

Looking East To Koh Chang

Welcome to the first of three articles which will take a look at the property market on the island of Koh Chang, Trat. With the eastern seaboard booming, many buyers are now looking further afield – towards the islands off the coast of Trat province as they seek out an undeveloped island paradise to call home.

Whilst Koh Chang may not quite live up to the Tourist Authorities tag of being ‘Oriental Eden of the East’, it is definitely far less developed than other well known islands such as Samui and Phuket. Plus, it can easily be reached by road or air. The drive from Bangkok takes around 4 and a half hours or from Pattaya, 3 and a half. Whilst Bangkok Airways provides a twice daily, 50 minute flight on the Bangkok – Trat route.

Koh Chang is still extremely undeveloped when compared to other large islands such as Samui or Phuket. Phuket's development began 30 years ago, Samui's 20 years ago but Koh Chang's only began in earnest a few years ago.

An early reason for the lack of development was the civil war in Cambodia in the 1970s and subsequent Khmer Rouge activity in the region which carried on well into the 1980s. Promoting an island as a tourist destination only to have them kidnapper or murdered by marauding guerillas wasn't something the TAT wanted to do. And so, as Samui and Phuket went from strength to strength and became world class tourist destinations, Koh Chang was pretty much forgotten by the powers that be. Small numbers of backpackers visited and a couple of resorts catered for mainly Thai families who took their holidays by the unspoilt beaches but on the whole the island remained dormant.

It was only in 2002 when the Thai government had a brainwave to turn Koh Chang and the surrounding islands into a themed wonderland for ultra-rich eco-adventurers with money to burn that developers and speculators began to sit up and take notice. (By pure coincidence the islands first luxury resort opened only a few months after this announcement, and, as luck would have it, a couple of the directors of the hotel also happened to be close associates of the PM himself.)

Fortunately, the novelty of turning the Koh Chang archipelago into “the Maldives of the east” (Yes, seriously) soon wore thin and the plan was put on indefinite hold. However, interest in Koh Chang had been rekindled and any available prime beachfront land was quickly snapped up, mainly by a mix of well connected Bangkokians, businessmen from nearby of Chonburi and Chantaburi and CP group. Small investors followed and over the past few years the numbers of new resorts, restaurants, shops and bars has been growing exponentially.

Local landowners have benefited from selling off land that has been in their families for generations. In fact a lot of

families have, over the decades acquired bits and pieces of land all over the island. When land prices soared, title deeds were hurriedly pulled out from underneath Granddad's bed and flashing neon ‘\$\$\$’ signs and images of a new Isuzu pick-up (3 litre turbo, 4 door, auto, black) parked in front of the family house, immediately appeared in the owner's mind. Willing buyers came knocking on the door and the pot of gold was sold. Everyone was happy or so it seemed. But prices have continue to increase and anyone who sold land a few years ago, when a Rai of beachfront land could be had for 300,000 baht, quickly realised that they sold too soon. It was the wiser local families, such as those in the Kai Bae area that refused all offers and kept hold of their land, that have really benefited from the island's development.

Development hasn't been easy as it has outpaced any improvements in infrastructure. For example, it is only in the past 12 months that the TOT finally got round to putting in telephone lines along the length of the west coast. And, despite government promises dating back several years, the notion of a mains water supply remains a pipe dream. Business owners are left to fend for themselves in order to find a water supply. This has resulted in pipes being laid along river beds and up the hillsides to tap mountain springs and large bore holes being dug. Already resorts on some beaches now experience water shortages during high season.

As far as some of the other key aspects of infrastructure are concerned:

Roads - A two-lane tarmac road circumnavigates 90% of the island. Sections of it are very hilly, so it pays to be cautious- especially at night as fatal accidents do occur with increasing frequency. Work on the final 12 kilometre stretch of road across the southern tip of the island had begun, but due to a variety of reasons the work was never completed. Additional new roads, including one across the centre of the island are apparently being mulled by planning authorities and National Park chiefs.

Electricity - Island wide, occasional power cuts usually due to falling trees etc in the rainy season but other wise the supply is good. However, as actual demand raced ahead of projected demand, supply problems could occur unless additional provisions are made in the coming years.

Schools - No bilingual or international schools. Local Thai schools are of a comparatively low standard with large class sizes and are obviously underfunded. Many local families choose to send their kids to schools in Trat.

Medical care – Koh Chang possesses a local hospital on the east of the island plus local clinics in several of the villages around the island. On Whitesands you'll find Bangkok Trat Hospital's International Clinic and in Klong Prao, PP Clinic Inter provides good quality medical care. Nearby, the island's

only dental clinic, Koh Chang Dental Clinic, which is also privately run provides cosmetic dentistry treatments.

So where to look for land?

At first sight the island seems awash with possibilities for building hillside villas with stunning vistas. However, when Koh Chang was declared a National Park in 1982 it was decreed that all la that had not already been utilized for agricultural use was now part of the park. Therefore, instantly eliminating virtually every hillside from being developed or built on in any way. The obvious knock on effect was one of supply and demand, 20 years ago no-one wanted to buy land on Koh Chang and land was cheap. Now, the property market is starting to warm up and the lack of available land means that prices are at a premium. So whilst anyone buying now will be paying a hefty premium it is important to remember that this is still very early days in Koh Chang's development cycle. The official tourism statistics from the TAT bear this out. In 2004 Phuket attracted well over ten times as many foreign visitors as Koh Chang.

Next month, we'll look at the areas of the island in details. The pros and cons of different areas, the types of land and property available and pricing.

For more information on Koh Chang please visit <http://www.iamkohchang.com> or email me direct at <ian@iamkohchang.com>

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