

PROPERTY

Phrom Phong, Thong Lor 'best for condo resales, rentals'

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The condominium resale market in the Phrom Phong and Thong Lor areas of Bangkok is expected to continue recording increased supply and higher selling prices due to strong demand, says consultancy Plus Property Co.

Managing director Poomipak Julmani-choti said these fashionable areas were the best locations for condo resales and rentals alike.

The average price of resale condo units in these areas rose by 26% to 189,000 baht a square metre last year from 150,000 baht in 2013, when prices increased by only 3% from 2012.

"On average, the price of resale condos along current and under-construction mass-transit lines was 15% lower than that of newly launched supply, driven by soaring land prices," Mr Poomipak said.

"In some best locations, the price difference was more than 30%."

The best-selling resale condo units were one or two years old, while the most popular in terms of size were one-bedroom units, which accounted for 70% of sales.

Plus last year recorded 4.7 billion baht in resale condo sales from 560 units, up from 2.5 billion baht and 400 units in 2013.

Average prices of units it sold rose to 161,000 baht per sq m from 125,000 baht.

By value, resale condos in Phrom Phong and Thong Lor accounted for 64% of total resale condo sales in Bangkok.

As of the end of last year, Bangkok condo supply that would be transferred in the future amounted to 94,712 units in 276 development projects.

These units did not cover projects that were launched a long time ago and had fewer than 10 units remaining for sale.

Of this amount, 5,483 units or 3% were completed last year.

The take-up rate was 71%, up by three percentage points from the first half of last year.

The average selling price was 97,000 baht per sq m, up by 3% from the first half.

Condo units near mass transit lines being completed this year totalled 40,845,

while 48,384 units are due to be completed from next year.

"If 80% of those being completed this year can be transferred to buyers, Bangkok's condo market will be healthy, with no sign of an oversupply from too much supply in the resale market," Mr Poomipak said.

Bangkok's central business district had the best sales, with a take-up rate of 77% of 18,026 units.

The best location was Siam-Ratchathewi-Phaya Thai, with a take-up rate of 94%.

The second-best-selling condo zone was western Bangkok at 76%, followed by northern Bangkok (68%) and eastern Bangkok (67%).

"To prevent speculators who may be reluctant to have a unit transferred when a project is completed, developers should collect down payments of at least 15% of the unit price," Mr Poomipak said.

"From our database, projects that collected only 5-10% are facing unit transfer problems."



Poomipak: No sign of condo oversupply