



BANGKOK

Low Rise Residential Market

With normal life returning to Bangkokians after the red shirt rally in April and May of this year, the residential market appears to have recovered rapidly during June, when most home-buyers regained confidence.

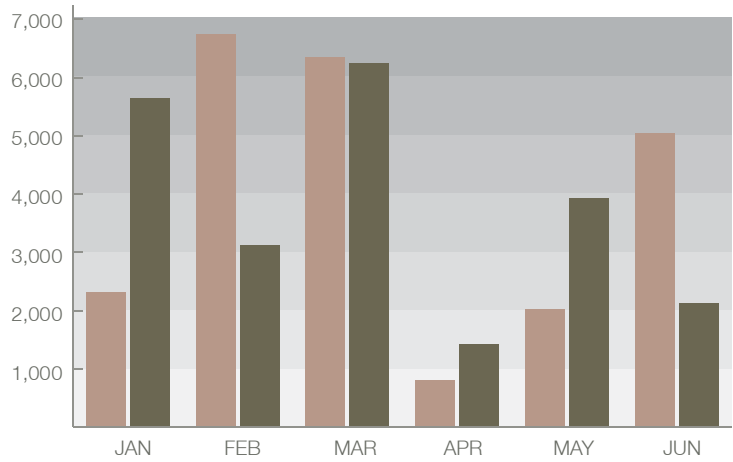


Samma Kitasin

Samma Kitasin, director general of the Real Estate Information Centre says "There will be 40,000 units of new low rise residences entering the market, with another 60,000 high rise units launching this year, totalling 100,000 units. For the first six months of 2010, approximately 22,300 units of low rise residences are already available, compared to only 23,100 units of launched high rise residences. The figures indicate that the new supply of low rise is expected to meet their objective, whereas there will be some condominium projects that will be postponed to the year 2011."

A forecast of future supply can be made from the number of building permits approved. During the first quarter of 2010, the total low rise residential units in Bangkok that collectively received construction permits was 8,850; a 67% decrease compared to the same period in the previous year. The decrease is explained because the demand has shifted to high rise residential units which are appealing more to new buyers.

New Residential Units Launched Jan-Jun, 2010



Source: Real Estate Information Centre

Land Allotment Permits in Bangkok and Vicinities showing number of units, 2005 to Q1 2010

Year	Bangkok	Nonthaburi	Pathumthani	Nakorn Pathom	Samutprakarn	Samutsakorn	Total
2005	25,684	12,054	12,418	6,610	5,367	3,219	65,351
2006	25,096	15,014	7,400	7,169	7,086	4,024	65,789
2007	22,936	10,232	9,420	6,249	7,394	9,076	65,307
2008	21,565	13,385	9,843	4,854	8,343	4,708	62,698
2009	21,358	10,498	8,472	5,695	5,496	2,822	54,341
Q1 2010	3,461	2,228	0	1,007	1,571	583	8,850

Source: Real Estate Information Centre



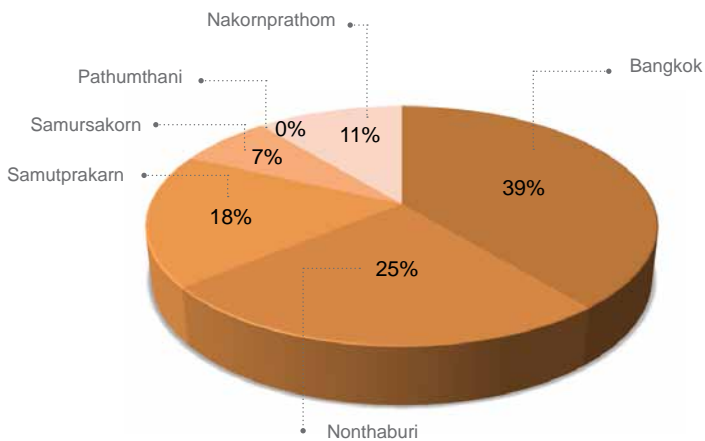
Location Trend

"The majority of low rise residential developments are in vicinities mainly concentrated in Pathumthani, although the trend shifted in 2006 to Nonthaburi." Says Samma. This is due to the fact that the construction progress of the MRT purple line has moved rapidly. The first section runs from Bangyai to Bangsue which will include 16 elevated stations. The route will pass through Bangyai, Rattana Thibet, Pranangkla Bridge, Tivanont Road, Nonthaburi, Wongsawang and the last station will be Taopoon, which is an interchange station connecting with the blue line at Bangsue.

"The budget approval by Japan International Co-operation Agency (JICA) for the bridge construction at Nonthaburi Road is another critical issue for housing development in the area. The length of the bridge is approximately 4.3 kilometres between Nonthaburi and Ratchapruk Road", says Samma. The third stage express way which will connect with the existing second stage between Nonthaburi and Bungkum of Bangkapi district is also another factor which enhances the popularity of housing development in the west of Bangkok.

During the first quarter of 2010, the land allotment permits of low rise residential units that were granted amounted to 8,850. The majority of land allotment permits were in Bangkok, amounting to 39%, followed by Nonthaburi and Samutprakarn, representing 25% and 18% respectively.

Land Allotment Permits by location showing number of units Q1 2010



Source: Real Estate Information Centre

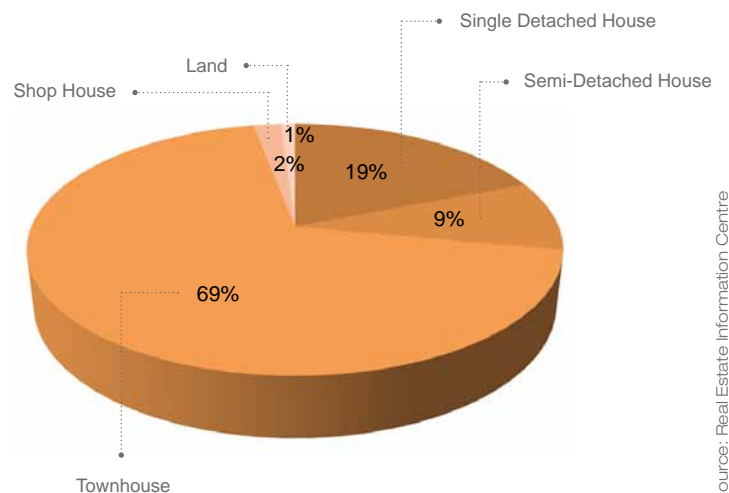


The Royal Residence

Housing Type Trend

Townhouses make up the majority of low rise residential development, totalling about 69% of total land allotments; followed by single detached houses and semi detached houses representing 19% and 9% respectively.

Bangkok and Vicinities Land Allotments by housing type as of Q1 2010



Source: Real Estate Information Centre



The Royal Residence

New Mortgage Loans to Individuals, 2005 to Q1 2010

Year	Value in THB million
2005	279,392
2006	262,993
2007	270,466
2008	28,960
2009	318,866
Q1 2009	63,994
Q2 2009	70,689
Q3 2009	85,967
Q4 2009	98,216
Q1 2010	109,887

Source: Real Estate Information Centre

Demand Trend

"We can estimate demand based on a number of factors: new residential mortgage loans to individuals, movement of major projects, the estimated number of vacant units and other available statistics." Says Samma.

In Q1 2010, the new mortgage loans to individuals increased to THB 109,887 million, representing an increase of 72% year-on-year or 12% quarter-on-quarter. The house prices will depend on the level of competition as well as the increase in construction costs. Interest rates will also be a key factor in driving housing demand and supply in 2010.

The Real Estate Information Centre (REIC) provides data from the Land Department on the number of low rise residential transactions. This refers to the number of titles transferred from seller to buyer as an indicator of consumer demand and developer activity.

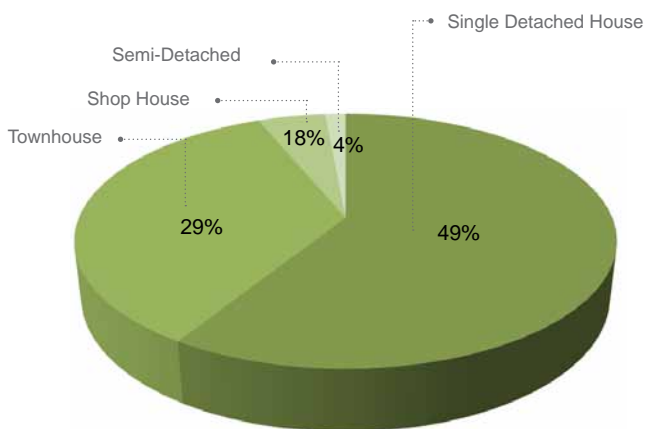
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Low Rise Residential Property Transactions in Q1 2010, as a % of total value

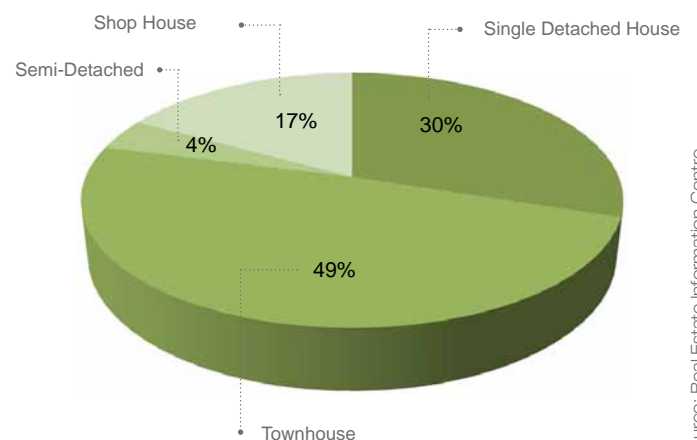


Source: Real Estate Information Centre

In the first quarter of 2010, the total value of low rise residential transfers in the Bangkok area was THB 79,516 million. Of these 49% were single detached houses and 29% were townhouses.

In terms of the number of transactions, 34,368 were made up of low rise properties in Bangkok in Q1 2010. The transfers mainly comprised of townhouses and single detached houses, accounting for 49% and 30% of the total number respectively.

Low Rise Residential Property Transactions in Q1 2010, as a % of total number



Source: Real Estate Information Centre

Luxury Housing Location Trend

Samma says, "Kaset-Navamin or the formal name Prasert Manukij Road is the area in which the luxury housing market is concentrating. The Royal Residence and The Crystal are good examples of luxury projects in this area. Land and Houses Public Company Limited acquired the piece of land last year, which they considered to be a prime location and suitable to develop the top-end of a housing project called Laddawan."

The land price in this area continuously climbs up, especially the land located on Prasert Manukij main road, which the seller currently posts at THB 130,000 per sq wah. "There are approximately 21 housing projects of 6,850 units being marketed in the area. Representing 10 projects, comprising of 900 units are single detached houses, 1,000 townhouses and the rest are condominium units."

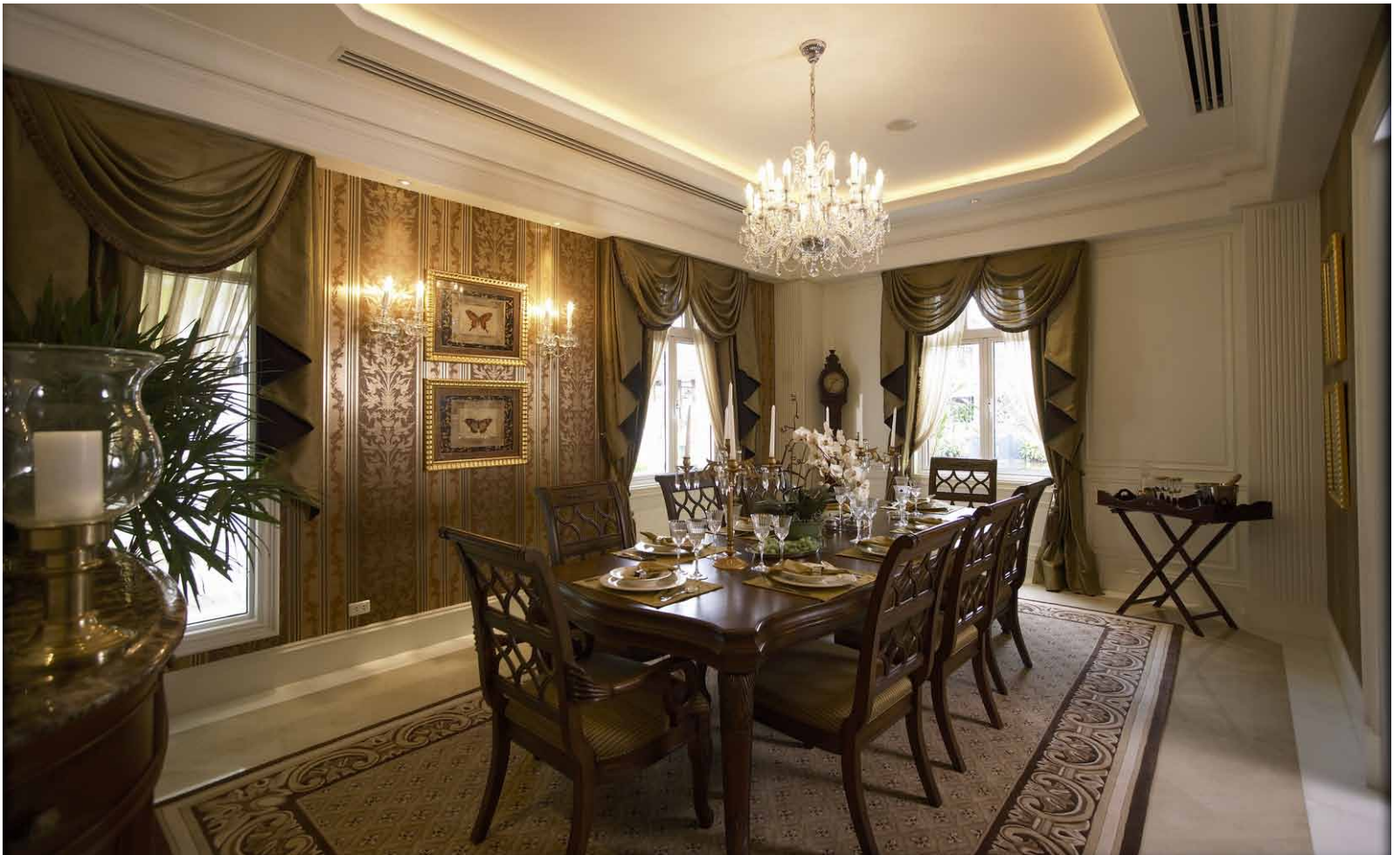
Low Rise Residential Project Performances in Kaset-Navamin

Housing Type	Total units	Units sold	Available units	Sales rate (Avg. units sold / month)	Min. selling price (THB million)
Total	6,850	4,850	2,000	20	1.2
Single detached House	900	600	300	5	6.2
Townhouse	1,000	600	400	30	2.2
Condominium	4,950	3,650	1,300	30	1.2

Source: Real Estate Information Centre



The Royal Residence



The Royal Residence

TCC Land, the property arm of beverage tycoon Charoen Sirivadhanabhakdi, plans to develop 300 rai of land on Kaset-Nawamin Road into an integrated township, combining a community mall, commercial area with residential units. Nowadays, the customers don't buy just residences, but they also buy a social lifestyle and environment. For this reason, property developers have to change their strategy to capture demand. Another element of these luxury projects is limiting the number of units available.

Details and Information of Single Detached House Projects in Kaset-Navamin

No.	Project Name	Developer Name	Location	Starting price (THB million)
1	Ladawan	Land & Houses PLC	Lad Plakao	20
2	Bangkok Boulevard Ramindra KM.2	SC Asset Corporation PLC	Lad Plakao	9.7
3	Grand Bangkok Boulevard	SC Asset Corporation PLC	Prasert Manukij Road	25
4	Bangkok Boulevard	SC Asset Corporation PLC	Prasert Manukij Road	8.99
5	The Royal Residence	TCC Capital Land Co., Ltd.	Prasert Manukij Road	38
6	Laddarom Elegance Kaset-Navamin	Quality Houses PLC	Maiyalap Road	11.6
7	Baan Suan Racha Kaset-Navamin	Ruan maiyalap Company Limited	Maiyalap Road	6.2
8	Rasa Spanish Courtyard	Rasa Property Development PLC	Maiyalap Road	NA
9	Perfect Masterpieces Ekamai-Ramindra	Property Perfect PLC	Pradit Manuthum Road	12
10	Casa Ville Ekamai-Ramindra	Quality Houses PLC	Nuanchan Road	NA

Source: Real Estate Information Centre