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# BANGKOK CONDOMINIUM

Q4 2019

## Summary & Recommendations

"An overview of Bangkok condominium in 2019 showed that there were a total of 44,662 newly launched condominium units for sale with the development value of approximately THB219,180 million, a decrease of 66,021 from the previous year. There was approximately 33.4% of the supply launched for sale which was similar to the number of unit launched in 2017 at approximately 44,065 units. It is expected that a new supply of condominiums launched for sale in 2020 will approximately be 40,000 to 43,000 units, which will be similar to or slightly lower from 2017.

During 2019, the condominium market in Bangkok was in the slowdown period in terms of supply, which sees the decrease of the newly launch units for up to 40% from the original development plan and it has been found that up to 44% of condominium units or approximately 19,514 units of the newly launched supply were located in the outer Bangkok area, as the land price in those areas is still affordable. Developers can sell at a price lower than THB100,000 per sq.m., especially along the BTS sky train routes that are currently being under construction, which found that only 18 projects, or approximately 5,753 units, were launched in the inner city area (Sathorn, Silom, Early Sukhumvit)."



### Demand

Foreign buyers are still a new target group for developers listed in the stock market and well-known developers in Thailand especially those projects along the Sukhumvit Road and Ratchadaphisek in the CBD area. Although the overview of foreign purchasing power tends to slow down but developers still find ways to continuously expand this target group of buyers.

Q4 2019

2019

End 2022/  
Annual Average  
Growth 2020-22



### Supply

During 2019, the condominium market in Bangkok was in the slowdown period in terms of supply, which sees the decrease of the newly launch units for up to 40% from the original development plan and has postponed sales plans of some projects to be next year.

+33.7pp

14,789 units

-33.4pp

44,433 units

42,000 units



### Average Sales Rate

New condominiums for sale in Bangkok as of Q4 2019 have an average sales rate of approximately 49% out of 14,693 units, higher than small to medium-sized developers at approximately 10%, which had the sales rates at approximately 35-40% or 6,072 units.

Q4 2019/QOQ

+4pp

49%

End 2019/YOY

-12pp

46%

End 2022/  
Annual Average  
Growth 2020-22

-1pp

45%



### Selling Price

The average selling price of new condominiums for sale in 2019 is approximately THB123,130 per sq m, a decrease of 7.1% y-o-y. As up to 44% of the projects launched for sale are in the outer Bangkok area and it has been found that more than 45.9% or about 20,493 units launched in the past year are in the price range of THB50,000 - THB100,000 per sq.m.

-11.8pp

3,682.22 USD

-7.1pp

4,067.77 USD

+5.6pp

4,294.68 USD

## Supply

An overview of the condominium market in Bangkok in 2019 showed that there were a total of 44,662 new condominium units for sale with a development value of approximately THB219,180 million, a decrease of 66,021 units y-o-y. There was approximately 33.4% of the supply launched for sale which was similar to the number of unit launched in 2017 at approximately 44,065 units. It is expected that a new supply of condominiums launched for sale in 2020 will approximately be 40,000 to 43,000 units, which will be similar to or slightly lower from 2017.

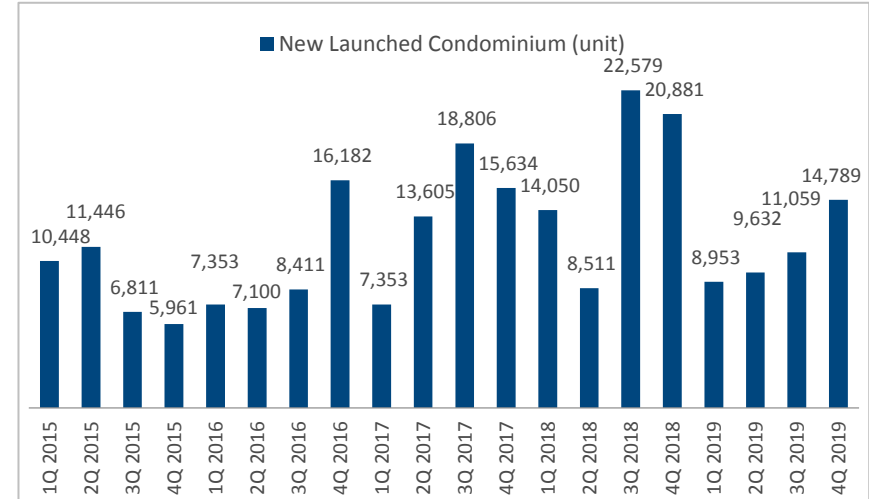
During 2019, the condominium market in Bangkok was in the slowdown period in terms of supply, which sees the decrease of the newly launch units for up to 40% from the original development plan and it has been found that up to 44% of condominium units or approximately 19,514 units of the newly launched supply were located in the outer Bangkok area, as the land price in those areas is still affordable. Developers can sell at a price lower than THB100,000 per sq.m., especially along the BTS sky train routes that are currently being under construction, which found that only 18 projects, or approximately 5,753 units, were launched in the inner city area (Sathorn , Silom, Early Sukhumvit).

However, it is predicted that in 2020, large developers are still looking for land in inner city areas to continuously develop new projects. Since it is an area with demand from both real demand buyers And a large group of both Thai and foreign investors and is still a location that is still worth the investment, both in terms of rental returns and price increment are still reasonable. However the areas outside the city centre and the fringe of Bangkok along the future mass transit route will be another interesting area for the future as developers can still develop projects at the price level between THB50,000 - THB100,000 per sq.m. in order to support the purchasing power of those that see the investment opportunity from the future mass transit especially the orange line along the Rama 9 – Lamsalee, which can be an interesting area in 2020.

In 2019, an average sale rate of the newly launched condominiums in Bangkok stood at approximately 46% or about 20,765 units, a decrease of 12% y-o-y and found that the large developers listed in the stock market is still the main player in the market. The number of condominiums in Bangkok with the sales rate up to 50% or about 14,693 units is approximately 10% higher than small and medium sized developers with an average sales rate of 40% or 6,072 units.

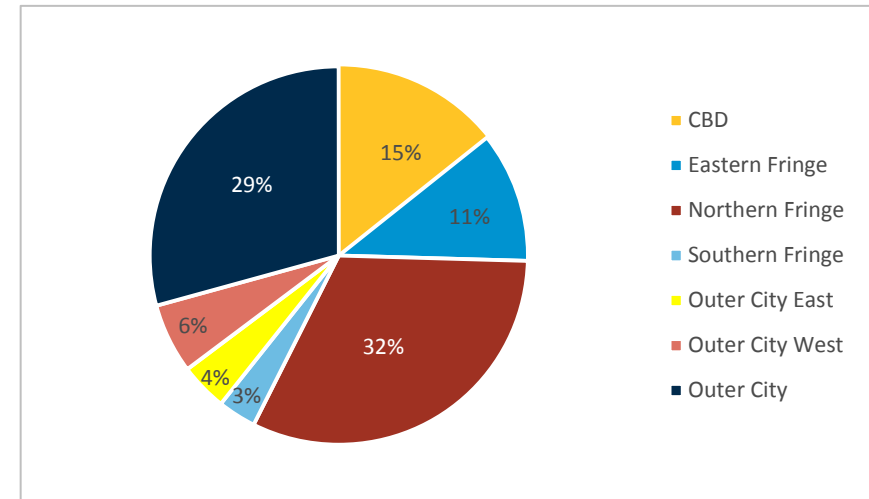
Newly launched condominium for sales at the average price level of THB100,000 - THB200,000 per sq.m. has the highest average selling rate of approximately 48% of all units sold in 2019. This is followed by the condominiums with the average price range below THB100,000 per sq.m. The average selling rate stood at approximately 47% and the price level is THB200,000 per sq.m. stood at 36%. In 2020, the large developers listed in the stock market will continue to be the major players in the condominium market in Bangkok. With the confidence in the reputation of the developers that can stay competitive, it is therefore an advantage of the large developers.

Newly Launched Condominium in Bangkok, 1Q 2015 – 4Q 2019



Source : Research, Colliers International Thailand

Newly Launched by Location as of Q4 2019



Source : Research, Colliers International Thailand

## Demand

In 2019, it was found that the sales rate of newly launched supply stood at approximately 46% or 20,765 units. Developers listed in the stock market are still the main players in the condominium market in Bangkok which has a much higher sales rate than medium to small developers. It was found that about 50% or about 14,693 units were sold in 2019, and about 40% or 6,072 units were from the projects developed by small to medium developers. This is reflecting that the small to medium developers have better marketing strategies to promote and reach more buyers than large developers. In addition, some large developers launched the VVIP sales for investors or VIP for the buyers with special price before they launched their official sale.

Therefore some projects had a high sales rate after a few days after the projects were officially launched. Large and reputable developers are still looking for new target group as Thai and foreigners from countries in Asia purchasing power slowed down.

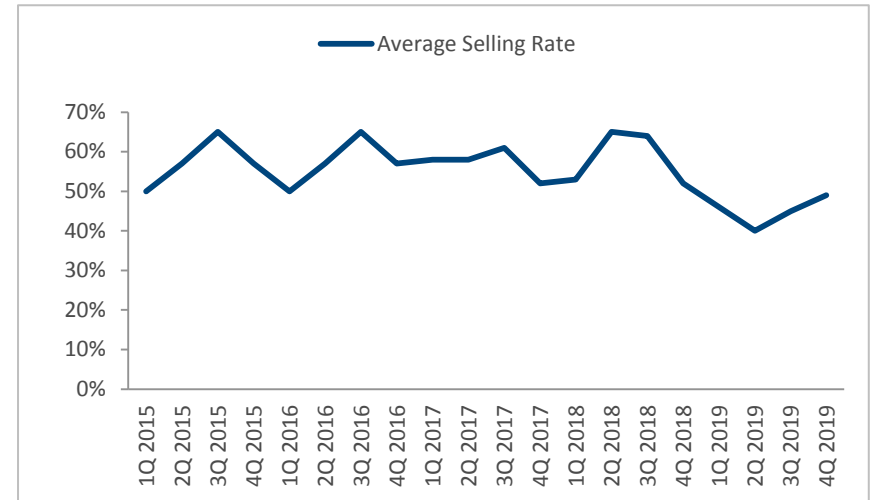
Therefore, many developers have launched new projects in foreign countries and have collaborated with the foreign brokers to sell the foreign quota continuously.

### Average selling rate of newly launched condominiums in Bangkok by Selling Price

The average selling price of new condominiums for sale in 2019 is approximately THB123,130 per sq.m., a decrease of 7.1% y-o-y. As up to 44% of the projects launched for sale are in the outer Bangkok area and it has been found that more than 45.9% or about 20,493 units launched in the past year are in the price range of THB50,000 - THB100,000 per sq.m.

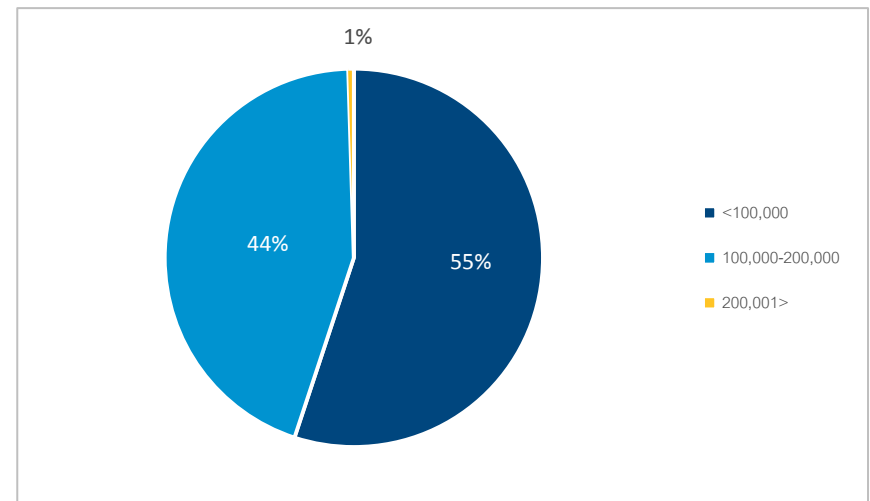
Which is located in the outer areas along the mass transit lines that are currently under construction, especially the orange line of the Rama 9 Ramkhamhaeng area, the blue and pink sky train routes, with 5,753 units or only 13% located in the inner city areas (Sathorn, Silom, Early Sukhumvit). As well as the new projects launched, it was found that developers do not have the confidence to increase the prices as they are afraid that it will slow down the sales rate.

Historical Sell Performance of Newly Launched Projects, 1Q 2015 – Q4 2019



Source : Research, Colliers International Thailand

Sale Performance of Newly Launched Condominium by Selling Price



Source : Research, Colliers International Thailand

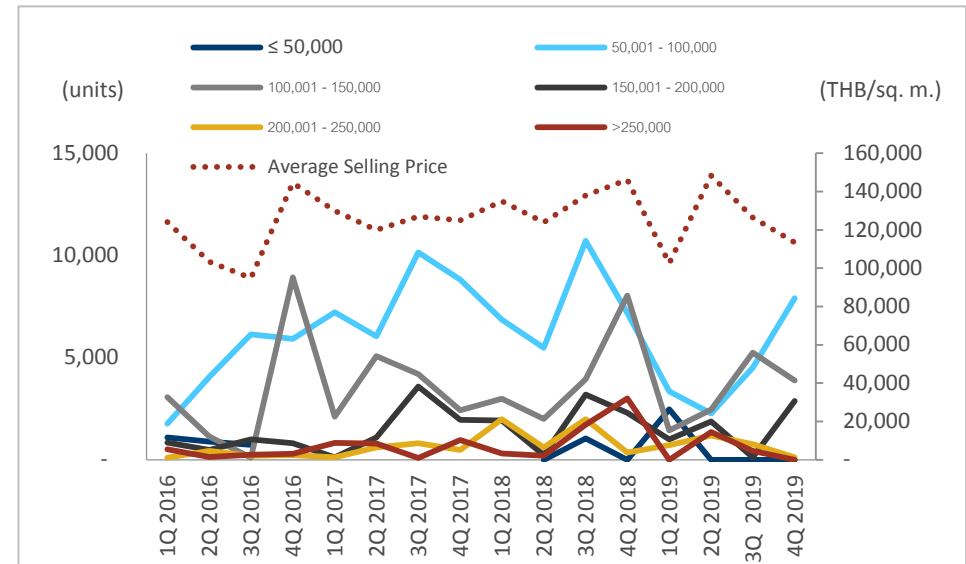
## Selling Price

More than 42% or approximately 18,761 units of condominiums for sale in 2019 are in the price range of THB50,001 - THB100,000 per sq.m. This is followed by the price range between THB100,001 - THB200,000 sq.m. at around 29% and lastly by the price range between THB150,001 - THB200,000 per sq.m. at approximately 13%. It was found that there was only one project with the price range below THB50,000 per sq m launched for sale in 2019. This is due to the leap land price increase in Bangkok, which is still a major problem for most developers. Even though the areas along the current under constructed mass transit route, it was still found that land prices increased quite rapidly. As a result, developers are unable to develop condominiums at the price of less than THB50,000 per sq.m.

But still found that there were some condominium projects with an average selling price of more than THB450,000 per sq.m. that gained interests from buyers. It was also found that the condominium projects in the area near the BTS station in the inner Bangkok area had the selling price of over THB250,000 per sq. m. and tend to continue to increase in the future as the land price in the inner Bangkok area has increased rapidly. As a result, developers have a relatively high development cost, resulting the sales price to increase as well. It has been found that ready-to-move in condominiums in Bangkok and second-hand condominiums that are still being sold in the market and are priced lower than the newly launched projects in the similar locations. As a result, the buyers will have more options and see the value in buying old condominiums rather than new condominiums with relatively higher prices and smaller room sizes.

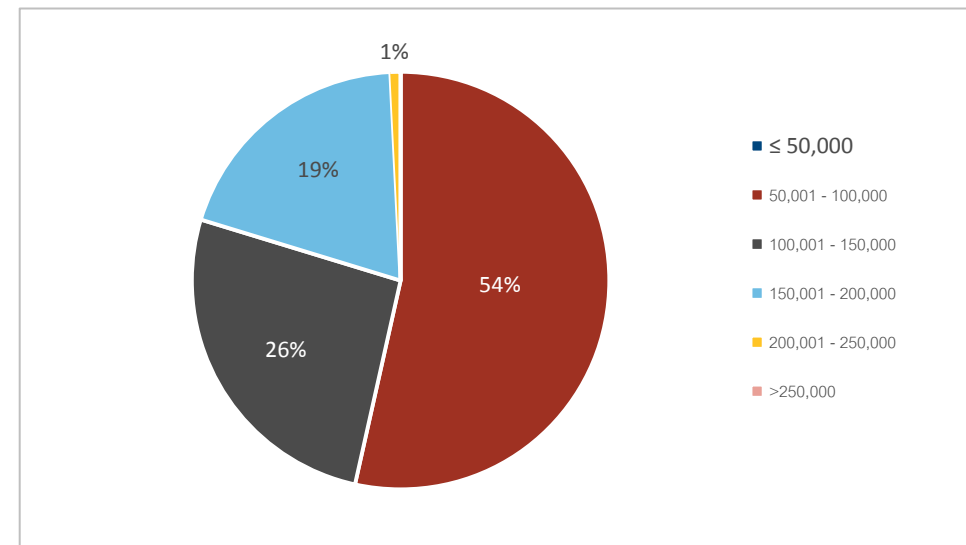
Foreign buyers are a new target group for large developers listed in the stock market and well-known developers in Thailand especially those projects along the Sukhumvit Road and Ratchadaphisek in the CBD area although many developers are able to sell units in projects located in areas along the mass transit routes that are currently under construction to foreign buyers. This can be seen from the sales of new condominiums launched in 2019, it was found that many projects still receive a lot of interest of foreign buyers continuously.

Average Selling Price of Newly Launched Condominium, Q1 2016 – Q4 2019



Source : Research, Colliers International Thailand

Newly Launch Condominium by Selling Price as of Q4 2019



Source : Research, Colliers International Thailand

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