

Phuket Villa

Market Overview 2021



HIGHLIGHTS

1

THE ACCUMULATED SUPPLY OF PHUKET VILLAS WAS ABOUT 4,002 UNITS AT THE END OF 2021, A GRAND TOTAL VILLAS OF 9 PROJECTS.

2

THE CUMULATIVE DEMAND OF PHUKET VILLAS AS OF THE END OF 2021 WAS 3,233 VILLAS OUT OF A TOTAL SUPPLY OF 4,002 VILLAS, REPRESENTING A SALES RATE OF 80.8%. THE SALES RATE INCREASED FROM THE END 2020 OF 2.3%.

3

THE DEMAND OF THAI BUYERS WHO ARE WEALTHY ABOUT 80 PERCENT OF THE TOTAL NUMBER OF UNITS SOLD THIS YEAR. WHILE FOREIGN BUYERS ARE ONLY 20 PERCENT.

4

VILLAS WITH THE HIGHEST NUMBER OF UNITS SOLD ARE PRICED AT 11 - 20 MILLION BAHT PER UNIT. THE NUMBER OF UNITS SOLD WAS 91 UNITS, FOLLOWED BY VILLAS WITH SALES PRICES RANGING FROM 21 - 30 MILLION BAHT, OF WHICH 38 NEW UNITS WERE SOLD.



NATTHA KAHAPANA
Managing Director

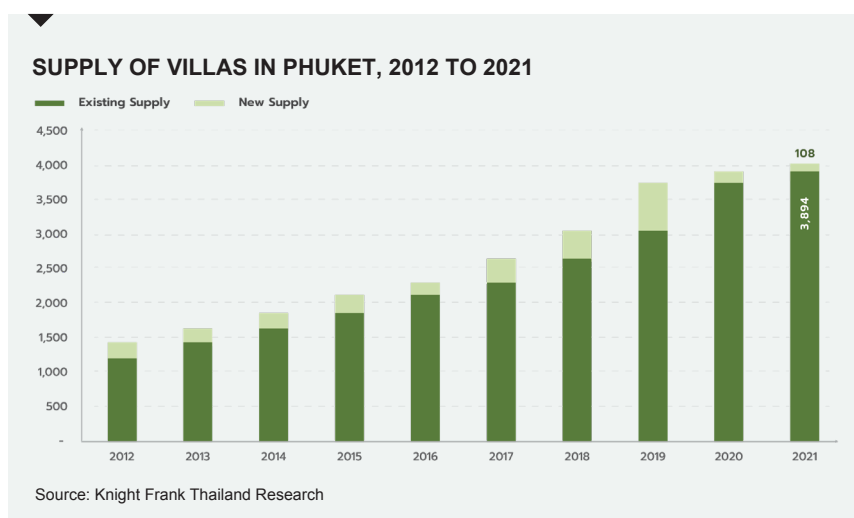


The tourism sector is in the process of recovery and the arrival of foreigners is still not much, causing the economy to be unstable. As a result, the number of villa units in Phuket has decreased. However, the number of new units sold reflects the demand of Thai buyers who are wealthy about 80 percent of the total number of units sold this year.

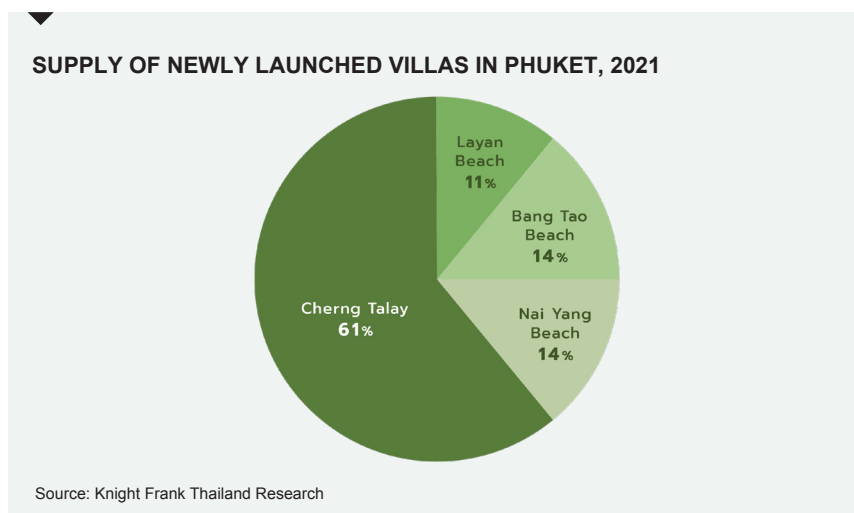


A resort destination for tourists from all over the world, Phuket's real estate market has grown alongside tourism in Thailand's distinctive islands, and vacation homes or villas have become important destinations for tourists in their respective holiday seasons. In addition, villas can also be rewarding assets for buyers, generating rental income when owners are not in residence themselves. A popular location for villas is the west coast of Phuket, which is close to the beach with stunning sea views. It also offers a wide range of amenities in the vicinity. As such, villas in this area are quite expensive and can be traded at a good price. On the other hand, land plots for villa developments on the west coast are relatively scarce and difficult to develop due to construction restrictions and laws. There are not many left projects left in the market, including projects that have already been developed. As a result, villa prices on the west coast are steadily rising year after year. Despite the unfavourable economic situation as of late, the villa market still attracted some buyers throughout 2021.

Supply Trend



At the end of 2021, the total supply of villas in Phuket included 4,002 units. The number of new units decreased by 35 percent from 2020, with 165 units sold in total. In 2021, the new supply included 108 newly launched units from eight projects; most of the new villas for sale are located in the Cherg Talay area at up to 61 percent of the total, followed by Bang Tao Beach and Nai Yang Beach, which each accounted for 15 percent, and Layan Beach, with 11 percent. The new villas launched for sale in 2021 were priced from 10 to 50 million baht each

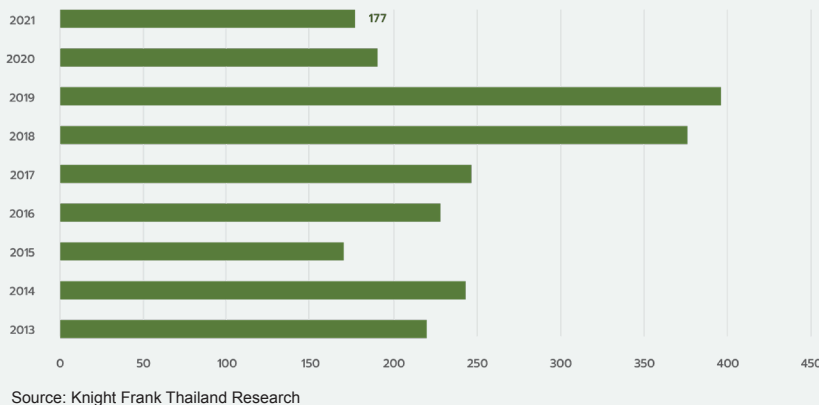


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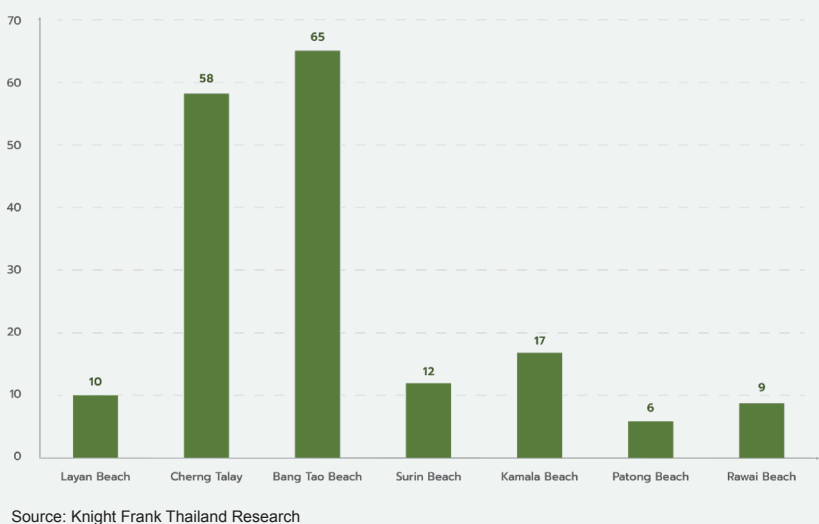
SUPPLY, DEMAND AND ASKING PRICES OF VILLAS IN PHUKET, 2012 TO 2021



NEW VILLA UNITS SOLD, 2013 TO 2021



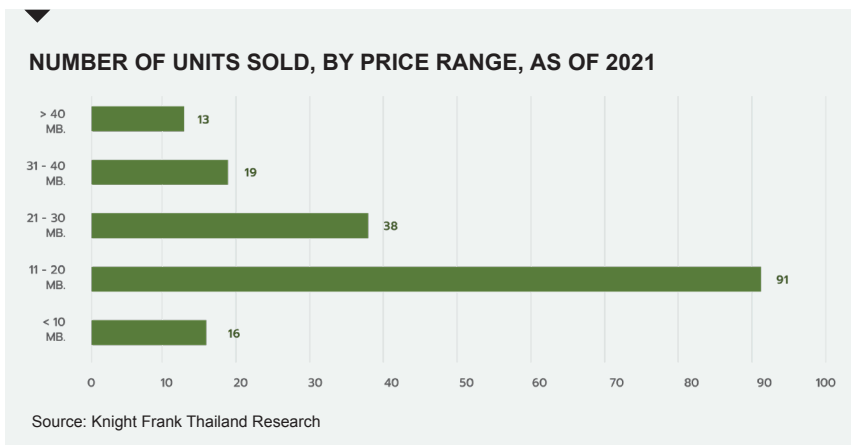
NUMBER OF UNITS SOLD, BY LOCATION, AS OF 2021



Demand Trend

From research conducted by Knight Frank Thailand, it was found that there were 3,233 villas sold in Phuket out of a total supply of 4,002 units, representing a sales rate of 80.8 percent. The sales rate increased by 2.3 percent from the previous year. In 2020, the sales rate was 78.5 percent. The increase in the sales rate reflects the small number of villas, only 108 units, launched in Phuket in 2021. As for 2021, there were a total of 177 new units sold. The number of new units sold has declined steadily from 2020 due to the ongoing Covid-19 epidemic over the past two years. The tourism sector is in the process of recovery, but the arrival of foreigners is still not enough to stabilize the economy. As a result, the number of villa units in Phuket has decreased. At any rate, the number of new units sold reflects the demand of affluent Thai buyers, which make up about 80 percent of the total number of units sold this year. The remaining 20 percent are foreign buyers based in Europe and Russia. The majority of the Thai buyers live in Bangkok and decided to buy villas in Phuket as a “safe zone”, should severe and difficult-to-control epidemic flare-ups occur in the future. This has enabled many projects to close their sales both online and via in-person visits, even with a slight increase in their asking prices.

The top three area with the highest number of units sold include Bang Tao Beach, with 65 units were sold, followed by Cherg Talay and Kamala Beach, with 58 and 17 units sold, respectively. Bang Tao is the most popular area for villa development as there are many amenities, including leading hotels, restaurants, golf clubs, and the Porto de Phuket shopping mall, which allows area residents to enjoy convenient and relaxed lifestyles. In addition, there will be new developments in the future, such as the Boat Avenue Park & Playground project. An expansion of the Boat Avenue project developed by Boat Avenue Group, this will serve as a public area with shops and parking for even more convenience. The Bang Tao area is considered an economically viable and liveable zone, which has made it very popular and beloved among foreigners of the “millionaire range” set. At present, however, Bang Tao does not have much space to develop villas and the land



prices are quite high. Developers are thus increasingly turning to villa developments in the nearby area of Cherng Talay.

Although the area does not overlook the sea, buyers are still interested, given its many amenities. The villas that sold in 2021 had price levels of no more than 20 million baht per unit. Most of the villas that sold were in the 11 to 20 million baht per unit range, with 91 such villas sold in total. This was followed by villas in the 21 to 30 million baht range, with 38 units sold.

TABLE OF VILLA PRICES, 2020 VS. 2021

(Unit: million baht per villa)

Villa Type	Selling Prices in 2020		Selling Prices in 2021	
	Starting	Maximum	Starting	Maximum
Oceanfront Villa	292	370	292	370
Sea View Villa	5.9	56.7	38.8	56.5
In Land Villa	6.9	127.5	12.3	36.7

Note: Oceanfront villa prices are from 2020.

Source: Knight Frank Thailand Research

Selling Price Trend

Villa prices in Phuket depend on a number of factors, including the view from the villa, which is divided into 3 types: 1) Oceanfront Villa (on the beach or on a hillside by the sea); 2) Seaview Villa (further from the beach but located on a hill overlooking the sea); and 3) Inland Villa (no sea view). Oceanfront villas command the highest selling prices per unit. The asking prices of villas in the below table are from projects that still have units left for sale and have launched for sale in 2021. Oceanfront villas that are currently on the market have a starting price of 292 million baht, going up to 370 million baht, per unit. Seaview villas that launched for sale this year have a starting price of 38.8 million baht and a maximum price of 56.5 million baht. Inland villas have an asking price starting at 12.3 million baht, going up to 36.7 million baht. From our data collection, it was found that, in some projects, the initial asking price of inland villas is higher than the seaview villas, due to their larger sizes with 3 bedrooms, while the seaview villas are 1-bedroom units.

Several factors, apart from the views, affect villa prices in Phuket, such as the distance to the beach, the immediate environment surrounding the villa and whether there are facilities nearby, the land size, and the size of the construction area of the villa.

Outlook

The villa market in Phuket in 2022 has the tendency to gradually recover. Tourism is about to be rejuvenated, and this is reflected in the fact that Thai and foreign investors are ready to invest in the market. They are paying attention to and taking over the management of projects that have been unable to continue operations during the business downturn. Investors therefore see opportunities to buy real estate at a low price, believing that Phuket still has great

potential and tourists will still be interested in the island. Also, the government is pushing to open the country and has been implementing a comprehensive vaccine scheme. Moreover, lifestyle habits have adjusted to enable people to live amidst the epidemic situation. These are positive signs that the tourism sector will start to be active again, which is good for the real estate industry and signals a return of the purchasing power of foreigners who

still have demand for villas. It is expected that, in the second half of 2022, Phuket's economy will begin to improve from the country's opening to tourists with the Test & Go system, which makes it easier for foreign tourists to enter Thailand. Such factors will be able to normalize Phuket's economy by 2023, which is a relatively quick time frame and will benefit the villa market in the future.

Appendix

Villa Location

The survey area for this report covers the area starting from Mai Khao beach and lie down along the western coast of Phuket. The area covers the following beaches:

Mai Khao

is located just north of the airport, which is an incredibly long and deserted stretch of sand. There are only a few tourist developments such as JW Marriott Resort & Spa, Anantara Mai and to name a few. Mai Khao is the longest beach on the island and also the most deserted.

Nai Yang

is just a ve-minute drive south of the airport and is very popular with Thai locals. Here you will find what beach life is all about. Fringed with casuarina trees providing picnic areas for locals, it is a shady spot for souvenir and food vendors.

Nai Thon

lies about 15km south of the airport. This pristine beach is a great place to get away from the crowds. Nai Thon is fairly undeveloped and is a nice quiet place to sit in the sun or take in a swim. Although its quiet, the beach is not completely deserted and there are a few sun beds available for hire. There are also a few small restaurants that serve fresh seafood and local dishes.

Layan

is a small and relatively unknown beach, nestled in a shadow bay at the north end of Bang Tao. Layan is more like a bay than a beach, the beach is too shallow for swimming.

Bangtao

is another location for luxurious residential area in Phuket. The area is called "Laguna" since there are many hotel facilities serve the residential projects in the area.

Surin

is another peaceful and tranquility area for foreigners and expatriates from Hong Kong and Singapore.

Kamala

is considered as the millionaire range. There are many projects under construction but sold out already. The well-known project in this area is Andara Signature which is the most luxurious villa project.

Patong

is considered as dirty area, however there are some locations in this area is considered as a tranquility area which Amari Phuket is situated. Amari offers a stunning location and modern style.

Karon

is the area which is considered the beachfront residential projects. It is also famous for its beautiful long beach, and a wide variety of restaurants.

Kata

is another attractive area for foreigners. It is located south of Karon.

Naiharn

is one of the island's most beautiful locations and most popular places with in-the-know locals. Naiharn is a quiet little spot at the southern end of Phuket. This quiet and tranquil place has only a few hotels including the Le Royal Phuket Yacht Club and is a favorite anchorage for boats during the high season.

Rawai

holds the distinction of being very busy tourist beach on Phuket. Years ago, people from Phuket Town would drive the 17km to Rawai on weekends to while away the afternoon underneath the beach's casuarina trees rather than risk the dangerous drive over the hill to Phuket's west coast.

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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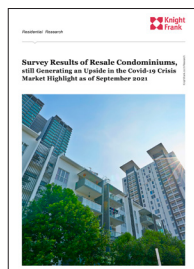
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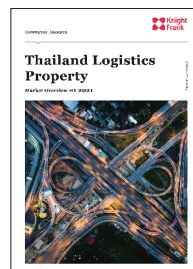
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