

Phuket Villa & Condominium

2024 Year-EndAn overview review of Phuket's Villa & Condominium market in 2024 Year-End
by Knight Frank Thailandknightfrank.co.th/research

- Phuket remains a favorite destination as tourists return year after year, resulting in consistently high hotel occupancy rates. This ongoing trend has had a positive impact on both the condominium and villa markets. In 2024, the real estate sector in Phuket saw its most vibrant year in a decade, as reflected in strong sales figures and a record number of new project launches.

POPULAR AREAS FOR BUYERS

A market survey focusing on condominiums and villas along the western coastline, from Mai Khao Beach to Rawai Beach, identified key locations that cater to both residential buyers and investors. Knight Frank Thailand's research team found that high-demand zones, infrastructure and amenities have been developed to enhance residents' quality of life and ensure long-term investment value.

POPULAR DESTINATIONS WITH TOP-NOTCH AMENITIE

Luxury Condominium & Villa Zone

This zone attracts affluent expatriates and investors looking for high-end residences. The most sought-after locations include Laguna (Bang Tao), Cherng Talay, Layan, and Naithon, where luxury developments and premium facilities are easily accessible.

Tourist Hotspot

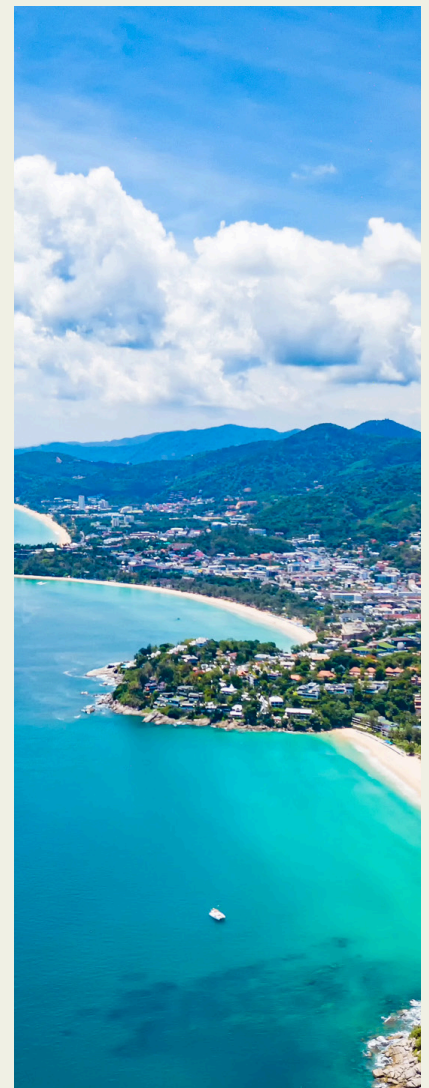
These areas experience strong rental demand year-round, particularly in both the high and low seasons. Popular locations include Rawai, Nai Harn, Karon, Patong, and Surin. Rawai Beach is particularly favored by expatriates. Additionally, Central Food Retail has expanded its supermarket presence here to support the growing residential community.

Beachfront/Sea View Properties

These locations are ideal for buyers seeking privacy or rental investment opportunities targeting foreign tenants. Limited land availability and zoning restrictions have resulted in a complete exhaustion of developable space, keeping property prices high. Key locations include Kamala and Bang Tao.

EMERGING MARKETS EXPERIENCING SIGNIFICANT GROWTH

Certain inland areas still offer relatively affordable land prices with strong future potential. Locations such as Sri Sunthorn, Thepkrasattri, Phru Champa, and Bang Jo are witnessing increased villa development due to their proximity to Phuket Town and essential amenities.



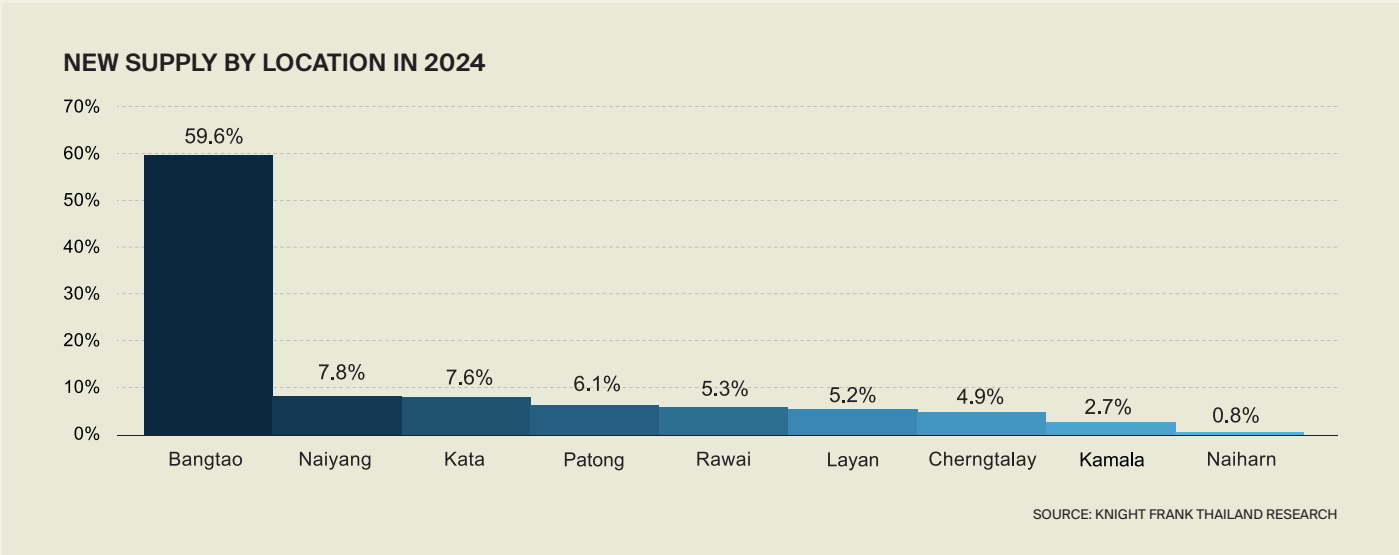
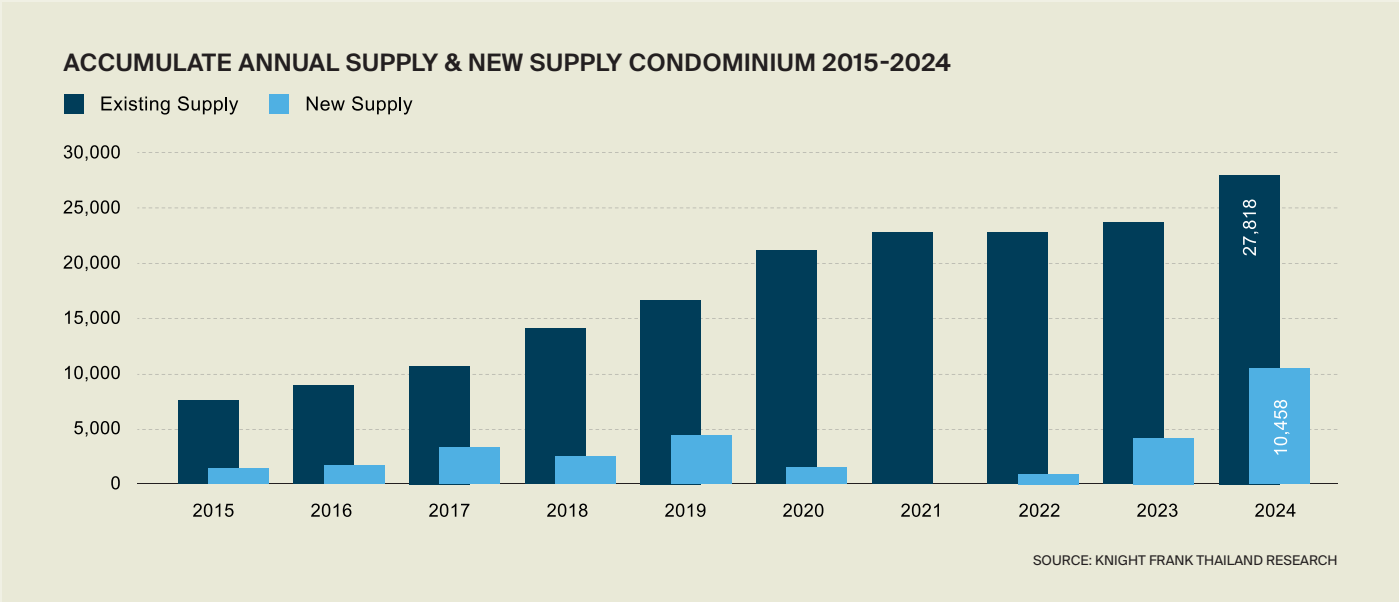
Condominium and Villa Supply & Demand Overview

SUPPLY

The total condominium supply in Phuket reached 38,276 units in 2024. This year witnessed unprecedented growth in new launches, with approximately 10,458 units entering the market-an increase of 148.3% compared to the previous year. The Bang Tao area led new condominium developments, accounting for 59.6% of all launches due to its excellent amenities and strong rental demand.

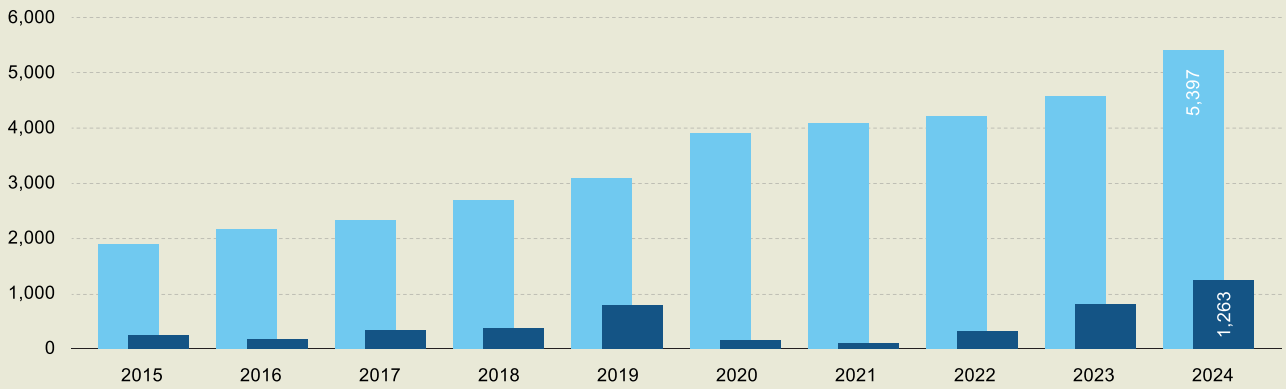
The total villa supply reached 6,660 units, with 1,263 new units added in 2024, representing a 50.9% increase from the previous year. This marked the highest annual villa supply growth in a decade. The most active villa development zones included Phru Champa (22.9% of new supply), Cherng Talay (18.6%), and Bang Tao (11.8%).

There has been a noticeable rise in reputable real estate developers entering the Phuket market in 2024. Their developments emphasize functionality and quality, offering buyers a wider variety of choices. As a result, these projects have attracted significant attention, with buyers showing confidence in the credibility and reputation of these developers.



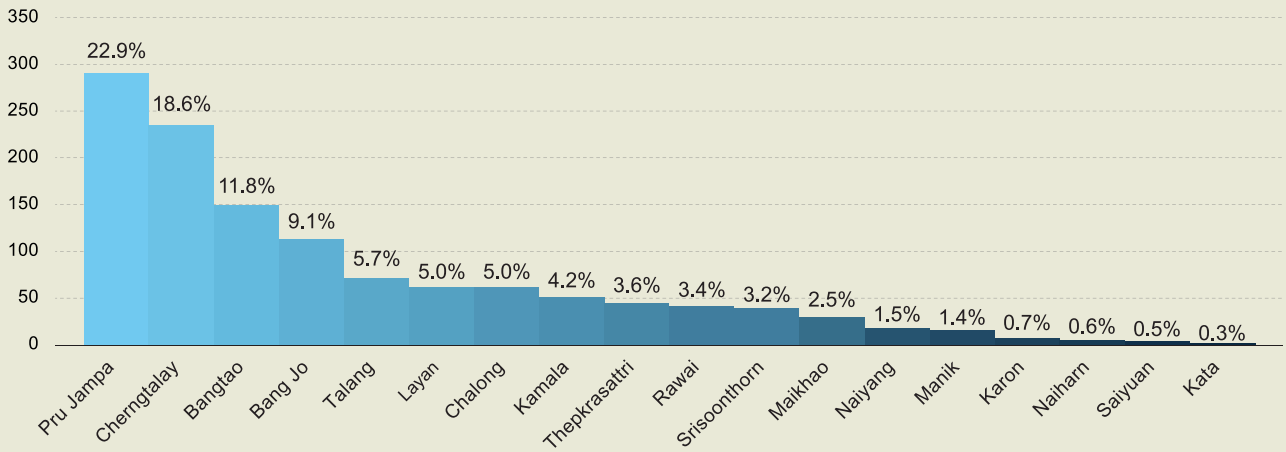
ACCUMULATE ANNUAL SUPPLY & NEW SUPPLY VILLA 2015-2024

Existing Supply New Supply



SOURCE: KNIGHT FRANK THAILAND RESEARCH

NEW SUPPLY BY LOCATION IN 2024



SOURCE: KNIGHT FRANK THAILAND RESEARCH

DEMAND

Condominiums and villas remained strong. In 2024, 6,156 new condominium units were sold, marking a 59.8% increase from the previous year, with Bang Tao recording the highest transaction volume. Meanwhile, 573 villas were sold, reflecting an 18.1% year-on-year increase. The villa market has remained resilient since the COVID-19 pandemic, as buyers favor this asset class for its higher rental yield potential compared to condominiums.

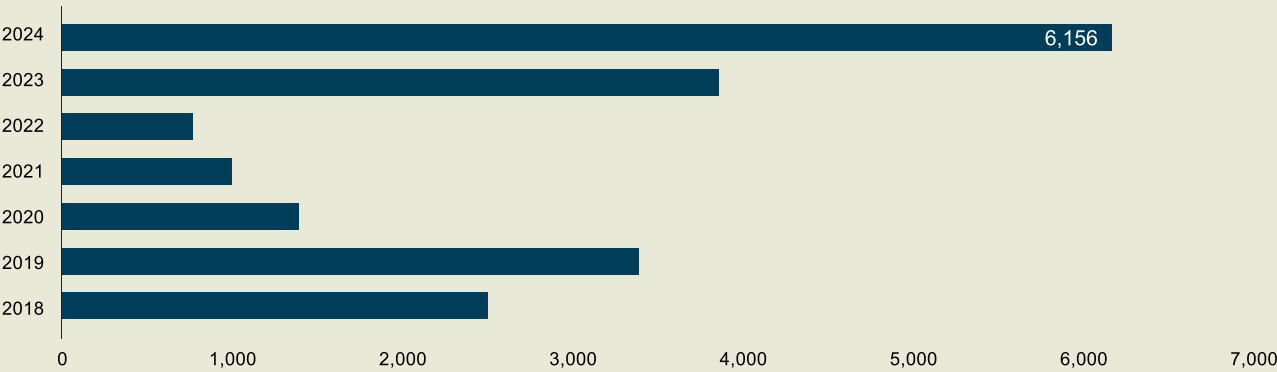
High-demand rental areas include Bang Tao, Cherng Talay, and Rawai.

The expansion of new supply has provided buyers with a wider range of location options tailored to their budgets. The primary buyer groups remain dominated by Russians and Chinese. These buyers not only acquire properties for personal use but also as investments for rental income. Both groups are known to spend extended periods living in Phuket, more so

than other nationalities, which has significantly contributed to the steady growth in property sales.

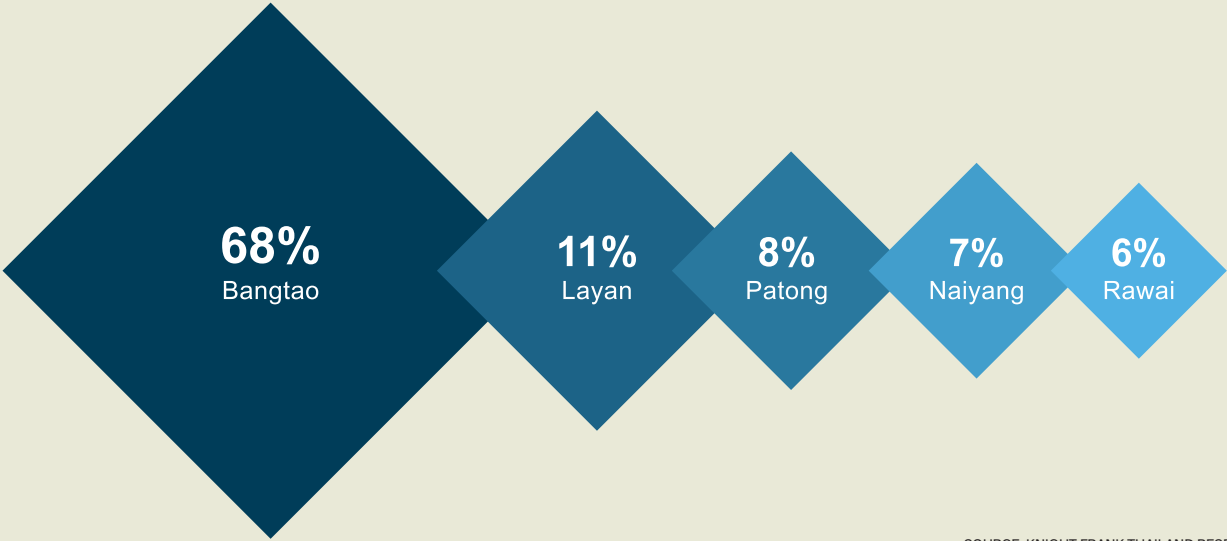
Furthermore, the government’s visa waiver program for tourists from 93 countries has enhanced Phuket’s appeal as a destination. This policy has boosted traveler confidence and helped drive a notable increase in the number of tourists visiting the island.

SOLD UNITS FOR CONDOMINIUM



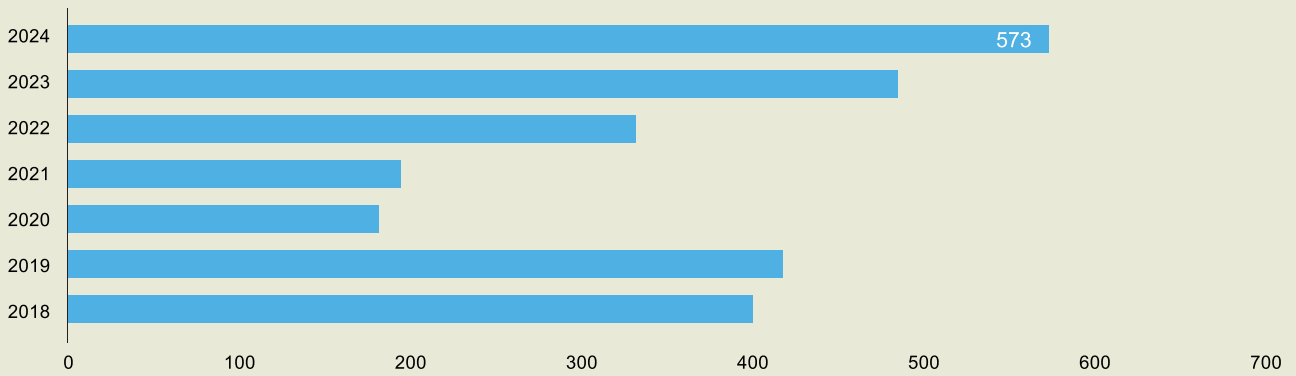
SOURCE: KNIGHT FRANK THAILAND RESEARCH

SOLD UNITS FOR CONDMINIUM BY BEST ZONE



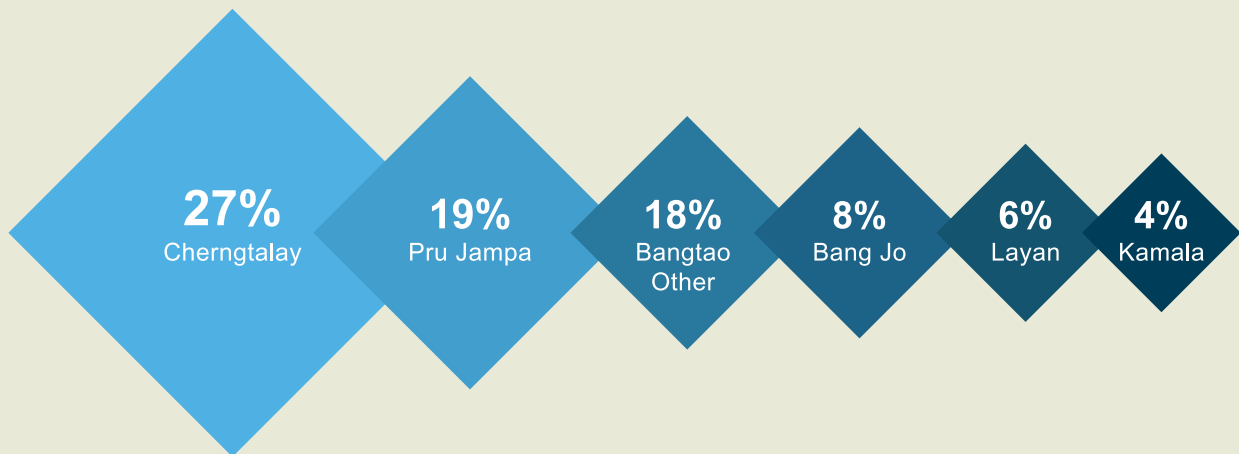
SOURCE: KNIGHT FRANK THAILAND RESEARCH

SOLD UNITS FOR VILLAS



SOURCE: KNIGHT FRANK THAILAND RESEARCH

SOLD UNITS FOR VILLAS BY BEST ZONE



SOURCE: KNIGHT FRANK THAILAND RESEARCH

PRICING TRENDS

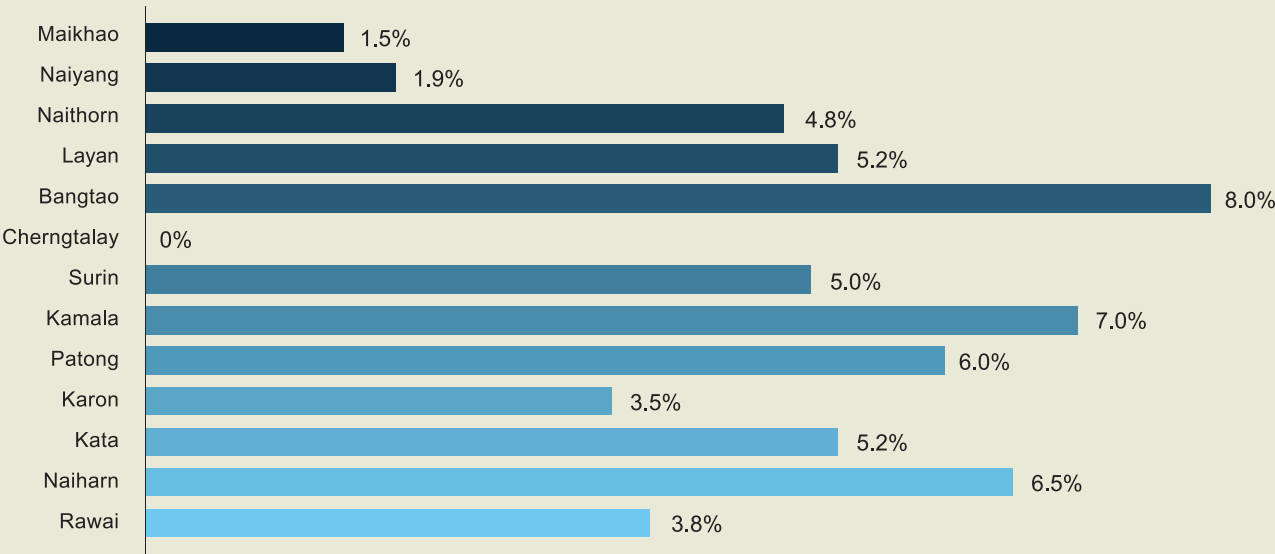
In 2024, the average selling price of condominiums across all areas in Phuket stands at approximately 140,000 THB per square meter, reflecting a modest increase of 0.59% compared to the previous year. This upward price trend is a result of the completion of ongoing projects and the introduction of new developments with higher pricing. These price adjustments are largely driven by the rising cost of land and a shift towards

quality-focused developments, with an emphasis on larger units that offer a villa-like living experience. The varying popularity and amenities across different zones also contribute to the price disparities observed in the market.

For villas, the selling prices across different areas range from 5.9 million THB to 255 million THB. Patong offers the most affordable options, while

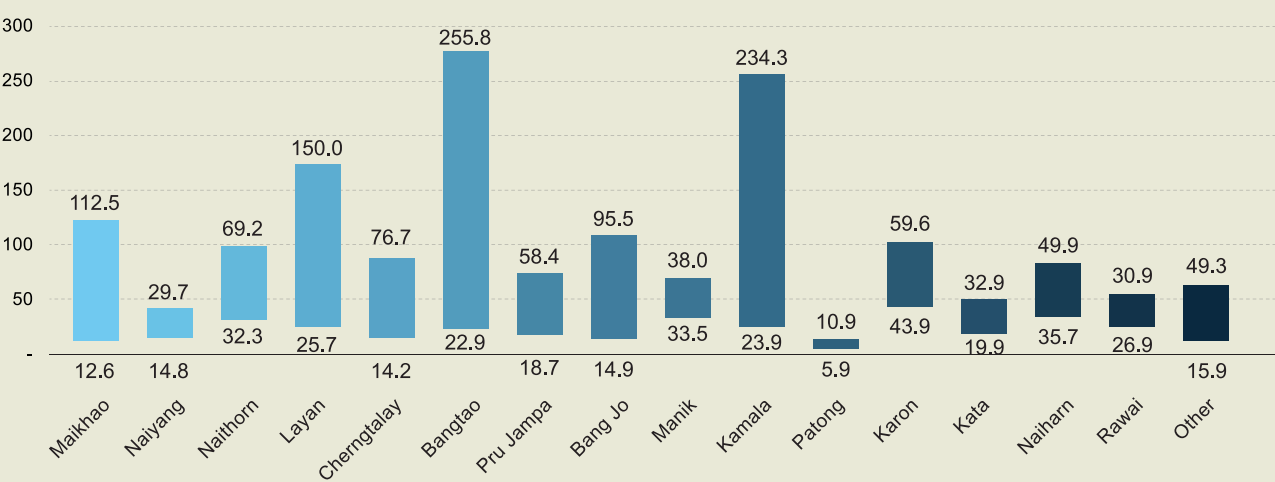
Bang Tao features the highest-priced villas. This year, villa prices have experienced an upward shift, driven by the growing demand from buyers seeking larger spaces, often for family vacation purposes. Consequently, the focus of new developments has been on providing more functional designs and larger land plots, accommodating the increasing demand for outdoor living spaces and recreational areas.

YOY% CHANGE IN CONDOMINIUM



SOURCE: KNIGHT FRANK THAILAND RESEARCH

PRICE RANGE FOR VILLAS



SOURCE: KNIGHT FRANK THAILAND RESEARCH

WHAT'S NEXT FOR CONDOMINIUMS AND VILLAS IN 2025?

Continued Growth

in Tourism-Driven Demand

Condominium and villa growth has been consistently strong, driven by tourism, particularly from Russian, Chinese, European, and Indian nationals. It is expected that in 2025, these foreign tourist groups will continue to be the primary buyers, as they are particularly fond of living in Phuket.

Rising Foreign Investment

Investors from Russia, China, and Europe are expected to continue increasing their acquisitions of Phuket real estate, both for personal use and rental purposes. Villas, in particular, are favored for their higher rental yields, ranging from 10% to 15% annually, compared to condominiums, which typically offer yields of 5% to 8%. Rental profitability will largely depend on the property's location and the demand from tourists in the area.

Expansion into

New Development Areas

With limited land available on Phuket's western coast, the infrastructure improvements have driven new projects to extend into hillside areas like Phru Champa, Manik, and Bang Jo.

Sustained Price Growth

While rising land costs pose challenges for developers, Phuket's

real estate remains competitively priced compared to other global resort destinations. Long-term rental opportunities in both villas and condominiums continue to offer attractive returns.

New Buyer Demographics

Uzbekistan has emerged as a new source of tourists and potential property buyers, with some visitors even considering staying in Phuket before making a purchase decision. Early trends suggest that affluent Uzbek buyers are increasingly viewing Phuket as a long-term investment destination, signaling the rise of a new group of high-net-worth individuals with significant purchasing power.

Upcoming Infrastructure Developments

The development plan for Bumrungrad Hospital, located near the airport, is expected to have a positive impact on the surrounding area, especially the Mai Khao zone. While there is still land available for development in this area, its distance from major amenities has kept development projects limited so far. However, the hospital's presence is likely to drive future growth in the region.

Tourism in Phuket serves as the gateway for property purchases. However, if tourism faces uncertainty

or economic challenges, it could negatively impact rental prices. Moreover, should there be a significant reduction in the number of Russian and Chinese tourists—two of the largest groups of property buyers—this may affect both the rental and sales markets for condominiums and villas.

The increase in new developers entering the market has heightened competition in the condominium and villa sectors. Although demand remains strong, particularly on the west coast, the overall real estate market in Phuket may start to stabilize, with new sales expected to increase by approximately 15%-20%, similar to this year.

With the rise in supply, competition in rental prices will increase. Additionally, with so many projects in the market, some developments may face slower sales, and properties sold as resale units may not fetch the desired price due to the greater number of available options.

Recent Research

ESG in Thailand's Office Market: Insights & Trends



ESG in Thailand's Office Market: Insights & Trends

We like questions, if you've got one about our research, or would like some property advice, we would love to hear from you.



Phanom Kanjanathiemthao

Chairman
+66 (0) 2 643 8223 Ext 124
phanom.kanjanathiemthao@th.knightfrank.com



Nattha Kahapana

Managing Director
+66 (0)2643 8223 Ext 300
nattha.kahapana@th.knightfrank.com



Sunchai Kooakachai

Director, Head of Research and Advisory
+66 (0)2643 8223 Ext 188
sunchai.kooakachai@th.knightfrank.com



Thidararat Sitthikhun

Manager
+66 (0)2643 8223 Ext 175
thidararat.sitthikhun@th.knightfrank.com



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