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## HOUSING

# BANGKOK SEEING STRONG POST-FLOOD RECOVERY

**Demand** rising even in many flood-hit locations, according to CBRE

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**T**he Bangkok property market has seen a significant recovery from the effects of the floods, according to CBRE Thailand, a leading international real-estate service provider.

Even the worst-hit markets such as low-rise housing and retail and industrial properties in areas that were flooded have welcomed resumed activity. In the flooded areas, all retail centres have reopened, new housing has been selling and most factories have reopened or are in the process of reopening.

In the single family home and townhouse market, while developers are concentrating most launches in areas that were not flooded, CBRE is also seeing sales resuming in areas that were flooded, particularly for the low-end to middle market, but the high-end housing market is recovering slowly.

"We believe the desire of purchasers to own a house or townhouse close to future mass-transit stations in the suburbs has continued as fears of a repeat flood are now alleviated. Demand for single-detached houses and townhouses will increase but this

will be driven by affordability and the attractiveness of the product and location," Aliwassa Pathnadabutr, managing director of CBRE Thailand, said last week.

The prices of condominiums are rising due to higher land and construction costs. CBRE believes that for a fixed budget, most of the family market will consider townhouses in a good location several kilometres away from a mass-transit station in a suburb rather than a one-bedroom condo in the city that is in a similar price range. Nevertheless, there will

be continued demand for small condos from singles and couples and for weekday occupation by children attending central city schools and second home use.

LPN, the leading entry-level condo developer, has branched out into townhouse development with two projects - Lumpini Town

Residence and Lumpini Town Place.

Lumpini Town Residence offers 190-200-square-metre, three-storey townhouses on an 88sqm-188sqm plot priced at Bt8.79 million and only 200 metres from the Lat Phrao subway station.

Lumpini Town Place offers three-storey townhouses on 80-100sqm plots at Ratchayothin-Sena, located

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3.6 kilometres from the nearest subway station.

In the luxury condo market, demand is driven primarily by occupants and partly by investors planning to rent their unit out but with the potential for own use in the future.



Record prices have been achieved for condos in the best locations with the best quality at recently completed projects.

CBRE has seen sales prices in the region of Bt160,000-Bt200,000 per square metre for individual units in completed luxury projects such as Q Langsuan, Saladaeng Residences, Athenae Residence and The Park Chidlom. Most of the projects achieving this price level are located in the Lumpini area, one of Bangkok's most prestigious addresses and expensive locations. CBRE believes condo prices in the Sukhumvit area are also gradually moving up in line.

However, prices in projects that are more than 10 years old remain flat mainly because common areas have not been renovated, which means they are significantly less attractive than new projects.

Colliers International Thailand also sees signs that Bangkok condos have been recovering since last year.

Surachet Kongcheep, senior research manager, said more than 14,170 units were launched in the first quarter of this year, while only 5,160 units were launched in the fourth quarter of last year. Of the 9,000 additional units, some 60 per cent are located along mass-transit lines, especially on Ratchadaphisek and Rama IX Roads, while 27 per

cent or more than 3,760 units are located no more than 200 metres away from Skytrain or subway stations. They offer selling prices averaging Bt51,500 per square meter or less than Bt3 million per unit.

Colliers International reports that nearly 3,000 condo units were completed and registered last quarter, bringing the total for the entire Bangkok area to about 326,700 units. Listed companies are still the main players in the Bangkok condo market. About 56 per cent or more than 8,100 units of the newly launched projects belong to a listed company or its subsidiary.

According to a survey by The Nation from April to mid-May, more than 10 condo projects were unveiled by publicly listed developers. Land & Houses rolled out four projects in the Sathorn-Ratchapreuk, Sukhumvit 21, Sukhumvit 40 and Wong Wian Yai areas under the Key and Rom brands.

Property Perfect introduced four projects worth Bt5 billion under the brand "The Sky" in the Kaset-Nawamin, Phetchakasem, Phaholyothin and Ratchadaphisek areas.

LPN Development plans to unwrap four projects worth over Bt4 billion this quarter in the Ratchayothin, Rattanathibeth, Pattaya and Hua Hin areas.

## TOURIST AREAS SEEING RECOVERY

Demand for villas in Phuket has also been recovering since the last quarter of last year, said Risinee Sarikaputra, associate director of Knight Frank Thailand.

Of Phuket's condo supply of 6,094 units in the first quarter of this year, 493 were added by eight projects. Of the villa supply of 1,880 units, 108 were added by five projects, while 111 were subtracted for projects that no longer exist.

"The main customer target is foreigners, especially Russians and Singaporeans, who are looking for holiday homes and buying in many locations in Phuket," she said.

Demand for residences in Hua Hin and Pattaya has also been strong since the last quarter of last year as most home-buyers need to buy a second residence for vacations, according to Plus Property Co.

Most sales are to occupants rather than investors. Buyers are looking for second homes in these two locations because they can be reached in only two hours by car from Bangkok.

Demand focuses on both villas and condos priced at Bt3 million-Bt5 million per unit.

Most of the residential projects in both resort areas succeed in selling out over half of their units when they are launched.



A PERSPECTIVE of the Key Sathorn-Ratchapruk that was launched last week.