

Rechecking of land ownership documents and numerous available units in Khao Yai area are the major factors impacting the market."

Summary

Rechecking of land ownership documents in Khao Yai area are directly impacting the market.

- Most existing development projects are facing issues concerning their ownership documents.
- The number of new development projects significantly creased in 2014 - 2015.
- Buyers also postponed or delayed their decision to buy property in Khao Yai area.

Many unsold residential units still exist in Khao Yai.

- More than 2,600 condominium units and approximately 2,000 housing units were launched in 2012 - 2013. More than 2,500 condominium and housing units are still waiting for absorption in the market.
- Many unsold residential units are still available in the market, especially housing development units.

Some residential projects were cancelled or had their launching postponed in Khao Yai area.

- Many factors are affecting Khao Yai market, such as the numerous available units and the rechecking of land ownership documents.
- Khao Yai is not a main tourist destination for Thais, who prefer to go to the beach.
- Some condominium projects stopped their sales or cancelled their projects after the market underwent a slowdown.
- Many housing projects also cancelled some phases, as well as postponed the launching of new phases or new projects in 2014 - 2015.

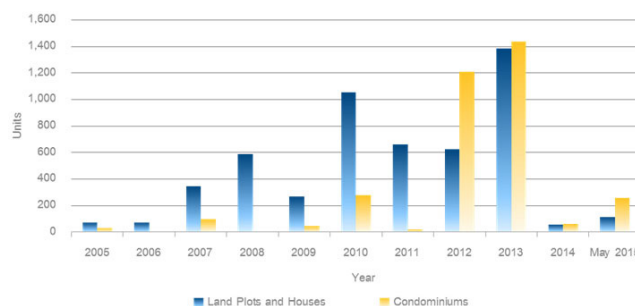
The price is still similar to that of the past year.

- Many negative factors directly affect the market.
- Developers are keeping their selling prices similar to that in the past year because they are trying to attract more buyers.
- Condominium price in Khao Yai as of May 2015 was around THB84,500 per sq m, similar to that in Bangkok and other resort destinations.
- Housing units are starting from THB2 million and can go up to higher than THB55 million per unit.

The Khao Yai market may continue showing a declining trend in the next few years.

- Many negative factors are directly impacting the confidence of buyers and developers.
- All unsold units may take more than two years to be absorbed.

Residential Units Launched by Years and Property Types as of May 2015



Source: Colliers International Thailand Research

Rechecking fo level ownership documents in Khao Yai area during 2014 - 2015 is a major concern for all developers and buyers. Both new housing and condominium development projects significantly decreased in 2014 compared to 2012 - 2013. Although some new projects were launched in the first five months of 2015, the figure is still lower than that in 2013.

Average Price of Housing Development Units and Condominium Units by Location as of May 2015

Location	Condominium (THB psm)	Housing Development Units (Million baht / Unit)
Kudkla-Pansuk	71,700	13,850,000
Thanarat	87,200	9,560,000
KhaoYai-Wang Nam Kiew	87,850	16,160,000

Many condominium units were launched in 2012 – 2013 after the property market in Khao Yai boomed once again. This was because many buyers were not ready to pay more than THB10 million per unit for land and house, but still need to have a property in Khao Yai for their second home. Many developers are also focusing more on condominium development for this buyer group. Housing project development in Khao Yai also continued to be popular from 2007 – 2013.

Developers postponed the launching of their new projects in 2014 – 2015, and some cancelled their projects or changed their concept to resort and hotel after the government became stricter in clarifying ownership documents and checking the acquisition of all land title deeds around Khao Yai National Park. Some large-scale projects in the area were undergoing the clarification process until 2015.

The area along Thanarat Road is the most popular area for residential development, with more than 3,280 units for land and housing development and approximately 1,760 condominium units, accounting for approximately 54% of the total residential units in Khao Yai area.

Take-up Rate

Average take-up rate of all land and housing development units is approximately 69%, and around 70% for overall condominium units in the market. Many residential projects had a tough time after many government offices checked land ownership documents, which directly affected the confidence of buyers. Some cancelled their reserved units or negotiated with developers to hold their payment and wait for the final solution from the government and other related government offices.

The area along Kudkla-Pansuk Road has shown the highest take-up rate of both condominium and housing development units due to the lowest supply in the Khao Yai area, some of which were already almost sold out. Many projects in the area also came out with significant designs.

The housing development units in this area sold at prices lower than THB20 million showed a take-up rate of around 68%. This figure is higher than the rate for units sold at THB20 million, which is only 42%. This means that the high-end to luxury market needs more sale time in the market after lower-price housing development projects flooded the Khao Yai area during the past 2 – 3 years. The other factor is Thailand's economic overview in 2014 – 2015, which also did not achieve the government's expectation.

The average price of housing units in the area along Khao Yai-Wang Nam Kiew Road was higher than THB16 million, which is the highest in Khao Yai area. Most housing development projects in the area along Khao Yai-Wang Nam Kiew Road belong to the high-end to luxury level, and some are in the same area as golf courses and luxury resorts. The average price in the area along Thanarat Road is dramatically different because some projects start from lower than THB3 million per unit only, whereas the highest price is more than THB60 million in luxury projects.

The condominium price in Khao Yai area as of May 2015 is similar to that in Bangkok and higher than in some other resort destinations. The average price was approximately THB84,500 per sq m. The average price in the area along Thanarat and Khao-Wang Nam Kiew Roads are similar at around THB87,500 per sq m, which is higher than the area along Kudkla-Pansuk Road around 20%.

Forecast

The government and all related government offices must find the best solution for checking the land ownership documents in Khao Yai area, and they must finish as soon as possible because developers and buyers are still concerned regarding this matter, and have postponed development or purchase during these few months.

The Khao Yai residential market may still slowdown in 2015 and next year because many unsold units are still waiting to be absorbed in the market. Moreover, other harmful factors that directly affect the confidence of buyers and Thailand's economy that has not yet recovered may be contributory factors to the slowdown.

Many small, medium and new developers have postponed or cancelled their projects in Khao Yai area. In addition, some developers have also revised their plans and may stop their sale in 2015. Some have also postponed the launching of their new phase in 2015.

Residential units that are sold at more than THB20 million may not be successful in the future because many lower-price residential units are still available in the market.

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