

HOSPITALITY

Sheraton Phuket Grand Bay Resort and Residences will occupy a 66-rai hillside plot in Ao Po, Phuket, with 183 hotel rooms and 101 villas for sale worth a combined 4.8 billion baht.

Apex assigning billions for hotels, resorts and plaza

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SET-listed Apex Development Plc plans to spend 6.25 billion baht to develop three hotels and a plaza in Phuket and one hotel in Pattaya. It also wants to launch four residential projects worth a combined 7.32 billion baht in Phuket, Pattaya and Bangkok during 2017-18.

Chief executive Pongphan Sampawa-koop said the company will focus on the tourism-related property business with the development of hotel and residential projects on the same plot.

“Our residential target is to develop resorts or second homes for retirees or investment buyers,” he said. “The tourism sector is growing while the housing market is sluggish. With booming tourism, the value of hotels and resort homes will rise.”

The company will offer a rental programme to buyers at residential projects. Buyers will reap both an annual yield and a capital gain, Mr Pongphan said.

Apex’s investment plan is resuming after the Stock Exchange of Thailand allowed trading of the company’s securities on March 27.

Apex, formerly Suntec Group Plc, previously engaged in planting and processed products from tomatoes and corn. Suntec was listed in 1990 and entered into a business rehabilitation process through the Bankruptcy Court’s order in 2000.

Suntec completed its rehabilitation plan, and the Bankruptcy Court released the company from its rehabilitation status in April 2007. Then it increased its registered capital from 2.14 billion baht to 13 billion by issuing new shares through a private placement to Mr Pongphan and his allies.

Proceeds of the offering were used as capital in changing the main business to property development.

The company’s name was changed to Apex Development in 2007.

Mr Pongphan said that of the total investment plan, 5.25 billion baht will be spent this year on two hotels in Phuket and one in Pattaya.

The remaining 1 billion baht will be invested next year in a hotel and a plaza on Patong Beach.

In Phuket, investment this year will include 2.8 billion baht for development of Sheraton Phuket Grand Bay Resort with 183

rooms on 66 rai in Ao Po. Some 950 million baht has been allocated for a 150-room hotel on a 14-rai plot on Mai Khao Beach. Both will be completed and opened in 2020.

Also in the works are 96 villas available for sale at the Mai Khao site worth 1.4 billion baht. At the Sheraton Phuket site, 101 villas worth 2 billion baht will be available for sale. Fifty of those units have already been launched, of which 70%

have been sold. The other 51 units will be launched in November 2017.

In Pattaya, the developer will spend 1.5 billion baht to renovate Sigma Resort Pattaya, a 15-storey hotel with 246 rooms on 10.5 rai at Jomtien Beach. Apex acquired that resort last year from LP Land and Housing Development Co.

The Pattaya hotel will be run by international chain Sheraton. The property will be renamed Four Points by Sheraton Pattaya and have 306 rooms. The renovation will start this year and end in late 2019.

“We are in talks with developers from Beijing and Hong Kong to have a joint venture in a condotel project worth 950 million baht on the same plot as Sigma Resort,” Mr Pongphan said. “They will bring us the Chinese buyers. The deal will be finalised by the end of the year.”

APX shares closed Friday on the SET at 0.41 baht, down one satang, in trade worth 1.7 million baht.



Pongphan: Talking to Chinese developers