

Super Prime and Prime Condominium Market Overview 1H 2022





HIGHLIGHTS



1

DURING THE MONTH OF JANUARY TO JUNE LAST IT WAS FOUND THAT THERE WAS NO SUPPLY OF NEW CONDOMINIUMS OF THIS LEVEL FOR SALE.

2

IN THE FUTURE, IT IS EXPECTED THAT THERE WILL BE A NEW SUPPLY IN THE THONGLOR AREA, ADDING ONE MORE PROJECT.

3

THE CUMULATIVE NUMBER OF SUPER PRIME CONDOMINIUM UNITS SOLD WAS 3,464 UNITS FROM A TOTAL SUPPLY OF 4,080 UNITS, WHICH REFLECTS A 84.9 PER CENT SOLD RATE.

4

THE CUMULATIVE NUMBER OF PRIME CONDOMINIUM UNITS SOLD WAS 4,020 UNITS FROM A TOTAL SUPPLY OF 4,934 UNITS, REPRESENTING A SALES RATE OF 81.5 PER CENT SOLD RATE.

5

THE AVERAGE ASKING PRICE OF SUPER PRIME CONDOMINIUMS IN 1H 2022 WAS 368,600 BAHT PER SQUARE METRE, A DECREASE OF 3.1 PERCENT FROM THE END OF 2021, WHILST OF PRIME CONDOMINIUMS WAS 264,195 BAHT PER SQUARE METRE, WHICH DECREASED FROM THE END OF 2021 AT THE RATE OF 3.0 PERCENT.



NATTHA KAHAPANA
Managing Director



The demand for this condominium segment continues to exist. Because it is a real estate group that can make quite good income whether for rent or resell but the remaining supply is getting smaller and the future supply will emerge as well. May cause the trend of selling prices to increase in the future.



MARKET OVERVIEW

The Super Prime and Prime Condominium market continues to attract investors and people who buy such properties as assets. Even though no new supply entered the market during this period, the projects that are currently for sale are still garnering quite a bit of attention, as buyers of such units remain confident about their income and believe that the current economic conditions will improve. The interest rate adjustment does not appear to cause any concern for these buyers either. Generally speaking, as interest rates on home loans are gradual amidst the problem of inflation, this segment of the condominium market can continue its activities, relatively unaffected by such factors. In the future, if a new supply of projects at this level emerges, this may lead to higher selling prices per square metre, which also reflects higher land prices.

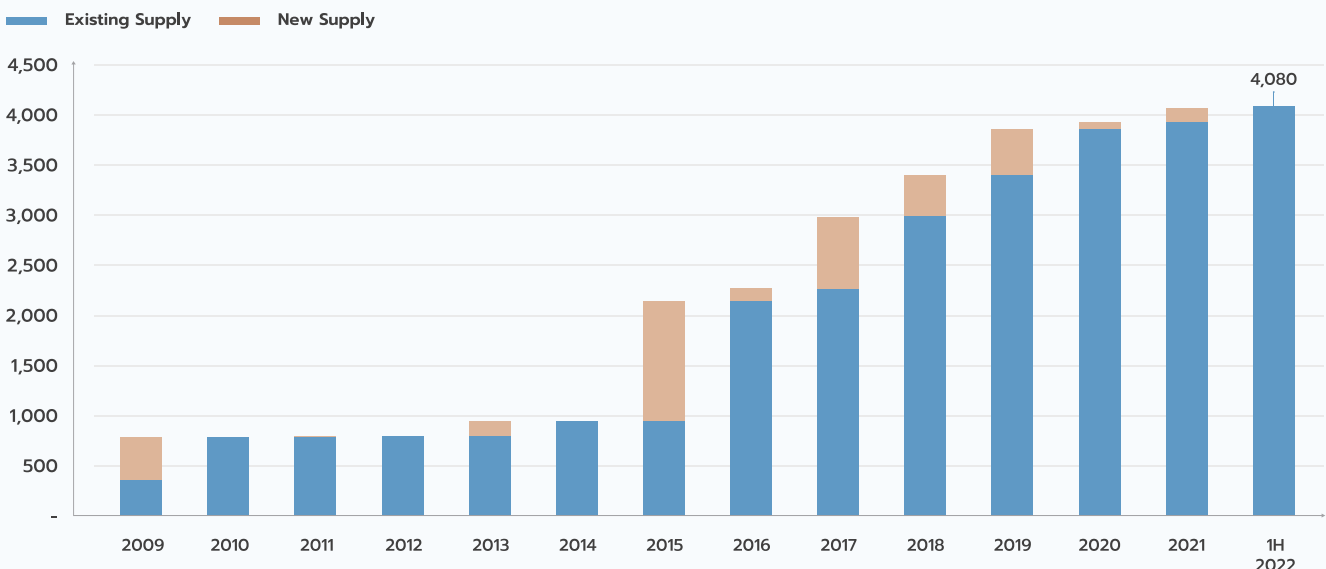
SUPPLY

The supply of Super Prime Condominiums, as of mid-2022, totaled 4,080 units from January to June last year. It was found that there was no supply of new condominiums in this segment for sale. Most of the Super Prime Condominiums remain situated in the Sukhumvit area, accounting for 48

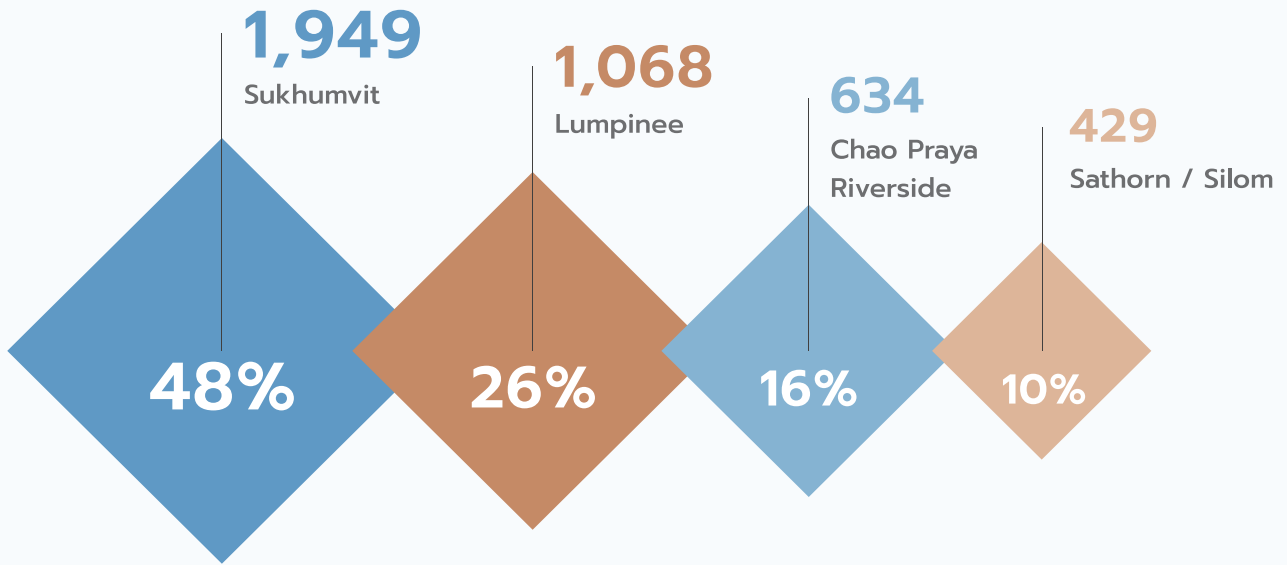
percent, followed by the Lumpini and Chao Phraya Riverside areas, at 26 percent and 16 percent, respectively. The Sathorn-Silom area houses only 10 percent of the Super Prime Condominium supply. However, in the future, it is expected that one new project will emerge in Thonglor;

initially, there will be a relatively small number of new units for sale, and it may be considered a “Rare Item” type of project in the area. The project will be adjacent to the BTS SkyTrain line with a total project value of approximately 2.5 billion baht, which warrants close watch in the future.

1 | Supply of Super Prime Condominiums from 2009 - 1H 2022



2 | Supply of Super Prime Condominiums by location, as of 1H 2022

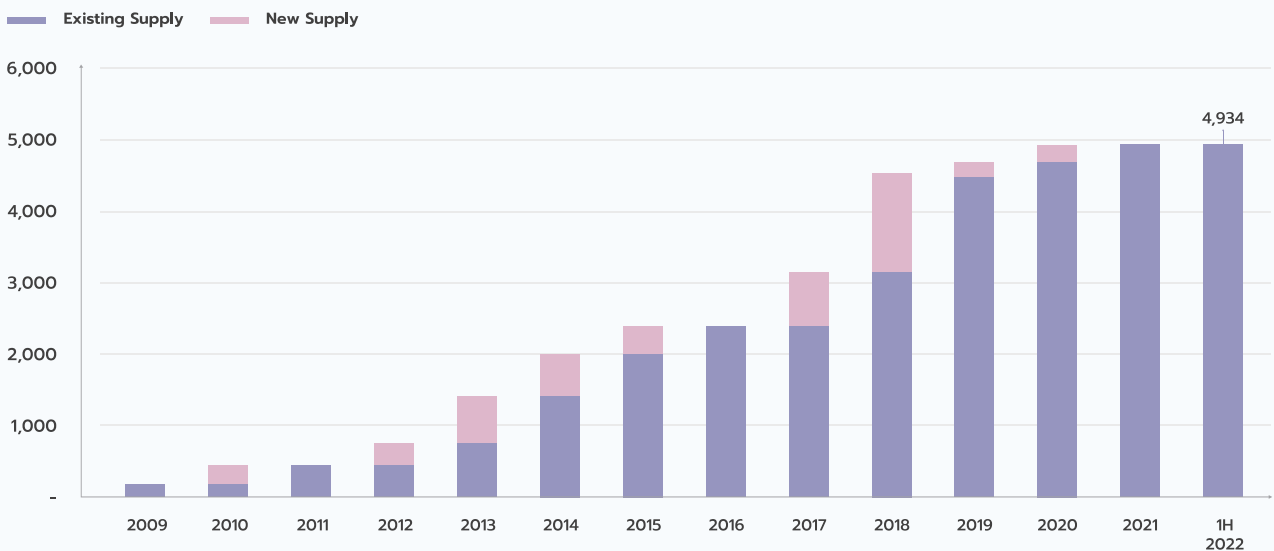


Source: Knight Frank Thailand Research

The supply of Prime Condominiums, as of the middle of 2022, stood at 4,934 units over the past two years until June. There has been no new supply, reflecting the fact that developers have slowed down project launches, opting to wait and plan accordingly if they should invest in projects in this segment of the condominium market. Also, available land for Prime Condominium

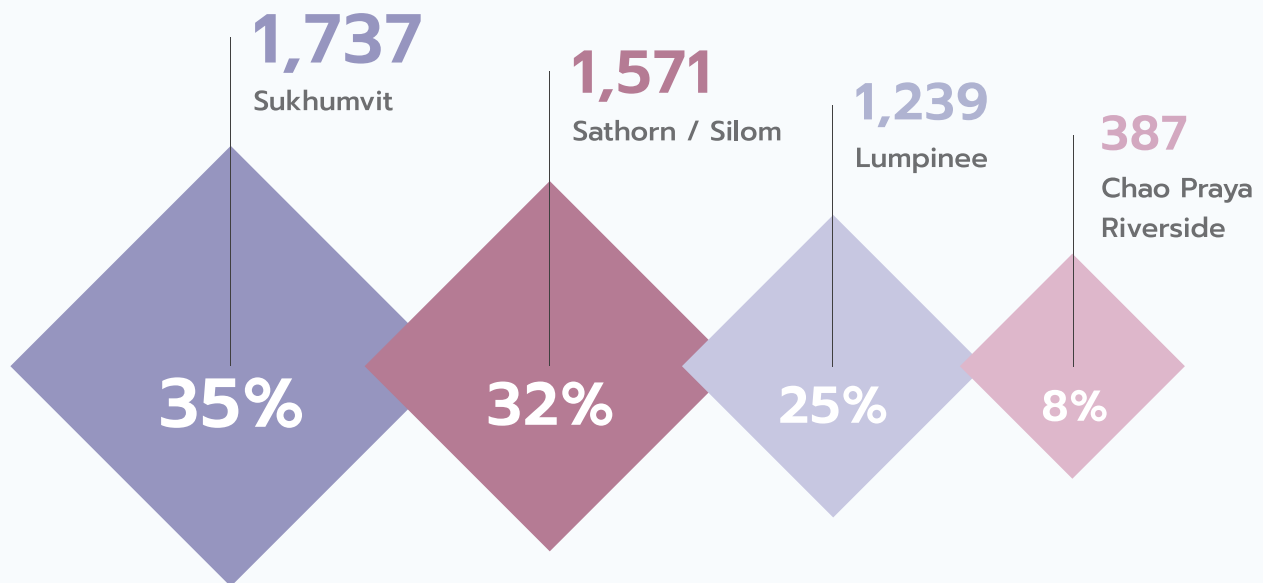
developments is quite limited. For the most part, these condominiums are located in the Sukhumvit area, accounting for 37 percent, followed by Sathorn-Silom and Lumpini at 29 percent and 26 percent, respectively. The area along the Chao Phraya River only houses 8 percent of the total Prime Condo supply.

3 | Supply of Prime Condominiums from 2009 - 1H 2022



Source: Knight Frank Thailand Research

4 | Supply of Prime Condominiums by location, as of 1H 2022



Source: Knight Frank Thailand Research

DEMAND

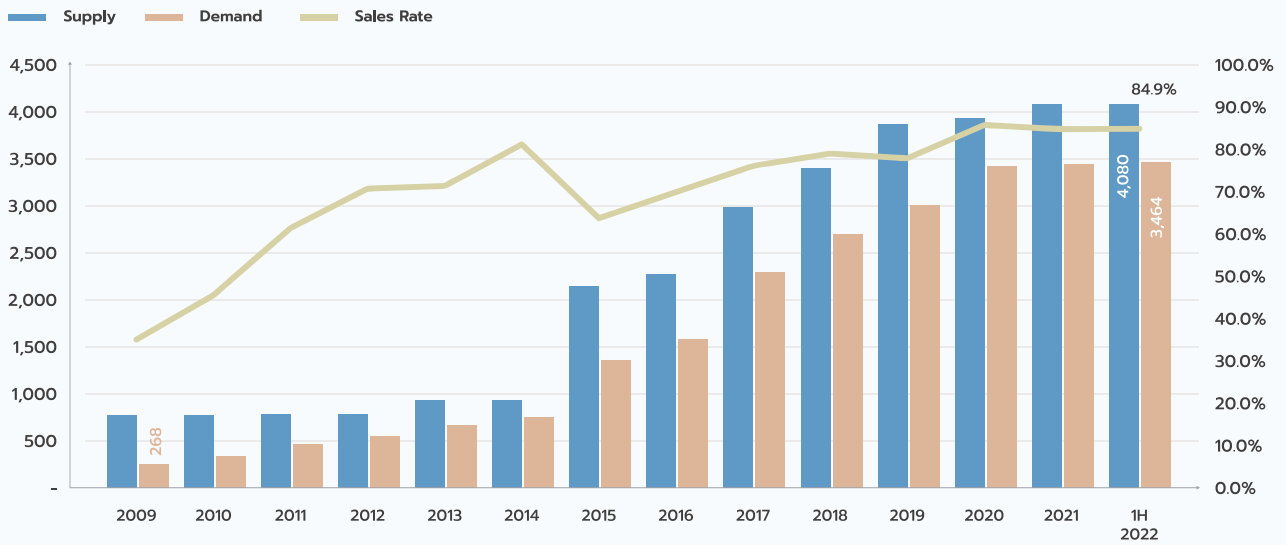
During the first six months of 2022, there has been sparse demand for Super Prime and Prime Condominiums as no new supply was added to the market. As a result, the sales rate only slightly increased. As of mid-2022, a total of 3,464 units of Super Prime Condominiums were sold out of a total supply of 4,080 units, reflecting a sales rate of 84.9 percent. This marks an increase of 0.3 percent from the previous year. Most of the buyers

during this period are still financially stable Thais who are confident about their income. They bought the units mainly for residential purposes.

As for demand for Prime Condominiums, as of mid-2022, a total of 4,020 units have been sold out of a total supply of 4,943 units, representing a sales rate of 81.1 percent and an increase of 0.6 percent from the previous year.

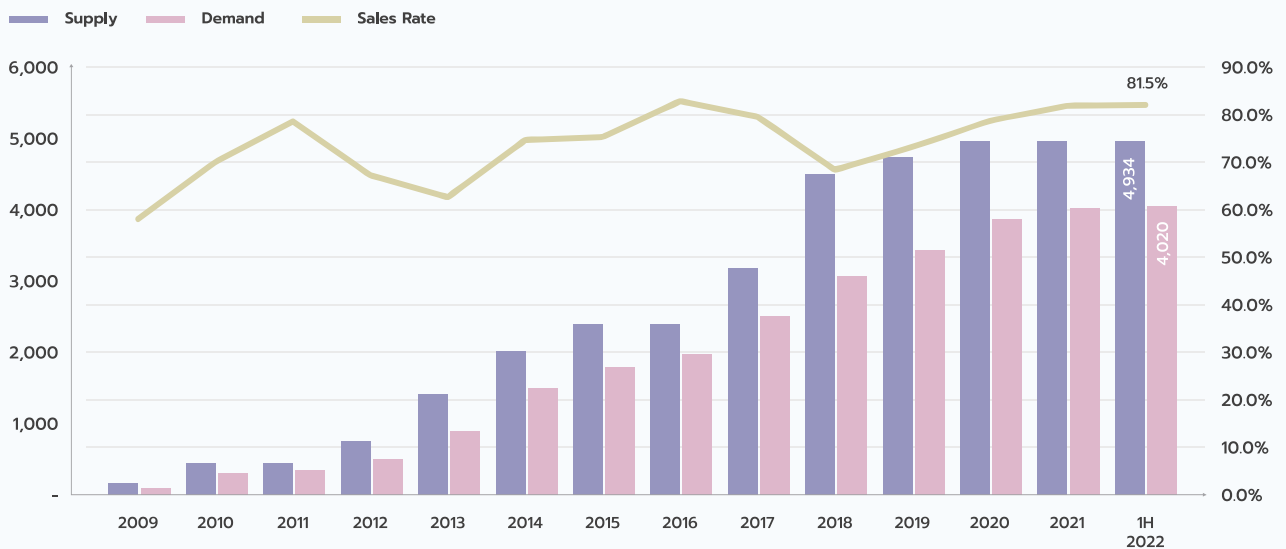
The Prime Condominium market remains viable as many project developers are initially offering units at promotional prices to attract buyers before adjusting prices upwards once their projects have been completed. There are still investors who remain interested; they typically buy units to rent out to well-heeled foreigners, especially those who plan to stay in Thailand for a long time.

5 | Supply Demand and Sales Rate of Super Prime Condominiums, 2009 to 1H 2022



Source: Knight Frank Thailand Research

6 | Supply Demand and Sales Rate of Prime Condominiums, 2009 to 1H 2022



Source: Knight Frank Thailand Research

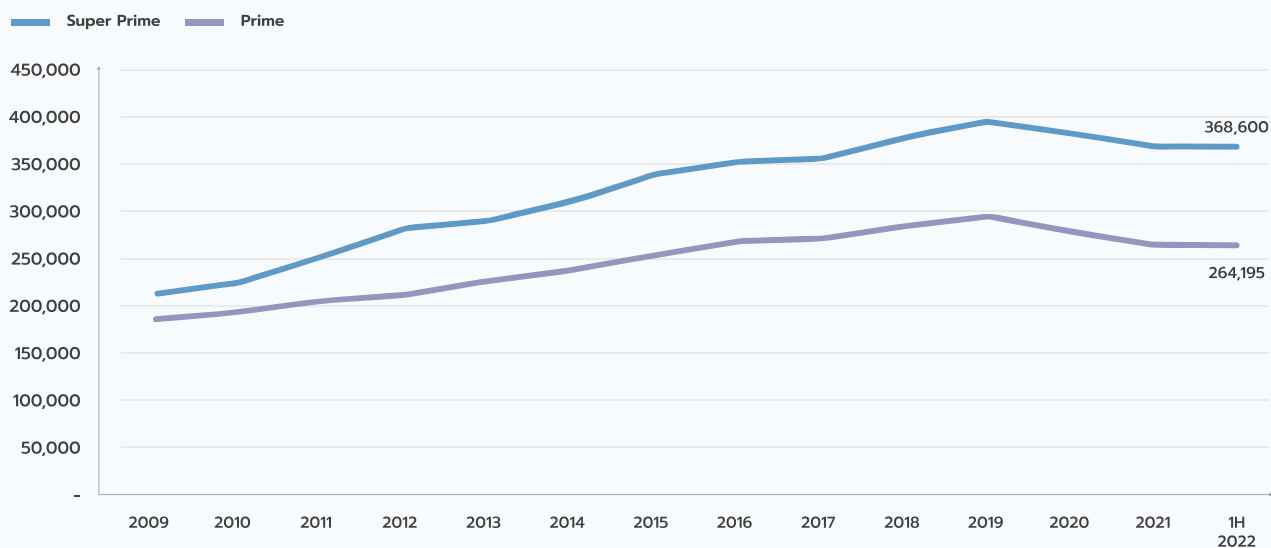
SELLING PRICES

The average selling price of Super Prime Condominiums in the middle of 2022 is 368,600 baht per square metre, decreasing by 3.1 percent over the previous year. In 2021, the average selling price was 368,717 baht per square metre. For Prime Condominiums in the middle of 2022, the average selling price is 264,195 baht per

square metre, decreasing from 2021 by 3 percent, where the average selling price was 264,274 baht per square metre. The selling price during this period remains relatively stable, with no significant increases. However, the reason for this is that many completed projects are still offering selling prices to buyers with room

to negotiate, in order to close the project as there are not many units left. Prices in the second half of the year are expected to increase due to new projects that have been selling their units off-plan and are starting to be near completion.

7 | Average Selling Price of Super Prime and Prime Condominiums, 2009 to 1H 2022



Source: Knight Frank Thailand Research

SUPER PRIME AND PRIME CONDOMINIUM MARKET OUTLOOK



In the second half of 2022, the Super Prime and Prime Condominium market is expected to remain stable in terms of supply. This is due to the fact that only about 20 percent of the total units have been sold. Although the number of unsold units is small, the demand for condominiums in this segment still exists. Moreover, the new supply is expected to be less going forward, due to the shortage of land suitable for development. Even though some developers will hold onto vacant lands, it still takes time to plan and develop a project at the most ideal time. Having said that, they must continue to monitor any such development plans. In terms of demand, there is ongoing buyer interest. The limited supply remaining in the market may result in a group of buyers who have financial stability and wealth. They would buy the condominium as an additional asset for their heirs or for keep it for sale if this segment of condominiums does not have new supply or is in short supply in the future. As for the group of Chinese buyers who have been very interested in condominiums of this segment, their demand is expected to slow due to the economic slowdown and the prolonged debt problems in the real estate sector of China, which hamper the recovery of investment activities and contribute to the risk of financial stability that may reduce the demand of Chinese people during this time.

The domestic tourism sector has started to improve with the relaxation of travel restrictions from the cancellation of the Thailand Pass registration system, and more foreign tourists have started to arrive in Thailand. The top countries that visit include India, Malaysia and Singapore, as well as the United States. At this time, it is expected that foreign buyers interested in condominiums of this segment will be mostly Malaysians and Singaporeans. In addition, the global economic slowdown increasingly causes investors to move their investments to other low-risk assets. It is expected that condominiums in this segment will offer an option for foreign investors as well.

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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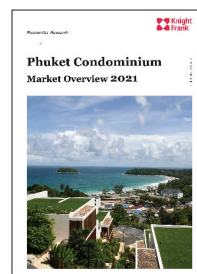
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