

# Big returns in Phuket, Samui

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INVESTORS WHO BOUGHT pool villas and other properties in residential resorts in Phuket and Koh Samui over the past two to four years have made a financial gain of 100 per cent when selling them, CB Richard Ellis Thailand chairman David Simister said yesterday.

Eighty per cent of buyers are long-term investors who bought homes in such estates as second homes, while 20 per cent invested for sale later when residential prices were on the rise.

The impressive gain made by the latter category follows a rise in land and residential prices after strong demand in the market.

Foreigners are the main buyers of residential-resort projects in Phuket and Koh Samui, with prices ranging between US\$1.5 million

(Bt49.7 million) and \$10 million per unit.

Simister said demand for such projects in Phuket and Koh Samui had recorded strong growth since 2006, especially for luxury units priced from \$1.5 million.

With the market trend, international hotel chains have expanded their investment on the islands in both luxury hotels and pool villas.

These include Four Seasons Hotels and Resorts, Raffles International Hotel & Resort, W Koh Samui Retreat & Residences, Taj Hotels Resort and Palaces, Capella Hotel and Resort, Shangri-La's Phuket Resort & Spa, Kempinski Residences, Conrad Koh Samui Residences, Park Hyatt, and Dusit Hotels & Resort.

Simister said that while they have invested to build luxury hotels, they had also developed residential units

close to the hotels, generating a return on investment from rental fees of between 6 per cent and 8 per cent a year.

Up to 300 luxury villas worth nearly \$1.5 billion will be launched this year on Phuket.

On Koh Samui, nearly 100 villas worth \$500 million and managed by international hotel chains will be launched.

According to a survey by CB Richard Ellis Thailand, beachfront plots on Phuket's west coast are transacting between Bt21 million and Bt50 million per rai, with the exception being Patong which has recently reached Bt200 million per rai.

Koh Samui beachfront land prices stand at Bt15 million per rai.

Although land prices rose last year compared with 2006,

*See Land [8B]*