



## Q3 2011 PATTAYA CONDOMINIUM MARKET OVERVIEW

Quarter

**Knight Frank**

## HIGHLIGHTS

- Pattaya condominium market stays rosy despite economic blues, thanks to demand by locals. Previously, the majority of the property buyers in Pattaya were foreigners but after economic crisis erupted, more Thais started buying there.
- During Jan to September, 2011, the new condominium (sea view only) launching in Pattaya was recorded highest, with approximately 5,349 units of 9 condominium projects. Supply in the jomtien area contains the lion's share of units, with about 68 per cent of total new supply.
- The average selling price of condominium located in north Pattaya and Wongamat area increased sharply from just THB 111,250 per square metre in 2010 to THB 122,650 per square metre in Q3 2011.
- The take up unit of Pattaya condominium during the first nine month of 2011 was about 3,737 units and Thais are the majority of buyers, representing about 37.8 per cent, followed by Russians and UK, representing about 17.5 per cent and 12.6 per cent, respectively.

## MARKET OVERVIEW

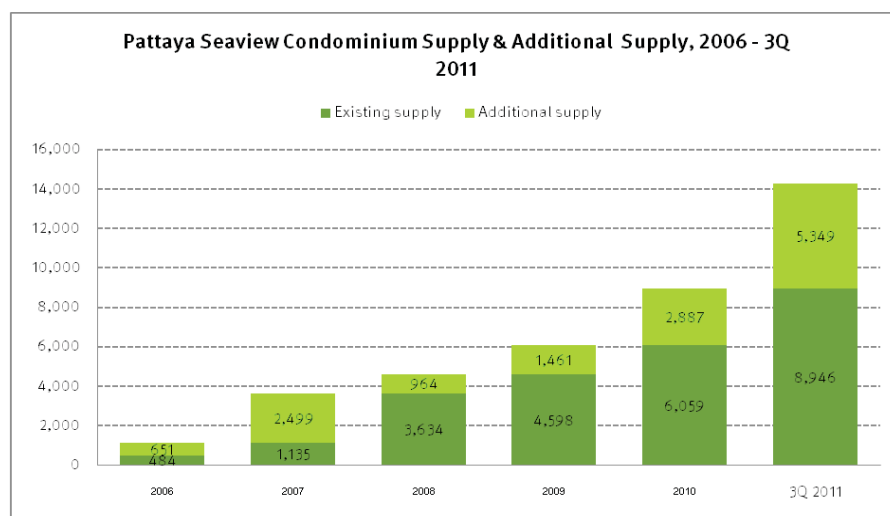
Pattaya has jumped a lot in the past seven years from being low-class city to one that offers many options – not just fun – to its visitors. The coming of big shopping mall, Central Festival Pattaya was a big jump for Pattaya City. Moreover, the reverse coastal erosion and restore a stretch of beach from North to South Pattaya to be a width of 35 metres, currently the beach width was only 3.5 metre this is due to the time where the high tide has reached the beach. The length of the beach will be approximately 2.7 km. The cost of investment is about THB 387 million.

Pattaya condominium market stays rosy despite economic blues, thanks to demand by locals. Previously, the majority of the property buyers in Pattaya were foreigners but after economic crisis erupted more Thais started buying there. Another factor which encourages condominium sales in Pattaya is this year's floods in Bangkok, the market has had a positive impact. Pattaya is the destination choice for Thais fleeing the floods. It is forecasted that demand for second homes from wealthy Bangkok residents will rise, notably for city or resort condominium especially Pattaya due to the proximity from Bangkok as well as the completed facilities and amenities in the area.

## SUPPLY TREND

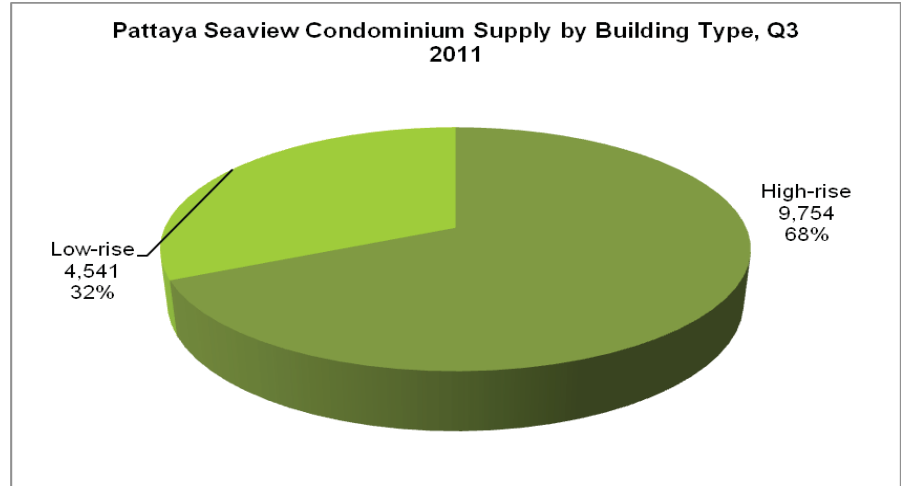
APPROXIMATELY  
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During Jan to September, 2011, the new condominium (sea view only) launching in Pattaya was recorded highest, with approximately 5,349 units of 9 condominium projects.



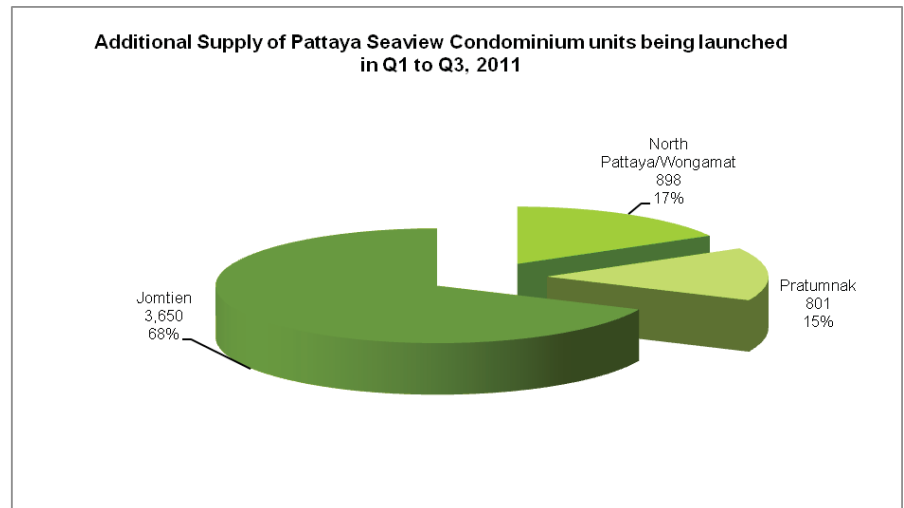
Source: Knight Frank Thailand Research and Consulting Department

The majority of sea view condominium in Pattaya is in high-rise building, representing about 68% of total. The newly launched of Pattaya condominium this year had only 1 condominium project in the low rise building, located in Wongamat area. The project name is The Golden Bay, however the this project will launch the high rise building in the second phase.



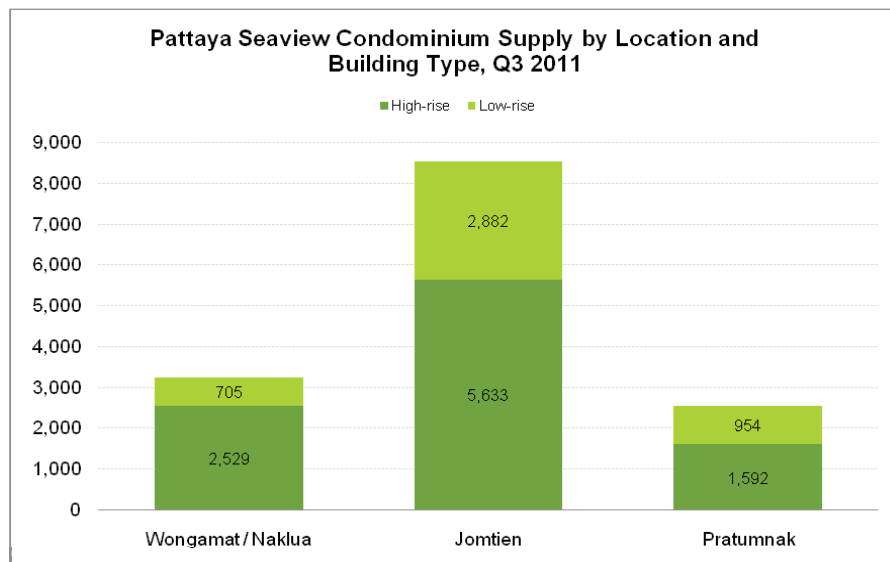
Source: Knight Frank Thailand Research and Consulting Department

The launches were spilt into 3 areas, Wongamat/North Pattaya, Pratumnak Hill and Jomtien area, with 17%, 15% and 68% respectively. Supply in the jomtien area contains the lion's share of units.



Source: Knight Frank Thailand Research and Consulting Department

The holiday destination of Pattaya has become popular location for country's leading property developer as it is showing strong demand for residential project. Among a rush of beachside project, LPN Development has launched a condominium called Lumpini Park Beach Jomtien Beach since October 8, 2011. The project is focused on the domestic demand and only one month the sold rate was approximately 50 per cent. In the very near future, the high rise condominium can be founded in Jomtien area only due to the newcoming Pattaya Town Planning.



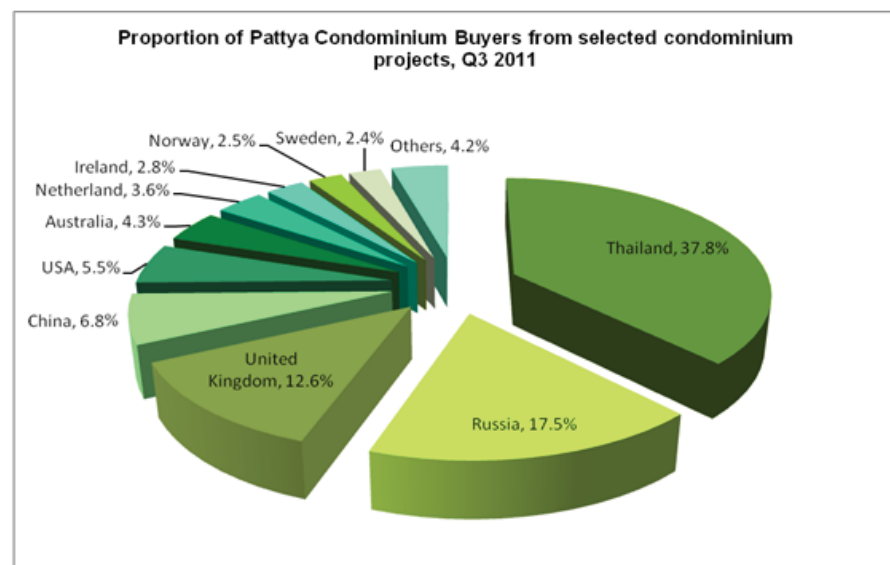
Source: Knight Frank Thailand Research and Consulting Department

## DEMAND TREND

THE DYNAMICS OF THE MARKET ARE CHANGING REMARKABLY FAST IN PATTAYA, AS ONE-BEDROOM UNITS, AND SMALLER MAKE UP 70 PER CENT OF ALL NEW PRODUCTS IN THE MARKET.

The demand of Pattaya condominium was mainly from local Thai buyers in some projects, especially the projects which are located in the North Pattaya or Wongamat area due to a large number of retail outlets, high-end restaurants and bars and shopping mall in the area. Whereas the city condominium located in South Pattaya is fond of by foreigners. Russians are another potential buyers of Pattaya condominium, however the preferred locations are in the Pratumnak Hill area and Jomtien Sai 2 Area, where

the project is non sea view, however the unit price is cheap, with studio sizing 28 square metre, selling at THB 900,000 per unit. The new condominium area will be located in Jomtien Sai 2 due to the completion of road improvement which make the area much more attractive to low-end condominium market. Laguna Beach Resort, located in Jomtien Sai 2 is another popular project among Russian buyers. Another potential buyers are from Europe, for instance England, Ireland, Sweden and Norway.

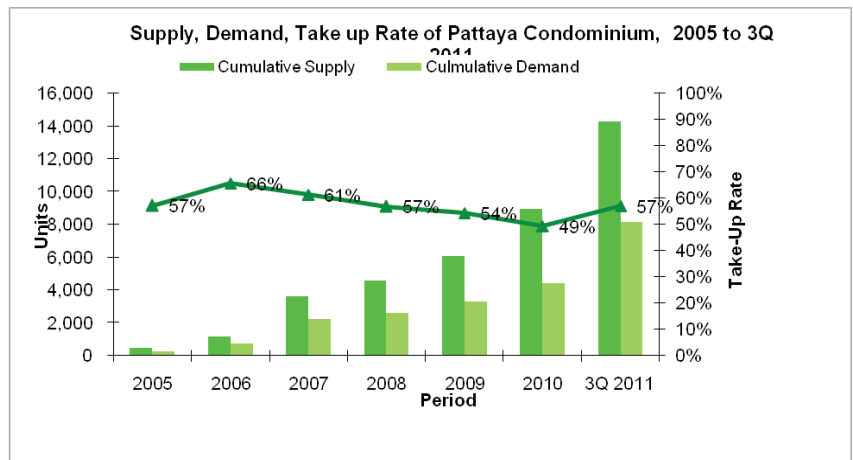


Source: Knight Frank Thailand Research and Consulting Department



The dynamics of the market are changing remarkably fast in Pattaya, as one-bedroom units, and smaller make up 70 per cent of all new products in the market. This trend looks set to continue with the emergence of one-bedroom hybrid units below 40 square metre. Rising construction costs would normally be driving prices up, but prices are remaining stable and unit sizes and specifications are, instead, being toned down, such is the competitive nature of the market.

During the first nine month of 2011, the demand of sea view condominium in Pattaya was 3,737 units, representing 57% of cumulative supply.



Source: Knight Frank Thailand Research and Consulting Department

**PRICING TREND**  
THE SHARP INCREASE OF 10.3 PER CENT OF CONDOMINIUM LOCATED IN NORTH PATTAYA, FROM JUST THB 111,250 PER SQUARE METRE IN 2010 TO THB 122,650 PER SQUARE METRE IN Q3 2011.

The selling price of sea view condominium in Pattaya increased sharply especially in the North Pattaya and Wongamat area due to the shortage of land sites along the beach as well as the location is convenient for facilities and amenities. It is impossible to see the selling price of the high rise condominium in North Pattaya and Wongamat area below THB 100,000 per square metre.

Location	Low - Rise			High - Rise		
	2010	2011	% Change	2010	2011	% Change
North Pattaya	91,700	94,451	3%	111,250	122,650	10.3%
Pratumnak	65,000	65,500	0%	72,000	75,350	4.7%
Jomtien	65,188	66,491	2%	93,375	98,000	5%

Source: Knight Frank Thailand Research and Consulting Department

## OUTLOOKS

### THE IDEAL UNIT FOR THAI BUYER AS A SECOND HOME IS A ONE-TO-TWO- BEDROOM CONDO SIZED AT ABOUT 55 SQUARE METRE.

For almost two years, Thais have led the pack as the biggest buyers of new residential units in the eastern seaside resort. Pattaya has been experiencing unprecedented growth and the properties being developed are quickly finding buyers. The future supply of condominium in Pattaya will be concentrated in Jomtien area as this reflects the fact that there is more land available in Jomtien than elsewhere in Pattaya.

Regardless of what buyers are looking for, more choices are in the pipeline as many condominiums are being launched this year with the construction to start early next year and slated for completion by the end of 2014.

The ideal unit for Thai buyer as a second home is a one-to-two-bedroom condo sized at about 55 square metre. Investors buying units to let are fond of smaller one-bedroom units of about 39 square metre.



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