



C9 Hotelworks Phuket Luxury Property Sales Top THB 1.1 Billion

Phuket's luxury property market saw transactions worth THB 1.1 billion for the period of July through to November 2009, according to market research by leading Thai consulting firm C9 Hotelworks. A growing resale sector accounted for 50% of the sales. According to Bill Barnett managing director of C9 "this year has seen the absence of new high end product which has propelled the secondary segment, while off plan product remains sluggish."

Adding further that "the failure to launch new projects is a key constraining factor limiting volume in the marketplace. Despite demonstrated sales of a number of 'super' high end villas from THB 165 – 330 million; developers remain on the sideline more out of negative risk concern than fundamentals."

Market data pinpoints 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. Geographically Kamala's Millionaires Mile has experienced the highest level of activity. Without significant new product entering the supply stream, the second half of 2009 has seen a growing number of premium ocean view lots transacted with buyers set to develop their own luxury residences.

Bill Barnett commented "traditionally the period of December to April remains peak sales season, and feedback in the past few weeks has seen sales traction. Ultimately the market desperately requires new launches to stimulate broader interest if there is to be a return to stabilised trading."