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## 'Golden age' for Phuket property



*Increase in foreign investors and residents leads to real estate boom on resort island*

By Achadtaya Chuenniran



Real estate development is booming in Phuket as foreign investors are acquiring vast areas of land for housing projects. A number of foreign developers are to set up companies with Thai business partners to build housing estates and residential projects on the resort island, which has entered what officials call the "golden age of real estate development."



Homestay, a type of lodging offering facilities and lifestyles close to those typical of Thai families, has emerged as a popular choice. Swedish businessmen are the latest group to express strong interest in this kind of project.



"Foreigners highly admire the scenery and weather here," said Phuket governor Niran Kalayanamitr after talks with the Swedish firms.



He said the investors saw an opportunity for homestay development to serve Swedish travellers.

A number of new homestay facilities have sprung up in Ban Layan and Ban Naitorn in Thalang district as well as other areas around the island.

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Other investors have also asked the province for approval for different real estate projects.

A group of Norwegian businessmen suggested a Phuket bay development project, with technology friendly to the marine environment. Investors from the Middle East have expressed interest in developing logistics for a free trade zone near the deep-sea port.

The increasing demand has boosted land prices in the resort provinces. Phuket land official Tanet Niyom said certain seaside areas, especially those near famous Patong beach, sell for up to 50 million baht a rai.

Prices are cheaper in Muang district, but they are still around eight million baht a rai.

The value of land trading between 2006 and 2007 stood at 1.5 billion baht, according to the Phuket land office, but officials expect the value to go up to nearly five billion baht this year.

The rapid expansion of real estate development indicates that more foreigners want to stay for a longer period.

Officials are currently surveying the exact number of foreign residents, including those who do not properly report to the immigration office.

Foreign residents can be categorised into three groups \_ those who want to live here permanently, those who are working here, and those who want to live here for longer periods than their visas specify, according to Sompot Nipakanon, assistant director of the Bangkok Phuket hospital.

He said foreigners also appreciated medical services in the island resort. Bangkok Phuket hospital currently serves up to 200,000 people a year, 30% of which are foreigners.

Mr Niran said it was time to turn Phuket into a special economic zone so that local officials would have more budget to further develop all infrastructures, which currently do not match the increasing demand.

He also noted the limit of the governor's power in budget disbursement, as Phuket is not yet a special administrative entity.

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