

High-end niche works on Samui

KI Woo speaks with a Samui-based businessman who has developed a successful niche business in the high-end tourism industry

BUSINESSES IN Thailand can thrive in today's highervalued baht environment.

During the past several months, many exporters have complained loudly to the Bank of Thailand, asking it to weaken the baht's value against the US dollar, because they cannot compete profitably.

As we investigate more closely into their dilemma, we begin to understand that Thai businesses in general must operate in areas in which they must compete globally and, perhaps just as importantly, operate at globally competitive efficiencies and costs.

Samui Villas and Homes (SVH) managing director John Birt operates in a specialised niche market in a growing industry in which Thailand is a recognised global leader.



HIGH-END niche-market tourism succeeding on Koh Samui.

"I began Samui Villas and Homes in 2001 because many of my acquaintances needed someone to manage their beachfront villas," he said.

Birt said the company was originally set up to manage private villas belonging to many of his shareholder friends.

"From there, it's grown into a fullservice property company, with more than 160 support staff providing villa management, vacation rental services,

brokerage services, project and construction services, as well as property advisory services," he said.

Birt, who spent 30 years in the property business throughout Asia, began his new business as a retirement endeavour. He first moved to Thailand in 1988, when he established the Bangkok office of First Pacific Davies.

"I began investing on Samui in 1989 and over the years

assisted a variety of friends in the acquisition of Samui property," he said.

Longtime Koh Samui resident Doris Chiatanasen, managing director of Coral Bay Resort and Spa, said SVH was successful because Birt identified a very highend niche vacationhome market on the island that needed his company's very specialised services.

"He was the first one to offer whiteglove concierge services to villa guests, including limousine airport pickups," she said.

Birt said SVH now managed 55 villas on Koh Samui, including 40 large beachfront villas with market values of Bt70 million to Bt140 million.

"These villas have living areas of 400 square metres and up, and sit on up to 4 rai of land right on the ocean," he said.

Birt called the Internet a critical success element for his business.

"Many of our guests come

See Guests [4B]

Many Spanish, Italian guests

■ From 1B

through our www.samuivillasand-homes.com website," he said.

A quick look at the company's website indicates daily rental rates can range from US\$350 to \$1,800 (Bt11,900 to Bt61,300) per night for a sixbedroom beachfront villa.

"Most of the villas are occupied between 12 and 15 days a month," he said. Birt said the largest group of villa guests were from the UK.

Well-heeled Australians form the secondlargest group, while Scandinavians and Germans are very prevalent in the northern winter months. "We are now getting many Spanish and Italian guests in their summer months," he said.

With the rates SVH charges, Birt has identified a fastgrowing, affluent and big-spending nichetourist market for top-end Thai resorts.

"If a family of four comes here from London and spends two weeks in a Samui villa, the income-earner makes

pretty good money," he said.

On the ownership side, Birt has been successful because he identified another long-neglected market that was waiting to be serviced. "Many of the owners of these multimillion-dollar beachfront villas didn't build them to be run as businesses," he said.

Birt said most owners wanted to ensure that their villas were properly maintained at all times and looked to potential rentals merely to cover their operating expenses. "Anything that is left over is fine, and we don't make any promises on annual yields," he said.

After six years, Birt said SVH had a lot of referral business and had expanded into Phuket and Krabi.

"We've even had weddings, and now many corporations are looking to rent several villas at one time for senior executive meetings," he said.

Other operators recognise the nichesuccess and are building projects of their own. "The W, Conrad and Four Seasons are building smaller boutique hotels and villas on Samui," Birt said.