

*“Many condominium units are expected to be completed and transferred in 2H 2015, and all developers are trying to attract more buyers during the market slowdown by keeping the same selling prices or by increasing them only slightly.”*

## Summary

Thailand's economic situation is still not meeting government expectations.

- Most Thais are not confident in their financial situation for the future, so have postponed buying any property as a long-term debt.
- All developers are more concerned with the demand situation, so most held off on launching their new projects in 2H 2014 and 1H 2015.

Some developers postponed launching new projects in the first six months of 2015.

- Only 810 condominium units and one housing project with six units were launched in 1H 2015.
- A lot of unsold units are still available in the market, especially condominium units that were launched in the past few years.

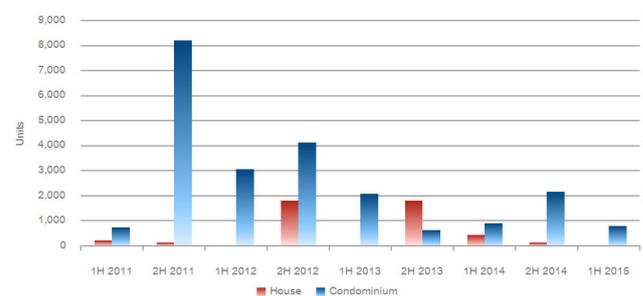
The average price in the condominium and housing market only increased 3 - 5% from 2014.

- All developers are trying to attract more buyers during the market slowdown by keeping the same selling prices or increasing them only slightly.
- Some condominium developers are also facing the transferring issue, so are discounting their units for all ready to transfer buyers.

Some large-scale projects in Cha Am and Hua Hin are probably boost up more interesting

- Some water parks and shopping malls are adding more interest to the area.
- Some new infrastructure projects by the government, such as the Bangkok - Hua Hin high-speed train and the new ferry pier for services on the Pattaya-Pranburi route also add interest in the long term.

Residential Units Launched by Year and Property Types as of 1H 2015



Source: Colliers International Thailand Research

The Thailand economic situation has not met government expectations, because of many negative external and internal factors. Therefore, most Thais are not confident in their financial situation for the future. The major buyer group in the Cha Am, Hua Hin and Pranburi market is Thais, so it has not been impacted by the decreasing number of Russians like Pattaya has.

Large-scale condominium projects with approximately 6,000 units were launched in the Cha Am area in 2011, so the total number for that year is significantly higher than other years. Many new condominium units were launched in the past few years, but the number of new condominium projects launched in the past three to four years continued to decrease every year, but many are still available in the market. The housing market is similar to the condominium market, as many housing projects were launched in the past one to two years. Many developers postponed launching their new projects in 2014 - 2015, and some cancelled their projects.

Approximately 22,780 condominium units were launched from 2011 to 1H 2015; around 66% were in Cha Am, 20% were in the Hua Hin Coastal area, 9% were in the Hua Hin Inland area and 5% were in the Pranburi area. The Hua Hin Inland area is the main location for housing development, due to the lower land price than in the coastal areas.

Thailand's economic and political situations have not been stable during the past two to three years, which has directly affected the confidence of Thais, and most Thais have postponed making a decision to buy property, especially property in resort destinations.

The main buyers in the Cha Am, HuaHin and Pranburi areas are Thais looking to buy a condominium or house as a second home. Many foreigners also are buyers in this area, but only a small number in the past few years. Most are looking for small detached houses in the HuaHin Inland area with a price not over THB4 million and some are staying in beachfront condominium projects that were completed more than 10 years ago, due to the lower prices. Most foreigners that are staying in the Cha Am, Hua Hin and Pranburi areas are already retired and decided to live in Thailand because of the lower cost of living, the convenience, and the safety, as well as the international hospital in the area.

### Take-up Rate

The property markets in other resort destinations are facing problems related to decreasing demand, while demand in Cha Am, HuaHin and Pranburi is still increasing slightly. The average take-up rates of land and housing development units are approximately 75% and 80% for overall condominium units in the market.

Most condominium units that were sold in the past few months were priced between THB3 and 5 million per unit. Many low-level condominium units were launched in the past few years, but mid-to low-level buyers are not confident in their financial situations, so postponed buying property in the past few months and will continue to do so in 2H 2015.

Condominium developers in the Cha Am, Hua Hin and Pranburi areas are not concerned with the take-up rate, but they are concerned with the transfer rate. This is because more than 8,000 condominium units are scheduled to be completed and transferred in 2H 2015.

Most developers in the Cha Am, HuaHin and Pranburi areas are trying to boost sales with a number of marketing campaigns, activities and promotions, as well as sales booths outside the area, especially in Bangkok.

Thai buyers are the main target group in the Cha Am, HuaHin and Pranburi property markets, especially for condominiums. Many Thais are looking to buy condominium units in coastal cities as weekend or second homes. Some Thai buyers are looking to buy houses or villas in the HuaHin Inland area, as the selling prices at some housing projects in the Hua Hin Inland area are similar to beachfront condominium units.

### Average Prices of Housing Development and Condominium Units by Location as of 1H 2015

Location	Condominiums (THB psm)	Housing Development Units (THB million / unit)
Cha Am	75,000	10.00
Hua Hin Coast	85,000	12.00
Hua Hin Inland	63,500	6.00
Pranburi	87,000	5.50

Source: Colliers International Thailand Research

The average price of condominium units in all locations, as of 1H 2015, increased from the previous six months by around 3 - 5%, although some projects are scheduled to be completed and transferred in 2015. This is because all developers tried to attract more buyers during the market slowdown by keeping the same selling prices or increasing them by only a few percentage points.

The housing market still continues to grow from last year at a lower rate than the condominium market. The average prices in all locations are similar to last year, due to the market slowdown and decreasing demand in the housing market, which are freezing the selling prices.

All housing and condominium developers that are developing property projects in the Cha Am, HuaHin and Pranburi areas have still not significantly increased selling prices in 2015. Some condominium developers are also facing the transferring issue, so some are discounting their units.

### Forecast

All developers will postpone launching their new condominium projects in 2H 2015 and will wait for the market to recover and for a better economic overview in the future.

All property markets in Thailand have slowed down, but Cha Am, Hua Hin and Pranburi still continued to grow slightly in the past few years. Thai buyers have been the main target group, especially for the condominium market, in the past two to three years.

The demand for properties selling for around THB3 - 5 million still continues to grow, both for houses and condominiums. Most buyers are more interested in condominium projects close to the coastal areas, not only beachfront projects.

Some private large-scale projects in Cha Am, HuaHin and Pranburi areas probably boost up more interesting on Cha Am and Hua Hin areas, such as water parks, shopping malls and some new infrastructure projects by the government, such as the Bangkok - HuaHin high-speed train and the new ferry pier for services on the Pattaya - Pranburi route.

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## \$2.3

billion in  
annual revenue

## 1.7

billion square feet  
under management

## 16,300

professionals  
and staff

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