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# Be honest ... it's all your fault

## Getting your priorities straight when property shopping in Fun City

Governments around the world should issue a travel warning on Pattaya saying visitors should keep their car windows rolled up all the times as real estate developers have been known to run up and throw a property title in the car.

People who've never been to Pattaya think tourism is our main industry, but the honest truth is real estate is our primary source of wealth and economic growth. As I write this column, I sit in my Jomtien low-rise surrounded quite literally 360 degrees by pile drivers and construction cranes. I predict we will one day have more condo buildings than beer bars.

High-rise, low-rise, villas, houses, townhomes, smart-houses, studios, mansions ... it can all get pretty overwhelming. If you are new to the area, or just new to the idea of owning a property here, how is one to choose?

Adding to the difficulty factor is the mélange of marketing material

aimed directly at the prospective property buyer's ego, self-image and wallet. Gorgeous models and rakishly handsome men lounging and drinking champagne in their 99th floor sea view penthouse Jacuzzis adorn the pages of magazines, brochures and billboards. One is expected to believe that for the incredibly low price of Bt999,000, they will be transported to a world of lavish luxury and international intrigue.

Yours truly has been guilty of gilding the lily and hyperventilating the hyperbole while describing various real estate projects in the pages of brochures and space ads. Pattaya is an easy sell. Paint a picture that transports the reader to their own private little slice of paradise and practicality usually takes a backseat to desire.

But that's not what we are going to discuss this month. Developers, agents and especially advertising executives are paid to paint a pretty picture and tell a good story. Let us discuss the crux of the issue. Let's

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talk about properly aligning your property purchase priorities shall we? Yes, yes ... I know it all sounds so grown up ... and after all we're here to have fun aren't we?

### Rude awakening

And therein lays the danger of buying real estate in Pattaya. Beware of buyer's remorse. Some property purchases can seem like waking up in a Las Vegas hotel room hung-over and married to a hooker. Through bleary red eyes you find yourself looking in the mirror and asking, "My God ... what did I do?"

Pardon me for this rude awakening:

Houses and condos are concrete and wood and glass. They are piles of tile and gypsum board and tangles of electrical wires arranged in artistic patterns to please our senses.

They will not resolve your "mommy issues", replace your thinning hair, reduce your bulging waistline or save your marriage. You will not magically become the guy on the billboard with the supermodel wife just because you bought a sliver of air in a prestigious building.

If you purchase a property because you think it will raise your social status or make you more attractive to the opposite sex or cause others to like and/or envy you ... you have a distorted sense of priorities and should keep you money in your pocket.

But fear not; prioritising the



property buying decision making process is as easy as one-two-three. Put simply, it's all about purpose, lifestyle and budget.

### Finding your special purpose

Don't let developers or agents tell you what you want or need to buy. Sit down, be honest with yourself and figure out the actual purpose of your property purchase.

Are you an expatriate who plans to live in Thailand all year round? If so, this may affect decisions like the size and location of the place you want to buy. Do you really need to be right on the beach? Are you comfortable living in and around tourist areas all the time? What you are really looking for is a "home". It is important to keep that in mind before you get bedazzled by some slick salesman trying to convince you that 26 square metres is plenty of space to "live". A "home" and a "place to stay" aren't the same thing now are they?

Will this be a second home where you will spend long holidays? Figure out how much you want to use the property. Countless would-be buyers have a Utopian notion that they will spend a few months per year in their new condo, and rent it out the rest of the year. "It'll pay for itself," they excitedly proclaim.

Rarely does this plan work out unless you only inhabit your place during undesirable times of the year. Again, be honest with yourself about how much you will use your property. What you are really looking for is a vacation or "second" home.

If you only visit a couple of weeks per year, you don't really need a "home" of any kind ... just a place to secure your stuff and change your clothes. In this case 26 square metres is plenty of room.

Is this to be a buy-to-let investment situation? If I had Bt5 for every time I've heard a newcomer to Pattaya detail their plan to buy up a bunch of condos and rent them out for big profit ... well I'd have a big bag of baht.

Buying properties to rent out can be profitable, but the decision of which property to buy is a key part of the business model. If you hadn't noticed, there are a whole bunch of empty condos competing for renters out there.

Long term renters are easier on your property, more consistent with regard to income, but can also be harder to find than short-termers. On the other hand, people looking for short-term vacation rentals tend to pay higher rent but desire locations closer to tourist attractions and easy transportation. It is important to know who you will target as tenants and how much competition you have.

Before you even start looking at property, make sure you know why you want to buy a place and how you want to use it. If you plan to perform the search on your own, you may want to write down your reasons and refer to them every now and then so you don't lose your way and end up with something you don't want.

If you plan to use a broker or



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● Which meets your hopes and aspiration better? Quality houses on the quieter East Side of Pattaya (above) or the Jacuzzi on a high-rise balcony close to the sea (facing page)?

agent, make sure they understand why you want to buy a property and how you want to use it. For sure it will save you both time and frustration.

Be cautious about the "captive" agent. Some property agents in Pattaya appear to be independent and claim to have your best interest in mind, but in reality they are in the pocket of one or more developers.

Some captive agents actually work for the developer, and others are paid higher commissions and enjoy perks like cost-free signage. If the agent you choose keeps showing you property built by the same developer he may just be trying to push his own inventory.

Find yourself a "matchmaker" not an "inventory mover".

### How yalivin'?

It doesn't matter if you use an agent or not; taking responsibility for your own purchasing decision is essential. Understanding the purpose the property will serve is primary, but being realistic about your own personal lifestyle is extremely important as well.

Be honest with yourself. Are you really the guy in the high-rise penthouse, a sea view mega-crib with the Champagne and Jacuzzi?

I mean ... for sure you'll need an expensive car to go with that right? Fantasy is always fun, but if this isn't a lifestyle you are familiar with already, plunking down a big bag of money to try it out sounds a little risky to me.



Are you really the guy with the five bedroom villa with the pool and the charcoal and the kids and the wife? I meet a lot of people who come to Thailand that could never afford a big house with a pool and garden in their own country and subsequently pull the trigger on one here before they realise all the work and responsibility that go along with it.

Could you really live amid the mayhem that is Beach Road in Pattaya? Double decker busloads of tourists, daily traffic gridlock, noisy festivals with fireworks on a weekly basis during high season ... really?

When your friendly agent drives you 20 minutes south of town and you fall in love with the quaint little fishing village of Bang Saray ... make sure you look in the mirror and ask the right questions. Do I want to buy a car? Do I have enough confidence in my Thai language skills to walk into a market and order stuff ? If not ... you might want to consider living a little closer to Jomtien or Pattaya.

Tell yourself the truth. Hey ... if you are working in Hong Kong, or Dubai, or offshore and you just pop in for between three days to two weeks of golf, girls and Gulf of Thailand revelry, for sure that luxury beachfront studio suits you. Why in God's name would you want to be stranded out in Bang Saray or buried deep in the heart of some Easy Pattaya housing estate?

If you just got a good job with an employer in Amata Industrial estate and are towing a family that includes 2.3 children and a dog, why on earth would you consider a multi-family dwelling in the tourist zone? A spacious East Pattaya house with a big garden close to international schools is what you need.

#### Lifestyle mismatches

So, why do people do it? Why do I constantly meet folks who are miserable because they are the victims of property and lifestyle mismatches?

In my not-so-humble opinion, there are two reasons: impatience and budget.

Instant gratification is going



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on its second or third generation of being bred into human nature. We want what we want right now. People come to Pattaya, fall in love with the place and instantly desire the keys to their perfect piece of it.

Many folks look around a bit with a short list of criteria in their head and quickly decide that the perfect place isn't available so they settle for something other than a property that suits both their purpose and lifestyle.

But, I'm happy to report; some people actually still possess the "patience gene" and do find the perfect place. Following is an example:

Pat and Dave are a retired English couple that have knocked around Thailand a few years and finally decided to buy their own place. What they wanted was shaped by things they both desired and some things they wanted to avoid.

- They wanted access to a variety of restaurants, pubs and entertainment, but didn't want to live in a "tourist zone" or a building that was infested with arriving and departing tourists;

- They don't own a car and rarely use their motorbike, so they didn't want to be in some far flung location;

- They like their privacy, but don't want the maintenance worries of a single family home;

- They enjoy a well kempt garden, but don't want to dig in the dirt themselves;

- They both enjoy the luxury

of being in and around a proper swimming pool, but again don't want the hassle of taking care of it.

- They spent most of their time at home, so a small cramped space was out of the question.

- Most importantly, they wanted to meet all these criteria within their budget of Bt8m.

"The key was renting first," says Pat. "We lived in three places over three long visits, so we kind of knew the territory."

This is what I'm talking about when I say "patience".

Pat and Dave liked Jomtien, lived in a one-bedroom unit for six months before going back to England for the summer.

Upon returning the following fall, they chose a place closer to the beach in Naklua, but concluded it was too expensive to buy, not big enough, too touristy and being at the extreme northern end of Pattaya was not a logistically suitable location.

Pat said: "We really liked having direct pool access and being so close to the beach. The condo complex was small and intimate. But, even though the beach was very close, we felt like we lived right in the middle of the tourist zone. And, there is no way we could have afforded to buy a unit the size we really need."

In the end they came back to Jomtien, found a place further away from the beach in a non-tourist zone and were able to afford a much bigger space with an excellent swimming pool and built-in fitness centre.



"We knew we were in the right place," confides Dave. "So, we scouted around in the nice little low-rise we rented in and found a real jewel ... we even have direct swimming pool access."

When I visited Pat and Dave, they were lounging in the pool. Pat was burning through pages of the latest spy novel while Dave was working on a cold beer. "We couldn't be happier," laments Pat. "We found the perfect place for us and all within our budget."

#### Budgetary mismatch

It's a nice story isn't it? Wouldn't it be great if everyone had the foresight and patience to get exactly the property they want? Sadly, not everyone does.

We've already established that purpose and lifestyle are the number one and number two priorities one should consider when buying a property. Number three is budget ... and it should be number three!!

Be forewarned, attempting to simplify your decision by moving budgetary consideration up to the number one slot on your list can have disastrous results.

Take the case of my Norwegian friend Terje. Terje is a marine electrician who works on ships and offshore oil rigs. He is off to work for months at a time, returning to Pattaya for long stretches of six weeks to three months before flying out to the next project.

Terje is single and enjoys



So dear readers, the moral of this story is: If you end up in a property that doesn't achieve your purpose or suits your lifestyle, it is not the fault of an over-zealous agent or slick developer ... it's yours.

Pattaya for the endless choices of things to do. He plays a little golf, but really likes to chill by the pool, but really likes to chill by the pool, working on his tan all day, take a nap and rise as the lights come on and the party starts. Terje would love to be the guy on the billboard with the Champagne in the Jacuzzi but he's smart enough to know he can't afford that lifestyle.

Terje's lifestyle leans more towards meeting up with a big gang of friends who like to commiserate, watch football, tell stories and generally do what middle-aged single sailors like to do.

When Terje decided to put down some of his hard earned cash on a place of his own, his one and only priority was budget.

Terje knew exactly how much he could afford ... Bt5m. He quickly learned that there was quite an array of choices for that much money. He could get a sea view condo close to his favourite party zone, albeit a smallish one. He could move a little further out, get a bigger place on the baht bus route and still enjoy the lifestyle he had become accustomed to in Pattaya.

In the end, Terje purchased what he considered to be "the most house for the money" as he put it. He got a sweet little three bedroom/two bathroom villa deep in the heart of East Pattaya near Lake Maprachan.

"I've never lived in a house this nice," Terje told me. "A big garden with a swimming pool and a two-car park ... what a mansion!"

Terje soon learned how much it



cost to maintain that garden, pool and house ... especially while he was away working. And since he didn't even own a motorbike, that car park didn't get much use. In the first three months of living in his new "mansion", Terje spent more than Bt20,000 in long taxi rides from Walking Street and hotel rooms near his favourite haunts as he was too busy participating in his favourite "lifestyle activities" to make it back "home".

Now he's miserable and trapped in a property that neither suits his purpose nor fits his lifestyle.

#### Nobody's fault but mine

No smiling salesman talked him into it. No slick brochure dazzled him into this purchase. He saw a small classified advertisement in a local magazine and chased it all down on his own. My dejected Norwegian buddy just shakes his head ... "Nobody's fault but mine".

So dear readers, the moral of this story is: If you end up in a property that doesn't achieve your purpose or suits your lifestyle, it is not the fault of an over-zealous agent or slick developer ... it's yours.

However, should your achieve property owner Nirvana and get the perfect place that fits you like a tailored suit, you should look in the mirror, pat yourself on the back and thank that handsome devil for being honest with you.

You might even want to celebrate ... perhaps with some Champagne ... in the Jacuzzi of course.

**Bart Walters**