

Future's bright for Khao Yai property

DEMAND FOR CONDOS STILL ON THE RISE AT TOURISM HOTSPOT

THE NATION

PLUS PROPERTY, a full-service property and facility-management agency, has shone the spotlight on the brisk growth of Khao Yai's property market.

With 13 projects worth Bt12 billion unveiled, the area in Nakhon Ratchasima province is seeing an excellent 80-per-cent take-up rate, with especially high demand for condominiums, managing director Poomipak Julmanichoti said yesterday.

Spanning 2,000 square kilometres, Khao Yai is a major tourism hot spot, located about 200 kilometres from Bangkok and equipped with transport and telecommunications infrastructure that can cope with its growing number of residents and visitors.

The area enjoys significant investments in service-oriented businesses - including restaurants, hotels, resorts and golf courses. Last year, the market carried a valuation of Bt12 billion.

Plus Property's latest research shows that the market is highly concentrated in the immediate Khao Yai area from Kilometre 15 on Phan Suek-Kud Khla Road to Khao Yai National Park, which represents 51 per cent of the entire market in that part of Nakhon Ratchasima's Pak Chong district.

A 33-per-cent portion is located in a secondary hot spot on Thanarat Road and the Khanong Phra-Yothathikan area, while the Mittrapap-Thanarat zone takes up 14 per cent and Muak Lek-Pak Chong just 2 per cent.

Since February last year, 13 projects of all types with 1,495 units have



Plus Property expects constant demand for Khao Yai real estate amid limited supply.

been undertaken. While the increase of projects and units has slowed because of various limitations, demand continues unabated and take-up rates are still on the rise, Poomipak said.

The condo market in the zone from Kilometre 15 on Phan Suek-Kud Khla Road to the national park saw demand increase by 83 per cent through 387 units launched from March 2013 to November last year, averaging Bt70,000-Bt120,000 per square metre.

Monthly sales of 16 units per project indicate strong consumer confidence and constant high demand for Khao Yai property, he said.

Condo prices have also increased. In 2012, new units could be purchased for Bt74,291 per square metre.

In 2013, this rose by 13 per cent to Bt83,840. Projects located in the Khao Yai hot spot now go for Bt88,600 a square metre.

While this represents an 8-per cent increase, the new units remain an attractive proposition, since they are priced lower than properties in other high-demand hot spots, he said.

In the detached-housing market, only three projects were launched in Pak Chong – two in the Khao Yai zone for Bt13 million or more.

These projects boast take-up rates of 50-100 per cent, indicating significant demand in the area. Further driving demand is the fact that property projects in and around Khao Yai could soon become a rare commodity, as developers without a permit may not be able to construct projects

in this zone any more. The area's population is still seeing consistent growth, while visitor numbers are rising by at least 10-15 per cent each year. Many of them belong to the high-income segment and are interested in living in the Pak Chong area – especially in the Khao Yai hot-spot zone.

This may very well lead to constant demand in the foreseeable future, with supplies being limited. After Thailand's integration into the Asean Economic Community, visitors are expected to increase, and the area is likely to respond with job opportunities and increasing prices for property purchases and leases.

"This area will soon become a rare property hotbed with ever-increasing demand," Poomipak said.