

# PROPERTY

## HOUSING MARKET EXPECTED TO RISE NATIONWIDE

### REAL ESTATE FOCUS



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**EVERY YEAR**, about 200,000 permits are issued for the construction of low-rise houses across the nation. Of these permits, a third are for Bangkok and the five provinces nearby. If we focus on just the permits for formal housing projects, the number will heavily tilt toward the capital and its neighbouring provinces.

Most houses in the capital's metropolitan area are in estates that are put up for sale by developers. In most provinces, developed housing projects can be found only in the central administrative districts with a few exceptions.

After Bangkok, Nonthaburi boasts the second-largest low-rise housing market, while Pathum Thani and the

eastern seaboard province of Chon Buri come in a close third.

In the high-rise segment, three-quarters of all construction permits granted in the country concentrate on Bangkok and its vicinity. Chon Buri comes in second after Bangkok for the most number of condominium projects and units followed by Nonthaburi and Samut Prakan.

Chon Buri has the biggest housing market due to several factors, such as its proximity to major transportation facilities, such as Suvarnabhumi Airport, as well as its network of improved thoroughfares including the motorway. The dozen or so industrial estates in the Chon Buri-Rayong strip, the

nearby deep-sea port as well as a booming tourism industry combine to provide jobs essential to the growth of the local economy and housing market.

Other major regional provinces are not as big in terms of the housing market. With the exception of Phuket, Samui and the resort town of Hua Hin, Thailand does not have any other significant condominium market. Chiang Mai, for instance, has only a dozen active condominium projects numbering a few thousand units at best. Rayong, likewise, has just over a thousand units, while Korat and Khon Kaen each have less than a few hundred units available for sale.

Single-detached houses are common in provinces, because the price of land is usually low enough to warrant owning a home on a large plot of land.

In comparison, the low-rise property market in Chiang Mai is about half the size of that in Chon Buri, the housing market in Korat is smaller than in Chiang Mai but is a bit bigger than Phuket and twice the size of Khon Kaen.

However, Khon Kaen is fast catching up with Korat due to its strategic location as the centre of the Northeast. The East-West economic corridor route runs through Khon Kaen, which is about 200 kilometres away from all provinces in the Northeast.

Property markets in these and other

provinces are still largely undeveloped due to insufficient planning and the lack of right infrastructure. Yet, opportunities may emerge in the future when the government is decentralised, local economies start growing and urbanisation creeps in. When Asean is fully integrated into the global community by 2015 and the intra-regional high-speed rail links become a reality, population movements may boost the need for provincial housing.