

COVERSTORY

GETTY



FAR PAVILIONS

With property prices half those of Phuket, laid-back Koh Samui is now luring investors as well as backpackers, writes Lucia Adams

IT IS Thailand's third-largest island, has white sand beaches, hills blanketed with palm trees, and the locals' friendly nature has earned it the tag "Land of Smiles". Yet Koh Samui has remained relatively undiscovered by buyers of second homes — outshone by glitzier locations such as Phuket, where good infrastructure, big hotels and holiday homes are as much part of the fabric as dirt tracks and fishermen's shacks are of Koh Samui's. This lack of development may be one reason buyers were put off in the past — there are water shortages and storms can cause floods and power cuts — but the lack of Western influence is part of its charm.

Now visitor numbers are rising — a trend that Abigail Silver, of the Tourism Authority of Thailand, attributes to the fact that the island escaped the level of destruction visited on Phuket by the 2004 tsunami. Boutique and five-star tourism is moving in (Four Seasons is to open a hotel this year), bringing up-market travellers to join the backpack clan.

Investors seeking a slice of paradise are being attracted by property prices roughly

half those in Phuket. Dean Wilkinson, of the agent Absolute Thailand, says that any improvements in roads, electricity and water supplies can only bode well for property values.

Land prices have risen by about 50 per cent in three years, says Stephen Owen, of Dhevatara Properties, which, via Savills International, is selling villas with gardens extending to the beachfront from \$1.4 million (£715,000), and homes farther inland with superb views of the bay from \$800,000. Two of the eight four-bedroom villas at the Dhevatara Residence development, which will be finished in March, have been snapped up. Each has maids' quarters and a private swimming pool and they range from 440 sq m (526 sq yards) to 557 sq m (the plots vary between 630 and 1,247 sq m). On the north of the island they are a ten-minute walk from Bophut's restaurants and bars but separated from the tourist traps of Chaweng and Lamai.

Beachfront locations such as these are what attracted James Willis to the Residence's sister development: super-luxurious Dhevatara Cove on the secluded west coast, at Lipa Noi. He says: "If you want a house on the beach with four or five bedrooms and a pool and you want to be in an attractive country, in Barbados it will cost you \$6-8 million and in Turks and Caicos \$8-12 million. In Koh Samui I could buy my 800 sq m house with a private pool on the beach for the same price as a two-bedroom flat in Onslow Square; you wouldn't even get a good little mews house in Chelsea for that money any more."

Only one of the six properties at gated Dhevatara Cove remains, costing \$2.85 million, for which you get five bedrooms, a study, maids' quarters, high-spec Thai-style interiors, a pool, and 857 sq m of living space on a 1,951 sq m plot.

Would-be owners will need a ready source of cash; mortgages are not available to foreigners through Thai banks, though Dhevatara can arrange a three-year loan at 6.5 per cent of up to 50 per cent of the purchase price. Restrictions on land ownership in Thailand mean that buying through a company is common (purchases at Dheva-



tara are structured in this way via a British Virgin Islands company).

Properties at both Dhevatara developments are run like small, exclusive hotels. Made up of a series of "pavilions" around private courtyards and landscaped gardens, each comes with at least one staff member and a Thai chef dedicated to the owners' needs, whether it be cook-

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ing, house-sitting, or maintaining the property while they are away. Each development also has generators and back-up water supplies.

All these are key selling points for buyers who hanker after the highest level of comfort as well as rental income. Samui Villas and Homes, the largest management company on the island, which will let properties on an owner's behalf,



Ancient and modern: the charms of Koh Samui, with its traditional fishermen's huts, far left, are attracting luxury projects such as the Dhevatara schemes, left, with their Thai-style pavilions, private pools and bay views. Prices from \$800,000 to \$2.85m

expects to attract rent of between \$1,000 and \$1,500 a night in peak season. This could cover the \$400 to \$500 a month estates management fees (paid by the company in the first year).

The Thai authorities are keen to avoid the mistakes of more overdeveloped areas — new buildings cannot exceed 12m (39ft) in height, and any structure with a footprint of more than 75 sq m is banned within 50m of a beach.

Stephen Owen believes Koh Samui's property market will grow because of the rarity of prime properties in choice beach positions. He says: "In Samui there are very stringent rules as to what you can and cannot build, so that will always hold the key to it being a strong market. There is only so much coastline, and there will be demand for land and quality products because it will become rarer and rarer."

ISLEFILE

- An hour's flight from Bangkok, Koh Samui has direct links to Hong Kong, Kuala Lumpur and Singapore; it is up to 13 hours' flight time from London
- Tourists spend £200 million a year
- 550 miles (885km) south of Bangkok
- The island is 13 miles at its widest, 15½ miles at its longest
- Koh Samui is part of an archipelago of 80 islands, many no more than rocks
- Best weather and peak season: February to late June
- Dhevatara Cove and Residence contact: Savills International, 020-7016 3740, www.savills.com/abroad
- Absolute Thailand: 0800 7312061, www.absolutethailand.com

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