



asset management
& hospitality consulting

Phuket

2010 Luxury Villa Market Update

May 2011

New world order spurs property resales

Market research shows pivotal shift in buyers' profile

“As the world crawls out of the dark shadows of the global economic crises, changing faces and places headline Phuket’s luxury villa market.

Market demand growth was demonstrated by 16 sales in 2010, after bottoming out the previous year.

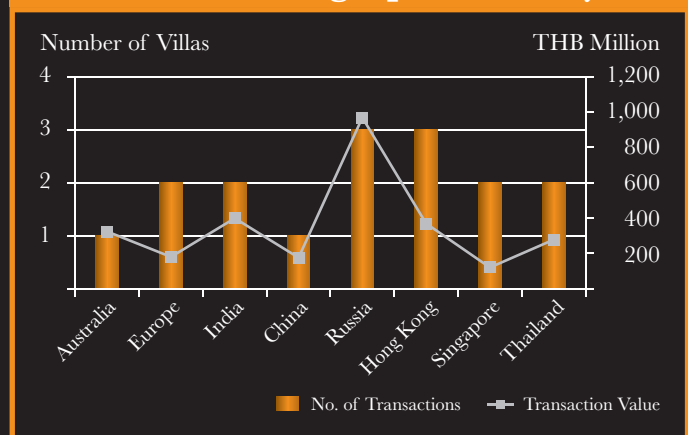
According to market research, 35% of transactions were recorded in the price strata of THB100 to 200 million. Topping the list was a single villa traded at THB768 million.

Highlights for the year were the Allan Zeman market leading “Andara effect” coupled with a west side of the island storyboard.

2010 Trends

- Transaction value of THB2.84 billion with resales accounting for 68% of total volume.
- Emerging markets of Russia, China and India reflected buyer activity as traditional European markets continued to retract.
- Available inventory of hospitality-led residential projects decreased 23% compared to 41% for residential projects.
- Primary sales limited to ocean front locations or projects by well known developers.

Demographics of Buyers



Source: C9 Hotelworks Market Research

The primary segment outlook remains shrouded given a surge in resale listings of premium properties and shortage of new developments.

Secondary sales are anticipated to remain in the drivers seat during the year ahead.”

Bill Barnett, Managing Director, C9 Hotelworks

Forward Outlook

- Market conditions favoring buyers push short term trend toward secondary sales.
- Increasing opportunities in developed markets in U.K., Europe and North America creating potential diversion of investment.
- Strong Thai baht contributes to keeping potential purchasers on the sideline.
- A gradual rise in new luxury projects planned over the next year is expected to raise the island's presence internationally.

PROPERTY OVERVIEW

Luxury Villa Projects

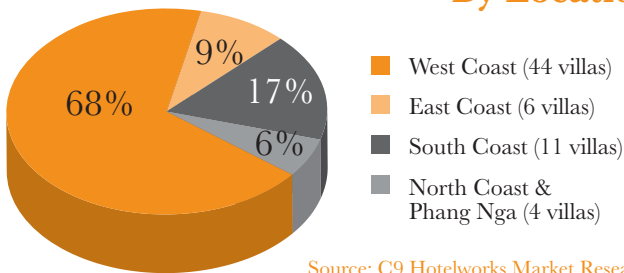
Project Name	Location	Total Units	Launch Period
West Sands Phuket	Mai Khao	2	2006
Malaiwana (Phase 1)	Nai Thon	19	2007
Istana	Nai Thon	19	2008
Trisara (Phase 3)	Nai Thon	19	2005
La Colline	Layan	19	2007
Banyan Tree (Double Pool Villas)	Bangtao	15	2005
Saisawan	Bangtao	13	2007
Kamala Waterfall Cove	Kamala	3	2010
Djinnah Santi	Kalim	11	2006
The Hermitage	Kata	5	2009
Sri Panwa (Phase 1, 2)	Cape Panwa	19	2004
(Phase 3)		7	2010
Royal Phuket Marina	Koh Kaew	6	2007
Baan Yamu (Phase 3 Executive Villas)	Cape Yamu	1	2007
Sava Natai	Phang Nga	7	2008

- The developments classified as “Luxury Villa Projects” are defined as those priced from THB65 million.
- The content and analysis is based on projects available for sale at the end of December 2010, and is exclusive of resales.
- A total of 14 projects totaling 165 villas fall within this classification. Approximately 44% of the total units shown were in the market at the close of the year.

Source: C9 Hotelworks Market Research

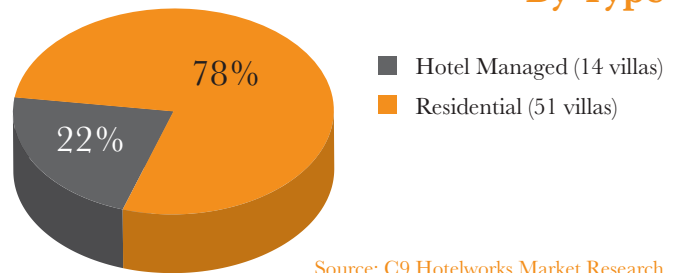
Unsold Inventory

By Location



Source: C9 Hotelworks Market Research

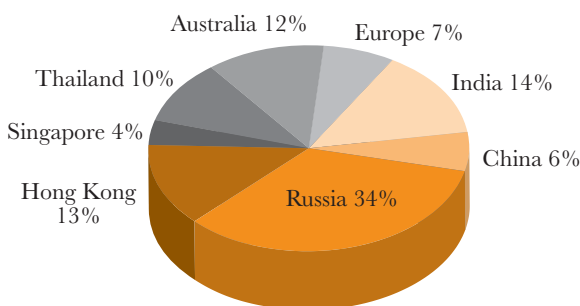
By Type



Source: C9 Hotelworks Market Research

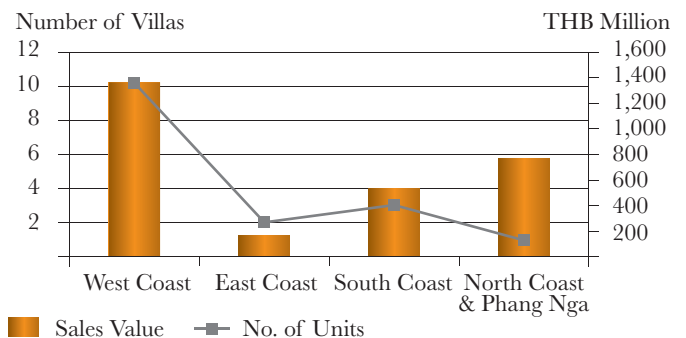
Transaction Highlights

Buyers' Profile



Source: C9 Hotelworks Market Research

Sales Value



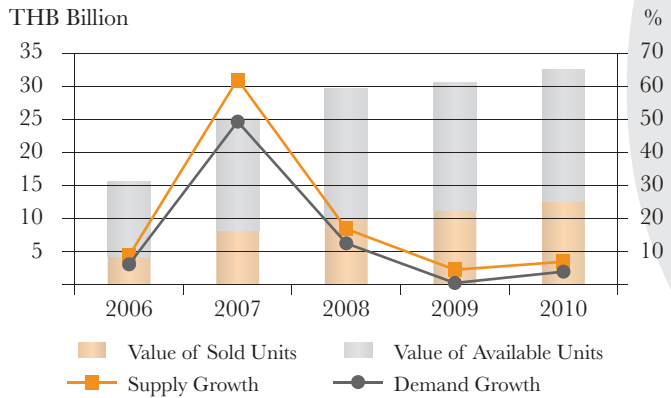
Source: C9 Hotelworks Market Research

Shift in island's tourism source of business reflects changes in buying pool

Prime properties located along the west coast topped overall demand

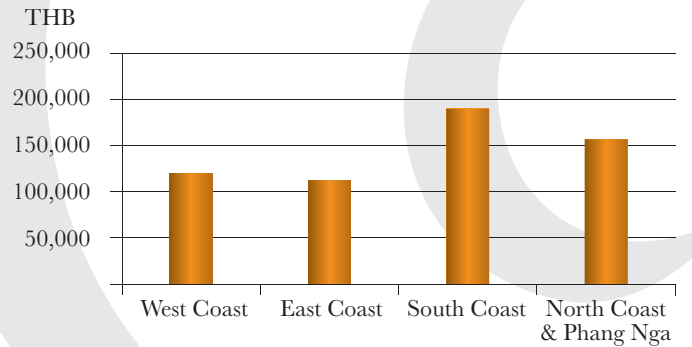
Market Absorption

Supply vs. Demand



Source: C9 Hotelworks Market Research

Average Price - Per Square Meter



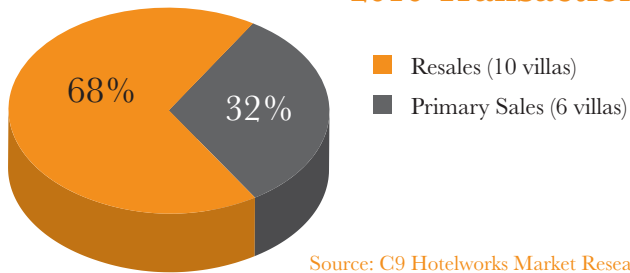
Source: C9 Hotelworks Market Research

Market absorption improved as demand bottomed up after low point in 2009

Developer profile plus hotel management are linked to rise in project value

Sales Market Mix

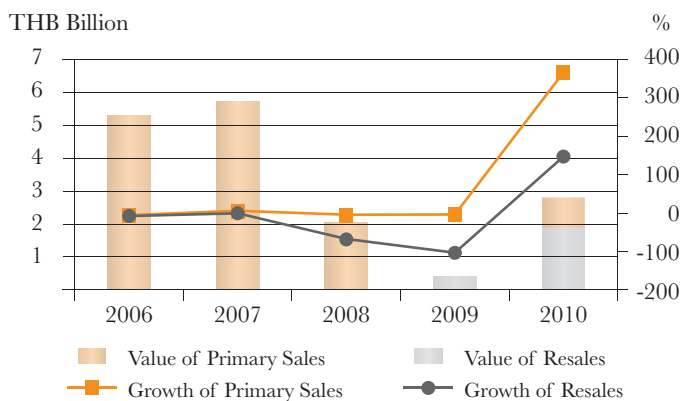
2010 Transactions



Source: C9 Hotelworks Market Research

Resale sector dominated sales landscape for second year in a row as wave of existing owners continued to list properties

Resales vs. Primary Sales



Source: C9 Hotelworks Market Research

Market trading volume rose by THB2.4 billion in 2010 versus the previous year

About C9 Hotelworks



Bill Barnett
Managing Director

C9 Hotelworks is an internationally recognized consulting firm with extensive experience in the Asia Pacific region. Its core business focus includes:

- Ⓞ **Hotel and Resort Development**
- Ⓞ **Asset Management / Ownership Representation**
- Ⓞ **Project Feasibility and Analysis**

With key competencies including international hotel operator search, selection and contract negotiation, mixed use hotel and residential planning and operation reviews.

A wide range of both institutional and private developers and a comprehensive portfolio of completed projects, give C9 the skill set and background to focus on key issues, evaluate complex ones and assist clients in achieving solid results. Based in Phuket, Thailand and led by Managing Director Bill Barnett, who has 26 years of experience in Asia Pacific, the firm is well positioned to serve an increasingly demanding marketplace.



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