



Pattaya Condominium Market

Surachet Kongcheep
Associate Director | Thailand

“Only 488 new condominium units were launched in Pattaya during the first half of 2017 because many developers were trying to sell their completed units first.”

Forecast at a glance



Demand

The market in Pattaya City has still not recovered. Purchases by Thai and foreign buyers remain fewer than expected.



Supply

As of the end of 1H 2017, more than 76,200 condominium units were registered as complete in Pattaya City.



Newly Launched Units

Only 488 condominium units were launched in Pattaya during 1H 2017, and 2017's total number of condominium units launched may be similar to 2016's.

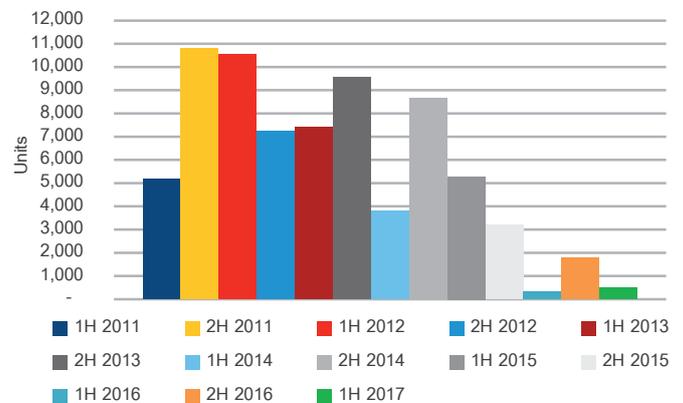


Price

The average sales price of condominiums in Pattaya City in 2017 increased only from 3% to 5% over the previous year.

Supply

New condominium units launched in Pattaya city by half year and location, 1H 2011–1H 2017



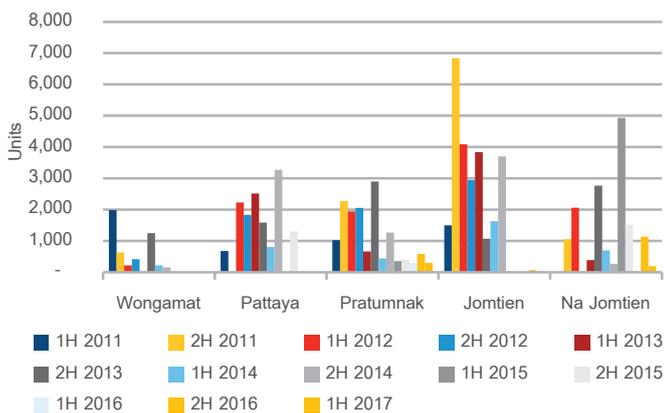
Source: Colliers International Thailand Research

Only 488 condominium units were launched in Pattaya City during the first half of 2017, largely because completed projects still remained available on the market. This was due to more than 15,000 condominium units were launched every year from 2011 to 2013, the figure decreased to approximately 12,000 units in 2014, to fewer than 10,000 units in 2015, and to only 2,100 units in 2016. The declining trend of condominium units launched in Pattaya City has reflected the market slowdown and the decreased purchasing power in the market.

Given the large quantity of condominiums launched during the past few years, many condominium units in Pattaya City remain to be absorbed in the market. More than 74,000 condominium units were launched in Pattaya from 1H 2011 to 1H 2017, and many medium and small Thai or foreign developers, as well as listed and well-known ones, have launched condominium projects in Pattaya City during the past few years in particular.

Pattaya's City condominium market differs from Bangkok's, for only 14.7% of the total condominium units have been developed by listed developers. Some condominium projects have been halted or postponed due to slow sales performance.

New condominium units launched in Pattaya city by location from 1H 2011–1H 2017



Source: Colliers International Thailand Research

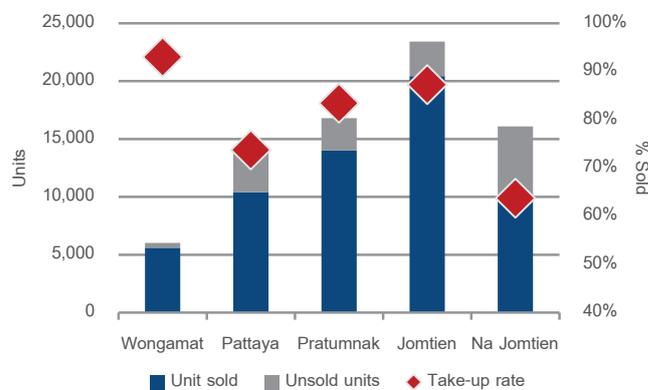
Pratumnak is the only location where condominium projects have continued to be launched since 2011, even if most have been small or medium projects. In other locations, including Wongamat, Pattaya and Jomtien, no new condominium projects have been launched in the past 1–2 years, which is especially worrisome in Jomtien, the most popular location in Pattaya City for the condominium market. In Jomtien, the market downturn has been due to the construction of a new road (Jomtien Sai 2 Road) in the area whose adjacent areas became new locations for development, including of large-scale condominium projects, in Jomtien from during 2013–2014. However, since 2015, only 1 or 2 projects have been launched in the area due to the many unsold units still on the market.

Whereas Jomtien and Na Jomtien are primary locations for large-scale condominium projects, many small condominium projects have been launched in Pratumnak, due to the availability of land plots and the less restrictive laws and regulations. Some Scandinavian developers have focused on Pratumnak and continued to launch projects in the area during 2011–2017.

Some large-scale, mixed-used projects from a joint venture between Thai and foreign developers that were announced in the past year remain on hold, especially ones in Jomtien and Na Jomtien.

Demand

Average condominium take-up rate in Pattaya city as of 1H 2017 by location



Source: Colliers International Thailand Research

Pattaya City's condominium market has decelerated since 2015, largely because so many condominium projects were launched in the years prior. Many unsold units remain available on the market and have directly affected the confidence of developers and buyers, especially Russians, who are the primary buyers of condominiums in in Pattaya City. Furthermore, since condominium units in Pattaya City are second or weekend homes for Thai buyers and thus not their priority, purchases by Thai buyers have been postponed as economic expectations remain unmet.

At the end of 1H 2017, despite an average take-up rate in Pattaya's city condominium market of approximately 80%, more than 10,000 condominium units remain on the market waiting to be sold.

Of all locations in Pattaya City's market, Na Jomtien has had the greatest number of unsold condominium units, for some projects launched in the area during the past 1–3 years introduced more than 500 units per project into the market. The least number of unsold condominium units in Pattaya City has been Wongamat, due to the highly limited availability of land plots in the area, meaning that very few projects have been launched there during the past 1–3 years.

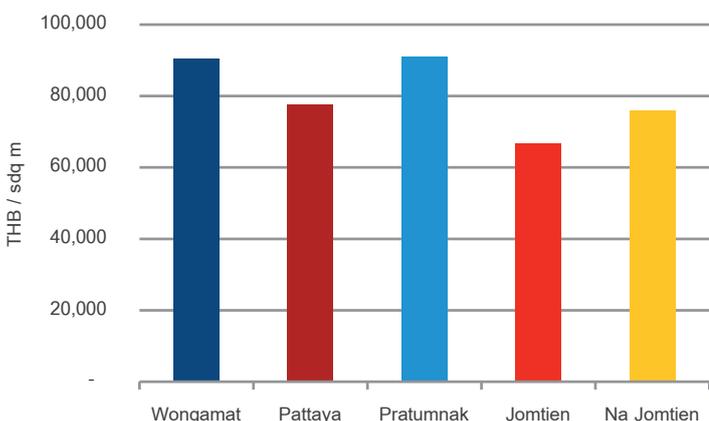
Pattaya City's condominium market has continued to decline in 2017, due to the many unsold units on the market and that developers, in continuing to focus on selling available units, have decided to postpone launching projects in 2017. It could take more than a year for all unsold units to be sold if the market remains as slow as during the past 1–2 years.

Although Chinese and Japanese have become new foreign buyer groups in Pattaya City's condominium market, their numbers remain significantly lower than those of Russian buyers in the past few years.

The Thai government has consistently promoted Eastern Economic Corridor (EEC), which includes Chonburi, Rayong and Chachoengsao Provinces. Although Pattaya City is also in the EEC, but it is a long-term policy, and prioritised infrastructure development projects in the area continue to remain incomplete. Therefore, demand in the residential market in all three provinces and in Pattaya City has not dramatically increased in 2017.

Price

Average price of condominium units in Pattaya city in 1H 2017 by location



Source: Colliers International Thailand Research

further from the beach. At their least expensive, beachfront units sell for more than THB 130,000 per sq m in Wongamat, whereas they sell for THB 100,000 per sq m in other beachfront areas.

The average price of condominium units in Jomtien has been the lowest in Pattaya City market, due to the many less-than-middle-level projects launched in the area, especially in the area along Jomtien Sai 2 Road, with starting prices lower than THB 50,000 per sq m, whereas some beachfront project sell for more than THB 100,000 per sq m.

The average price of condominium units in all locations in Pattaya City in 2H 2017 will be similar to or slightly higher than that of 1H 2017 since many projects have been completed, although the market has not recovered and many ready-to-move-into units wait to be absorbed by the market. Therefore, many developers are trying to maintain their selling prices in 2017.

FOR MORE INFORMATION:

Warayu Lokavit

Associate Director | RES | Marketing

+6686 308 1475

warayu.lokavit@colliers.com

Surachet Kongcheep

Associate Director | Research

+6686 014 2828

surachet.kongcheep@colliers.com

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