

Having survived two years of low tourist numbers and a stagnant property market, this year is seeing a return to popularity for Koh Phangan, with many visitors choosing to stay in luxury villas. | by AMY SHARPE

Koh Phangan



Renowned for its infamous full moon party, the island has continued to build on its natural foundations — soft sand beaches and vast tracks of forest, to become a popular tourist destination and a mecca for those looking for a new way of life. Although family run bungalows are being steadily transformed into boutique resorts, Koh Phangan has managed to retain its laid back vibe, embracing western influence without being dominated by it. Once sleepy fishing villages are still home to the island's original settlers, but there are now also trendy foreign run shops and patisseries amongst the hardware stores and noodle soup stands. Haad Rin will soon be home to Koh Phangan's first international brand hotel, with Best Western, which is teaming up with Phangan Buri, while the north east of the island is already home to a selection of five star resorts. Popular past-times on Phangan include kite boarding, yoga and wellness, diving and snorkelling, and with over 60 per cent of the island designated as national park, Phangan is steadily growing into one of Asia's leading eco destinations.

There is no doubt that visitors are drawn to Koh Phangan for its low cost of living. Eating out, even in the most expensive restaurants is more reasonable than on its big sister island of Samui. Guests staying in Phangan's villas also enjoy favourable rates,

with a five bedroom villa costing around US\$450 per day in high season, compared to between US\$1,500- US\$2,000 on Samui. Standards vary from villa to villa, and some would argue that Phangan villas do not have the sophistication of some of Samui's most luxurious residences, such as those designed by international architects or part of renowned branded hotels. However, Phangan's charm lies in its island beauty and laid back way of life and the villas reflect this, combining comfort and style within natural surroundings.

These lower costs are another reason why investors are turning to Koh Phangan. There aren't many tropical islands where half an acre of land including infrastructure costs less than US\$60,000 or where \$200,000 buys you an ocean view villa. There has been a resurgence of villa sales. "The sales market seems to be recovering quite well," says Ian Worrel, from Phangan Holiday Homes. "It seems that as people see a financial recovery in Europe they gain more and more confidence to invest out here. This is shown by the fact that even though exchange rates are still not favourable, buyers from Europe who pay in euros and pounds were not put off."

PHH are the project managers for Koh Phangan Pavillions, 12 homes in Thong

Nai Pan Noi for sale on a renewable 30 year lease, featuring indoor-outdoor living, ocean views, a clubhouse and reception. With every villa on their books having been full over the Christmas peak season and Worrel says that return on investment is a real opportunity through holiday rentals.

Charlie Solares from Sage Land and House, one of the island's longest running property agents, has also seen a recent increase in sales. "We see three different types of investors," he says, "the moms and pops coming over to find their piece of paradise, the start up developers, people who have made their money in the west and are looking to invest in property, and then the larger corporate investment groups". Solares says it is the first group who have kept the property market alive over the last year, people who have decided to sell out in Europe and start a new life on Koh Phangan. Sage Land and House and similar companies now offer sub-divided plots with the essential infrastructure needs in place such as water, electricity and access roads. This ensures the vital early stage in the building process runs more smoothly, avoiding lengthy delays due to communication issues between contractors, owners and neighbouring landowners. Sage's newest project, Ocean View Terrace features build-ready land plots with sea views just a 50m walk to a quiet beach on the island's west coast. Plot sizes start at 800 sqm and THB4 million.

Koh Phangan has developed at a much more steady rate than neighbouring Koh Samui, and with its growing status as an eco island, planning and zoning laws are being enforced to ensure it stays green and protected. However, the march of progress continues, and with this its appeal as a permanent home increases. Improvements in the overall infrastructure help to create more confidence for potential investors, with newly widened and resurfaced roads to Haad Rin and to Chaloklam, making the island more accessible and safer for travel. Many visitors miss out on the most beautiful beaches of the North East due to the rough road from Bantai to Thong Nai Pan, which can become practically impassable after heavy rain. This road is due for a complete overhaul with a budget allocation of THB108 million in 2011. ■