RESIDENTIAL RESEARCH

BANGKOK CONDOMINIUM
MARKET REPORT Q3 2018
Supply

Bangkok condominium market during 3Q 2018 has returned to a lively state, in regard to the launches of new projects with a total of approximately 23,000 units, an increase of up to 156% compared to 2Q 2018 or over 14,000 units. This reflects a good level of developers’ confidence in the direction of the market. From studies conducted by the real estate research team of Knight Frank Thailand, it was found that there was a 22% increase in supply in CBD, compared to the previous quarter; at the same time, supply in city fringe and peripheral grew by 15% and 7%, respectively. Areas in the limelight in this quarter included Thonglor-Ekamai, Sathorn-Rama IV, Phayathai, Ratchada-Huay Kwang, Thonburi, Chatuchak and Bangna.

- At the end of 3Q 2018, there were up to 156% more new condominium launches compared to the previous quarter, or 14,000 units. This was especially apparent in the CBD area, with around 6,000 units entering the market, tremendously increased from 360 units in the last quarter.
- Average take up rate for newly launched units in 3Q 2018 was around 55%, represents a decrease of 5% from 2Q 2018, given the surge in supply in this quarter. Average asking selling prices per sq.m. in this quarter was THB 150,394, which reflects a 2% increase from the previous quarter.
- Market outlook for the last quarter of the year still rests on the direction of the Bank of Thailand’s Macropudential Policy, covering residential loans. Once it has been implemented, the policy may affect future homebuyers’ purchasing decision.
Demand & Pricing

On demand front, average take up rate for newly launched units in this quarter registered at around 55%, fell 5% q-o-q due to the surge in the new supply entering the market. On the whole, in this quarter, condominium projects that drew high attention from homebuyers are located in city fringe and peripheral, with an average take up rate of 60% in both areas. The areas that are popular among buyers included mid-Sukhumvit (sois 42-63), Rama IX-Ratchada and Thonburi. Average asking selling prices of newly launched units in 3Q 2018 was at THB 150,394 per sq.m. – an increase of about 2% from the previous quarter. This was bolstered by prices of the new units in CBD and peripheral, which stood at THB 254,000 and THB 84,000 per sq.m., up 3% and 5% q-o-q, respectively.

Market Outlook

Looking ahead to the 4th quarter of 2018, actions of the Bank of Thailand must be closely monitored in regards to the LTV 80% policy for second residences and every home under agreement with a value of THB 10 million and up. Should this policy come into effect, it may well affect purchasing decision of homepurchasers in the market. The research team of Knight Frank Thailand expects that, in the final quarter of this year, condominium prices will continue to rise given the gradual launches of many more projects in CBD area. There are an estimated 9,000 units of new supply in the market during the last 3 months of this year, which pushes up total new units launched in 2018 to around 55,000 units.
Thailand Contacts

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

Surasak Limpa-Arayakul
Executive Director,
Head of Valuation and Advisory
+66 (0)2643 8223 Ext 143
surasak.limpa-arayakul@th.knightfrank.com

Roong Sittichaisunkunhern
Executive Director,
Head of Property Management
+66 (0)2643 8223 Ext 144
roong.sittichaisunkunhern@th.knightfrank.com

Marcus Burtenshaw
Executive Director, Head of Occupier Services and Commercial Agency (OSCA)
+66 (0)2643 8223 Ext 104
marcus.burtenshaw@th.knightfrank.com

Frank Khan
Executive Director,
Head of Residential
+66 (0)2643 8223 Ext 280
frank.khan@th.knightfrank.com

Risinee Sarihakutra
Director, Consultancy
+66 (0)2643 8223 Ext 180
risinee.sarihakutra@th.knightfrank.com

Lalita Siriboon
Associate Director, Research
+66 (0)2643 8223 Ext 193
lalita.siriboon@th.knightfrank.com

Phuket Contact
Nattha Kahapan
Executive Director,
Head of Knight Frank Phuket
+66 (0)7631 8151 Ext 300
nattha.kahapan@th.knightfrank.com

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