

The Changing Face of Koh Phangan



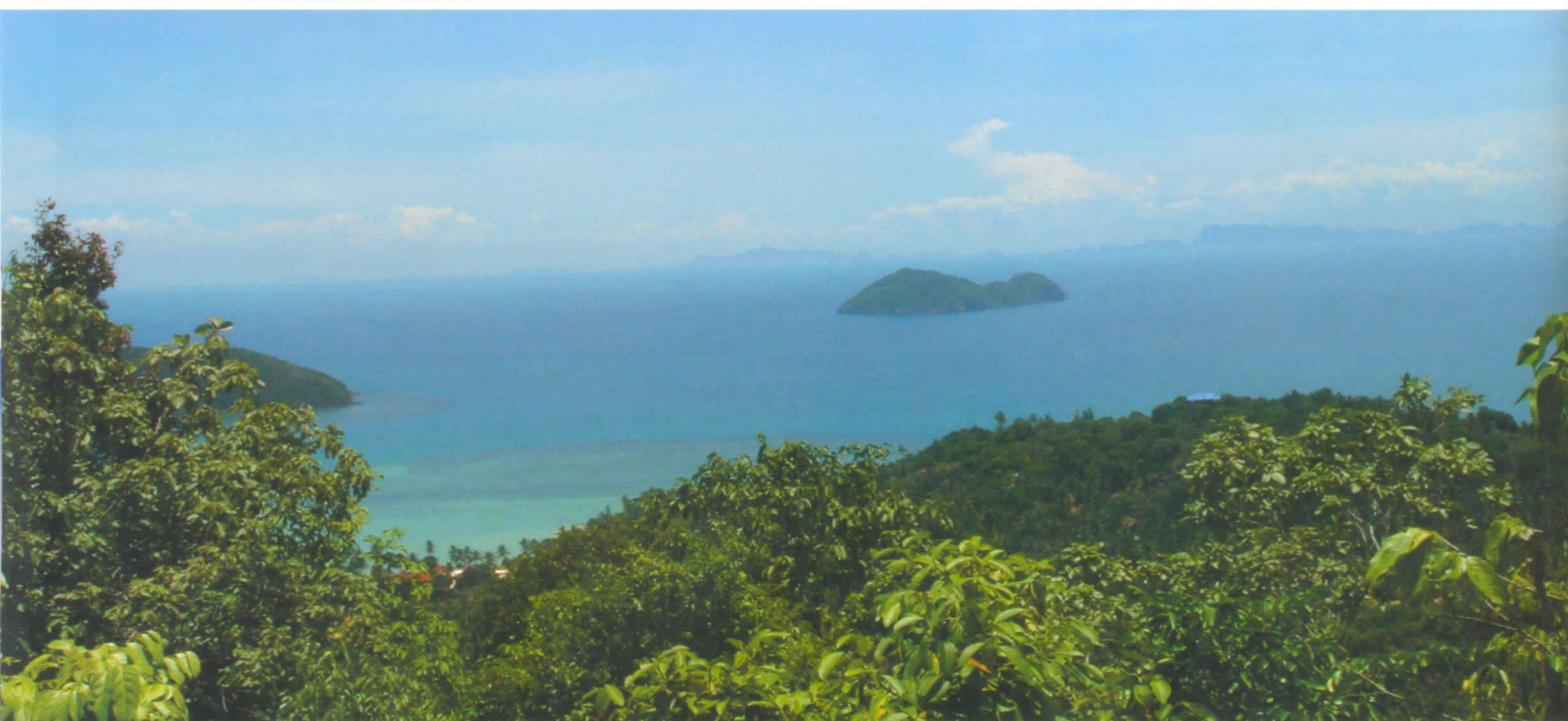
Koh Phangan is a small island, only 168 sq km, 55 km from the mainland and 15 km from Koh Samui in the Gulf of Thailand. Despite the world-wide economic recession it still has a thriving property market largely due to Westerners hoping to live a simpler life where their money goes further.

Eco Tourism vs Party People

With a laid-back lifestyle, increasing infrastructure with banks and a Western Union office in the main town of Thong Sala, as well as a local accident and emergency facility, it is becoming a popular choice for those who aren't attracted to the rampant commercialism of some of the larger islands in the region. The infamous Full Moon Party takes place every month and draws crowds of up to 30,000 but recently measures have been put into place to stop the reported excesses at these

parties so that it can be marketed as a more family-friendly destination.

Currently approximately 10,000 people live permanently on Koh Phangan, the majority based in Thong Sala. Most of the local population lives in small farming and fishing villages dotted around the island. As a designated eco-tourist destination, over 60% of Koh Phangan is a protected national park making it ideal for hiking and trekking. The array of white sandy beaches, many protected by beautiful coral reefs, provide excellent snorkeling and diving opportunities.

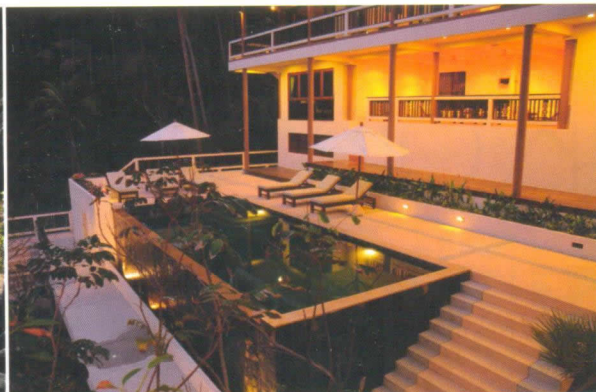


Favourite Hideaways

There are many property hot spots on the island. On the east coast of the island Thong Nai Pan, which consists of two bays linked together, caters for high-end real estate and also boasts many of the top resorts in Koh Phangan. The west coast is also popular. According to Charlie Solares, managing director of Sage Land and House, the west coast has some exciting new developments underway. He adds, "It has

lovely sea views, easy access, excellent infrastructure and it is close to all the amenities on Koh Phangan." Nik Parker from Koh Phangan Holiday Homes agrees: "The west coast beaches are tranquil and have great views of the Ang Tong Marine Park, along with Koh Phangan's legendary sunset." Commercial businesses tend to base themselves in Haad Rin, the home of the Full Moon Party.

The main buyers at the moment are European. They are investing not only in commercial businesses, but in a number of different types of developments. Nik says that two to four-bedroom villas are the most popular, whereas Charlie favours a wider range: "There are large and small housing developments appealing to families, older couples and investors alike. Thong Nai Pan is attracting families and investors wanting a high-quality villa to live in part-time and to rent as well."



Investment Opportunities

Prices are very competitive in Koh Phangan compared to similar locations in the region. Liam Bailey, chief market analyst from Property Abroad believes there are some great bargains to be snapped up. "Just as Koh Samui has been affected by the global situation, so Koh Phangan growth potential has been stunted, but this just makes it an even hotter investment destination.

"You can now buy 10 rai of tropical beachfront land, already divided into eight plots for £114,000 (approx THB 6.2 million). This will easily sell for three, four or even five times that (depending on how patient the owner is) during Asia's economic recovery."

Nik Parker offers a broader range of THB 1 million for coconut land with no views to THB 25 million for beach side property. As Charlie Solares says: "Factors to be considered in the price include infrastructure, access and

location on the island. For example, rocky coastal land starts at THB 2.5 million per rai or beachfront land for THB 5.5 million per rai." Making sure that underground drainage and water and electricity supplies are in place is an integral part of the buying process. Many property buyers purchase land assuming it is ready to be built on, only to find they have a lengthy and expensive process ahead in order to put in the necessary infrastructure. Both Nik and Charlie recommend talking to a real estate agent that is not only reputable but who knows the island. Charlie also suggests: "be patient and do your research. Include due diligence and get a lawyer to review the property before you buy."

The Simple Life

So although the property market has hit a slump overall, those with cash and patience are snapping up villas and homes in Koh Phangan where the price of property is, in most cases, less than 30% of the price elsewhere in the

region. With the island boasting less traffic, fewer commercial buildings and a smaller population than many surrounding islands, it is a magnetic draw for those searching for a new start or a simpler life, with developments and properties available to suit every lifestyle and most pockets.

www.sagelandandhouse.com
www.kohphanganholidayhomes.com

Key Prices:

Coconut land with no views:
THB 1 million per rai

Rocky coastal land:
from THB 2.5 million per rai

Beachfront land:
from THB 5.5 million per rai

Beach side property:
up to THB 25 million

Investor opportunities:
10 rai beachfront land THB 6.2 million
(predicted up to 5 times return on investment over time)