

# Prospering in Phuket

Andy Street, Managing Director, Tawan Properties

## When did you arrive in Phuket?

2001 to retire from international business and take delivery of a private home in Phuket. Prior to that I was in Hong Kong and sold an IT consulting company. We offered consultancy services, mainly for the finance industry, so we would provide business consultancy, some technical consultancy and software development. I was in Hong Kong for 15 years and came straight from the UK.

## When did you become aware of Phuket as somewhere to invest in real estate?

During 1996-97 as a buyer of real estate. It took a couple of years to decide to invest and then 2-3 years to build the house with the developer. For us as a family it suited really well – ease of travel, medical care, schools and the growing community were all factors, pretty much as they are now. There was a slow migration from Hong Kong that had already started at the time, so we were ahead of the volume and since then the flow of people has increased significantly. We were prepared to come over without other friends being here, but quickly settled into the community and other people we knew did follow. I would guess there's about 100 Hong Kong families here now.

From a developer's perspective, in the last three years, the market has become much wider and buyers are coming direct from Europe and other Continental locations. The Hong Kong and Asian-based Expat buyer still remains very important, but is no longer the leading percentage. We now sell directly to people who are living in the UK, France, Italy and Belgium, as well as Canada, the US and other European locations. They haven't served their time as Asian expats, but are now more willing to commit to a purchase directly from their



own country. We're also seeing more people who are not retired, but are prepared to use Phuket as a home base to travel around the region or the globe. The technology here still needs to make

ed, Chom Tawan is nearing completion and Tawan Views is in the early stages of construction. Our fourth project, Saisawan, which is located on the beach at Bang Tao, is scheduled to start in

**'To retire here at a relatively young age was probably not the best decision I ever made because I still needed to be active. Property seemed to be one of the more obvious choices to get involved in.'**

significant steps forward, but it's more acceptable for people to run businesses from Phuket.

## How many projects have you done in Phuket now?

We have four residential projects. Maan Tawan is complet-

ed, Chom Tawan is nearing completion and Tawan Views is in the early stages of construction. Our fourth project, Saisawan, which is located on the beach at Bang Tao, is scheduled to start in

## Why did you decide to move into property development?

I found that I needed to do something on the island. To retire here at a relatively young age was probably not the best decision I ever made because I still needed to be active. Property seemed to be one of the more obvious choices to get involved in. I assisted a well known Thai developer to set up a high end sales and marketing operation, which is my background, and from the experience of that decided to go it alone on full blown property development,

## Do you think you entered the market at the right time?

I was very pleased and lucky with the timing. Although there've been obvious incidences along the way, we've stuck in there and remained positive and have continued to build well designed, functional, quality homes and communities. We have succeeded even during some difficult market conditions with the result that our achievements and capabilities are very highly regarded.

## Tawan Views is a departure for the company, with its East Coast location and more modern architecture. Why is that?

I personally happen to like the East Coast a lot and we may well move our family home out there. We have purchased a piece of land, which we have earmarked for our home. The change into the more modern design was driven by the desire to do something different. We have built contemporary Asian to date, which has been very successful, but wanted a change of style which has proved to be popular and in-demand. Having acquired the land we wanted to fit a development to it and we explored regionally different architecture practices, different designs and different approaches and felt very comfortable going

**Continued on page 40**



*Life Style Resort Condominiums*



**MANOR PARK**

[www.manorparkhuahin.com](http://www.manorparkhuahin.com)



**SIAM PROPERTY**  
PROPERTY OFFICE  
SOLE SALES AGENT

Mr. Sam Sheriff

Fax : +66-32-531535, 536949

Email : [sales@manorparkhuahin.com](mailto:sales@manorparkhuahin.com)

Tel : +66-32-531525, 536761, Mobile : +668-1-8574328

### The First 5 Star Resort Condominium in Hua Hin.

This beautiful property is part of a resort complex that will include One, Two and Three bedroom apartments in Stage 1, and Studios and One Bedroom units in stage 2 and 3. In addition to those 600 rooms + resort, we plan to build a state of the art conference center with a capacity of seat 5000 people.

The common areas are over 7 Rai ( 12,000 sq. meters ) and include tennis and squash courts, snooker and pool room, table tennis room, children's air-condition playroom, baby sitting facilities, state of the art gymnasium and health club, saunas, steam rooms, large swimming pool with Jacuzzis, restaurant and bar and a TV lounge. The outside areas include a jogging track, a children's play ground and a park.

Come be a part of Manor Park and enjoy the benefits and facilities that can be had only at a 5 Star Resort.

frangipani bay  
PROPERTY

frangipani bay  
PROPERTY

frangip

[www.frangipanibay.com](http://www.frangipanibay.com)

Contact Samui office:

tel. + 66 (0) 7723 1700-2

fax. + 66 (0) 7741 3758

e-mail: [info@frangipanibay.com](mailto:info@frangipanibay.com)

Property  
Sales



Call 08 9866 2866

[phatphong@frangipanibay.com](mailto:phatphong@frangipanibay.com)

Property  
Rental



Call 08 4849 6523

[rentals@frangipanibay.com](mailto:rentals@frangipanibay.com)

Wedding & Event  
Planning



Call 08 4849 6523

[eve@frangipanibay.com](mailto:eve@frangipanibay.com)

Property  
Development



Call 08 7389 2754

[john@frangipanibay.com](mailto:john@frangipanibay.com)

Villas  
Management



Call 08 7888 3734

[david@frangipanibay.com](mailto:david@frangipanibay.com)

## Prospering in Phuket

Continued from page 38

with the contemporary design that has evolved.

### Is there a lot of enthusiasm for international architects to work in Phuket?

Yes. There are barriers for architects though. I sense that some architects want to continue to charge international city type fees, which are not really being achieved at the moment in Phuket. It's a decision that they have to make in their business plan as to whether they create an office here in order to help with the fee structure, because at the moment certainly some architects appear to price themselves out of the Phuket market by being based in more expensive international cities.

### Some people are saying that the East Coast is over hyped and a long way from competing with the West Coast. What's your response to that?

Some people do say that and some people say the opposite – that it's going to happen quicker. We believe as a company that it's not too far away. There's an enormous amount of residential activity and hotel investment already, a lot already under construction and more at the planning stage. I'd like to see more investment on the leisure infrastructure, but I'm sure that will come. We may look



at that ourselves to see if we can contribute. This would be in addition to our partnership in Tawan Cruises, a leading private luxury yacht charter company. Is it over hyped? No, I don't think it is. It's a

the second location to develop and becomes the more sought after location.

### You did one of the first condominiums on the island, which

'We are very happy in Phuket, we are now Phuket people. The whole team is enjoying their life in Phuket and that will remain our focus into the foreseeable future.'

natural place to migrate to, as has happened on many other islands where the east coast tends to be

### pre-empted the current boom. What was your rationale behind it at the time?

We really wanted to have an offering for a wider and probably younger market. We felt as long as the design and quality were right, a mixture of condominiums and villas in a prime location would be highly appealing. It took the combined efforts of a well qualified professional team to pull it off, but we did and we were very successful.

### Are condos the future in Phuket?

At the moment there are a large number of condominiums being developed on the island and I have concerns that there may be oversupply at certain levels. Market forces will encourage developers to act appropriately and develop the right mix, because at the moment I feel the mix may be slightly out of kilter in terms of price and number of units.

Tawan Views is all condominium but that was dictated by the topography of the land. It's a relatively compact piece of land and it wouldn't have worked from a design perspective to have one or two villas plus condominiums. It's a beautiful slope, with very significant ocean views.

### Will you develop villas again?

Yes. The Saisawan project is all about luxury villas – just 16 beautiful exclusive homes located on the beach. Beyond that I really



Continued on page 42

**bticino**

# Automation System



BE

# AXOLUTE

the best of design and technology.



**ELECTRICAL PROJECT CO.,LTD.**  
14/4 M.5, T.Chalong, Phuket 83000 Thailand  
Tel.(66)76 383 793 Fax.(66)76 280 023  
Email : [info@elec-pro.com](mailto:info@elec-pro.com)



Video Display



Scenario touch



## The real estate professionals



**2.28 Rai, Taling Ngam LS347**  
Flat beach front land facing west, offering sunsets and views of The Five Islands. 33 meters of beach frontage and full infrastructure. Chanote land title.

9,650,000 Baht / Rai



**40 Rai, Bang Por LS287**  
Hillside land with panoramic sea views over 5 bays, surrounding islands and neighbouring International Standard Golf Course. Chanote land title and building permit.

4,000,000 Baht / Rai



**11 Rai, Choeng Mon LS357**  
Gently rolling viewpoint land facing west, offering beautiful sea and sunset views over Big Buddha and Bang Rak Bay. Chanote land title.

5,000,000 Baht / Rai



**Kalara Heights, Bang Por**  
Exclusive high-end land and house project with stunning sea views, project management and full infrastructure in place. 70% sold and construction underway. Plots from 1 rai.

From 3,000,000 Baht / Rai

Samui's most comprehensive property database

Tel: +66 (0) 77 246 036, Mobile: +66 (0) 8 1676 1678, [info@kalaraco.com](mailto:info@kalaraco.com)

[www.kalaraco.com](http://www.kalaraco.com)

## Prospering in Phuket

Continued from page 40



haven't thought about the next residential development. We're not against doing more villas in the future, provided that they are in outstanding locations.

### Did foreigners invest into your previous villa developments through the company route?

No, we led from the early days with leasehold, so for us things haven't changed that much. We didn't have some fantastic vision of the difficulties that have arisen, but we did understand Thai law and the Foreign Business Act and were very confident and happy with leaseholds, as were our buyers, so it's not a great change for us. This has stood us in good stead with history and the reputation of what we've done. There are one or two exceptions and people have bought through Thai nationality, but over 90% of everything we've sold has been leasehold from day one.

We've managed to construct a contract in conjunction with Belmont Limcharoen, which has been vetted by a significant number of buyers' lawyers, which includes a provision that if the law changes they can change the title to freehold.

For the condos, the 51% that can't be sold freehold to foreigners is leased to them. We have a separate Thai company that buys our freehold condos and which then grants secure long term leases to foreign investors. For

added security it grants a small shareholding so that the leases can always be renewed or extended without additional prices needing to be paid. It's what the law allows and it is the structure recommended by leading law firms in Thailand.

### With larger companies and big brands entering the market, how will you maintain your profile?

We're very pleased with our profile. Larger companies, international developers and fund managers looking at Phuket from an investment perspective are contacting us to help ensure the success of their first ventures. Such large and international investment is reassuring to individual home owners, both existing and those just deciding to buy, and counterbalances the current concerns and the uncertainty that some private buyers have. It's an interesting facet of the business if we are used on consultancy and advisory basis.

We have grown to be one of the large independently owned development companies. Increased competition in that market is a good thing and we welcome competition whether it be head on or as joint venture.

### You were considering developing a hotel at one point. Why did you change your mind?

We were very fortunate to have an investor in our Saisawan beach villa project who was the driving force behind the Pansea group. One obvious consideration for us on the beachfront in Bang Tao was to look at a hotel, but the joint decision by all investors led us to stay with residential. We really wanted to make a statement – they are going to be very high end villas, price wise and location wise and we felt that this was a more interesting challenge to develop on the beachfront.

### Is rental return an important factor for your buyers?

Rather interestingly, many people start the sales cycle stating that they are going to rent their properties. CB Richard Ellis help by advising them on typical returns and yet when we deliver the property most people say 'actually I like it so much I'm not going to rent it.' Having said that, if people do stick to their guns it becomes a revenue-generating machine for them. Where they all get great returns is on the faster growing re-sale value that comes from properties that are in prime locations, that are well built, well designed and therefore always scarce and desirable.

### Do you maintain a land bank?

We're always looking for

good pieces of land that we can develop in the future and the company has access to a small land bank. There are definitely good plots still available – they are harder to find and are more expensive, but they are there. I wouldn't say that you have to compromise but it's now a more difficult scenario to find the right land in the right location.

### What do you have planned in the future for the company?

The future for us will probably be more a blend of west coast and east coast. I would like to explore business opportunities on the leisure side of supporting dwellings and residential complexes to assist in their own development over on the east coast and to be seen as an operator to support other developments in the infrastructure that is required.

### Do you ever see the business moving outside of Phuket?

No, we are very happy in Phuket, we are now Phuket people. The whole team is enjoying their life in Phuket and that will remain our focus into the foreseeable future. We are always being encouraged to look at other locations, but I like being here, I like being with my family and I like focusing on Phuket and delivering what we need to deliver. P

