

# Pattaya Condominium Market Overview May, 2021



## HIGHLIGHTS

1

THE CUMULATIVE SUPPLY OF PATTAYA CONDOMINIUMS TILL THE FIRST FIVE MONTHS OF 2021 TOTALLED 118,026 UNITS.

2

AFTER THE COVID-19 OUTBREAK, THE PURCHASING POWER OF FOREIGNERS IN PATTAYA HAS DECREASED. ONLY A GROUP OF THAI BUYERS LEFT FROM BANGKOK. COME TO BUY AS A SECOND HOME, ONLY ONE GROUP.

3

AS THE END OF MAY 2021, THERE WERE 98,998 CONDOMINIUM UNITS BEING SOLD OUT OF 118,026 UNITS, REPRESENTING THE SOLD RATE OF 83.9 PER CENT. DURING THE FIRST FIVE MONTHS OF 2021, THE NEW UNITS BEING SOLD WAS AT 1,032 UNITS OR APPROXIMATELY 25 PER CENT OF THE NUMBER OF UNITS SOLD IN 2020.

4

THE AVERAGE ASKING PRICE OF SEAVIEW CONDOMINIUM UNITS AS OF MAY, 2021 IS 111,039 BAHT PER SQUARE METRE, DECREASING 9.7 PER CENT FROM THE END OF 2020. CONDOMINIUMS WITH PARTIAL SEAVIEW HAD AN AVERAGE SELLING PRICE OF 69,154 BAHT PER SQUARE METRE, DECREASING 13 PER CENT FROM 2020. MOREOVER, THE AVERAGE ASKING PRICE OF A NON-SEAVIEW CONDOMINIUM AS OF MAY, 2020 IS 66,921 BAHT PER SQUARE METRE, DECREASING BY 13.2 PER CENT FROM THE END OF 2020.



NATTHA KAHAPANA

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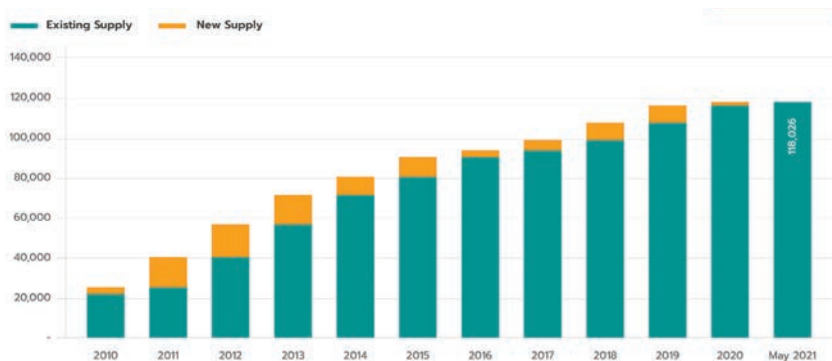
It is very difficult year and challenging to sell condominiums in Pattaya as groups with purchasing power are starting to diminish. We would likely have to wait for tourism to return to normal, which may take 2 to 3 years to recover. Purchasing power would return to the market, as condominium investments in Pattaya remain popular.



The situation with the Covid-19 epidemic continues to spread until today. During this time, there has been no major purchasing power from foreign investors coming into the country. As for domestic investors, they have delayed their condominium purchases, opting to wait and see, which makes condo sales even more stagnant.

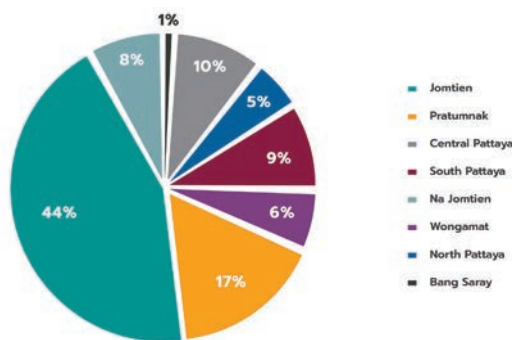
From January to the end of May, it was found that the number of new units sold was approximately 25 percent or 1,032 units, compared to 2020. Most of the buyers are Thai people from Bangkok who buy properties as their second homes; however, they are the only group and their purchasing power is declining. Moreover, aside from the epidemic situation, operators are concerned about the groups of people who bought condos to keep that are gradually releasing more second-hand condos into the market. As a result, stocks of condos that have been completed and available for sale remain in the market. Even with many promotions or reduced prices, this inventory does not move and it makes selling condominiums in Pattaya this year very difficult and challenging for the developer.

### ► Supply of Pattaya Condominium Market, as of May 2021



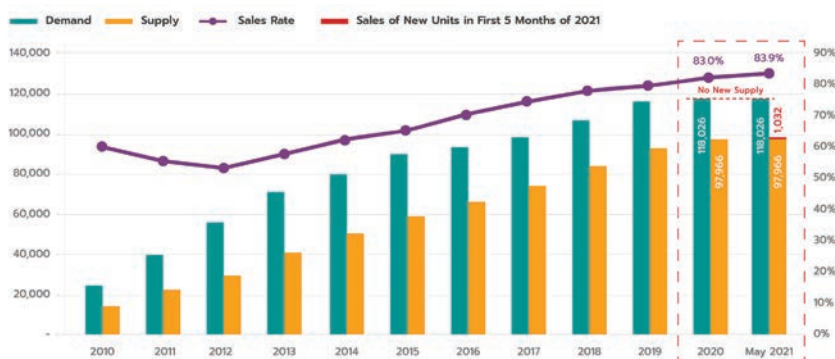
Source: Knight Frank Thailand Research

### ► Supply by Location, as of May 2021



Source: Knight Frank Thailand Research

### ► Demand, Supply and Sales Rate of Condominiums in Pattaya, 2010 to May 2021



Source: Knight Frank Thailand Research

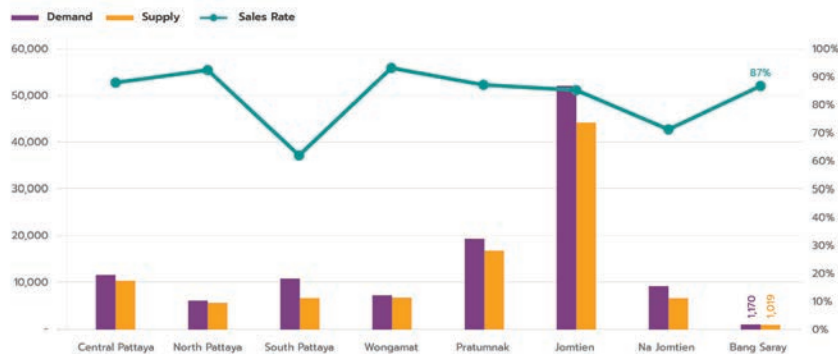
### Supply Trend

The cumulative supply of Pattaya condominiums from before 2010 until May 2021 totalled 118,026 units. During the first five months of 2021, no new condominiums have been launched for sale. According to a survey, most of the supply, or 44 per cent, is located in Jomtien. This is followed by Pratumnak Hill and Central Pattaya, accounting for 17 per cent and 10 per cent, respectively. South Pattaya and Wongamat make up 9 per cent and 6 per cent, respectively, while Na Jomtien and North Pattaya accounted for 8 per cent and 5 per cent, respectively. The Bang Saray area only comprises 1 per cent of the supply.

### Demand Trend

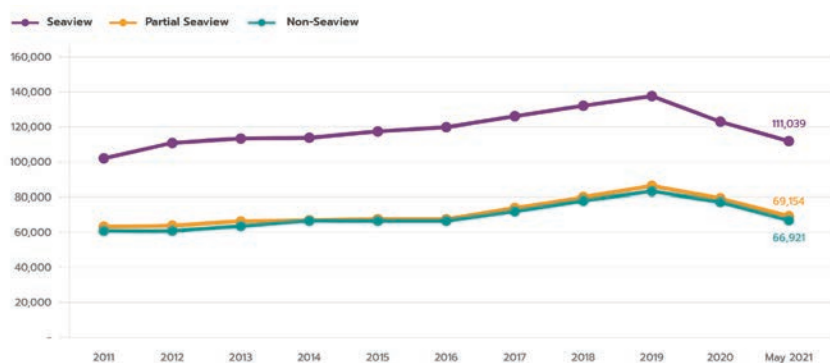
Before the Covid-19 epidemic, most of the buyers of condominiums in Pattaya were foreigners, especially Chinese investors. However, after the Covid-19 outbreak, the main group of buyers are currently Thai people who come from Bangkok. They purchase properties as their second homes, and as they currently comprise the only buyers in the market, the purchasing power in Pattaya has clearly diminished. As of May 2021, the cumulative sales of condominiums in Pattaya was 98,998 units out of a total supply of 118,026 units, representing a total sales rate of 83.9 per cent. The sales rate increased by 0.9 per cent since the end of 2020. However, a market assessment and data survey revealed that the number of units sold in the first 5 months of 2021 was only 1,032 new units, or approximately 25 per cent of the number of units sold in 2020. This is largely because the main, foreign buyers have disappeared and still have not returned. In addition, the remaining numbers of Thai buyers have significantly declined.

► Demand, Supply and Sales Rate of Condominiums by Location, as of May 2021



Source: Knight Frank Thailand Research

► Selling Prices of Pattaya Condominiums by View, 2011 to May 2021



Source: Knight Frank Thailand Research

As of May 2021, there are approximately 19,000 condominiums in Pattaya left for sale. It is estimated that, if there is no new supply, the remaining units will take another three years to sell out if the situation returns to normal.

The three areas with the most sales included Wongamat with the highest sales rate of 94 per cent, followed by North Pattaya and Central Pattaya with sales rates of 93 per cent and 88 per cent, respectively. The sales rate of Pratumnak Hill is comparable to the Central Pattaya area.

As for the Jomtien area, it contains the highest number of unsold units, at 7,474 units. This is because the area still has quite a lot of space to develop. Also, most new projects have been launched in this area. Some projects that have been launched for sale have been unable to continue; the developers have had to stop sales or sell their project to other investors who then adjusted the design and managed the project instead.

**Selling Price Trend**

As for the average selling price of condominiums in all areas of Pattaya as of May 2021, sea view condominiums had an average selling price of 111,039 baht per square metre, a 9.7 per cent decrease from 2020, which had an average selling price of 123,090 baht per square metre.

Condominiums with partial sea views had an average selling price of 69,154 baht per square metre, decreasing 13 per cent from 2020, which had an average selling price of 79,570 baht per square metre.

Condominiums without a sea view had an average selling price of 66,921 baht per square metre, decreasing from 2020 by 13.2 per cent, which had a selling price of 77,116 baht per square metre.



## Outlook

From surveying, it was found that there are still many units left for sale. This is due to the spread of Covid-19, which made foreigners unable to travel into the country. Moreover, Thai buyers have become more cautious in their spending. Although the production of vaccines will exceed 12 billion doses this year, which is enough to inoculate more than 75 per cent of the world's population, in Thailand, vaccinations for the population remain limited.

The Thai economy during the second half of the year is expected to not improve as previously expected. Most developers who embark on projects in Pattaya are local investors, and they therefore chose to slow down the launches of projects as well as the development of vacant land. However, some large developers from Bangkok still chose to make investments, such as ICONSIAM that plans to invest in Na Jomtien as it sees an opportunity for future growth with the Eastern Economic Corridor (EEC) development plan that the government has championed.

In terms of tourism, the government has a pilot plan to open the country to vaccinated foreign tourists who can travel in a limited area. There is also a scheme to encourage Thai people to travel locally. However, the recovery of the Pattaya condominium market depends mainly on the tourism sector, and this may take 2 to 3 or more years to recover. Each country wants to revitalize its own economy first and then have its citizens travel to other countries; only then would inbound travel from foreign tourists resume.

## Location Definitions :

The survey area for this report covers the area from Wongamat Beach. And lying along the west coast of the sea by the following areas covered:

### Wongamat :

is located on the Naklua district and is considered to be one of the most beautiful beaches with five-star hotels e.g. Pullman hotel. It is a source of high-end lifestyles including restaurants, massage and Spa or other services to support tourists with high purchasing power.

### North Pattaya / Central Pattaya / South Pattaya :

is an area with complete facilities. There are various shopping centres. The area is quite busy as the nightlife scene is located in the area to accommodate most of the tourists. The area therefore, seems crowded and unattractive for residential development.

### Pratumnak Hill :

is an area that can see the whole Pattaya or 360 degrees and has a pier that can cross to Koh Larn. It is Cozy Beach or Ratchawarun Beach, which is known to many people because it is a beach that people especially come for sailboat. This area is considered a tranquil area where there are many condominiums and hotel developments in this area.

### Jomtien :

is an area with a variety of upscale restaurants. The length of the beach is 6 kilometres, with a road running parallel to the beach. Most tourists come to eat to enjoy the atmosphere in this area.

### Na Jomtien :

is an area with a private beach that is relatively quiet because of less crowded facilities, suitable for relaxation and peace. There is an ocean marina yacht club, which is Asia's largest and first yacht port. People come to use the pier for sailing trips in large groups.

### Bang Saray :

is the southernmost area of Pattaya, with a large community of fishermen. Including also having a fresh seafood restaurant at a cheap price. It is an area that far from amenities. Some tourists are aiming for a vacation to avoid congestion in Pattaya.

## Condominium Type :

There are three condominium types according to Knight Frank which are

### Seaview Condominium :

is defined as a condominium project that is located on the beachfront with most of units has seaview from the units.

### Partly Seaview Condominium :

is defined as a condominium project that has no beach frontage or is not located close to the beach, or less than 50 per cent of the units have seaview from the units.

### Non-Seaview Condominium :

is defined as a condominium project which is located another side of the beach, with most of units has non-seaview from the units.

**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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