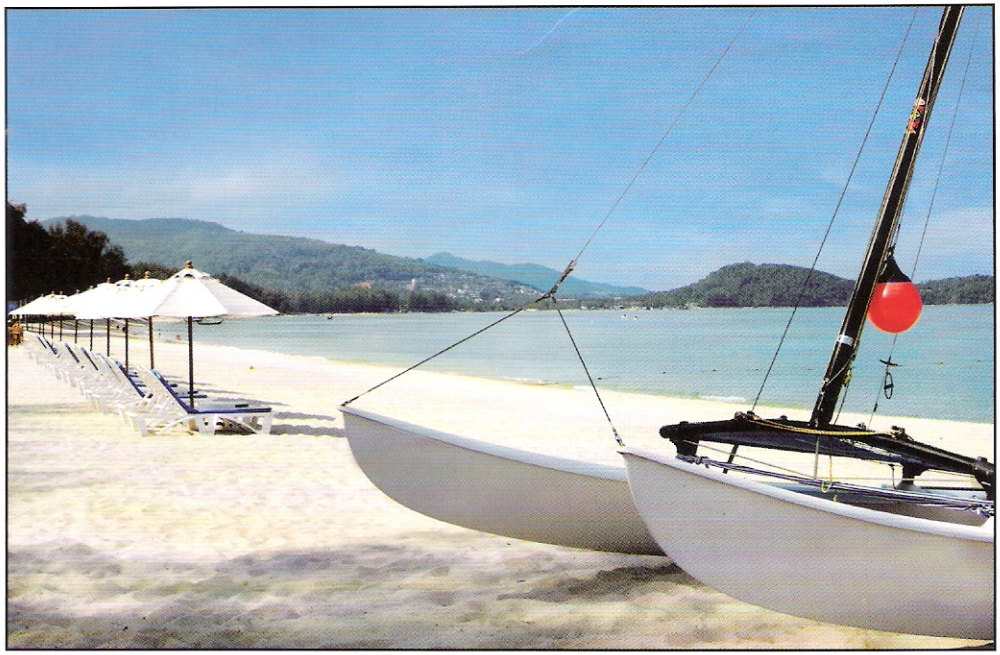
Phuket is 'desperate for new launches'

The luxury property market in Phuket saw transactions worth THB1.1 billion during the five months ending November 2009. Research from consulting firm C9 Hotelworks also noted that growing interest in the resale sector accounted for 50 per cent of total sales.

According to Bill Barnett, Managing Director, "This year has seen the absence of new high-end products, and this has propelled the secondary segment. At the same time off plan products have remains sluggish."

He added: "The failure to launch new projects is a major constraining factor limiting volume in the marketplace. Despite demonstrated sales of a number of 'super' high-end villas priced between THB165 million and THB330 million, developers are remaining on the sidelines, more out of negative risk concerns then fundamentals."

Market data has pinpointed that a growing number of early purchasers in developments are now cashing out at substantial profit levels, thus pushing up pricing points for existing product. Barnett noted that, geographically, Kamala's Millionaires Mile has experienced the highest level of activity.



The Phuket market desperately needs new launches, says Bill Barnett

Without significant new products entering the supply steam, the second half of last year saw a growing number of premium ocean view lots transacted, with buyers keen to develop their own luxury residences.

Barnett added: "Traditionally, the period between December and April is the peak sales season, and the feedback I've had in the past few weeks has seen sales traction. There was a influx of interest in in December for three or four weeks, and there were a few secondary market transactions, mainly at the top end and some on completed units in the mid market, but in January prospects have been quiet. It's a wait-and-see game, and there's no clear indication."

Phuket has traditionally attracted high levels of European buyers, but while Bangkok has seen increased activity from Asian buyers Barnett says the same isn't happening on the island.

"Phuket has reached saturation in terms of buyers from places like Hong Kong and Singapore. We're still seeing interest from Europe and Australia. Interest from Scandanavia and the U.K. continues to be strong, however the weakness of the British Pound's is a factor to take into account."

Barnett concluded: "The market desperately requires new launches to stimulate broader interest if there is to be a return to stabilized trading."