

You win the match when we match you

Boom or bust is nothing new to the construction industry. It has wrestled for years with the property market yo-yoing between buoyant sales and virtual inertia. But the dilemma presented by the current downturn is rather different if only because of the global nature of the economic crisis.

"The plain fact is that the buyers have gone away, discouraged by the reluctance of banks and mortgage providers to stump up the funds necessary to kick-start a recovery," said Mario Kleff, managing director of the Wandeegroup. "That recovery will come is beyond question, but who will survive this period an entirely different matter."

So what happens in the meantime? Is it simply a question of belt-tightening and teeth-gritting while waiting for the

The words of a man who believes in telling the truth

good times to return? Well, it's a fact that the small investors have largely gone to ground, but just look around Pattaya at the number of major projects still steaming ahead and you may be forgiven for wondering what the fuss is all about.

Serious problems

"It is true the developers have serious problems selling units," Mario said. "Sales are between 50 and 70 per cent down on what they were last summer, largely because of the recession in Europe where the majority of the buyers come from. But that hasn't had an effect on the pace of construction.

"The inability of the banks

to provide loans for this kind of business means the small developer doesn't have the funds to start construction. But the bigger developers, such as Heights Holdings, Iguana and the Tag Group, already have the funds in place and are continuing their construction programmes with very little to no alteration."

Paradoxically, hard economic times are also times of great opportunities for those able to spot them and having the wherewithal to take advantage of them. The Wandeegroup, for instance, has recently signed a contract for another huge apartment block.

"I am unable to say much

about it at the moment other than that it will cost around Bt 800m and will be similar in size to the W-Tower at Wong-Amat," Mario added. "As I have said in earlier interviews, this is a good time to invest and the big developers, working with their own funds, know that. The ones that press ahead with their planned projects now will emerge the winners when the economic crisis ends.

Strong position

"Heights Holdings, for instance, is in a very strong position right now. It has not shelved a single project and has made very few structural alterations – and certainly none for cost-cutting purposes. The exterior quality is among the best in town."

Heights Holdings' flagship project, the 37-storey, Bt 700m W-Tower at Wong-Amat, is on schedule to start construction with no compromise on quality in March 2010 for completion in 2013. The innovative 10-storey temporary showroom, a showcase for the finished tower, has now been completed at a cost of Bt 15m and should become operational in the near future.

Three units

Designed to reflect living conditions in the W-Tower, the showroom features three units – a duplex, large one-bedroom apartment and a studio – together with a replica of the actual elevators and the atrium. It will be dismantled when the W-Tower is completed.

"Construction on the adjacent, 10,000 sqm Laguna Heights, an eight-storey, 79-

● **Turn to page 38**



This 10-storey showroom for W-Tower should be operational soon. Facing page: The eight-storey Laguna Heights has reached level six. Both Heights Holdings developments are in Wong-Amat.



● **From page 36** unit luxury condo block also for Heights Holdings, has now started on level six and is on target to complete within the next six months," added Mario. "Not only has there been no compromise on construction quality, 15 per cent more steel and concrete have been used, adding to the cost.

"Among other Wandegroup projects forging ahead is Heights Holdings' Park Royal No 1, a 40-unit, eight-storey condominium in Soi 1, Pratamnak Hill. Construction is almost complete and the building will be ready for occupation within the next two months.

Construction on the neighbouring Park Royal No 2, featuring a further 79 units over eight storeys, is scheduled to start in February 2010 at the latest, if not at the end of this year."

Architect Mario personally supervises all Heights Holdings'

design and construction projects, putting in additional working hours to ensure the quality levels promised by the Wandegroup are delivered.

In Pratamnak Soi 5, the unique Japanese House, featured in the January issue of *REM*, is now nearing completion and the high quality I-boutique condominium being developed by the same owner, Andrew Chard of London, is pleased with Wandegroup's working solutions and progress on his projects is on schedule.

Investing issues

Despite being delayed a year because of investing issues arising from the downturn, the Tag Group's five-building Suan Sawarn 1 in Jomtien is on course for completion this year.

Construction will continue on Suan Sawarn 2 immediately afterwards. The glass and steel buildings will feature more than 350 duplex apartments

and such is the confidence of Tag managing director Gordon Gillen that he has now commissioned and ordered Mario Kleff to design Suan Sawarn 3 and 4 increasing the total number of buildings in the Suan Sawarn scheme to 13. Mario, who personally supervises construction, is certain that the ultimate buyers will be happy with their new homes.

During the next four months the Wandegroup will start construction on behalf of Heights Holdings on the six buildings that will make up the Bt 700m Club Royal condominium complex at Wong-Amat while work on Scandia Holdings' On the Hill eight-storey condominium project will start at the end of the year.

Last but not least, Mario's architectural solution for Bang Saray Development's condominium hotel at Talay Sawan, named The Wave,



Above: The Japanese House is nearing completion. Top: Progress at Suan Suwarn 1. Facing page (top): The I-boutique condominium. Far left: Latest picture of Park Royal.

consisting of two eight-storey buildings comprising 140 units, starts construction this late summer.

Progress unabated

Apart from the Wandegroup involvement, all these projects have at least one other major aspect in common - their progress has continued unabated despite the economic downturn. What's more, there

has been no compromise on quality and with few exceptions they are on schedule and on budget.

Looking to the future, Mario said: "I believe the crisis here in town will not end before the middle of next year. However, we are tremendously excited over the prospect of a coming real estate boom and we are preparing for it. In the meantime, business for the

Wandegroup hasn't dropped one iota. The current economic crises struck very quickly, but, in fact, was not unexpected.

"People cannot believe that searching for a quick buck will be without consequences. Only the serious developers and agents will emerge unscathed. We foresaw this crisis in Pattaya for other reasons two to three years before it happened. However, now is the right time to plan new developments."

Over the past four to five years Mario Kleff has emerged as one of the leading architects on the eastern seaboard. The aim of his Wandegroup during the next few years is to earn the same kind of reputation among construction firms.

It already has a head start with more than 30 condominium buildings and at least one high-rise building on the stocks, so the Wandegroup teams may not find time even to think about the crisis! ☺