

Property on Samui – investors' guide

From an investor's perspective properties on Samui are still attractive in the long term as the island can only continue to grow thanks to its idyllic location and constantly improving facilities and services. The demand has cooled recently due to uncertainties surrounding foreign ownership, but most local experts believe a second property boom will follow once the legal aspects are made clearer. The island has seen rapid growth in recent years and there are still plenty of domestic and international investors that believe it's a good time to get in ahead of the next rush.

Based on a 5-year property explosion, prices on Samui are high, in some cases even higher than Pattaya or Phuket, which means low budget options are limited. However, there is an expanding resale sector that offers occasional bargains, especially for those with foreign currency to invest. A consistent supply of foreign buyers and tenants has helped keep prices buoyant and at the same time maintains the value of properties and project developments on Samui.

The fact that Samui is now considered an attractive places to relocate means that the foreign community is growing. This has a significant effect on the prices of properties and as the island also becomes more popular for holiday rentals, a robust demand based on yields is likely to take over from outright sales.

Investors interested in Samui as alternative to Pattaya or Phuket, will find less options when it comes to completed properties, but this is changing as developers with deeper pockets move in. The standard option is to buy or lease off plan, and most of the products are villas or apartments within a modest development with tropical surroundings and on-site facilities. Some investors have sold units through agents and websites to buyers who've never seen the place. The price seems so attractive from abroad that they are willing to close the deal without inspection.

Some investors have done well buying land and building their own properties for resale, however recent changes to land ownership laws make this option less secure than previously unless bona fide Thai partners can be found with the necessary capital to invest in the project. In-depth knowledge of land titles and due diligence should be a pre-requisite for investors considering land purchases on Samui. The legal process may seem ambiguous to newcomers, but there are certainly procedures to be strictly adhered to in order to guarantee a secure investment.

(Article taken from: www.property-report.com)