex and gained both market share and a platform for more new hotels in the area. On the east coast, Cape Yamu – designed by world renowned Philippe Starck – became a buzzword for the rich and famous.



Looking at Asia's other resort islands, such as Bali, shifts in micro markets happen over time. Land availability and access to international airports – along with demand drivers such as golf courses and marinas – are key contributing factors. As tourism continued to grow in Phuket, luxury housing followed suit and two of the most desired items on buyer's wish lists were ocean views and beachfront property. Ocean views were doable but, with a few notable exceptions, west coast beachfront property was either priced beyond reach or not available. Heads turned north and, as if by magic, Phang Nga's property market materialized.

### Natal and Aleenta Signal Start of Property Boom

Not so long ago, both Ko Pitali and Natal beaches were a series of prawn farms and agricultural areas. Beachfront property cost less than 1 million baht per rai (a Thai unit of area equal to 0.395 acres or 1,600 square meters) just ten years ago, and five years ago was in the 2 million baht range. The area's only development was Dusit Hot Springs Resort (named after the local owner and not the Thai brand).



Natal Beach

First to build a large villa was one of the owners of Bangkok's Emporium shopping mall. Suddenly, Phuket real estate agents discovered the area and single villa lots started to pop up. Prawn farms were slowly dismantled as property became the area's new economy.

Prices in the area quickly rose to 4 million baht – and then 6 million baht – per rai. The owner of Dusit Hot Springs, one of the largest landholders in the area, began subdividing and selling land parcels. At the same time, a budding hotel entrepreneur Anchalka Kijkanakorn launched the hotel managed Aleenta development. With prices on par with those in Phuket, the project quickly sold out and Natal became the hot word on high-end property seekers' lips.

There was no real mystery for the demand of these projects, as they offered what other areas could not: walking straight out of your villa to long stretches of white sand beach with breathtaking sunsets nightly. Coupled with easy travel on a four-lane highway, door-to-door travel time to the international airport is only 20 minutes. Quick to follow the boom were mega villas by the likes of California Fitness guru Eric Levine and a trio of Hong Kong society couples. Land prices doubled again, reaching the 10-15 million baht range. As prices moved north, so did those seeking the next big opportunity.



Courtesy of Indigo Real Estate

### Raffles Starts The Hotel Name Game

While Natal has seen a few small hotel properties developed, the announcement late last year of the Raffles Resort and Residences – with 150 rooms and 25 luxury residential villas near Tah Sai and Bo Dan beaches – signalled a more mature market. Partly owned by Saudi Prince Alwaleed Bin Talal's Kingdom Hotel Investments, the vicinity has a significant number of other large land holdings purported to be hotel and mixed-use developments of an international scale.



Thai Muang Golf Club

Even farther north, overseas suitors are pursuing the 18-hole Thai Muang Golf Club for redevelopment. Given the availability of larger beachfront land parcels, the Tah Sai area would appear to be poised to become a significant hotel and high-end property market in the future. Land prices are now reaching 20 million baht a rai. Development in Natal and Tah Sai is still in its infancy, but having some of Thailand's most breathtaking beaches, proximity to Asia's leading resort destination in Phuket and air access – both regionally and long haul – the cards are stacked in its favour. As to the next big thing, maybe Khao Lak is starting to look very promising.