

Bangkok Luxury House Market Overview 1H 2022



HIGHLIGHTS

1

THE NEW SUPPLY ADDED IN THE FIRST HALF OF THE YEAR INCLUDED 943 UNITS, WITH THE MAJORITY IN THE PRICE RANGE OF 10 TO 20 MILLION BAHT, REPRESENTING 47 PERCENT OF THE TOTAL.

2

AS OF THE FIRST HALF OF 2022, IT WAS FOUND THAT HOUSES PRICED AT 10 MILLION BAHT OR MORE CUMULATIVELY INCLUDED A TOTAL OF 17,283 UNITS SOLD OUT OF A TOTAL SUPPLY OF 20,794 UNITS, REPRESENTING A SALES RATE OF 83 PERCENT.

3

THE FIRST HALF OF THE YEAR, THERE WAS 1,944 NEW UNITS SOLD.

4

IF CLASSIFIED BY PRICING LEVEL, IT HAS BEEN FOUND DEMAND THAT HOUSES WITH A SELLING PRICE LEVEL BETWEEN 10 TO 20 MILLION BAHT HAVE THE HIGHEST ACCUMULATED NUMBER OF UNITS SOLD, AT 9,813 HOUSES, WITH A SALES RATE OF 81 PER CENT.

5

THE BUSTLING NEIGHBOURHOODS IN THIS HOUSING MOSTLY LOCATED IN THE EXTENSION AREAS OF BANGKOK. (EAST BANGKOK ZONE, BANGKOK WEST ZONE AND NORTH BANGKOK ZONE)



NATTHA KAHAPANA
Managing Director

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The housing market continues to grow well in a situation where the economy has not fully recovered. While developers still have plans to develop housing projects at this level continuously. The location that seems to be popular during this period is in the new Krungthep Kreetha Road area. Which is a development zone that supports the convenience of traveling to the city center in a short time, as well as a living environment that is conducive to living.

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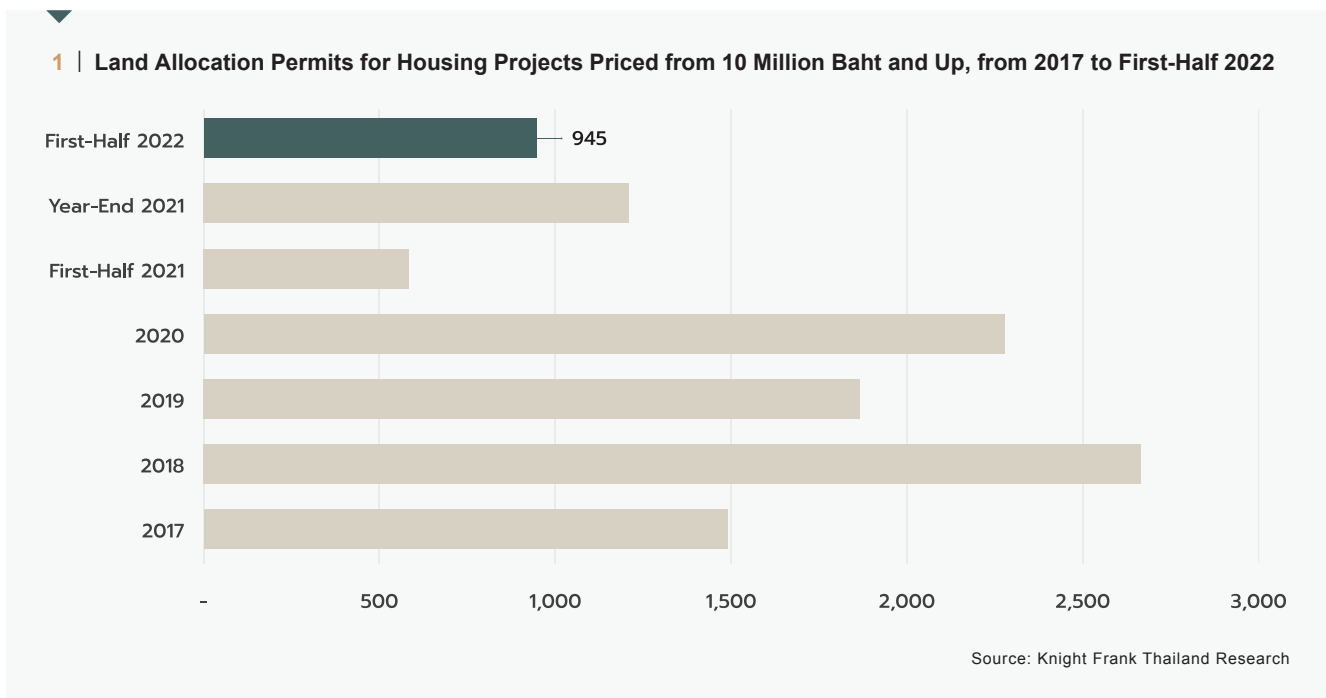
MARKET OVERVIEW

Supply of houses priced from 10 million baht and up continues to increase, despite the overall economy being in a state of recovery. This segment of the housing market still experiences significant growth against the current downturn, reflecting demand from buyers who wish to purchase houses in pre-sales phases; in fact, many such projects have been sold well before being completed. These homebuyers have a stable income and are in the midst of shifting their housing situations or acquiring their second and third homes. As a result, demand for this segment of houses is quite high. The bustling neighbourhoods in this housing mostly located in the extension areas of Bangkok (East Bangkok Zone, Bangkok West Zone and North Bangkok Zone), which still have large plots of land available for development as well as transportation options that facilitate easy access to the city's business centre.

SUPPLY TREND

Land Allocation Permits in Bangkok and its Suburbs

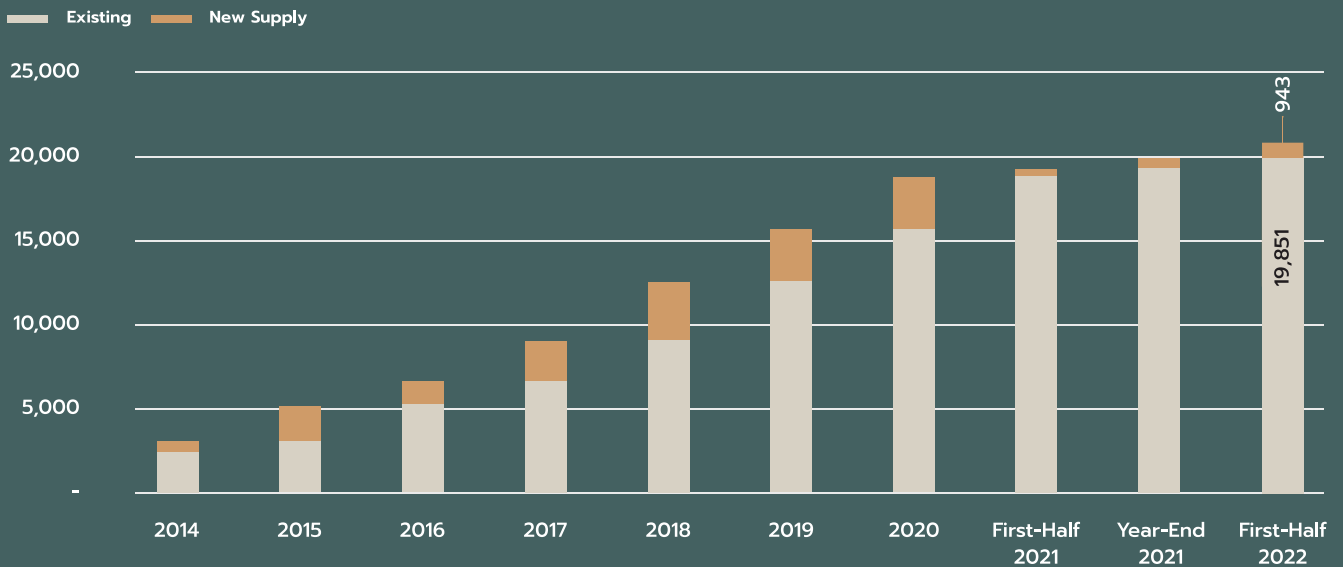
From 2017 to the first half of 2022, it was found that the number of land allocation permits granted for homes in the price range of 10 million baht or more (whole project) included 11,032 units. In the first half of 2022, the land allocation permits in this segment included 945 units.



DEMAND

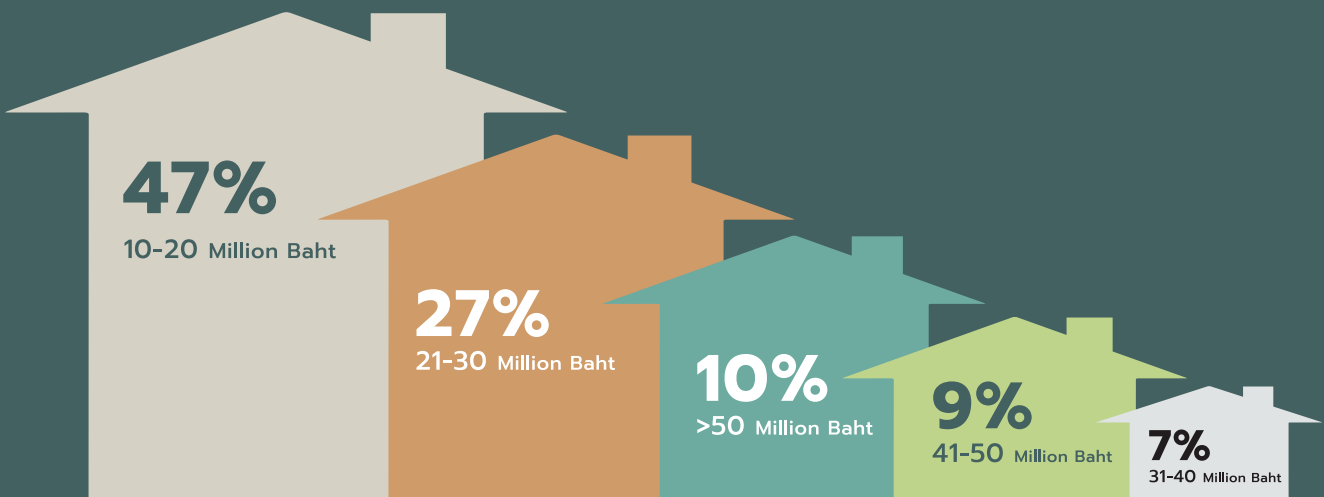
The cumulative supply of houses with prices ranging from 10 million baht or more, from 2014 to the present, stands at 20,794 units. The new supply added in the first half of the year included 943 units, with the majority in the price range of 10 to 20 million baht, representing 47 percent of the total, followed by homes priced from 21 to 30 million baht and from 50 million baht and up, accounting for 27 percent and 10 percent, respectively.

2 | Existing and New Supply of Houses Priced at 10 Million Baht and Up, 2014 to First-Half 2022



Source: Knight Frank Thailand Research

3 | Newly Launched Supply by Price, as of First-Half 2022



Source: Knight Frank Thailand Research

DEMAND TREND

As of the first half of 2022, it was found that houses priced at 10 million baht or more cumulatively included a total of 17,283 units sold out of a total supply of 20,794 units, representing a sales rate of 83 percent. The sales rate increased 6 percent from the end of 2021 and increased 14 percent compared to the same period last year where the sales rate was 69 percent.

In the first half of the year, there was 1,944 new units sold, reflecting the continuously growing demand for homes in this segment since 2018. In the first half of 2021, there were 1,813 units sold, which is comparable to the number of units sold in the first half of this year. It is expected that, at the end of the year, the number of units sold will reach the highest level compared to every year in the past.

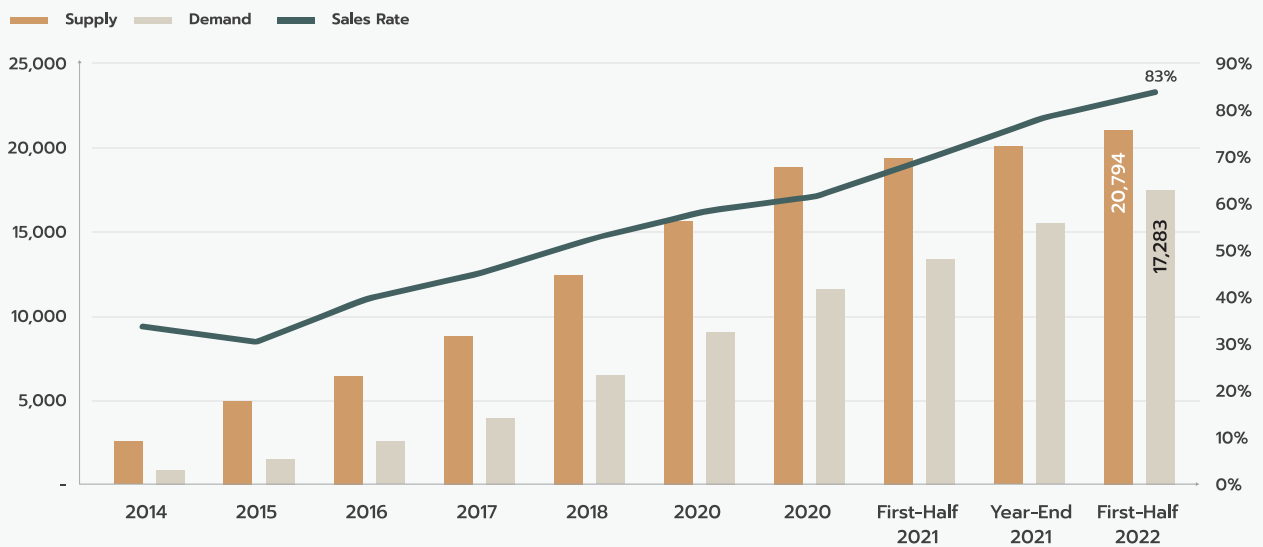
The most demand for houses was between 10 to 20 million baht, increasing to 9,813 units, followed by houses with prices between 21 to 30 million baht and 31 to

40 million baht, where demand stood at 3,098 units and 2,278 units, respectively. The highest selling rate of 91 percent was seen in houses priced higher than 100 million baht due to the limited supply, followed by houses priced in the range of 41 to 50 million baht and 51 to 60 million baht, both with the same sales rate of 90 percent. Houses in the price range of 61 to 70 million baht experienced the lowest demand.

Houses with the highest demand are those with prices between 10 to 20 million baht, which have still been well received

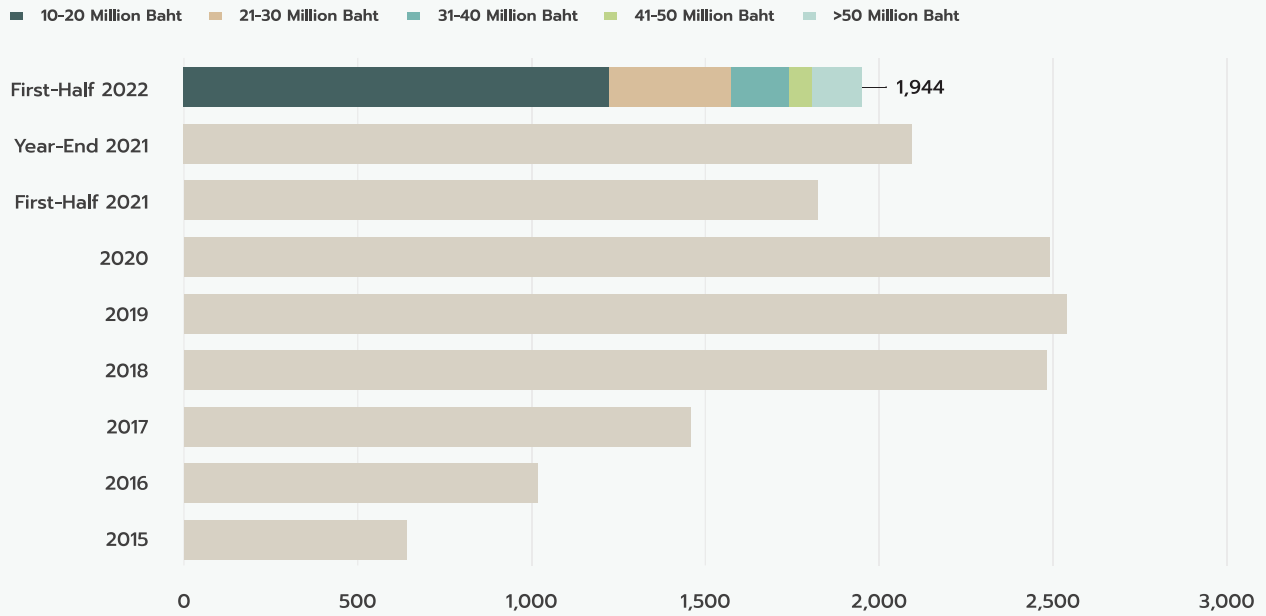
by the market. The buyer group includes those who want to expand their families. They consist of business owners or a new generation of successful people, including Thais who live abroad and want to buy and keep vacation homes for use during their visits to Thailand. Meanwhile, the foreign buyers who are the most interested in buying a house include Chinese people married to Thais or those who may buy houses through agents and on behalf of a juristic person. These buyers have high liquidity and income, and about 80 percent of them buy with cash.

4 | Supply Demand and Sales Rate of Houses Priced from 10 Million Baht and Up, 2014 to First-Half 2022



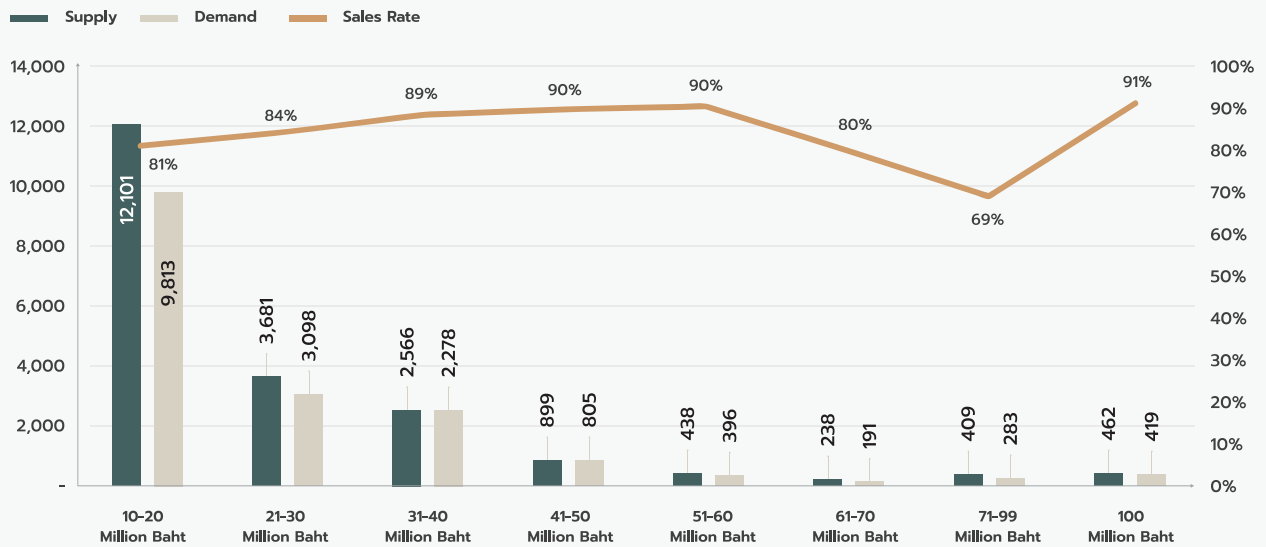
Source: Knight Frank Thailand Research

5 | Houses Priced from 10 Million Baht and Up Sold Per Year (Units), 2015 to First-Half 2022



Source: Knight Frank Thailand Research

6 | Supply Demand and Sales Rate of Houses Priced from 10 Million Baht and Up, by Asking Price Ranges as of First-Half 2022



Source: Knight Frank Thailand Research

OUTLOOK

In the second half of the year, we are expected that the market will go in a positive direction, due to the target buyer group's continued purchasing power for real residential purposes. In the rest month of the year, developers will still focus on this segment of the market, continuously launching new projects. They remain confident in the demand generated in this segment. The key factor that keeps this market going is having a convenient environment for living. The market has expanded in the Extension Business District (EBD) and received positive responses from buyers. This reflects the changing behaviours concerning living and buying houses in Bangkok. Given the high-priced residential projects in the city, buyers are looking for luxury homes that are located farther from the business centre but with the means of accessing the city via new transport routes with relative ease. As such, projects in the suburbs or extension areas have received quite a lot of attention. For example, the new Krungthep Kreetha area is being developed for low-rise, single homes, especially those priced at 10 million baht or more. It is considered a potential area to be outstanding in the future because developments are taking place to support the requisite lifestyle, like international schools, golf courses, and community malls. In addition to a good location with a pleasant environment and convenient transportation, however, an important factor in buying a house has a spacious living area, with safety and privacy for the residents.

We like questions, if you've got one about our research, or would like some property advice, we would love to hear from you.



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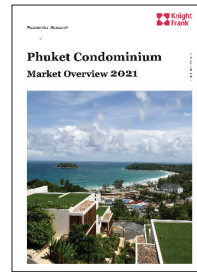
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