

PROPERTYFOCUS Patong Condominiums

by Bill Barnett

Phuket condominium and apartment projects are on the rise in Phuket. With diverse locations – ranging from ocean views to golf course fairways, overlooking marinas to hotel managed units – there is something to meet most budgets and tastes. Surprisingly enough the island's tourist epicentre, Patong, still lags behind in new condo projects, though this trend seems to be changing as the market evolves.



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As a primer for those new to the Thailand property market, there is a legal distinction between condominium and apartment projects. Condos are governed by the Condominium Juristic Act under which, apart from a few exceptions, foreigners are allowed to own 49% of the total units in a project on a freehold basis – with the remaining 51% being on a leasehold title commonly structured over a 90-year term. While Thai law limits a lease to a 30-year period, lessees can get two additional renewals of 30 years each.

The Land Development Act governs apartment projects. For the most part, developers sell them on a leasehold basis with terms similar to above, though some separate the land and building portions of the contracts. Foreigners can't own land in Thailand, but they can own buildings. The distinction in market terms between condos and apartments is related only to the title – not their physical design or structure.



Baan Yin Dee Loft

Historically, transactions 'off-plan' (before construction is complete) and resale values of the two have been on par with each other, though the less complex regulations governing development and administration slants supply in favour of leasehold developments. Condo projects, which originated in larger scale developments like Allamanda in Laguna Phuket and the Boat Lagoon Marina, have evolved over the past ten years; today they occupy every corner of the island. We'll keep things simple and use the term 'condo' to cover both genres.

Tourism becomes a year-round phenomenon

With the dawning of the new millennium, Phuket evolved from a highly seasonal, European-dominated holiday market into a year-round destination catering to regional, domestic and long haul tourists alike. The island eclipsed Bali as Asia's premier holiday destination, and the property market was borne to satisfy the desires of those who wanted to extend their vacations in paradise. Developments such as [Patong Tower](#) and Andaman Hills were early entries into the market perhaps too early to fully benefit from the region's property success.



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Patong – long established as the nightlife capitol and meeting point for tourists due to its strategic location – lapsed in larger hotel development due to the unavailability of large land plots for international branded hotels. [Holiday Inn](#) and [Novotel](#) were the only recognized names amidst the smaller hotels, guesthouses and commercial complexes. Something had to change and that change came about in rather dramatic fashion.

The tsunami of 2004 changed Patong in many ways. In its aftermath, the speedy recovery of the tourism sector and improvements in infrastructure were an economic miracle. Established hotels like Burasari expanded, the internationally managed Grand Mercure broke ground, and Jungceylong – which was set to be one of the leading shopping centres on the island – was taken over by international investors anchored by the Carrefour superstore and opened late last year.

More choices for condo buyers

For those looking for condos, there are attractive options in the vibrant resale market and noteworthy new projects. Patong Tower, with its soaring high-rise views over the beach, and Andaman Hills, nestled above the cityscape, both offer the bulk of their resale units within the affordable 4- to 8-million baht level. They're both long established projects and offer some of the most stunning Andaman sunset views on the island. For those seeking new projects there is Patong Harbour View, with 29 units in the 5- to 9-million baht range, and Rambutan Residence's 20 condos – reasonably priced from 2- to 3-million baht.



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Two exciting new projects are setting a new tone in the chic boutique segment: [BYD Lofts](#) and Atika Villa's townhouses. The team that manages the [Baan Yin Dee resort](#) in Patong, which was the first hip hotel in the resort area, is now taking on the serviced apartment market. With creative modern interiors, these units offer buyers an ongoing lifestyle investment opportunity and – from my recent visit to the BYD Lofts – innovative design as well as high standards of finishing.

Patong is gaining momentum and setting a platform for greater diversity and larger scale developments in the future. All this adds up to a wide range of choice for property purchasers. If you're looking for a condo holiday unit or permanent home, the city that never sleeps could be the right location for you.