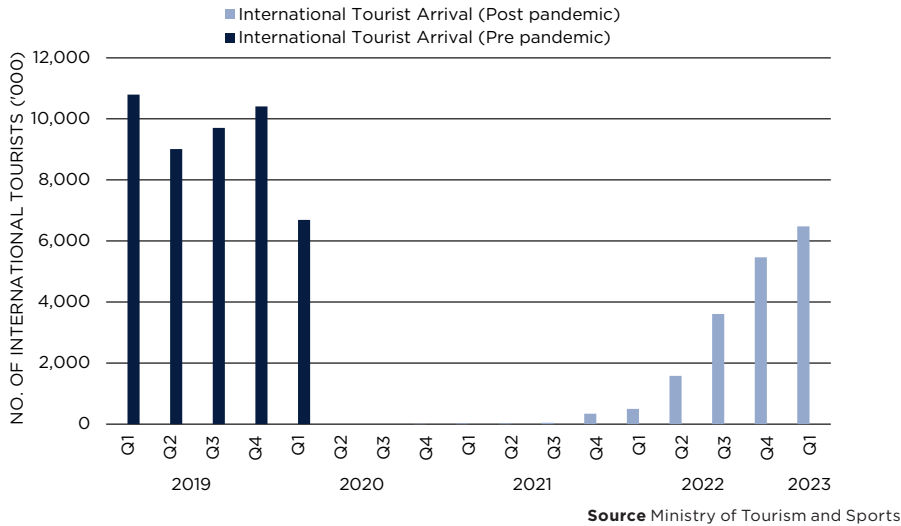


Bangkok Residential

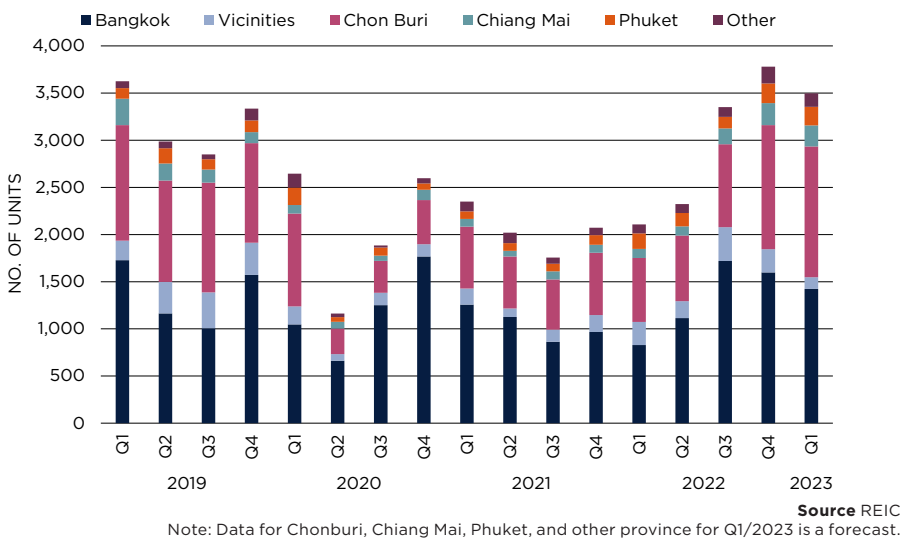


Foreign-owned condominium market sees upward trend, Bangkok dominates

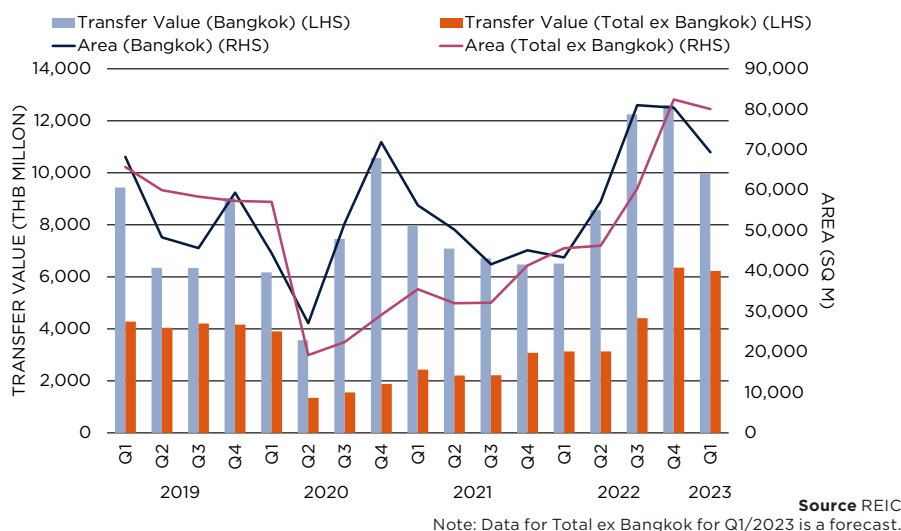
GRAPH 1: Number of International Tourists Entering Thailand, Q1/2019 to Q1/2023



GRAPH 2: Number of Foreign-owned Condominium Units Across Thailand, Q1/2019 to Q1/2023



GRAPH 3: Value and Area of Foreign-owned Condominium Units Across Thailand, Q1/2019 to Q1/2023



ECONOMIC OVERVIEW

The recovery of the tourism sector in the first quarter of 2023 has aligned with expectations, providing support for a positive outlook. In the fourth quarter of 2022, real GDP grew by 1.4% year-on-year. Although this fell short of Oxford Economics' estimate, they continue to forecast a steady recovery in the tourism sector. Tourist arrivals, including Chinese tourists, are on a gradual recovery trajectory but have not yet attained pre-pandemic levels. Bangkok, as the capital city, holds significant importance for the national economy, contributing to 34% of Thailand's GDP. It remains an attractive destination for international tourists and expats, boasting a diverse population with 8.6% foreign-born residents. With the potential for a recovery in the hospitality sector, Bangkok holds promise as a hub for both tourism and international communities. Overall, while the investment outlook faces risks (including political uncertainty, high household debt levels, and China's economic slowdown), the recovery of the tourism sector, particularly in Bangkok, provides hope that Thailand's economic rebound is underway.

FOREIGN BUYERS

The foreign-owned condominium market across Thailand has been on an upward trajectory for five consecutive quarters since Q4/2022. While data for Q1/2023 is still being collected, a preliminary analysis reveals a slight decline in the number of units for Bangkok and its surrounding areas compared to Q4/2022. In terms of the distribution of foreign-owned units, Bangkok continues to dominate, accounting for 42% of the total stock owned by foreigners, followed closely by Chonburi at 35%. However, there has been a decline in demand for condominiums in Bangkok over the past two quarters, with an average quarterly decrease of -9%. This trend has been mirrored in the nearby provinces, where demand has also experienced a decline over the same period. Conversely, the demand from foreign buyers in Chonburi, Phuket, and Chiang Mai continued to rally at the end of Q4/2022. These provinces have shown resilience in attracting foreign investment and remain favorable locations for international buyers in the condominium market. While there are fluctuations in demand across different regions, the overall trend of rising foreign-owned condominium units in Thailand

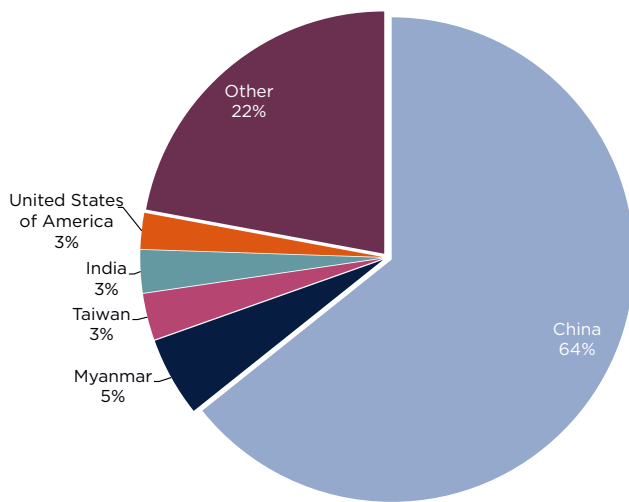
reflects the ongoing interest of international investors in the country's real estate market.

FOREIGN BUYERS IN BANGKOK

Chinese buyers continue to dominate the international real estate market in Bangkok and its surrounding areas, comprising 64% of all international buyers. Although there has been a slight decrease in the proportion of Chinese buyers from 73.7% in 2021, their actual number of owned units has risen steadily from 3,526 to 4,044 by the end of 2022. This indicates sustained investment from Chinese buyers in the region. In an interesting development, Myanmar has emerged as a notable buyer in Bangkok and its surrounding provinces, accounting for 5.3% of the market share with 333 units at the end of 2022. This marks the first time

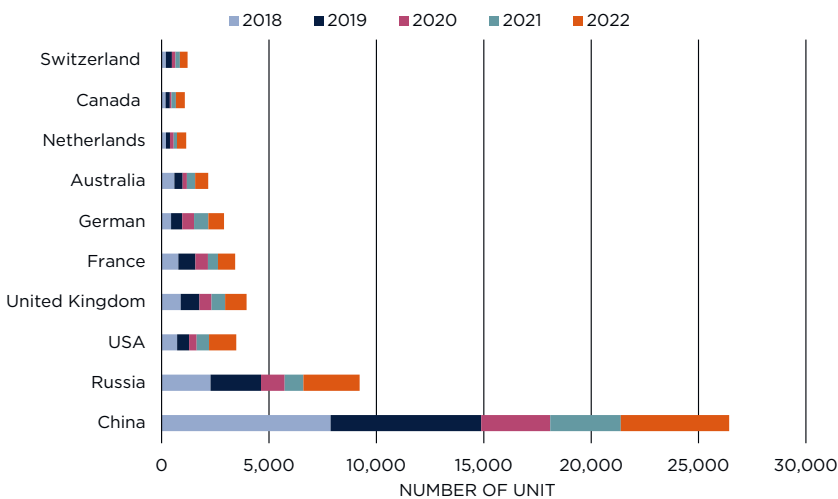
While demand in Bangkok has fallen slightly, provinces such as Chonburi, Phuket, and Chiang Mai remain attractive to foreign buyers. Chinese dominance persists, but Myanmar has emerged as a notable buyer. This dynamic market reflects diverse preferences and strategic initiatives by developers.

GRAPH 4: Foreign Ownership (Bangkok & Vicinity) by Number of Units, 2022



Source REIC

GRAPH 5: Number of Units, Across Thailand, Owned by Foreigners, by Nationality



Source Savills Research & Consultancy

that Myanmar has entered the top five list of buyers in the area, highlighting their growing presence in the Bangkok real estate market. Taiwan secured third position among international buyers with a market share of 3.1%, followed by India at 2.8% and the USA at 2.4%. These countries continue to contribute to the foreign ownership of properties in Bangkok and its surrounding areas. The consistent interest from Chinese buyers, coupled with the emergence of new market players like Myanmar, reflects the global appeal of the capital's real estate market and the undimmed confidence of international buyers.

FOREIGN BUYERS IN THAILAND

Chinese buyers not only dominate the real estate market in Bangkok but also hold the top position in Thailand's overall market, having purchased over 25,000 units in the past four years combined. While Russian buyers do not feature in the top five buyers in Bangkok specifically, they hold the second position in Thailand's overall market, accounting for more than 15% of demand. Their focus is primarily on the Chonburi and Phuket markets. In addition to Chinese and Russian buyers, other countries also contribute significantly to the international demand for properties in Thailand. Buyers from the USA, United Kingdom, France, Germany, Australia, Netherlands, Canada, and Switzerland round out the list of the top ten international buyers in the country. When considering the popular markets within Thailand, Chonburi, Phuket, and Chiang Mai emerge as the key destinations attracting both local and international buyers. These locations offer a diverse range of real estate opportunities and appeal to a wide range of investors seeking residential and investment properties.

NOTABLE DEVELOPERS

According to information from Thansettakij, the real estate market in Thailand is witnessing significant activity and targeting specific buyer segments. Raimon Land has reported that the ultra-luxury segment has experienced substantial growth in Q1/2023. Looking ahead to Q2, their focus is on attracting Russian and Asian buyers from countries such as Myanmar, Cambodia, Hong Kong, Taiwan, and Singapore. SC Asset has also announced a new condominium project in the Thiam Ruam Mit area. This project comprises nine buildings and offers a total of 1,612 units, specifically targeting the Chinese market. The company is capitalizing on the demand from Chinese buyers and aims to cater to their preferences and requirements. Real Asset is also

entering the market with a new project located in the popular Huai Khwang - Ratchada area. This area is particularly sought after by Chinese buyers. The project, named “THE STAGE Made by Me Ratchada,” offers units with a starting price under three million baht, making it an attractive option for buyers in this segment.

OUTLOOK

In terms of the foreign-owned condominium market, Bangkok remains a significant player. However, there has been a slight decline in demand in Bangkok and its surrounding areas over the past two quarters. On the other hand, provinces like Chonburi, Phuket, and Chiang Mai continue to attract foreign buyers. Chinese buyers dominate both the Bangkok and Thailand

real estate markets, with a slight decrease in their proportion but a steady increase in the actual number of units owned. Myanmar has also emerged as a notable buyer, while Taiwan, India, and the USA follow closely in the rankings of international buyers. These developments indicate the dynamic nature of Thailand’s real estate market, with diverse buyer preferences and strategic initiatives by developers to meet specific market demands.



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