

Super Prime & Prime Condominium Market Overview 2H 2021



HIGHLIGHTS

1

THROUGHOUT THE YEAR 2021, THERE IS ONLY ONE NEW PROJECT OPENED.

2

THE CUMULATIVE NUMBER OF SUPER PRIME CONDOMINIUM UNITS SOLD WAS 3,450 UNITS FROM A TOTAL SUPPLY OF 4,080 UNITS, WHICH REFLECTS A 85 PER CENT SOLD RATE. THE NUMBER SUPER PRIME CONDOMINIUMS SOLD IN 2021 WAS 28 UNITS.

3

THE CUMULATIVE NUMBER OF PRIME CONDOMINIUM UNITS SOLD WAS 4,265 UNITS FROM A TOTAL SUPPLY OF 4,934 UNITS, REPRESENTING A SALES RATE OF 86 PER CENT THE NUMBER OF PRIME SOLD IN 2021 WAS 343 UNITS.

4

THE AVERAGE ASKING PRICE OF SUPER PRIME CONDOMINIUMS IN 2021 WAS 368,717 BAHT PER SQUARE METRE, A DECREASE OF 3.55 PERCENT FROM THE END OF 2020, WHILST OF PRIME CONDOMINIUMS WAS 264,274 BAHT PER SQUARE METRE, WHICH DECREASED FROM THE END OF 2020 AT THE RATE OF 5.05 PERCENT.



NATTHA KAHAPANA

Deputy Managing Director and Head of Phuket Operation

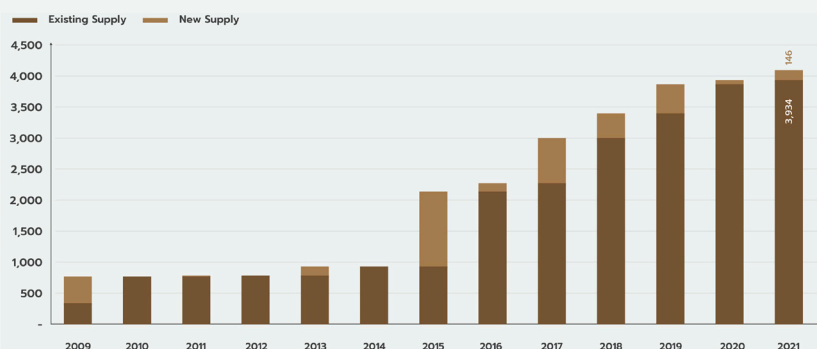
“

The condominium market in this segment still has a gradual movement. Even entrepreneurs are flexible in selling prices. But the demand is still quite a niche group. But if tourism recovers may cause the purchasing power of foreigners to return to make this market bustling again.”

”

The super prime and prime condominium market witnessed a decline in demand compared to the previous year, which also reflected the low level of new project launches in this market segment. In 2021, there was only one new project contributing to the supply, which limited buying and selling activities in the super prime and prime condominium segment. As a result, sales rates have picked up in some areas. In the future, if land prices increase, more condominiums in the super prime and prime segment may be built in smaller unit sizes to keep asking prices per unit from being too high.

SUPER PRIME CONDOMINIUM SUPPLY, 2009 TO 2021

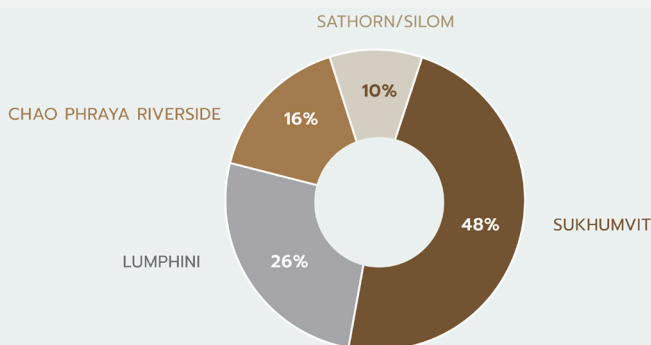


Source: Knight Frank Thailand Research

Supply Trend

At the end of 2021, there was a total supply of 4,080 super prime condominiums units from 31 projects. Throughout the year, only one super prime condominium project was launched, namely, the Scope Promsri, with 146 units. Most of the super prime condos are in the Sukhumvit area, which accounted for 48 percent of the supply, followed by Lumphini and the Chao Phraya riverside area at 26 percent and 16 percent, respectively. The Sathorn / Silom area only accounted for 10 percent of the super prime condominiums. In terms of the future supply, it is expected that the number of such units in the Lumphini area will increase from the three residential buildings in the One Bangkok project. Preliminary figures show that there will be around 110 units in one building, while the unit numbers in the other two buildings remain unconfirmed. In the same area, there will also be an increase in supply from Dusit Residences (159 units) and Dusit Parkside (230 units), which would broaden the options of top tiered residences in the heart of the city.

SUPER PRIME CONDOMINIUM SUPPLY BY LOCATION, AS OF YEAR-END 2021

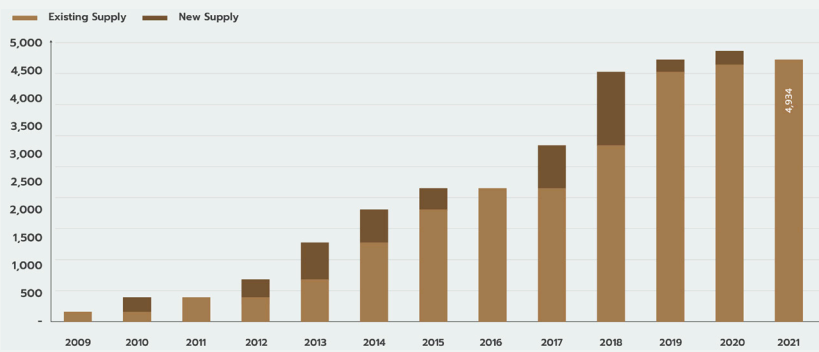


Source: Knight Frank Thailand Research

Demand Trend

Throughout 2021, the demand for super prime and prime condominiums remained low. From our research, it was found that most customers in 2021 were affluent and financially stable Thais. They saw 2021 as an opportunity to buy super prime and prime condominiums with more flexibility in the price ranges. However, the Covid-19 epidemic continued to result in a significant reduction in the number of foreign customers due to travel restrictions. Most of the foreign customers who made purchases in 2021 were those who are based or already residing in Thailand.

PRIME CONDOMINIUM SUPPLY, 2009 TO 2021

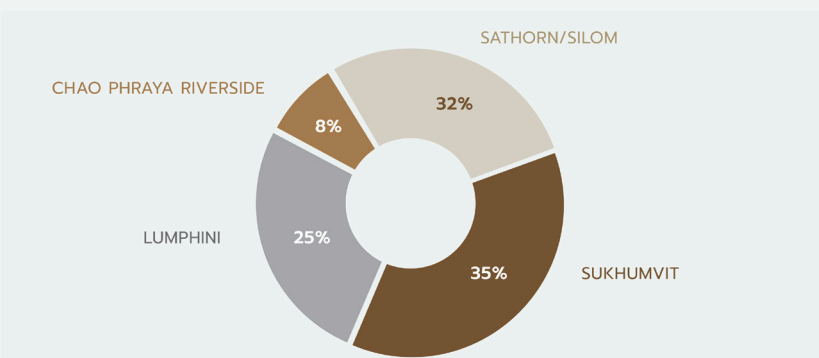


Source: Knight Frank Thailand Research

Demand for super prime condominiums until the end of 2021 showed that 3,450 units were sold out of a total supply of 4,080 units, representing a sales rate of 85 percent. This decreased by 2 percent from 2020. In 2021, only 28 units were sold, a drop from the previous year where around 410 units were sold.

As for the demand for prime condominiums up until the end of 2021, there were 4,265 units sold out of a total supply of 4,934 units, representing a sales rate of 86 percent. This reflects an increase of 7 percent from 2020. In 2021, 343 units were sold, which is a decrease from the 510 units sold in the previous year.

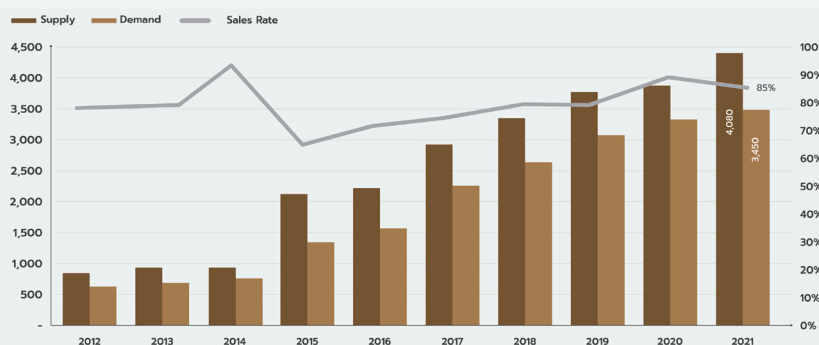
PRIME CONDOMINIUM SUPPLY BY LOCATION, AS OF YEAR-END 2021



Source: Knight Frank Thailand Research

There was a large reduction in the number of new units sold throughout 2021 in both the super prime and prime segments, compared to 2020. This was because buyers who booked some units during the project launch phases were impacted by the Covid-19 epidemic, which forced them to cancel their plans. Such buyers included foreigners who could not travel across borders and Thais who became wary of the economic situation. Another reason for the drop in sales was the decline of new supply in the market. Remaining units for sale tended to be large or located on a high floor, which made their selling prices very high compared to previous units that have been sold. As a result, buyers postponed or delayed their purchasing decisions.

SUPPLY DEMAND AND SALES RATE OF SUPER PRIME CONDOMINIUMS, 2012 TO 2021

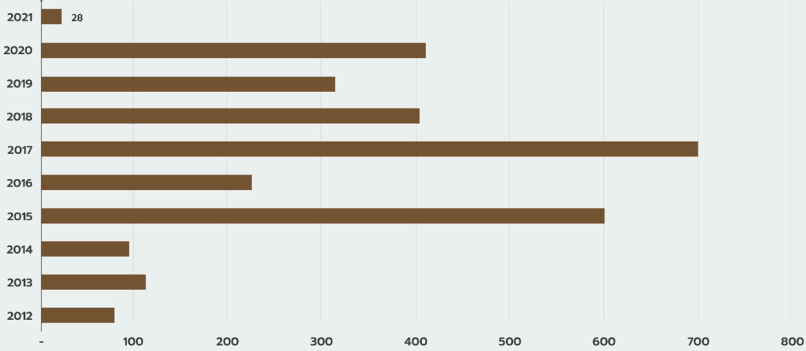


Source: Knight Frank Thailand Research

SELLING PRICE TREND

The epidemic caused the number of project bookings to decline. At the same time, it also affected completed projects, resulting in a decrease in the amount of ownership transfers. Although the super prime and prime condominium segment did not see many discounts on their asking prices, in 2021, it was found that the average asking price of super prime condominiums was 368,717 baht per square metre, which reflects a 3.55 percent decrease from 2020. The average asking price of prime condominiums was 264,274 baht per square metre, down 5.05 percent from 2020. From these figures, it is apparent that developers in Thailand have started reducing their asking prices to stimulate sales and cope with the decline in demand. However, some developers with a few

NUMBER OF SUPER PRIME CONDOMINIUM UNITS SOLD PER YEAR, 2012 TO 2021



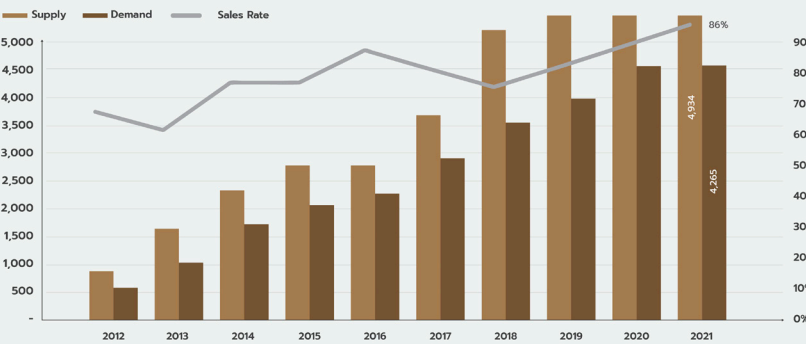
Source: Knight Frank Thailand Research

units left for sale held their prices steady to maintain good relations with customers who bought units before the Covid-19 crisis. It was also found that completed projects received more attention than new projects that were launched for sale in the form of off-plan sales.

OUTLOOK

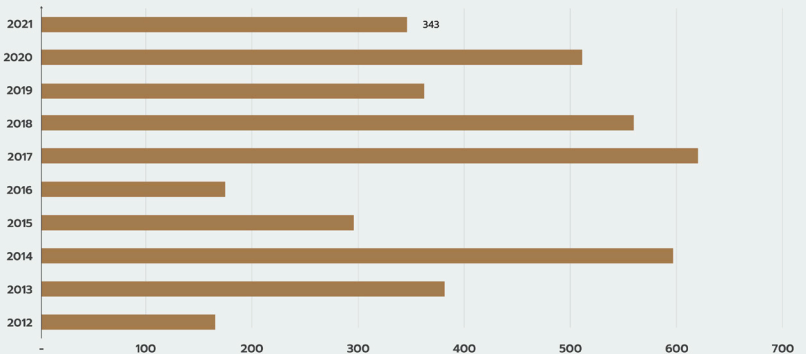
The epidemic impacted 2021 to the point where project developers did not launch new supply in the super prime and prime condominium market. Therefore, the supply remained quite limited. However, most of the remaining supply included larger units priced higher than other units due to their being situated on high floors or boasting unique attributes like being a duplex penthouse or having a distinctive style. With very high selling prices, sales of the remaining units have been gradual. However, land in the Central Business District that can be developed into a condominium project is limited and it remains a challenge for developers to embark on new projects. Super prime and prime condominium market demand reflects the purchasing of units as assets to increase wealth. The government's Test & Go and visa incentive schemes to draw more foreign buyers may help stimulate demand and improve the super prime and prime condominium market in the next period, as there is still demand among Thais and foreigners with stable financial standing.

SUPPLY DEMAND AND SALES RATE OF PRIME CONDOMINIUMS, 2012 TO 2021



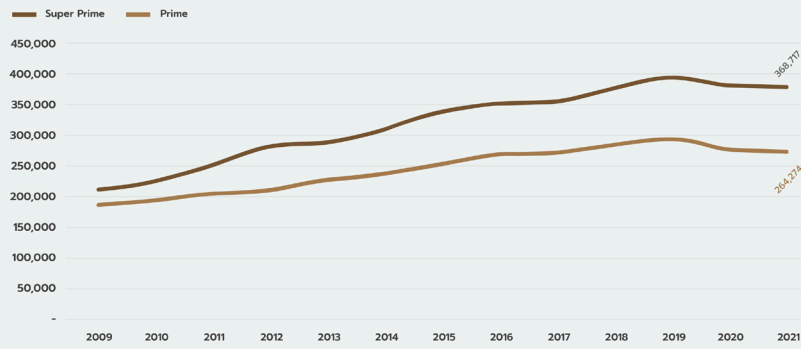
Source: Knight Frank Thailand Research

NUMBER OF PRIME CONDOMINIUM UNITS SOLD PER YEAR, 2012 TO 2021



Source: Knight Frank Thailand Research

AVERAGE ASKING PRICES OF SUPER PRIME AND PRIME CONDOMINIUMS, 2009 TO 2021



Source: Knight Frank Thailand Research

GRADING C CLASSIFICATION

Super Prime condominium

condominium projects are often sold as lifestyle products where unit sizing is considerably more spacious than the average and comprise of two bedrooms or larger as majority of the project. A number of super prime projects carry one-bedroom units but the smallest of these should be sold at the price above 15 million baht. The selling price for the majority of these shall be above 250,000 baht per square metre.

Prime condominium

represents the top 2% of the Bangkok condominium market. These condominium projects are often sold as both lifestyle and investment products due to superior location which allows rooms for capital gain and unit sizing that is smaller than what is being offered in super prime projects. Products often start from one-bedroom with comfortable sizing (larger than 45 square metres) and sold within the range of 10-15 million baht. The selling price for the majority of the units shall be above 200,000 per square metre.

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



PHANOM KANJANATHIEMTHAO
 Managing Director
 +66 (0) 2643 8223 Ext 124
 phanom.kanjanathiemthao@th.knightfrank.com



NATTHA KAHAPANA
 Deputy Managing Director
 & Head of Phuket Operation
 +66 (0)2643 8223 Ext 300
 nattha.kahapana@th.knightfrank.com



FRANK KHAN
 Executive Director, Head of Residential
 +66 (0)2643 8223 Ext 105
 frank.khan@th.knightfrank.com

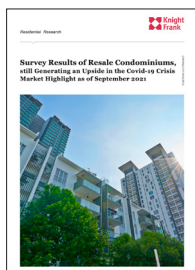


SUNCHAI KOOKACHAI
 Director, Head of Research and Advisory
 +66 (0)2643 8223 Ext 188
 sunchai.kooakachai@th.knightfrank.com

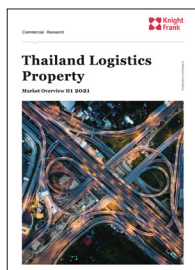
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