

Bangkok Condominium Market

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

Forecast at a glance



Demand

Thai purchasing power has still not recovered and most Thais are spending less and do not want to buy condominium that are long term debt.



Supply

Approximately 510,300 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.

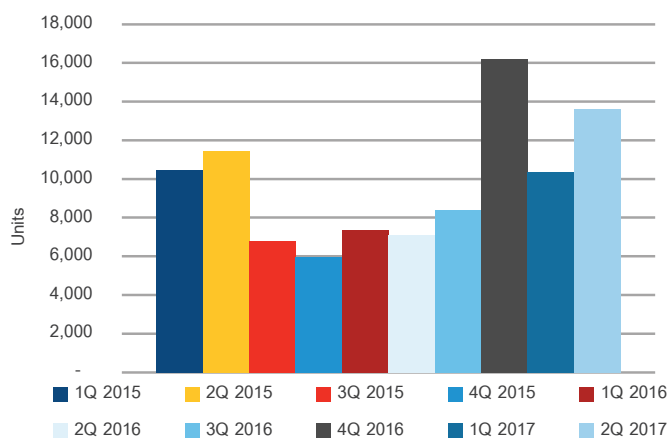


Price

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

Supply

Newly launched condominium units from 1Q 2015 - 2Q 2017 by quarter



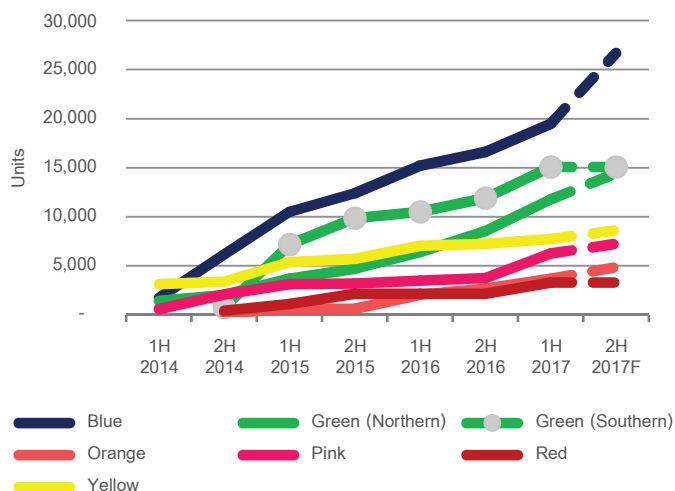
Source: Colliers International Thailand Research

Condominium units were completed and registered at the Department of Land as of May 2017 were approximately 510,300 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 2017 are approximately 13,605 units increased from the first quarter by around 31%. Most of new condominium units were launched in the second quarter of 2017 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 2017 or 2018, Orange, Pink and Yellow lines.

No new condominium projects launched in Bangkok City Area in 2Q 2017, due to all developers were more focusing on the area which they are can develop projects with selling price lower than 5 - 6 million baht per unit.

Condominium units were launched during 2014–1H 2017 and forecast for 2H 2017



Source: Colliers International Thailand Research
 Note: Total units for 2H 2017 are based on the existing information.

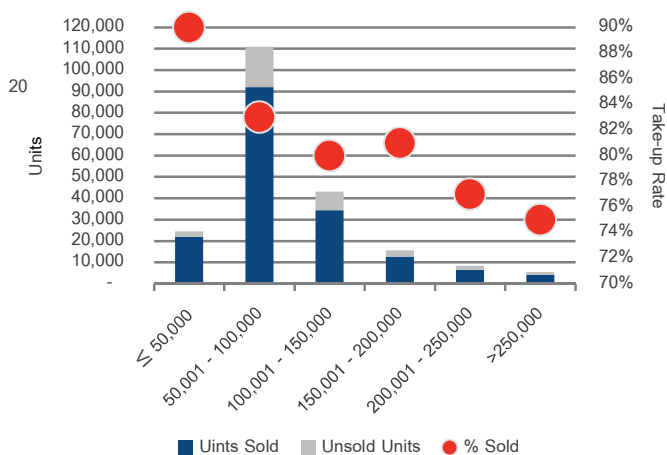
Many developers were focusing on the area along the new mass transit systems that are under construction. Therefore, many condominium projects were launched in the area along the Blue and Green Lines (both Southern and Northern parts).

More than 2,900 units of new condominium units were launched in the first half of 2017 in the area along the Blue Line and probably more than 7,000 units are scheduled to be launched in 2H 2017. 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 planning to be construction in 2017 or 2018 such as Yellow, Pink and Orange lines in the past few months are still not much attractive new condominium development, but next year or when the constructions begin probably different. Only a few condominium projects were launched in the location of Yellow, Pink and Orange lines in the past few months and only a few projects were planning to launch new projects in second half of 2017.

Demand

The New Residence Buyer's Confidence Index, compiled from a survey by the University of the Thai Chamber of Commerce, continued to decrease from 68 in March to only 62.3 in May 2017, the lowest in the past 3-4 months. This was due to Thai's confidence still lower than expectation and they are spending less and did not want to buy any property that would create long-term debt.

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 2013 onwards.

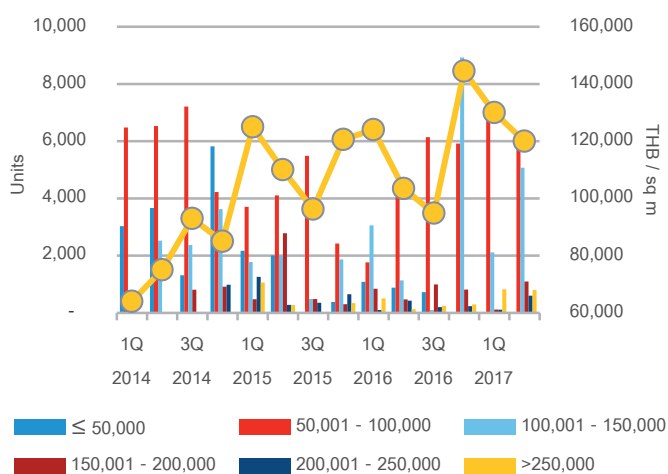
The average take-up rate of all condominium units launched from 2013 until 2Q 2017 was approximately 81%. New condominium units were launched in 2Q 2017 also sold out by around 58% of total 13,605 units and some projects from listed developers in good locations were almost 100% sold out within only a few days after the official launch. But many condominium projects which are launched in the previous quarter cannot achieve 50% sold. This was due to not only economic situation and purchasing power, but some projects were located in the an unattractive area or the selling price is higher than the 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.

Only a few listed developers launched new projects in 2017, some postponed to launch new projects until next year. They are still not confident on the Thai purchasing power and are still concerned on the economic situation in the long term. In addition, more than 35,000 of unsold units are still available in the market also becoming the negative factor for condominium market.

Price

New condominium launched by quarter and price range



Source: Colliers International Thailand Research

The average price of new condominiums launched in 2Q 2017 was around THB120,000 psm, a decrease of approximately 8% 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 2017 and selling at between THB50,000 and 100,000 per sq m, while only 10% or approximately 1,400 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 1Q 2017, but developers are still not confident in the demand, so only three projects were launched in 2Q 2017.

In the past 1–2 years, many developers were focusing less on low-end market or condominium units that are selling at lower than 1.3 million baht per unit. This problem is related to bank mortgage loan for their buyers, because most buyers 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.

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