

PROPERTY

THE HOUSING MARKET IN BANGKOK AND ITS VICINITY

At a recent seminar organised by the Real Estate Information Centre, I threw in a lot of numbers for the audience to digest. Despite a press release being distributed at the forum, I still wanted to summarise all these important numbers because I had seen quite a few confusing reports.

In Bangkok and its five adjoining provinces, Nonthaburi, Pathum Thani, Samut Prakan, Samut Sakhon and Nakhon Pathom, there were approximately 138,000 units out of the 710 old and new low-rise housing projects on sale during the latter half of last year. The total value of these projects – provided all the units were complete – would be around Bt459.2 billion.

Townhouses, totalling about 66,600 units, command 48 per cent of all low-rise units, while single-detached houses come in second with 39 per cent or 53,300 units. The rest are twin houses, shop-houses or allotted land plots in housing projects.

Approximately 51,400 units, or more than a third of all these low-rise units, are in Bangkok, while Nonthaburi, Pathum Thani and Samut Prakan have more than 20,000 units each.

From all the projects, 84,000 units totalling Bt273.7 billion have already been sold. The remaining 54,300 units will probably take 28 months to sell judging from the low absorption rate of 3.5 per cent per month, provided no more units are added to the market. However, only 26,800 out of these 54,300 units have actually been built or are being built.

An additional 20,100 units from 107 new low-rise projects were launched in the first four months of this year. In all, 49 projects totalling 12,900 units come from SET-listed developers, while non-listed developers offered 7,200 units that were part of 58 projects.

Turning to condominiums, there were approximately 128,000 units out of the 320 old and new condominium projects on sale in Bangkok and its adjoining provinces dur-

ing the latter half of 2010. The total value of these projects, if all units get completed, would be around Bt440.7 billion. Approximately 114,400 units, or almost 90 per cent of all condominium units, are in Bangkok alone.

Of all the selling projects, 86,200 units totalling Bt306.1 billion in value have already been sold. However, the ownership of less than half the sold units have been transferred. The remaining 41,400 units will likely take 16 months to sell considering the condominium absorption rate of 6.2 per cent per month, again provided no more units are added to the market. It should be noted that only 22,800 units of the 41,400

REAL ESTATE FOCUS



SAMMA KITSIN
DIRECTOR-GENERAL,
REAL ESTATE INFORMATION CENTRE

units have actually been built or are being built.

During the first four months of this year, condominium developers launched an additional 45 projects totalling 20,300 units. Out of these, 15,300 units from 19 new projects came from SET-listed developers. Non-listed developers put out another 5,000 units from 26 projects.

In aggregate, roughly 49,600 units of partially-built or completely-built low-rise and condominium units were therefore left unsold at the beginning of the year. The numbers may add up as more units are launched while fewer buyers entered the market during January-April. Bank mortgage-interest reduction campaign in May did help stimulate the market. Nevertheless, long-term interest rates are still on the rise and the upcoming general election as well as rainy season could hold the market back for the next few months.