

# PROPERTYFOCUS

## Luxury Properties in Phuket

by Bill Barnett

We are living in a time of unparalleled global wealth. Whether you are in America, Europe or Asia, luxury brands are the signature of the rich and famous. One out of every three new real estate purchasers in the US is either buying an investment property or holiday home.

International hotel management companies have come to realize that in order to spur chain growth and brand development they need to jump on the train of mixed use developments and tap into the lifestyle investment market.



At every corner of Asia be it St. Regis in Singapore, Bvlgari in Bali, [Four Seasons in Koh Samui](#) or [Banyan Tree](#) in Phuket, brands are driving new ultra luxury hotels and resorts. What were once traditional capital appreciation offerings have now shifted gear into rental yield vehicles.

The icing on the cake is brand name appeal and ownership opportunities in some of the worlds best holiday getaways. Villas with absolute privacy, their own swimming pools and in room services from dining to spa treatments are at the top of the high end mountain.



[Trisara Phuket](#)

### Partnering with a big name

Today in Phuket there has been an evolution hotel managed projects offering ownership to individuals. Moving from the 1990's where [Amanpuri](#), [Banyan Tree](#) and [Sheraton](#) seeding the trend, currently branded projects range the spectrum from Raffles, [Dusit](#), [Moevenpick](#), Jumeirah and Taj.

[Banyan Tree](#) continues to lead the pack with the multi-million dollar Double Pool Villas along with a vast array of offerings in the Laguna Phuket integrated resort. While price ranges vary from project to project, most offerings at this end of the market are aimed at high net worth individuals and tend to average one to three million US dollars.



[Banyan Tree Phuket](#)

### Spending money to make money

One of Asia's most recognized and well regarded brands Shangri La have launched their long awaited Phuket Resort and Spa at the northern end of Bangtao Bay. Coupled with the resort are fifty hotel managed villas which will be run as part of the resort and owners getting investment yields based on a revenue share.

Priced between thirty eight up to sixty million Thai baht (average price is US\$1.2 million) these units have created a furor among lifestyle investors. With already a quarter of the project sold to date it appears the offering will be one of the years biggest success stories.



[Bangtao Beach](#)

Situated on the same stretch of coastline that [Amanpuri](#), [Chedi](#), [Sheraton](#) and [Banyan Tree](#) call home and situated on 134 rai (approximately 20 hectares) the resort is set to open by the end of 2009. With 315 rooms configured with a combination of guestrooms and villas the site combines both oceanfront and large tropical lagoons. The villas for sale with an area of 350 square meters offer two bedrooms, indoor and outdoor living spaces, large private pool and total privacy.

### Letting someone else do the work

For those looking at branded hotel managed products as a property buy need to weigh the relative merits of a shorter return on investment scenario with ongoing rental returns. Additional benefits include owners usage for a period of time each year in a luxury resort where instead of having to venture outside your room in search of service, it comes directly to you in our own villa.

Anticipated rental yields currently quoted in the Phuket market average 6-8% per annum. A resale market does exist for this type of product and while the mixed use trend is still in its infancy, capital appreciation has been significant when looking at comparable transactions over the past few years.



[JW Marriott Phuket](#)

That said this type of investment does not suit every buyer. Those seeking retirement homes or longer stays are often put off by mandatory operating of the villa by the hotel. Lifestyle property does offer hassle free quality management by upper scale hotel chains and return potential is most often enhanced through the worldwide sales and marketing networks.

As in any luxury purchase it's the brand promise, affinity of the buyer to that and many buyers simply adding this to a long line of financial rewards. Luxury continues to become a force worth reckoning in today's frill filled world and there is a capital market out there seeking exactly what the Shangri La Phuket is offering.