

# Bangkok Luxury House Market Overview 2H 2021



## HIGHLIGHTS

1

THE HOUSING MARKET IS PRICED AT 10 MILLION BAHT AND UP THAT THE LUXURY HOME IS LIKELY TO CONTINUE GROWING WELL. ALTHOUGH MARKET REMAINS A RELATIVELY SMALL.

2

THE LAND ALLOCATION PERMITS FOR HOUSES IN THE PRICE LEVEL OF 10 MILLION BAHT OR MORE IN 2021, THERE WHERE IT WAS FOUND THAT 1,785 UNITS WERE GRANTED PERMITS IN THIS HOUSING CATEGORY.

3

THERE ARE 197 HOUSING PROJECTS THAT HAVE UNITS AVAILABLE FOR SALES. THESE PROJECTS HAVE A TOTAL UNITS OF 20,434 UNITS, OF WHICH APPROXIMATELY 14,766 UNITS, REPRESENTING THE SOLD RATE OF 72 PER CENT.

4

IF CLASSIFIED BY PRICING LEVEL, IT HAS BEEN FOUND DEMAND THAT HOUSES WITH A SELLING PRICE LEVEL BETWEEN 10 TO 20 MILLION BAHT HAVE THE HIGHEST ACCUMULATED NUMBER OF UNITS SOLD, AT 8,043 HOUSES, WITH A SALES RATE OF 67 PER CENT. THIS IS FOLLOWED BY HOUSES WITH SALES PRICES BETWEEN 21 AND 30 MILLION BAHT AND 31 AND 40 MILLION BAHT, WITH DEMAND AT 2,816 UNITS AND 2,102 UNITS, RESPECTIVELY. OR A SALES RATE OF 78 PER CENT AND 82 PER CENT, RESPECTIVELY.

5

DURING 2021, THERE WERE A TOTAL OF 3,100 NEW UNITS SOLD, WHICH IS A RELATIVELY HIGH FIGURE COMPARED TO LAST YEAR.



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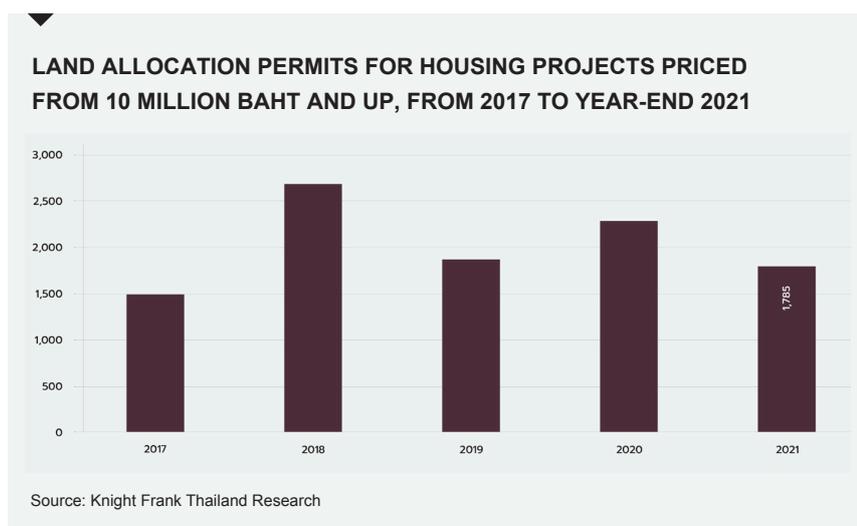
Although the market is still a relatively small group. But demand continues to grow. because of the functionality and design that is compatible with future technology Make buyers feel worthwhile to invest in buying a home.

”

NATTHA KAHAPANA

Deputy Managing Director and Head of Phuket Operation

The market for low-rise houses with prices of 10 million baht or more continued to show positive signs in 2021. Throughout the year, developers have increasingly turned their attention to more of these projects, but the overall supply in this segment remains relatively low. As for demand, there was still steady growth from customers with high purchasing power. Such buyers are considered important in this market segment as they can generate income for developers who have ventured into the development of low-rise housing projects. Although the needs of this group are quite limited, lifestyles and living behaviours in the New Normal era, due to the Covid outbreak, are changing. There is now a need for more space with features that support daily usage. There is also the need for and development of technology that is applied to the house and the desire for the project location to be in a convenient travel zone. Such factors may help expand demand in this market segment in the future.

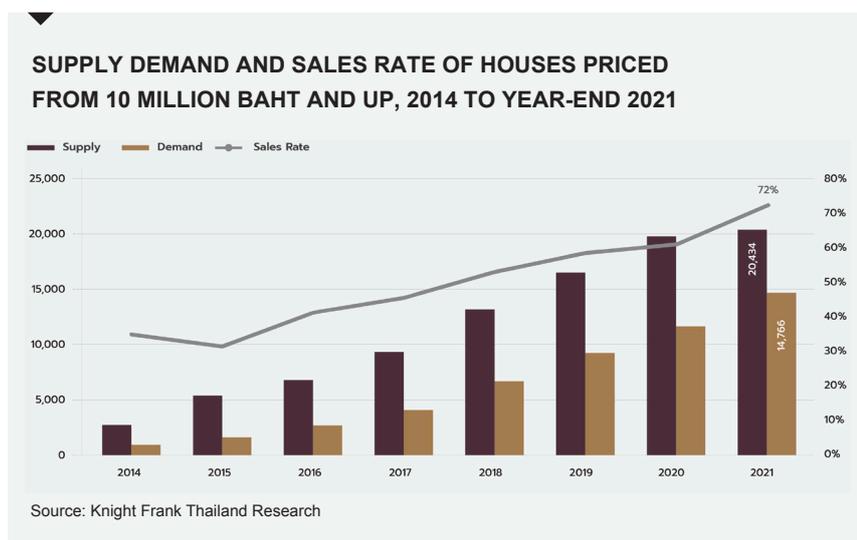


### Supply Trend

From 2017 to 2021, the number of land allotment permits granted for houses in the price range of 10 million baht or more (for projects) was 10,087 units. In 2021 alone, it was found that 1,785 units were granted permits in this housing category.

### Demand Trend

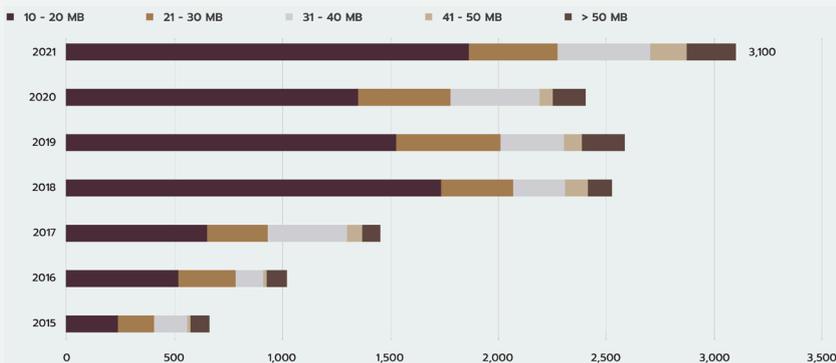
Demand is measured from housing projects that still have units remaining for sale. At the end of 2021, there were approximately 197 units priced at 10 million baht or more left for sale. The cumulative supply included 20,434 units with 14,766 units sold, representing a sales rate of 72 percent. The sales rate at the end of 2021 was 11 percent compared to the 61 percent sales rate of the previous year.



During 2021, there were a total of 3,100 new units sold, which is a relatively high figure compared to last year. Throughout 2021, it could be seen that the market segment of homes priced at 10 million or more is likely to continue growing well. This marks a great opportunity for developers of this type of project.

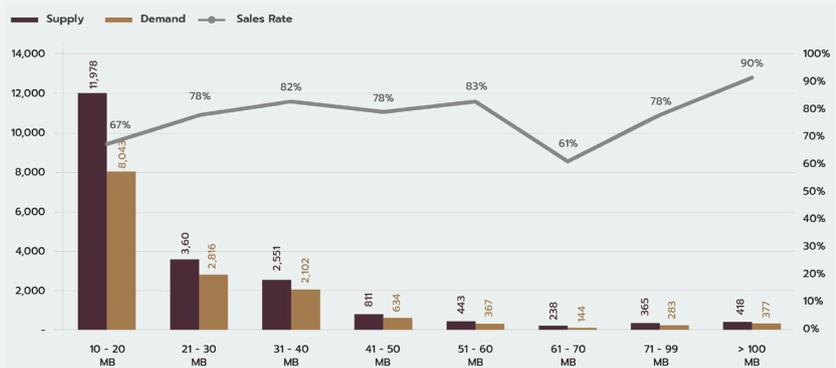
Homes with asking prices between 10 and 20 million baht enjoyed the highest demand, which rose to 8,043 units, followed by houses priced between 21 to 30 million baht and 31 to 40 million baht, with demand at 2,816 units and 2,102 units, respectively. The highest sales rate, at 90 percent, was for homes priced above 100 million baht due to their limited supply. This was followed by houses priced between 51 to 60 million baht and 31 to 40 million baht with sales rates of 83 percent and 82 percent, respectively. The demand and sales rate were lowest for houses priced between 61 to 70 million baht.

**HOUSES PRICED FROM 10 MILLION BAHT AND UP SOLD PER YEAR (UNITS), 2015 TO YEAR-END 2021**



Source: Knight Frank Thailand Research

**SUPPLY DEMAND AND SALES RATE OF HOUSES PRICED FROM 10 MILLION BAHT AND UP, BY ASKING PRICE RANGES AS OF YEAR-END 2021**



Source: Knight Frank Thailand Research

**Outlook**

In 2022, the market for houses priced at 10 million baht or more would continue to grow, thanks to high-income customers who maintain the ability to buy houses. The supply is expected to increase due to the government’s announcement that the land and building tax rates will not be reduced. Developers thus must gradually develop the lands that they have on hand. In addition, there will be more competition in the market and developers will face the challenges of higher costs in construction materials, labour, epidemic measures related to staffing, and land taxes that must be paid in full.

The purchasing power of this segment’s group of buyers will increase due to their changing ages. This age group (22 to 38 years old) is known as Generation Y which generally exhibits thoughtful and self-motivating behaviours. For them, emphasis is placed on operating their own businesses rather than being a salaried employee or even taking over their family business. They want to build up their status and enjoy financial freedom. In the future, if the overall economy grows well, it is expected that this group of people will find success and better financial stability.

From surveys, it was found that residential projects in the form of townhomes and semi-detached houses are starting to get some interest from people in this age group because they are amidst significant life changes. For example, they want to expand their family or create a family, including having an office within the house and living in a home with functionality that well matches their lifestyle. In addition, it is important to design a home that is compatible with the future. It should be designed to be aligned with technology that facilitates the living experience such as technology that helps save energy in the home, which is already being used in some projects, or design that combines living with nature, being environmentally friendly and creating a positive effect on the quality of life. Futuristic, sustainable design is thus something buyers pay more attention to as it is worth investing in when buying a home. At any rate, developers should study the behaviours of consumer groups to best focus on the target groups in each age category, so that they can appropriately address and provide comprehensive lifestyle offerings.

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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