

# Bangkok Condominium Market

“High take-up rate of projects from listed developers are not reflecting the market recovery.”

## Forecast at a glance



### Demand

Higher confidence marked 1Q 2018, meaning a higher average take-up rate in the previous quarter than in the past year.



### Supply

Approximately 563,843 units were already completed and registered in Bangkok and more than 100,000 unit still under construction and scheduled to be completed in the future.



### Newly Launched Units

New condominium units were still launched in Bangkok, especially along the new mass transit lines that are under construction.

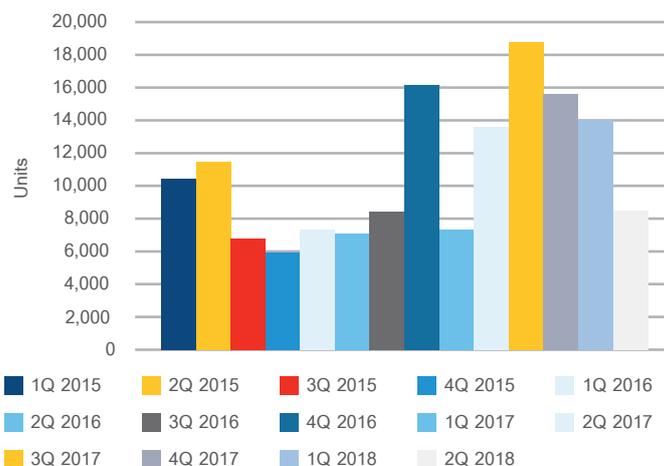


### Price

Many developers are more focusing on the projects with selling price which is starting from THB70,000–THB150,000 per sq m outside Bangkok inner city area.

## Supply

### Newly launched condominium units from 1Q 2015 - 2Q 2018 by quarter



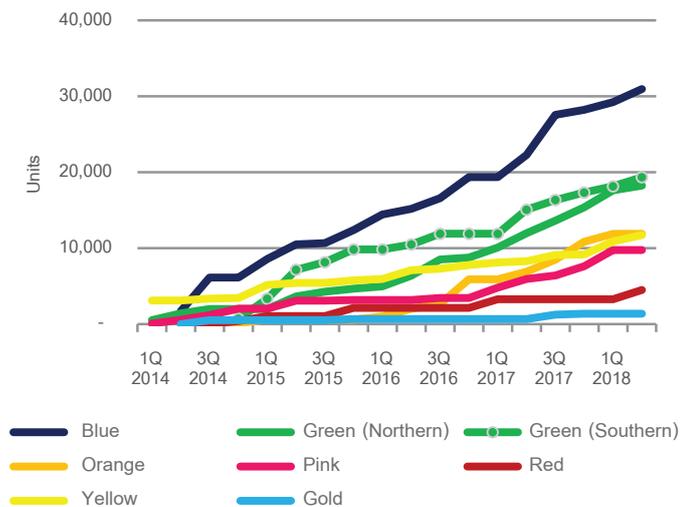
Source: Colliers International Thailand Research

Condominium units were completed and registered at Department of Land as of May 2018 were approximately 563,843 units (excluded condominium units are developing by National Housing Authority). Mostly of all completed units are located in Bangkok Suburban Area with around 59% of total completed and registered units.

New condominium units were launched in 2Q 2018 are approximately 8,511 units decreased from the first quarter by around 40%. Most of new condominium units were launched in the second quarter of 2018 located in Bangkok Suburban Area, especially in the area along new sky train which are under construction such as Red, Green and Blue lines as well as the area along the lines which are planned to be developed in 2018 or 2019, Orange, Pink and Yellow lines.

Only two new condominium projects launched in Bangkok City Area in 2Q 2018, due to all developers were more focusing on the area which they can develop projects with selling price lower than 3 million baht per unit.

## Condominium units were launched during 2014 – 1H 2018 and forecast for 2H 2018



Source: Colliers International Thailand Research  
 Note: Total units for 2H 2018 are based on the existing information.

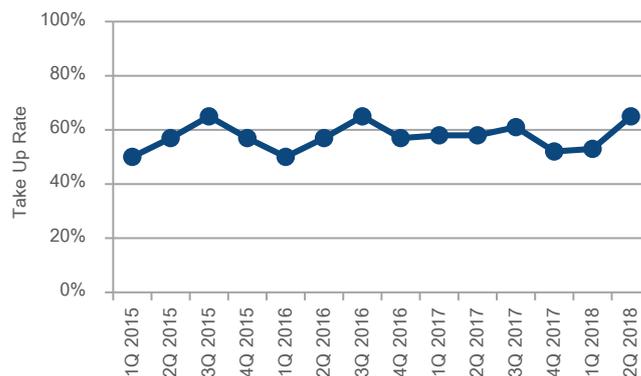
Many developers were more focusing on the area along the new mass transit systems that are under construction. Therefore, many condominium projects were launched in the area along the Blue and Green Lines (both Southern and Northern parts).

More than 2,700 units of new condominium units were launched in the first half of 2018 in the area along the Blue Line and probably more than 3,000 units are scheduled to be launched in 2H 2018. While, the area along the Green lines both Southern and Northern parts also interesting for all developers, especially the Northern Green line along Phahonyothin Road. For the lines that are construction in 2018 such as Yellow, Pink and Orange lines in the past few months are still not enough attractive condominium developments, but next year or when the constructions begin probably different. Only few condominium projects were launched in some location of Yellow, Pink and Orange lines in the past few months and only few projects were planning to launch new projects in second half of 2018.

## Demand

The New Residence Buyer's Confidence Index, compiled from a survey by the University of the Thai Chamber of Commerce, continued to increase from March 2018 (56) to only 57 in July 2018, the higher in the past many months. This was due to Thailand's overall economic Thailand's overall economic situation in 4Q 2017 showed positive trends.

## Average take-up rate of all condominium units were in the market by price range.



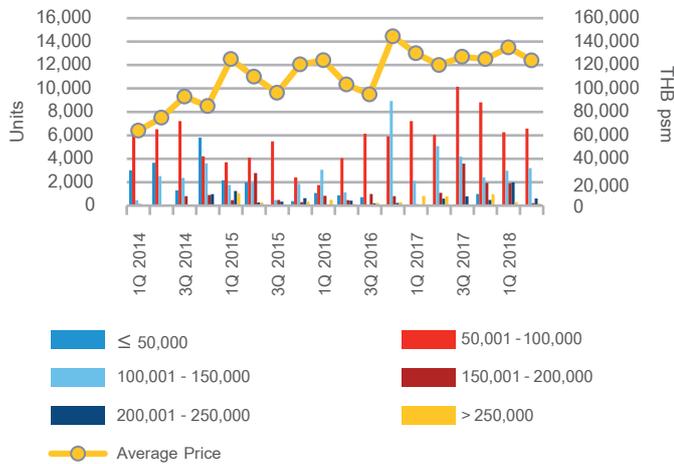
Source: Colliers International Thailand Research  
 Note: The average take-up rates of all condominium units that were launched from 2015 onwards.

The average take-up rate of all condominium units that are launched from 2015 until 2Q 2018 was approximately 81%. New condominium units were launched in 2Q 2018 also sold out by around 66% of total 8,511 units and some projects from listed developers in the good locations were almost 100% sold out within only few days after the official launched. But many condominium projects which are launched in the previous quarter also cannot achieved to 50% sold. This was due to not only economic situation and purchasing power, but some projects were located in the area not attractive or selling price which is higher than average selling price in the area. Many developers were more focusing on the projects with selling price at more than THB70,000 per sq m to THB150,000 per sq m in the area along new mass transit lines which are under construction and scheduled to be completed in next 2–3 years.

Demand for residential units in 2018 might not dramatically increase from 2017, especially demand for newly launched condominium units. This was due to many available condominium units, which are still waiting for sale in the market. In addition to, many developers also try to release all available units as soon as possible. Therefore, many developers are discounting their selling price or offer special marketing campaign for all ready to move in units.

# Price

## New condominium launched by quarter and price range



Source: Colliers International Thailand Research

The average price of new condominiums launched in 2Q 2018 was around THB109,092 per sq m, a decrease of approximately 20% from the past quarter, because there were less high-end and luxury projects. The average price of condominiums in Bangkok has increased every quarter by around 3-5% depending on location, project concept and market position.

Most condominium units were launched in 2Q 2018 and selling at between THB70,000 and 150,000 per sq m, while only 9.5% or approximately 805 units are selling at more than THB200,000 per sq m. Some condominium projects are selling at more than THB200,000 per sq m had a high take-up rate in 2Q 2018, but developers are still not confident in the demand, so only two projects were launched in 2Q 2018. Condominium in the price range. THB 100,000-150,000 per sq m still remains the best selling price in approximately 85% of total units sold.

In the past 1 – 2 years, many developers were less focusing on low-end market or condominium units that are selling at lower than 1.3 million baht per unit. This was due to the main problem is related to bank mortgage loan for their buyers, because mostly buyers are cannot get the mortgage loan from banks. Most of buyer in this group are still had other debt and overall household debt was higher than bank expectation.

New condominium projects in areas close to BTS stations are already more expensive than THB 250,000 per sq m and continue to increase every quarter. The average selling price of condominium projects launched during the past few years increased by around 5–10% per year and will continue to increase in 2017. The major factor directly affecting new condominiums in Bangkok is the many second-hand units still available in the market with lower prices, meaning that new and second-hand units in the same location will compete for sales. Land prices also became a major factor affecting condominium prices.

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