Khao Lak: When Paradise Becomes Unaffordable

Using Global Tourism Systems to Examine Local Housing Inequality in Thailand

Addison Witkowski, T00707445

Introduction

Tourism is one of Thailand's largest industries and a major source of national pride, yet the economic success of this sector has produced significant social inequalities at the local level. Coastal destinations that attract international visitors now face housing insecurity, land speculation, and rising rent costs that disproportionately affect local residents. Khao Lak, a community rebuilt after the 2004 tsunami, illustrates how post-disaster development tied to global tourism has reshaped housing access. This paper argues that global tourism systems amplify housing and rent inequality in Khao Lak by prioritising international demand over local stability. Using political ecology and postcolonial tourism theory, this research examines how global marketing, digital rental platforms, and cultural narratives create structural pressure on housing. It also evaluates community-based tourism as a pathway toward more equitable and sustainable development.

Global Tourism Context

Housing displacement in Khao Lak reflects a broader global pattern. Tourism is rapidly expanding, with the World Economic Forum projecting that the industry could contribute approximately 16 trillion USD to the global economy by 2034 (World Economic Forum, 2025). This growth increases competition for land, housing, and coastal infrastructure in destinations that rely on tourism for employment. While economic expansion promises job creation, it also deepens tensions between visitors and permanent residents. These conflicts often emerge through rising rents, conversion of housing into tourist accommodations, and land speculation.

Overtourism is now recognised as a global crisis. Responsible Travel has mapped overtourism pressures across at least 98 destinations in 63 countries, showing that housing

displacement and infrastructure strain are widespread phenomena rather than isolated cases (Responsible Travel, 2024). These patterns occur in both urban and rural destinations. Communities now face loss of long-term housing stock, disruption of cultural space, and environmental degradation as visitor economies continue to expand. Khao Lak fits into this global trend as rising tourism demand increases property values and encourages landlords to prioritise short-term profit.

Khao Lak and Tourism-Led Housing Pressure

After the 2004 tsunami, Khao Lak was repositioned by government and private investors as a luxury tourism destination. Resort and villa construction became central to economic recovery. Tourism now accounts for approximately 20 percent of Thailand's GDP (Asia Macro Monitor, 2023). This growth encouraged foreign ownership, speculative development, and short-term rental markets. Platforms such as Airbnb intensified pressure on housing availability by shifting residential properties into tourist use (Barker, 2020).

These pressures mirror similar patterns across Southeast Asia. In Chiang Mai, digital nomad communities disrupted local housing markets and increased inequality (Jiwasiddi et al., 2024). Nyberg et al. (2023) describe housing displacement as a defining feature of overtourism economies. Bali provides a parallel case, where large-scale villa and resort development caused infrastructure strain, flooding risks, and housing exclusion (Mokhtar, 2025). These examples position Khao Lak within a regional structure of tourism-led inequality.

Case Study: Lived Housing Insecurity in Khao Lak

During an internship period in Khao Lak, I directly observed housing instability among local workers. Residents described searching for weeks to find accommodation within their budget, often facing leases that could be terminated after a single tourist season. A close friend named Kael searched for over a month before securing a temporary apartment. Although he was Thai and sometimes offered reduced rates, his rent doubled during the high tourist season. The landlord justified the increase by arguing that tourist pricing was necessary to remain profitable.

This experience reflects structural patterns identified in scholarship. Peer-to-peer rental systems frequently increase rents for locals by creating competition between permanent residents and tourists (Barker, 2020). The "White Lotus Effect" has further intensified these pressures by linking luxury media representation to property speculation in Thailand (Castaneda, 2025). Residents in Khao Lak repeatedly expressed fear that the town would become "the next Bali," where displacement becomes permanent rather than seasonal.

Theoretical Framework

Political ecology clarifies how environmental space and economic processes intersect. Coastal land is finite. When beaches and forests are converted into resorts and villas, space for community housing is reduced. Environmental degradation compounds social vulnerability by limiting alternative livelihoods such as fishing or small-scale farming. The closure of Maya Bay due to environmental collapse demonstrates how mass tourism damages ecosystems and then restricts local economic resilience.

Postcolonial tourism theory helps explain the cultural dimension of this crisis. Teoros (2020) argues that Western tourism marketing frames destinations as exotic paradises created for

Global North consumers. This gaze shapes property demand and development priorities. Castaneda (2025) shows that media portrayals of Thailand increased global real estate interest following luxury television series. Khao Lak's housing market now responds to global images rather than local housing needs. Digital nomads further intensify this structure because they rely on long-term rentals while benefitting from stronger purchasing power than local residents (Jiwasiddi et al., 2024).

Community-Based Tourism and Global Action Pathways

Addressing housing inequality requires structural reform. Community-based tourism models demonstrate that local ownership can rebalance power. The United Nations Development Programme (2023) shows that CBT initiatives in Thailand increase income equity and environmental stewardship when communities control tourism infrastructure. Case studies from Bali show that locally managed accommodation protects housing supply and land access (University of Texas, n.d.).

Policy pathways include seasonal rent control, short-term rental licensing, and housing protections for local workers. Several global cities have introduced tourism caps and visitor taxes to protect housing. These approaches align with the World Economic Forum's call for governance models that balance growth with social sustainability (World Economic Forum, 2025).

Khao Lak has begun developing local resistance and resilience. The town-wide "I LIVE HERE" cultural festival showcases surf culture, environmental guardianship, and creative identity. This event re-centres local presence within tourism narratives and challenges the

framing of Khao Lak as a consumable landscape. When combined with housing policy reform, such cultural projects offer viable pathways toward justice-driven tourism development.

Conclusion

This paper has demonstrated that housing inequality in Khao Lak is not an isolated real estate problem. It is the product of global tourism systems that prioritise international consumption over local stability. Tourism expansion, digital rental platforms, and media-driven speculation have intensified housing insecurity for the residents who labour within this economy. Political ecology reveals the environmental limits of land use, while postcolonial tourism theory exposes how global narratives shape housing markets. Community-based tourism and housing regulation offer feasible paths forward. Sustainable tourism must include housing justice as a core principle. Without policy reform and community empowerment, global tourism growth will continue to displace the very communities that make destinations viable.

References

Asia Macro Monitor. (2023). Decoding Thailand's tourism success story. ASEAN+3 Macroeconomic Research Office (AMRO). https://amro-asia.org/decoding-thailands-tourism-success-story/

Barker, G. (2020, February 21). The Airbnb effect on housing and rent. Forbes. https://www.forbes.com/sites/garybarker/2020/02/21/the-airbnb-effect-on-housing-and-rent/

Castaneda, K. (2025, February 26). What's next for "The White Lotus Effect"? A property boom in Thailand. Forbes. https://www.forbes.com/sites/kissacastaneda/2025/02/26/whats-next-for-the-white-lotus-effect-a-property-boom-in-thailand/

Jiwasiddi, A., Schlagwein, D., Cahalane, M., Cecez-Kecmanovic, D., Leong, C., & Ractham, P. (2024). Digital nomadism as a new part of the visitor economy: The case of the "digital nomad capital" Chiang Mai, Thailand. Information Systems Journal, 34(5), 1493–1535. https://doi.org/10.1111/isj.12496

Mokhtar, F. (2025, August 1). Paradise beaches sit empty as Indonesia bets on crowded Bali. Bloomberg. https://research.ebsco.com/linkprocessor/plink?id=22dd15e4-624c-304c-a27a-6ec07e209118

Nyberg, A., Sandell, R., & Svensson, M. (2023). Tourism and housing: Understanding spatial inequalities in the global tourism economy. Tourism Management Perspectives, 46, 101142. https://www.sciencedirect.com/science/article/pii/S0160738321001420

Responsible Travel. (2024). Overtourism map: Tourism is headed into a global crisis. https://www.responsibletravel.com/copy/overtourism-map

Teoros. (2020). Postcolonial tourism and the Western gaze: Rethinking mass tourism narratives in Sri Lanka. Téoros: Revue de recherche en tourisme. https://journals.openedition.org/teoros/12003

United Nations Development Programme Thailand. (2023). Community-based tourism: Empowering local champions for sustainable tourism in Thailand. https://www.undp.org/thailand/blog/community-based-tourism-empowering-local-champions-sustainable-tourism-thailand

University of Texas. (n.d.). Community-based tourism (CBT) as alternative development in Bali. https://sites.utexas.edu/internationalplanning/case-studies/community-based-tourism-cbt-as-alternative-development-in-bali/

World Economic Forum. (2025, July 2). Tourism could be a 16 trillion dollar industry by 2034: How destinations can create sustainable growth.

https://www.weforum.org/stories/2025/07/tourism-could-be-a-16-trillion-industry-by-2034-this-is-how-destinations-can-create-sustainable-growth/