

PROPERTY

Thong Lor a hot condo pick

With condominium prices continuing to rise each month, the Thong Lor (Sukhumvit Soi 55) area has been named as a top pick for long-term investment by Plus Property Co.

A study by the property and facility management agency shows a jump in the condominium take-up rate for full purchases in this area to 84%, while condo rentals and serviced apartments continue to deliver a strong performance.

Condo resale prices in mid-Thong Lor zones have been increasing on a monthly basis, recording a 3% bump or an increase of 5,000 baht a square metre in November and December 2014.

New projects are expected to range from 200,000 to 240,000 baht per sq m.

"The market for condominium sales and rentals in Thong Lor has been growing consistently thanks to increasing interest in property investment among consumers," managing director Poomipak Julmanichoti said yesterday.

"The area has also turned into a hub for Japanese residents in Bangkok. Residents in the area including short-term ones such as tourists tend to be wealthy. Foreigners choosing to live in Thong Lor also prefer long-term rentals over outright purchases."

He said demand for serviced and regular apartments stood at 2,500 units.

Plus Property's survey also revealed rental performance had been stable at

high levels including a 95% rental take-up rate along with a 2% increase in prices from mid-2014 to 910 baht per sq m at year-end.

This performance has prompted property investors to focus on the Thong Lor area, with interest particularly strong in condominiums, whose promised annual returns of 6-8% are higher than investment in 12-month savings accounts (3% annual interest) or debentures from leading companies (4-6% annual returns on average), Mr Poomipak said.

He said condominium supply in Thong Lor saw a 10% increase in take-up rates for remaining units from last June, reaching 84% at year-end thanks to fewer unsold units, which in turn led to better take-up for the remaining inventory.

This boost may be partly due to the low likelihood of new projects in the area, which is facing limitations in terms of land availability and desirability of undeveloped plots as well as rising land prices.

Land in the lower and middle sections of Thong Lor now goes for 1.2 to 1.3 million baht per sq wah.

New projects in these areas are expected to be priced as high as 200,000 to 400,000 baht per sq m.

Additionally, there are signs indicating that condo resale prices in Thong Lor are growing briskly, rising by 7% from 159,701 baht per sq m last June to 171,321 baht at year-end.