

Riding the Wave in Phuket: An Interview with Angus MacLachlan of Exotiq Holidays

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Angus MacLachlan heads up Exotiq Holidays from one of the world's most beautiful holiday destinations, Phuket in Thailand. Exotiq is a lifestyle brand for those who are discovering, investing and living a lifestyle in a tropical destination. Exotiq holidays is still in its early stages of development, but focuses on high quality and stylish holidays; from luxury villas to boutique hotels and cruises. We spoke to Angus MacLachlan about holidaying and investing in Thailand.



What brought you to Thailand?

I spent 26 years working in the hotel industry, and eventually moved to Indonesia with Sheraton Hotels. It was there that I decided to make a change and build my own business, and I met [Dominique Gallmann](#). The business was going well in Bali and we could see the opportunities in Thailand, so in 2008 I chose to move here and haven't looked back. It is certainly a big change from my early years growing up in Britain.

What changes have you seen in the Thai property market in the past five years?

We entered the Thai market when it was at the end of its boom period. Since then the country has been plagued with political issues that have slowed down the market considerably, but it is now showing signs of turning around.

The financial crisis polarised the property market here, with the high volume mid-range segment, between US\$300,000 to US\$700,000, almost disappearing. This was traditionally the segment that was the most popular, particularly with expats who were living elsewhere in South East Asia and wanted a holiday home in Phuket. The two segments of the property market that did thrive were the low end condominiums, priced between US\$100,000 to US\$200,000, and the premium villa segment selling for over US\$2 million.

We have focused on the premium segment, but are now seeing the middle segment coming back with increased enquiries and more sellers. There are some great purchases and bargain opportunities now, particularly from people who have held their property for many years and are keen to sell.

Is there anything people should be wary of before purchasing property in Thailand?

Similar to Indonesia, in Thailand foreigners cannot purchase freehold property. It is therefore important to understand and be familiar with the alternative ownership structures that exist. The Thai authorities are becoming more vigilant, so it is important to ensure you purchase a property using the right structure. We always recommend obtaining proper legal advice. One good thing about purchasing property in Thailand is that the laws do allow foreigners to hold

clear freehold title to an apartment, provided that no more than 49% of units are in foreign control.

Another thing to be wary of are the developers and real estate agents or brokers that you work with. There are some dodgy developers who may not have secure title over land, which is one reason why getting proper legal advice is important. The real estate market is not regulated, so really anyone can call themselves a real estate agent. This is why working with a reputable and established company is important, as you can be assured that they are properly resourced and experienced.

What kind of lifestyles do you see people choosing when they purchase property in Phuket?

Generally, I see three different types of lifestyle choices in Phuket;

First, holiday home makers, particularly expats from South East Asia, who want to use the property for two or three months a year. They are looking for easy access, a great location near the beach and something that can be easily rented when they are not there. Many people from Singapore and Hong Kong find Phuket attractive. There is also now a growing market from the Middle East.

Secondly, there are many retirement makers in Phuket. Usually people who have worked in the region and like the way of life. The retirement visa available in Thailand is quite good, allowing people to stay for extended periods of time. I see quite a few American and Australians choose this lifestyle.

Thirdly, Phuket is a great place for those seeking a lifestyle change. They want to enjoy the tropical lifestyle, but are not ready to retire yet, so perhaps try their hand at setting a business of their own here.

How easy is it for someone to set up a business in Phuket?

Thailand is not as regulated as most western countries, so it is relatively easy to set up a business here. The difficult part is succeeding.

Whereas Bali has a vibrant export business with many furniture, fashion and design businesses, most of the business opportunities in Phuket are in property or tourism. Property has a lot of suppliers and requires a great deal of hard work and skill. I have seen many businesses set up and close down within a year.

One of the key challenges is language. If you don't understand the language, or have someone you can trust who does, then it can make operating a business challenging. I have been fortunate as my wife has helped navigate the lay of the land and understands how to get things done.

What advice would you give someone who wants to invest in Phuket?

Be clear about your investment objectives are. Do you want to rent the property and obtain a good yield? Are you looking to retire and want to live in the property permanently? This then helps in your choice of property. You should also understand the consequences of owning a particular type of property, for example an ocean view property can be great, but it can also have a range of stability and maintenance issues.

It is also important to research what the market has to offer, and understand what the different types of ownership structures available to you are. If you are using a builder, then be careful that they are not cutting corners, being available to supervise the building process is critical. Building is less of a requirement now in Phuket, with the growing resale opportunities in the market, so it may be worthwhile looking at those before you decide to build.

These are also some of the reasons why working with a good broker is important. Some brokers are tied to particular developers or have their own interests above yours. A good broker will make sure that you purchase the property that suits you, not the one that suits them.



About Rakhee Ghelani

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