

# Phuket fractional ownership sector growing fast

Shared ownership sales for Phuket represented US\$61.2m for 2008, validating the sector's stability despite the economic downturn, according to a recently released comprehensive industry research study.

The *Phuket Shared Ownership Market Report* compiled by Thailand-based hospitality consulting firm C9 Hotelworks, showed the business model is a natural accompaniment to the destination's tourism industry which is well on the way to recovery into 3Q 2009.

Industry analyst and C9 Hotelworks Managing Director, Bill Barnett, said: "With a total customer base of 22,498, the developing industry – while still in its early years – is the sleeping giant of the island's hotel and property market."

"The emergence of fractional ownership of properties and yachts is becoming a notable component of the real estate landscape on the island," he added.

Laguna Phuket Managing Director, Michael Ayling, said the Laguna Holiday Club vacation ownership unit over the past five years has gone from strength to strength, despite volatility in the tourism and real estate sectors.

Currently, the total market size according to the report is 554 accommodation units, with vacation ownership holding 87 percent of the market share in the first half of 2009, and fractional sales moving up 13 percent.

Research data also indicates an emerging yacht fractional base with US\$2.8m in sales turnover despite programmes only starting in 2007.



**The Laguna Holiday Club is among a number of vacation clubs gaining popularity in Phuket**

"The 2009 trend marks a continued shift with 68 percent of volume from point based systems versus week based programmes in the core segment. Brand pricing by international affiliates are on the uplift reaching a 62 percent premium to other 'non-branded' product," Barnett said.

He added that while consumer spending is in retreat and 2009's revenue will fall short of the previous year, there is a greater emphasis on lower entry points, financing options and an increase in domestic customers. These factors should provide sound performance foundations during difficult times.