

Property market in On-Nut area posts strong performance

THE NATION

PLUS PROPERTY, a full-service professional property and facility management agency, has uncovered robust property-market growth in Bangkok's On Nut area.

With density and prices on the rise in the inner-city parts of Sukhumvit, On Nut's close vicinity to central business districts (CBDs) and highway connections has led to high density and demand growth.

The leasing market has enjoyed a 13-per-cent bump in rates, to about Bt20,000 per month, while resale prices have risen by 30 per cent compared with 2013 and 2014.

Managing director Poomipak Julmanichoti said the On Nut (Sukhumvit 77) area was now in

high demand. Home to various long-standing communities, this offshoot of Sukhumvit Road features a multitude of homes, shops and restaurants.

The On Nut BTS station once marked the end of the Skytrain's Green Line before the extension to Bearing, making it a major point of connection for office workers and students seeking access to the city centre.

Small businesses

This in turn led to the emergence of small-scale businesses in the area.

Considerable population density, proximity to the city centre, and convenient commuting combine to make On Nut an area of interest for many and a burgeoning eco-

nomie hot spot that lends support to denser zones in Sukhumvit.

With highway (Sirat, Ram Indra-At Narong, and Burapa Withi expressways) and BTS connections, community malls have sprouted up throughout the area in response to growing population density and expanding families.

Over the past three or four years, the On Nut area has seen high growth in the condominium sector, backed by demand that is on par with the inner Sukhumvit zones yet with lower prices than the latter's Bt300,000 per square metre.

The inner Sukhumvit zones also face the problem of limited supply and land availability, while On Nut is still capable of supporting mid-range property development.

Easy access to CBD areas makes On Nut of even more interest to those exploring the condominium market, especially potential buyers and tenants who work in the city centre, while rising lease rates are propelling interest among investors.

Rise in rents

In 2014, rental rates rose by 13 per cent to an average of Bt458.89 per square metre or Bt20,000 per month for one-bedroom units – well below rates found in nearby Thong Lo and Ekamai.

Resale prices, meanwhile, had risen by 30 per cent to an average Bt89,573 per square metre towards the end of 2014 from a year earlier.

“Most leasing tenants are for-

eigners from China, Singapore, Japan, and numerous other countries. While they prefer to live in the Sukhumvit area, the zones closer to the city centre have grown dense and expensive, leading to On Nut's rise,” Poomipak said.

“While most developers are still focusing on new projects along BTS extension lines, we believe On Nut is a key strategic area with many distinctive advantages.

The condominium market in On Nut still has plenty of room to grow, and the launch of new high-end shopping malls in Sukhumvit will push even more demand into On Nut while community malls continue to rise in popularity.

“We expect On Nut to be a very lively area with rising demand for residential properties.”