



4Q 2011 PATTAYA CONDOMINIUM MARKET OVERVIEW

Knight Frank

HIGHLIGHTS

- The additional supply in 2011 increased by 88% from 2010, totalling the accumulated supply of about 16,834 units.
- The majority of supply is in Jomtien Beach due to the availability of land in the area.
- Demand can be categorized into 2 main sectors which are Local buyers and foreigners.
- The total unit take up last year was high, with about 2,500 units in 2011, but the take up rate decreased from 49.3% in 2010 to 41% in 2011.
- 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 2012 and slated for completion by the end of 2014.

SUPPLY

APPROXIMATELY 7,888 UNITS BEING LAUNCHED DURING 2011.

The accumulated condominium supply of Pattaya by the end of 2011 was about 16,834 units, increasing by 88% from the end of 2010, with approximately 7,888 units being launched during 2011.

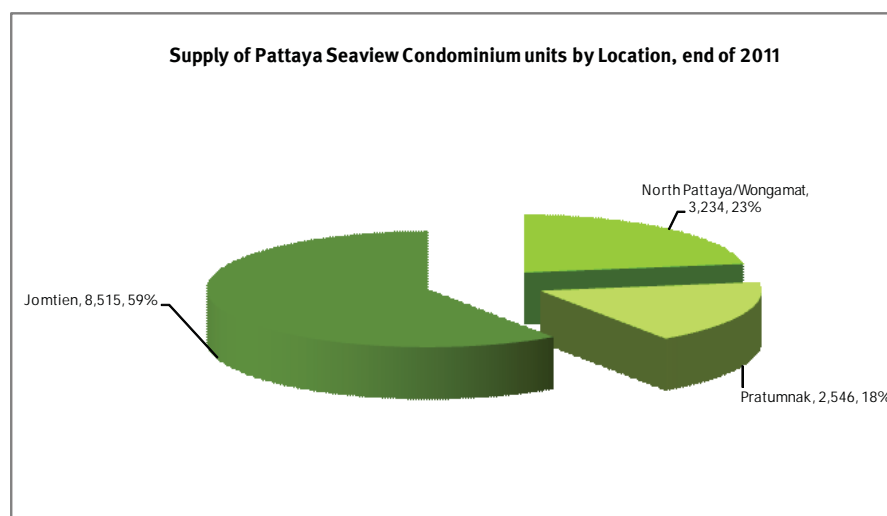
Figure 1
Pattaya Seaview Condominium Supply & Additional Supply, 2006 - 2011



Source: Knight Frank Thailand Research and Consulting

The majority of supply is located in the Jomtien area, representing about 59% of total, followed by North Pattaya and Pratumnak, representing 23% and 18%, respectively. The majority of additional supply last year is located in Jomtien area, with approximately 5,655 units.

Figure 2
Supply of Pattaya Seaview Condominium units by Location, end of 2011



Source: Knight Frank Thailand Research and Consulting



DEMAND TREND

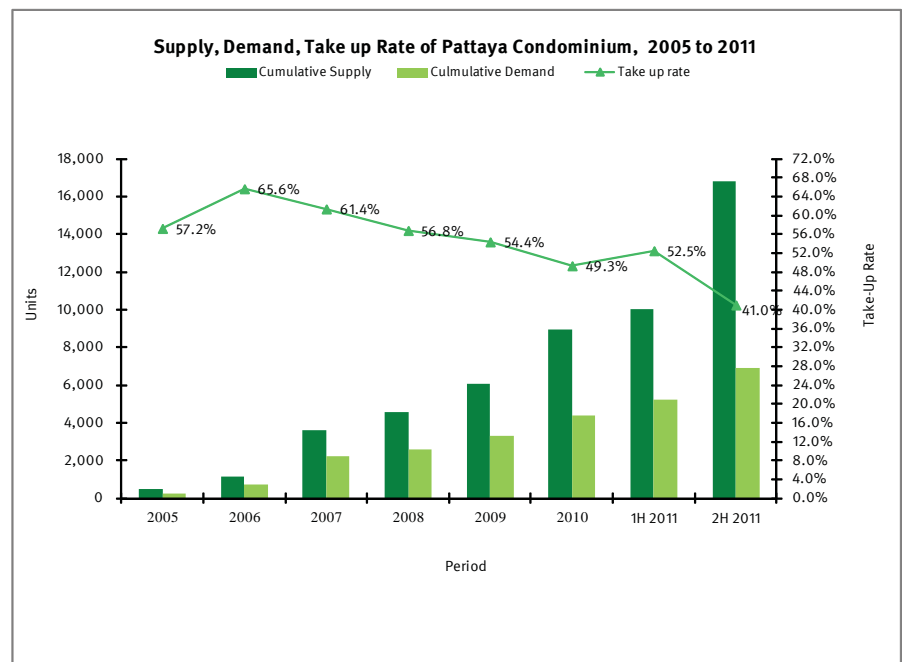
DEMAND WAS
MAINLY FROM
BOTH LOCAL
THAI BUYERS
AND
FOREIGNERS.

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 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 makes 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.

The take up unit picked up in the first half of last year, from 49.3% by the end of 2010 to 52.5% in the middle of 2011, unfortunately, the majority of additional supply added during the second half, thus the take up rate decreased to 41% by end of last year. The unit take up in 2011 was great, with over 2,500 units take up.

Figure 3

Supply, Demand, Take up Rate of Pattaya Condominium, 2005 to 2011



Source: Knight Frank Thailand Research and Consulting

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.

PRICING TREND

OVERALL PRICE INCREASED BY 4%

The selling price of High rise condominium located in North Pattaya increased the highest, with about 10.3% from 2010, whereas the price of high-rise condominium in both Pratumnak and Jomtien increased by 5%. Rising construction costs would normally be driving prices up, but price in the Pratumnak area remained stable and unit sizes and specifications are, instead, being toned down, such is the competitive nature of the market.

Table 1

Location	Low-rise Building		Change %	High-rise Building		Change %
	2010	2011		2010	2011	
North Pattaya	91,700	94,451	3%	111,250	122,650	10.3%
Pratumnak	65,000	65,000	0%	72,000	75,350	4.7%

OUTLOOK

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 2012 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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