

# Bangkok Condominium Market Overview Q4 2022





# HIGHLIGHTS



THE CONFIDENCE INDEX OF BUSINESS OPERATORS IN THE HOUSING DEVELOPMENT BUSINESS REMAINED STABLE, BUT SALES EXPECTATIONS DECREASED BY 3%.



THE NUMBER OF NEW PROJECTS FOR SALE DECREASED BY 9.7% FROM THE PREVIOUS QUARTER AS BUSINESS OPERATORS TRIED TO SELL REMAINING SUPPLY IN THE PREVIOUS QUARTER BEFORE THE LTV MEASURES ENDED.



DEMAND FOR THE LOW-PRICED SEGMENT RECOVERED AT A SLOWER PACE THAN THE HIGH-PRICED SEGMENT.



THE REOPENING OF THE COUNTRY OF CHINA WILL INCREASE PURCHASING POWER AND DRIVE DEMAND TO GROW CONTINUOUSLY.



THE SELLING PRICE TENDS TO INCREASE IN RESPONSE TO TYPE OF RESIDENCE AND PROJECT LOCATIONS.



NATTHA KAHAPANA  
Managing Director



*From the cancellation of the LTV criteria may affect domestic investors. In addition, the adjustment of the real demand group is starting to recover from income. May cause the market to wait for a while to recover. While the gradual return of foreigners to travel will be able to promote the condominium market to be popular with such groups. which can replace domestic purchasing power.*



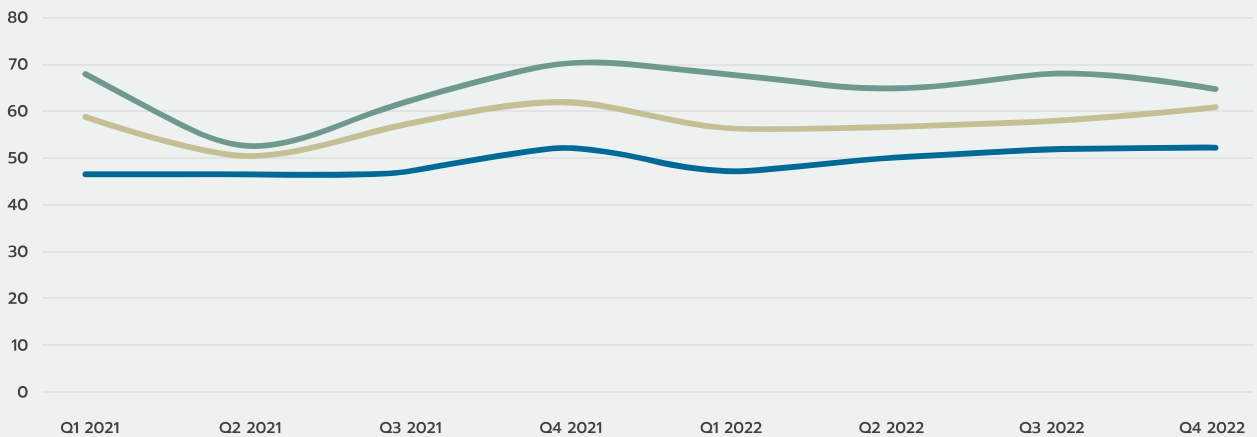
# MARKET OVERVIEW

The real estate market remained stable throughout the year, with hopes of building business operators' confidence in the last quarter of 2022 to further develop their projects. The active purchasing power in this quarter made the current confidence index to be at a stable level, while future sales expectation of business operators decreased by 3% from the previous quarter.

In Q4 2022, the demand of the ready-to-move-in condominium market was slightly active as signaled by the cancellation of various government stimulus measures at the end of the year. The increasing interest rates also caused a slowdown in the launch of new projects during this quarter. Consequently, developers focused on selling ready-to-move-in projects and launched promotional campaigns to increase their visibility among buyers. Thus, this was a good time to sell existing stock and it reflected that government measures were a positive factor in supporting the recovery of the condominium market during this period.

## 1 | Housing Developers Sentiment Index (HDSI)

— Housing Developers Sale Expected Sentiment Index in Next 6 Months  
— 6 Months Expected Housing Developers Sentiment Index    — Current Housing Developers Sentiment Index

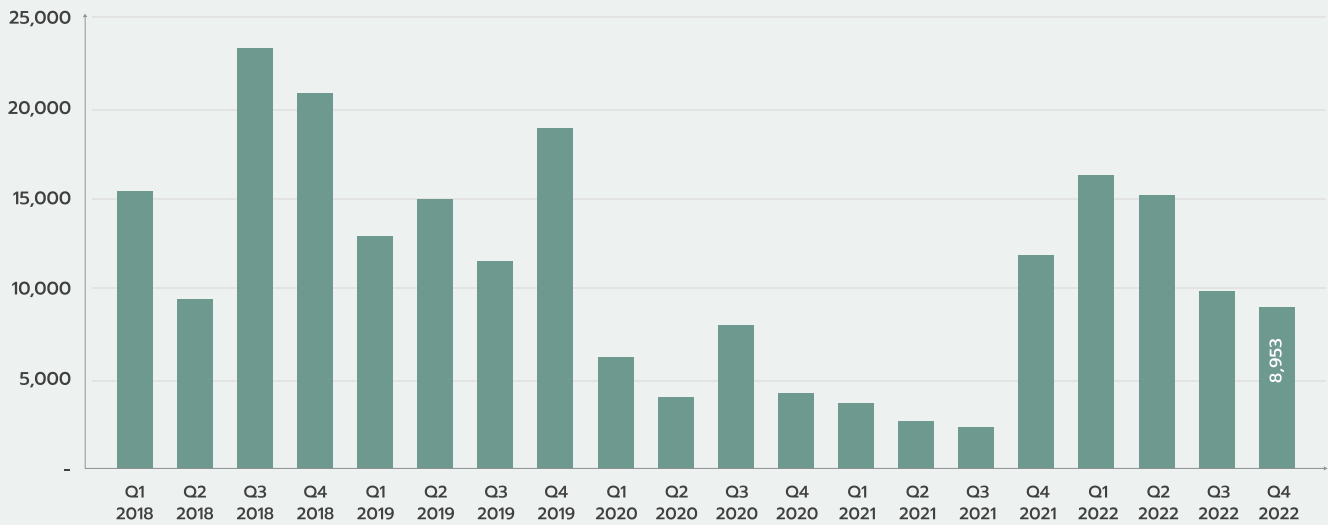


- Index score of 50 means "Maintain Confidence"
- Index score of Higher than 50 means "Increase Confidence"
- Index score of Lower than 50 means "Decrease Confidence"

Source: Real Estate Information Center

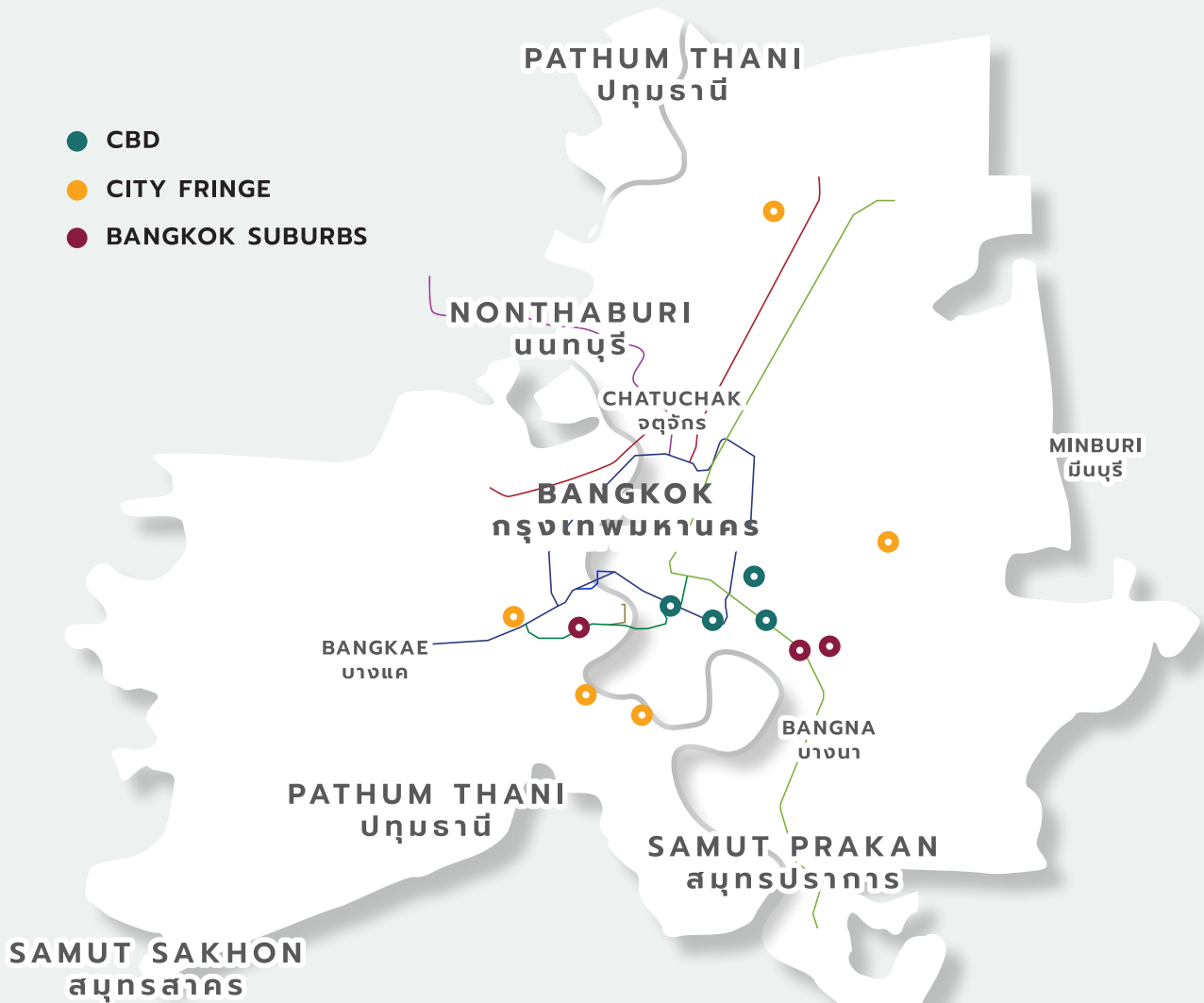
# SUPPLY

## 2 | Supply of New Launched Condominiums in Bangkok, Q1 2018 to Q4 2022



Source: Knight Frank Thailand Research

## 3 | New Launched Condominiums in Q4 2022



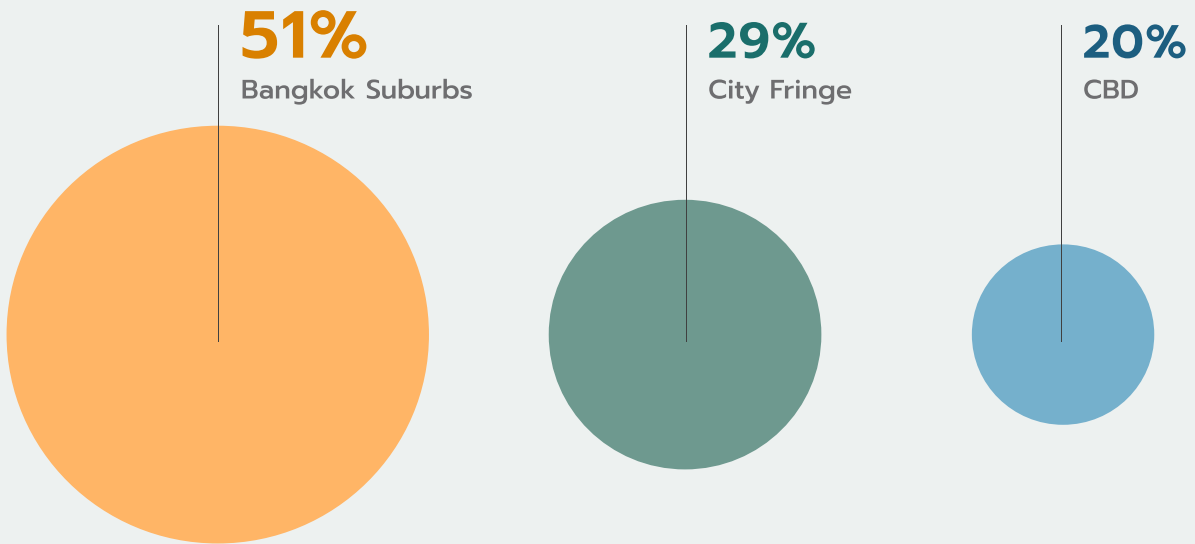


During Q4 2022, the supply of the condominium market in Bangkok amounted to 8,953 units. The number of new supply launched decreased by 9.7% compared to the previous quarter and decreased by 20.4% compared to the same period

last year. In this quarter, the total supply of condominiums in suburban areas of Bangkok accounted for 51%, while areas around the city fringe and the city center accounted for 29% and 20%, respectively. The total number of new supplies classified

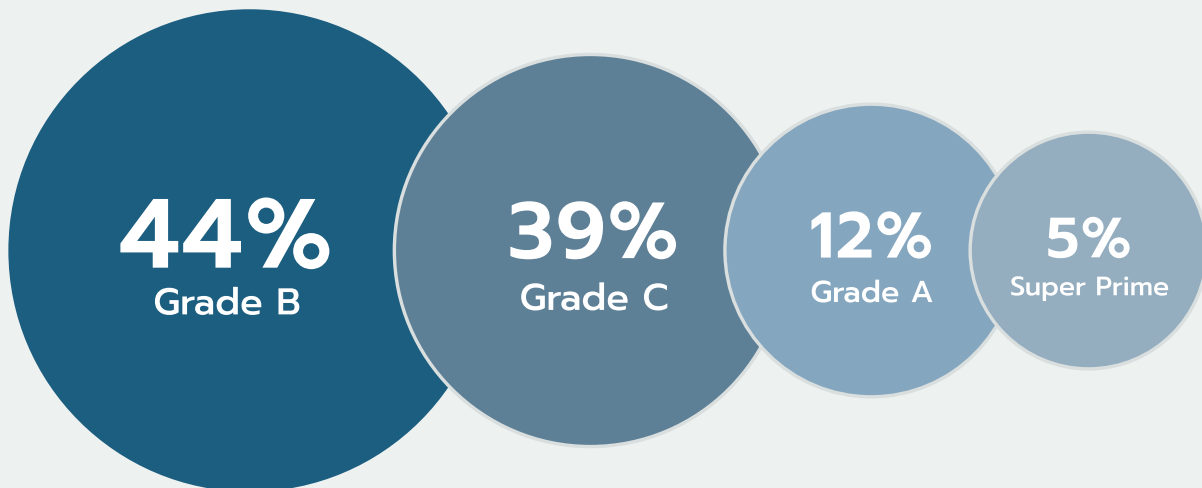
by class as follows: the most popular one was grade B, accounting for 44%, followed by grade C and grade A, accounting for 39% and 12% respectively. The remaining 5% was the super prime segment.

4 | Supply of New Launched Condominiums, by Location, Q4 2022



Source: Knight Frank Thailand Research

5 | Supply of New Launched Condominiums, by Grade, Q4 2022



Remark :

Supper Prime The selling price of the unit must be above THB 200,000 per square metre.

Grade A The selling price of the unit must be above THB 150,000 per square metre.

Grade B The selling price of the unit must be within the range of THB 80,000 - 149,999 per square metre.

Grade C The selling price of the condominium must be in the range of less than 80,000 baht per square metre.

Source: Knight Frank Thailand Research

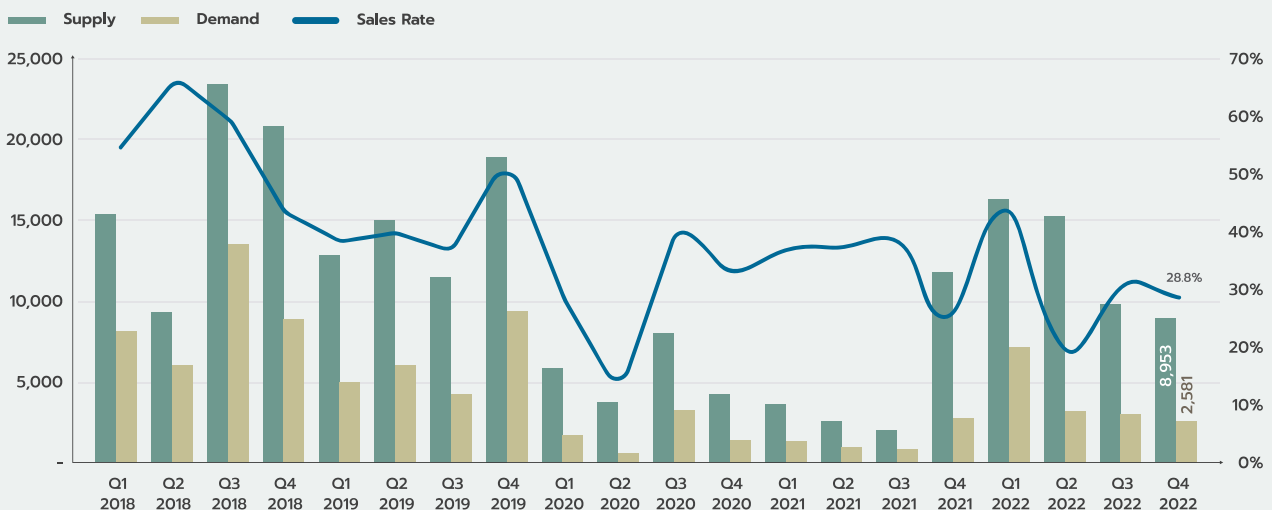
# DEMAND

As the LTV relaxation measures will end this year, there has been an increase in the transfer of ownership of completed projects compared to the previous quarter. As a result, the demand for pre-sale projects in Q4 2022 slowed down sales rates. The total number of new units sold in Q4 amounted to 2,581 units out of a total supply of 8,953 units. The sales rate was

28.8%, which decreased by 1.9% from the previous quarter but increased by 3.6% compared to the same period last year. Investors who buy to rent out were the main buyers. In this quarter, buyers were more interested in ready-to-move-in projects due to the cancellation of government policies that helped the real estate sector, as well as an increase of interest rates. Therefore,

the ready-to-move-in projects were able to sell its outstanding units. Nevertheless, the demand for condominiums in the low-price segment, which is equivalent to the group of real demand, remained unclear because their purchasing powers has not fully recovered and fragile.

6 | Supply Demand and Sales Rate of Newly Launched Condominiums, Q1 2018 to Q4 2022



Source: Knight Frank Thailand Research

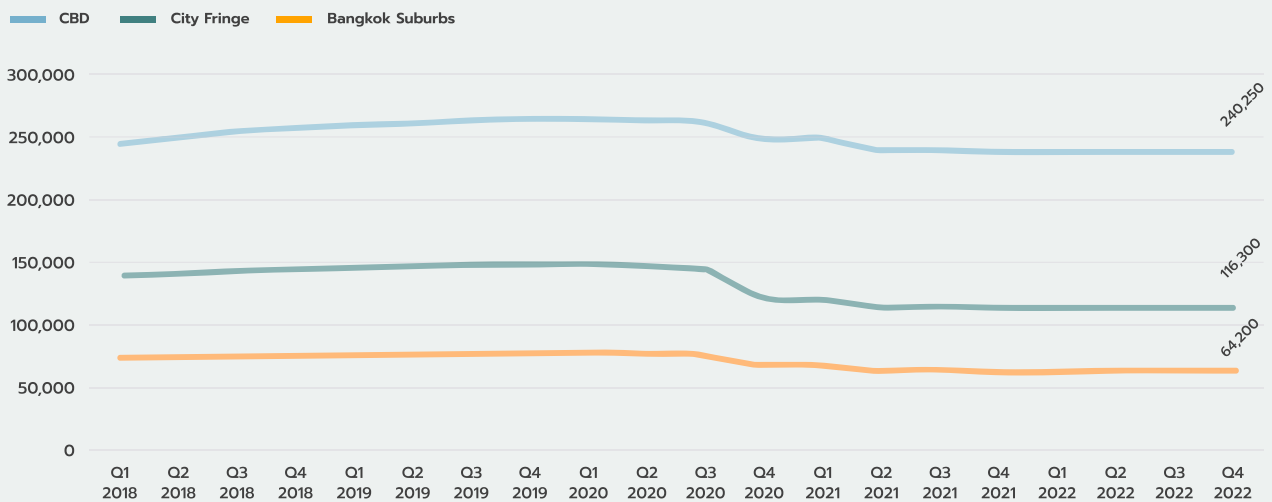
# ASKING PRICE

The selling price of condominiums in Q4 2022 slightly decreased in all areas. The selling price of condominiums in the central business district (CBD) was 240,250 baht per square metre, which was a decrease of 0.10% from the previous quarter. Meanwhile, the selling price of condominiums around the city fringe was

116,300 baht per square metre, decreased by 0.3% from the previous quarter. As for the selling price of condominiums in the suburban areas of Bangkok, it was 64,200 baht per square metre, a decrease of 0.47% from the previous quarter. The average selling price in all areas decreased by 0.29% as the government discontinued the

LTV measures. Thus, business operators took this opportunity to lower the price and offer lucrative benefits, including cash back, to stimulate buyers to make quicker decision-making and transfer the ownership before the campaign deadline.

7 | Quarterly Asking Prices of Condominiums, by Location, Q1 2018 to Q4 2022



Source: Knight Frank Thailand Research

# MARKET OUTLOOK



The condominium market in 2023 is expected to grow at a slower rate. The trend of launching new projects is expected to be similar to last year, as most business operators listed in the stock market and limited companies still foresee the potential to develop the low-rise market because purchasing power is clear and growth is better than the condominium market during this period. The outstanding units of condominiums in the market still have to wait for future demand. The risk factor that may occur in 2023 is the cancellation of the renewal of government measures and the resumption of original LTV measures, which could delay the condominium market recovery by 1-2 years or lead to a recession, especially for the price range of 3- 5 million baht per unit. The market still has negative factors from household debt and strict credit considerations, which put pressure on low and middle-income earners, whom income has not fully recovered yet. Rising interest rates and higher selling price trends in response to inevitably higher costs may weaken next year's purchasing power.



**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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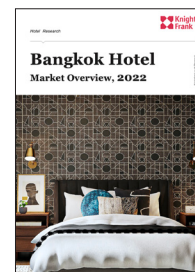
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