

## The Russians just keep on coming



*Bangkok Thailand (Phuket Post) 12 January 2009.* RUSSIAN interest in Phuket's property market continues to rise, and a packed international property conference in Moscow last month was told that Russian buyers could account for as much as 20 per cent of the real estate market this year.

At the moment, about 15 per cent of Phuket properties are sold to Russian buyers.

Patrick O'Neill, from the O'Neill Group, told about 2000 delegates at the 2008 DOMEXPO International Property Show in Moscow that investment opportunities on the island were still attracting buyers.

In 2007, the Europeans accounted for 1.4 million people, or more than 30 per cent of the five million visitors to Phuket.

Russians made up eight per cent of that figure, and last year the number of Russians coming to Phuket was expected to increase by 40 per cent, which would have made the island the third most popular holiday spot for Russian holiday makers.

But that was before the PAD held the country under siege by closing the country's two main airports, Sunarnabhumi and Don Muang.

However, despite the political troubles in the capital, visitor numbers are holding up reasonably well.

Hotel occupancy in Phuket in 2007 was 65 per cent, and last year, the rate dropped to only 60 per cent, and was still up on 2006 figures.

Mr O'Neill said the buyer profiles matched the visitor arrival profiles for resort destinations like Phuket.

He said in 2007, the Russian market accounted for less than 8 per cent of the European arrivals, and that number was expected to increase by more than 40 per cent, which would have made it the third fastest growing visitor segment behind Eastern Europe and Finland.

He said the property market in Phuket remained buoyant, mainly because most developments and individual sales were completed without financing or leverage.

"The economic fundamentals remain very strong for the Phuket real estate market," he said.

He said Phuket's attractions included its proximity to other Asian and European capital cities, the number of direct flights into Phuket, affordability, medical tourism, its reputation as a premier holiday destination, and the booming retirement segment.

Mr O'Neill said the Russian impact on the real estate market would continue to grow and when combined with the East European segment, it could account for more than 20 per cent of the market this year.

The O'Neill Group is a real estate advisory firm based in the US and Hong Kong. Patrick O'Neill is a real estate veteran with more than 25 years experience in international markets.

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