

# Phuket Condominium Market Overview 2022





# HIGHLIGHTS

1

THE TOTAL SUPPLY OF CONDOMINIUMS ON THE WEST COAST OF PHUKET AMOUNTED TO 24,211 UNITS. FOR THE YEAR 2022, NUMBER OF NEW CONDOMINIUMS UNITS LAUNCHED FOR SALE INCREASED BY 4.04 PERCENT, FROM PREVIOUSLY 23,270 UNITS.

2

THE NEW SUPPLY OF CONDOMINIUMS LAUNCHED FOR SALE ARE LOCATED MOSTLY IN BANG TAO BEACH, AMOUNTED TO 426 UNITS OR 45 PERCENT OF THE TOTAL NEW SUPPLY LAUNCHED FOR SALE IN 2022.

3

CONDOMINIUMS SUPPLY OF 4,247 UNITS HAS BEEN SUSPENDED FROM PROJECT DEVELOPMENT DUE TO FINANCIAL LIQUIDITY PROBLEM FACED BY THE PROJECT OWNERS DURING THE RECENT EPIDEMIC OUTBREAK.

4

FOR THE YEAR 2022, THE NUMBER OF NEW CONDOMINIUMS FOR SALE ON THE WEST COAST OF PHUKET WAS APPROXIMATELY 397 UNITS, DECREASED BY 0.35 PERCENT FROM THE PREVIOUS YEAR, REFLECTING A SLOWDOWN IN DEMAND.

5

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NATTHA KAHAPANA  
Managing Director



The Phuket condominium market needs time to recover and is waiting more foreign tourists to increase. However, the market remains an attractive investment opportunity with good ROI figures especially for foreign investors.



# MARKET OVERVIEW

*After the COVID-19 epidemic situation subsided, the condominium market situation in Phuket began to recover slowly. Foreign tourists have come back to travel in Phuket more. Developers started to re-launch marketing campaigns and develop projects again after the project was paused due to transportation problems of construction materials. In addition, foreign investors cannot make international money transfer for payment term during the construction of the condominium according to the contract conditions. Thus, many projects were not able to continue building projects for a certain period. As such, the overview of the condominium market in Phuket has slowed down both in terms of supply and demand. The survey and data gathering during the second half of the year until the end of 2022 found that the demand for the condominiums market is increasing but still not popular compared to the villa market in Phuket during the same period.*

## SUPPLY

At the end of 2022, the total supply of condominiums on the west coast of Phuket from Mai Khao Beach to Rawai Beach amounted to 24,211 units. Throughout the year, there were 941 new condominiums units launched for sale. As the overall market has not fully recovered, most developers focus on selling the existing supply first. From the survey, it was found that there was a missing supply from the market from 2018 to 2022 amounted to 4,247 units

because the project development was ceased due to the lack of financial liquidity of the project owners during the COVID outbreak situation. Moreover, there were problems in obtaining a construction permit in an area that is not suitable for project development and those projects have not currently made any further development progress.

The new condominiums launched for sale are mostly located in Bang Tao Beach, with

45 percent of the total new supply, followed by Layan Beach at 31 percent, and Nai Yang Beach and Kata Beach at 18 percent and 6 percent, respectively.

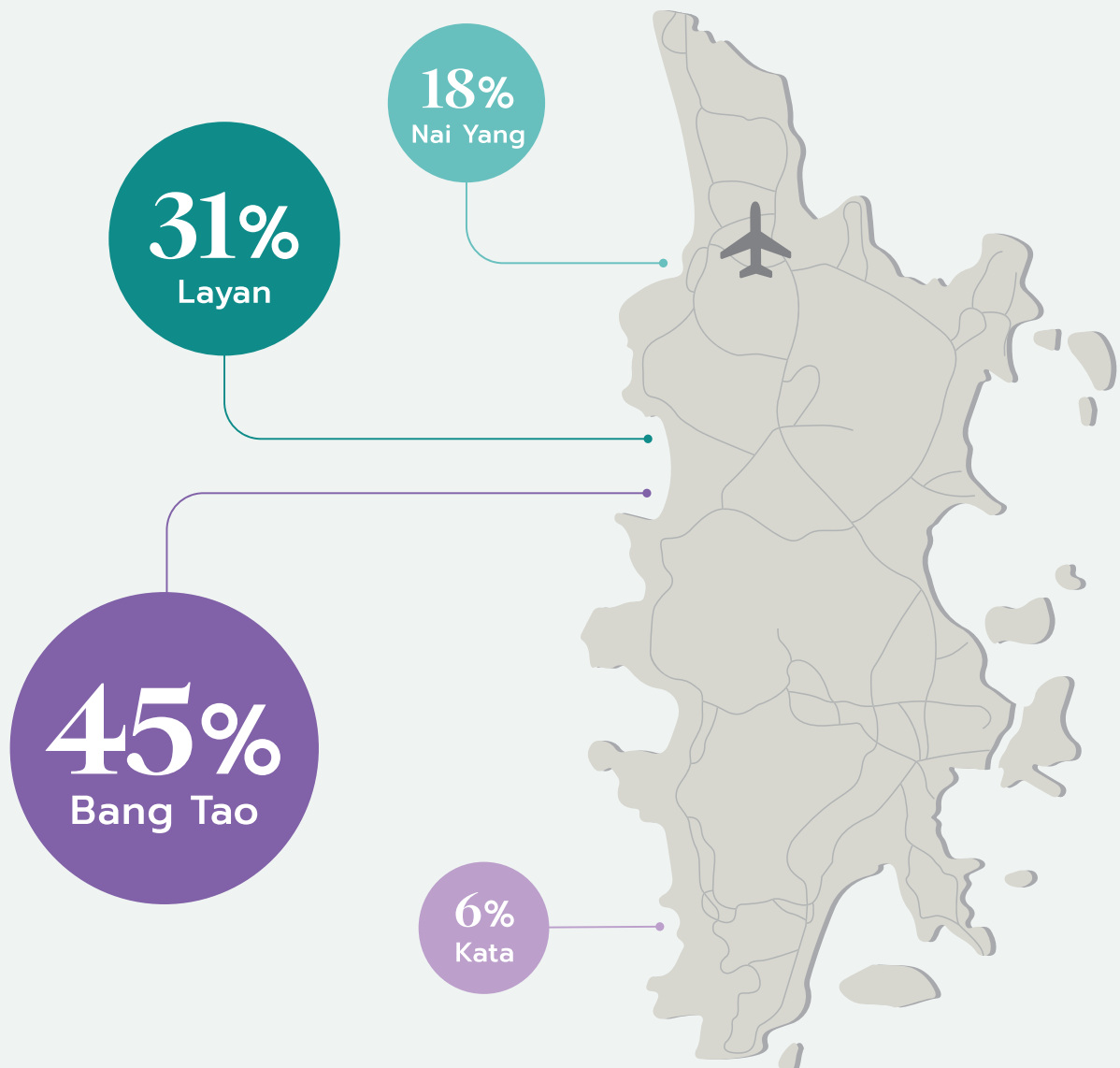
The added supply this year have a view that does not overlook the sea but still be within walking distance as the land plots by the beach or with sea view are relatively scarce. It is projected that the future condominium development projects will be further away from the beach.

### 1 | Supply of Condominiums in Phuket, 2013 to 2022



Source: Knight Frank Thailand Research

## 2 | Supply of Condominiums in Phuket as of 2022, by Location



Source: Knight Frank Thailand Research

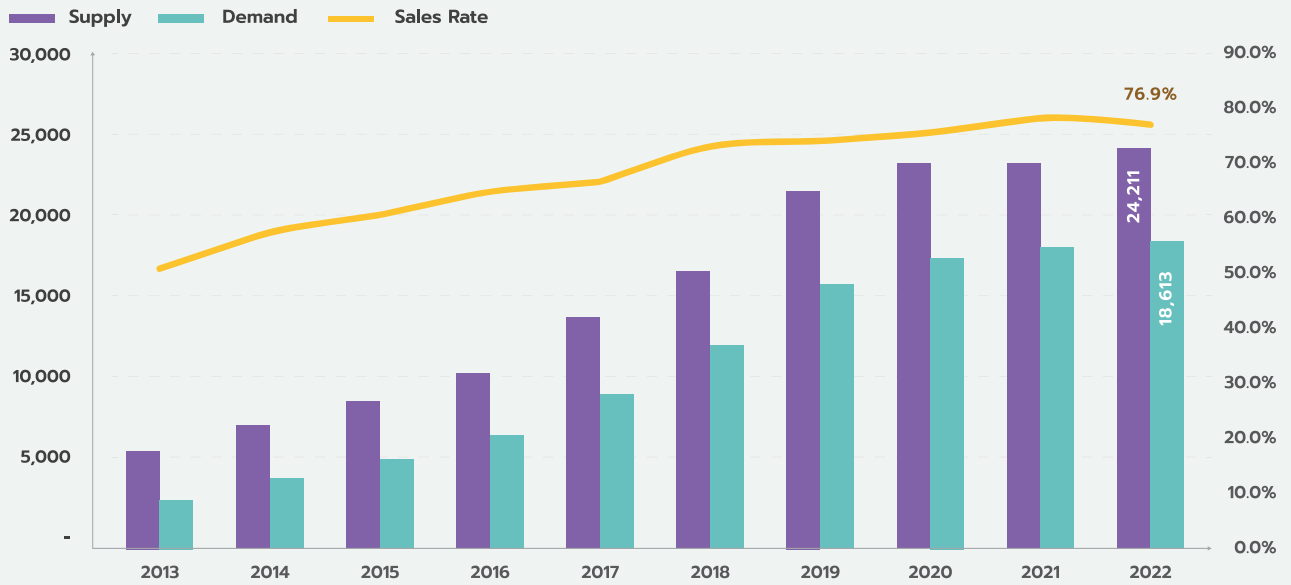
## DEMAND

At the end of 2022, there were 18,613 condominiums sold out of a total supply of 24,211 units, representing a sales rate of 76.9 percent. The sales rate decreased by 1.4 percent from 2021, which stood at 78.3 percent with approximately 5,598 units left for sale. Only 397 new units were sold in 2022, which decreased almost half from 2021 and represented a continued

downtrend since 2020. The main buyer of new units is still almost 100 percent Russian. They come to Phuket during the high season (October-February) for both work, as they can work online, and for leisure. Some are Europeans who buy for staying during this high season. The reopening of the city and the arrival of tourists this year do not stimulate an increasing demand for

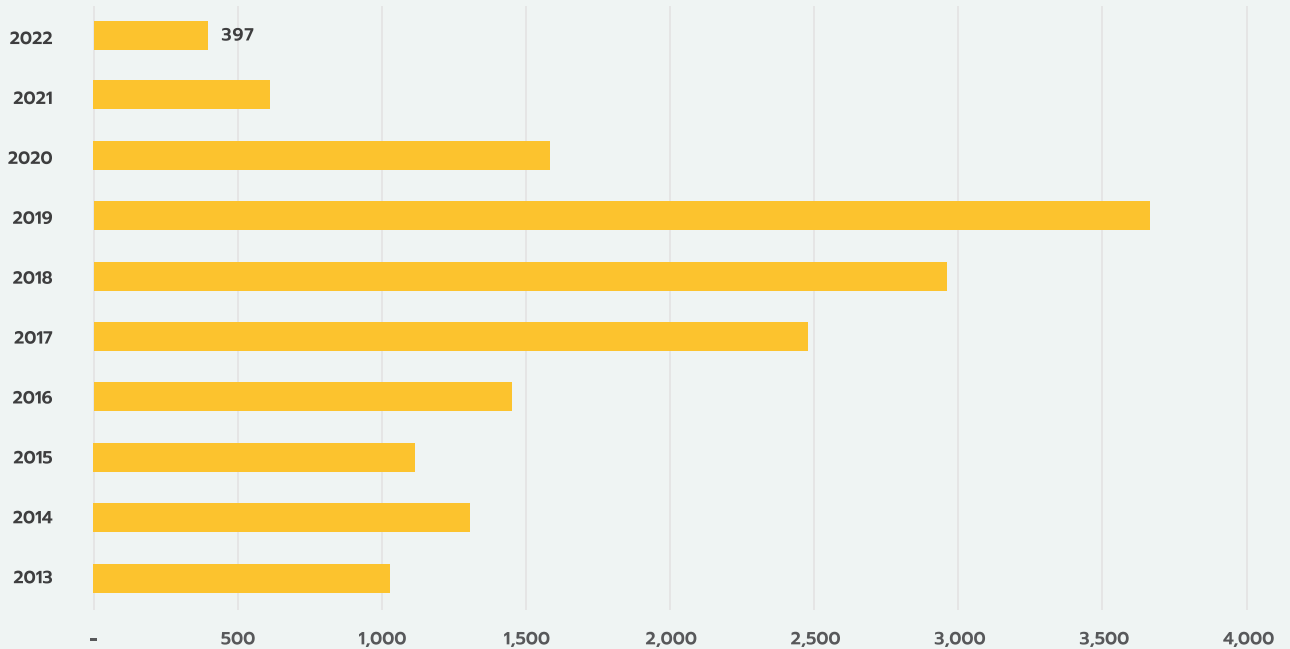
condominiums. On the other hand, it was found that there were more demand in buying villas for both living and investment. Most of the foreigners who come to Phuket are Russians.

### 3 | Supply, Demand and Sales Rate of Condominiums in Phuket, 2013 to 2022



Source: Knight Frank Thailand Research

### 4 | New Condominium Units Sold in Phuket, 2013 to 2022



Source: Knight Frank Thailand Research

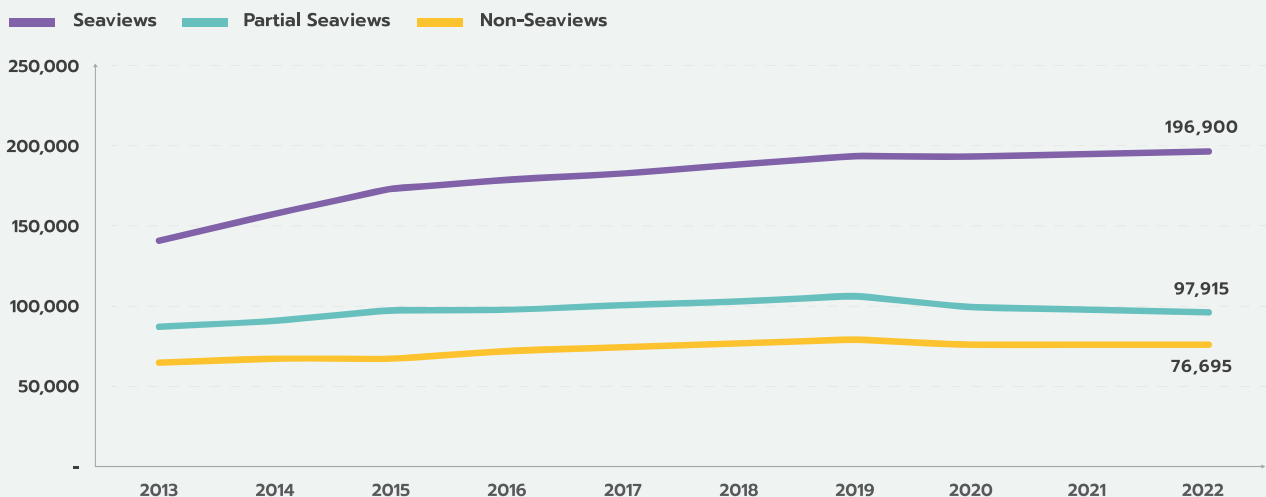
# ASKING PRICE

The average asking price for sea view condominiums on the west coast of Phuket as of the end of 2022 was 196,900 baht per square metre, which has slightly increased from 2021 by 0.45 percent. The average asking price of condominiums with partial sea views was 97,915 baht per square metre, representing a 0.38 percent increase from 2021. Condominiums without sea

views had an average asking price of 74,548 baht per square metre, increased by a 0.22 percent from 2021. The average asking prices slightly increased in all areas due to long stagnant demand and the fact that the return of foreigners are not yet fully back to normal. Many projects began to launch marketing campaigns to increase purchasing power. Although many under-

construction projects have plans to be completed, the prices have not increased much. They are waiting for purchasing power to come back and waiting for the money transferred from the group that booked the units. This is a signal that many projects may begin to gradually increase their prices in the future.

5 | Asking Prices of Condominiums in Phuket, by Views, 2013 to 2022



Source: Knight Frank Thailand Research

# MARKET OUTLOOK

As the tourism situation has begun to come back to life, foreign tourists continue to choose Phuket as their main tourist destination for relaxation and stay during their visit to Thailand. The condominium market will need another 1-2 years to fully recover to pre-COVID levels as it has to wait for tourists to return to the same level as before the COVID situation. It is expected that during the year 2023, many condominium projects under construction will gradually be completed and open for service in the form of a hotel to welcome

more increasing tourists, especially the Chinese. In the future, if there are no new projects launched, it is expected that the rental market will be very popular as there will be no new assets for investment.

From tourism throughout the year 2022, the number of foreign tourists visiting Phuket this year is about 2.3 million people and it is expected that next year the number of tourists will increase to 4-5 million. This group of tourists will be interested in condominiums and will buy for investment.

The main reason is to escape the cold weather in their countries and use it as a place of refuge during the unusual situation in their countries such as the current Russian-Ukrainian war. It is expected that the main groups who still like to come and stay in Phuket are the Russian and Chinese tourists. In the future, the development of condominium projects is expected to be located further from the beach as the available land for development is getting scarce.

**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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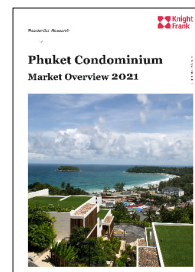
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