



Thailand Property Market Index

Q1 2021



DDproperty

▼ 197 (-2%)
Q1 2021 Price Index

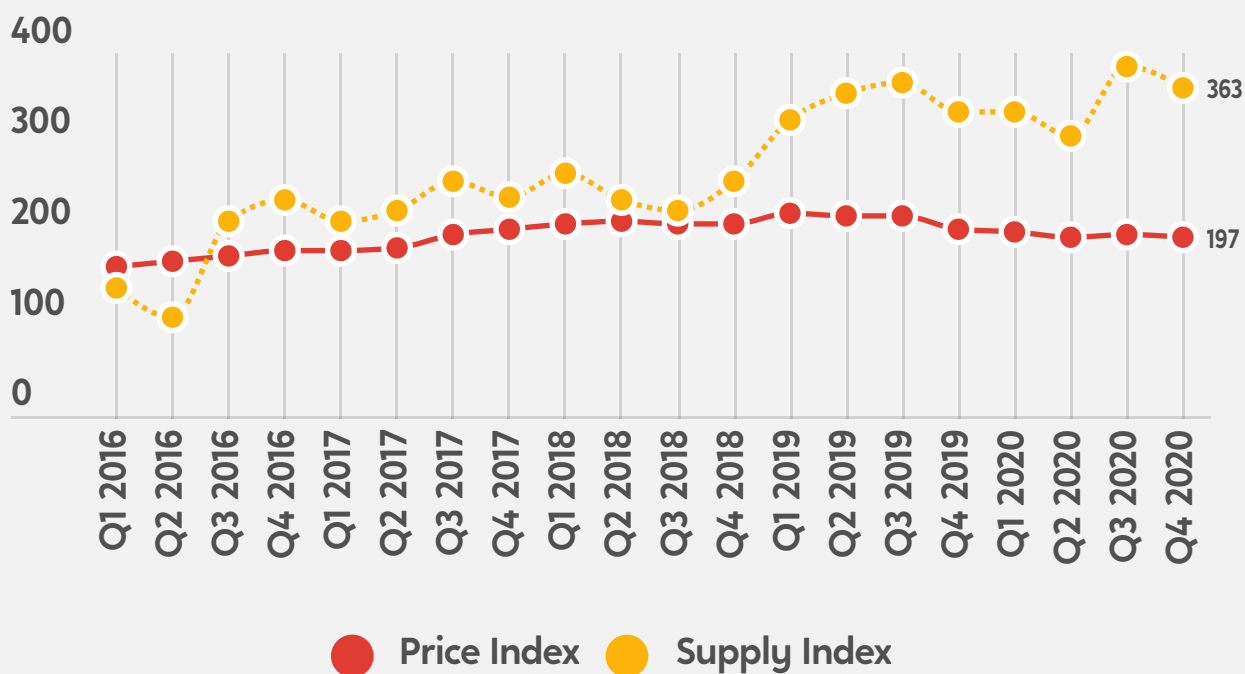
▼ 363 (-6%)
Q1 2021 Supply Index

Country Manager's Note

The new wave of infections has had a direct impact on the property market. A lack of migrant labour and consumers becoming conscious of their spending habits led to a slowdown of sales for expensive products, including property. This was made apparent in the DDproperty's Thailand Consumer Sentiment Study revealing that 56% of consumers delayed their decision to buy property, causing the Price Index to fall by 2% in Q4 2020.

DDproperty Thailand Property Market Index

Property Market Index & Supply Index (QoQ)



Source: DDproperty

In 2021, Thailand's property market faced challenges caused by the new wave of COVID-19 and the ongoing political instability. Both have led to depressed Price and Supply Indexes in Q1 2021, which are factors that may cause the property market to recover more slowly, beating expectations that it will recover in the second half of this year.

The government implemented property stimulus measures, such as reduced land and buildings taxes and reduced property ownership transfer fee to 0.01%, but these do not appear to help significantly. That's because the price ceiling of the reduced transfer fee applies only to purchases of new houses and condos not exceeding THB3 million. Recently, developers requested the government to expand measures to cover houses and condos valued not more than THB5 million.

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If the government wants to stimulate the real estate sector, it should expand the ceiling of the measure to reduce the transfer fee to more than THB3 million to encourage more people to make purchases. It remains unclear whether the market will recover at all this quarter, and if it does recover, whether the recovery will be slower than expected. What's clear is that the availability and rollout of the COVID-19 vaccine in Thailand will be a variable that will affect market sentiment.

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Kamolpat Sawaengkit

Country Manager of DDproperty

Report Highlights

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The property market in Q1 2021 still presents a golden opportunity for buyers and long-term investors because of lower interest rates and prices, especially condominiums.



Sellers and investors should identify consumer behaviour and needs that have been changed by COVID-19 when renting out or selling their properties. Even better, they should postpone selling to seek a higher return as property prices continue to decline.



Many provinces in the EEC (Rayong, Chonburi) will be affected by COVID-19, causing the housing Price Index to drop. Investors should look into these locations in the future as there are ongoing infrastructure projects such as high-speed trains that could raise the value of properties in these areas.

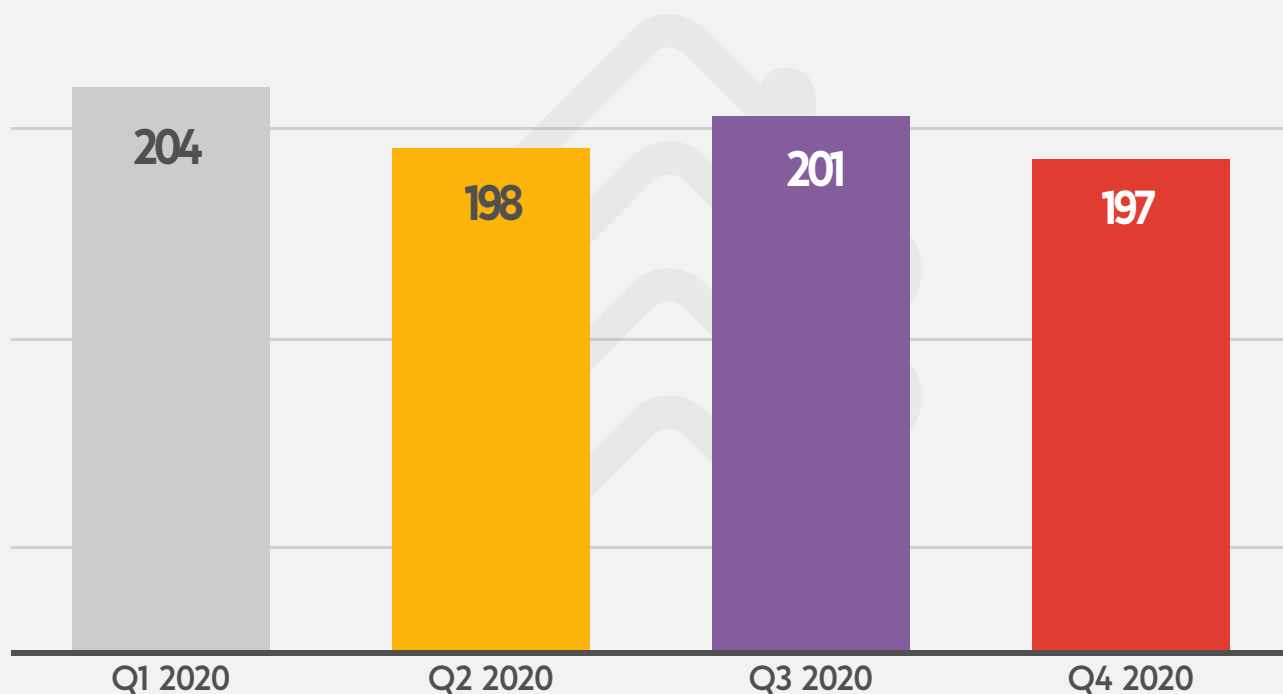
Price Trends

Property prices have continuously decreased since the end of 2020. The economic slowdown, high household debt, and the huge impact of the new wave of COVID-19 caused buyers to delay or postpone house purchases. As a result, developers engaged in price wars to attract buyers with promotional campaigns and discounts to speed up buying decisions.

The Price Index for housing in Bangkok has declined to 197 points from 201 points according to the latest DDproperty report. This 2% decrease from the previous quarter is the lowest recorded Price Index for the past 14 quarters since Q2 2018.

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Property Price Index dropped by 2%



(Base Quarter = Q1 2015 = 100.0)

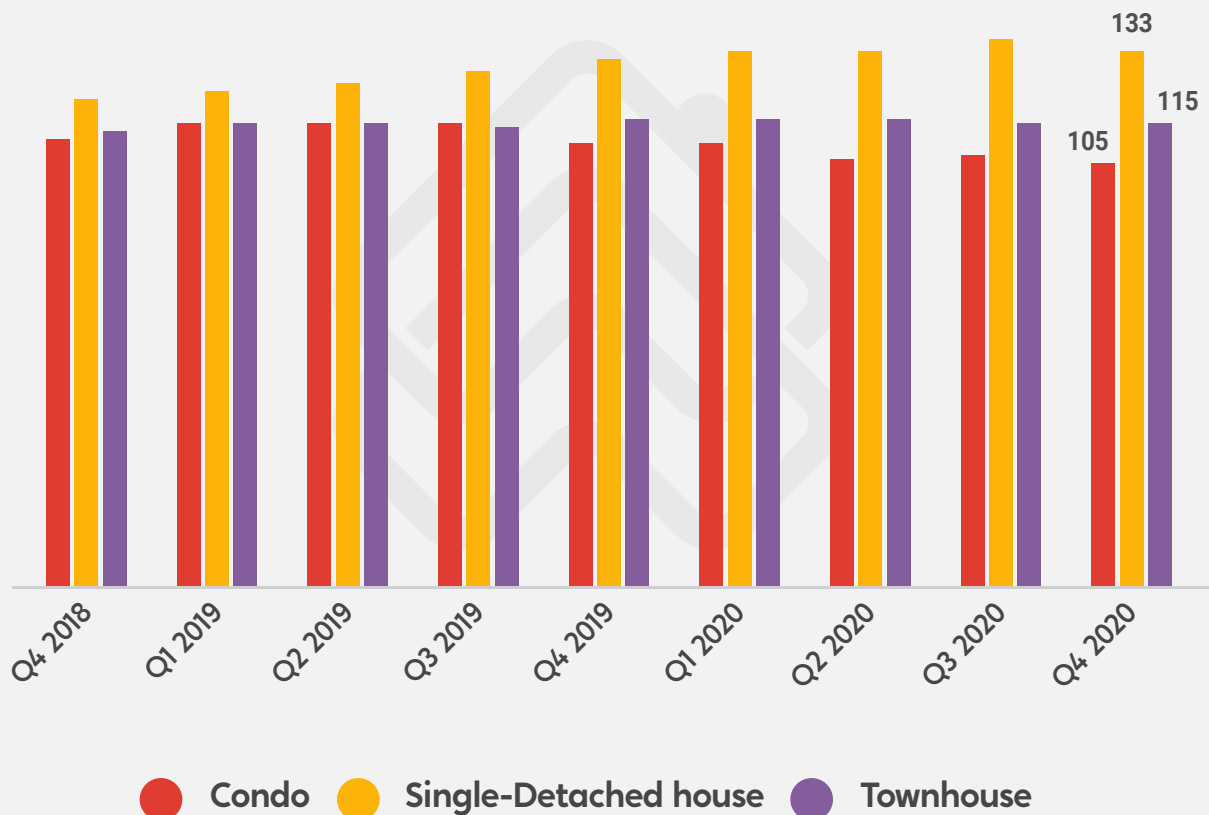
Source DDproperty

The Price Index decrease is across every residential property type but is particularly apparent for condominiums because consumer interest has drawn towards houses opposed to lateral living. Also, investor numbers have decreased as loan-to-value measures have meant buyers who are investing in additional properties need to pay a higher deposit.

The Price Index of condominiums decreased by 2% from the previous quarter and decreased by 5% year-on-year. For townhouses, it remained stable and dropped by 2% for single-detached houses despite an overall 10% increase in the last two years.

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Bangkok: Price Index by Property Type (QoQ)



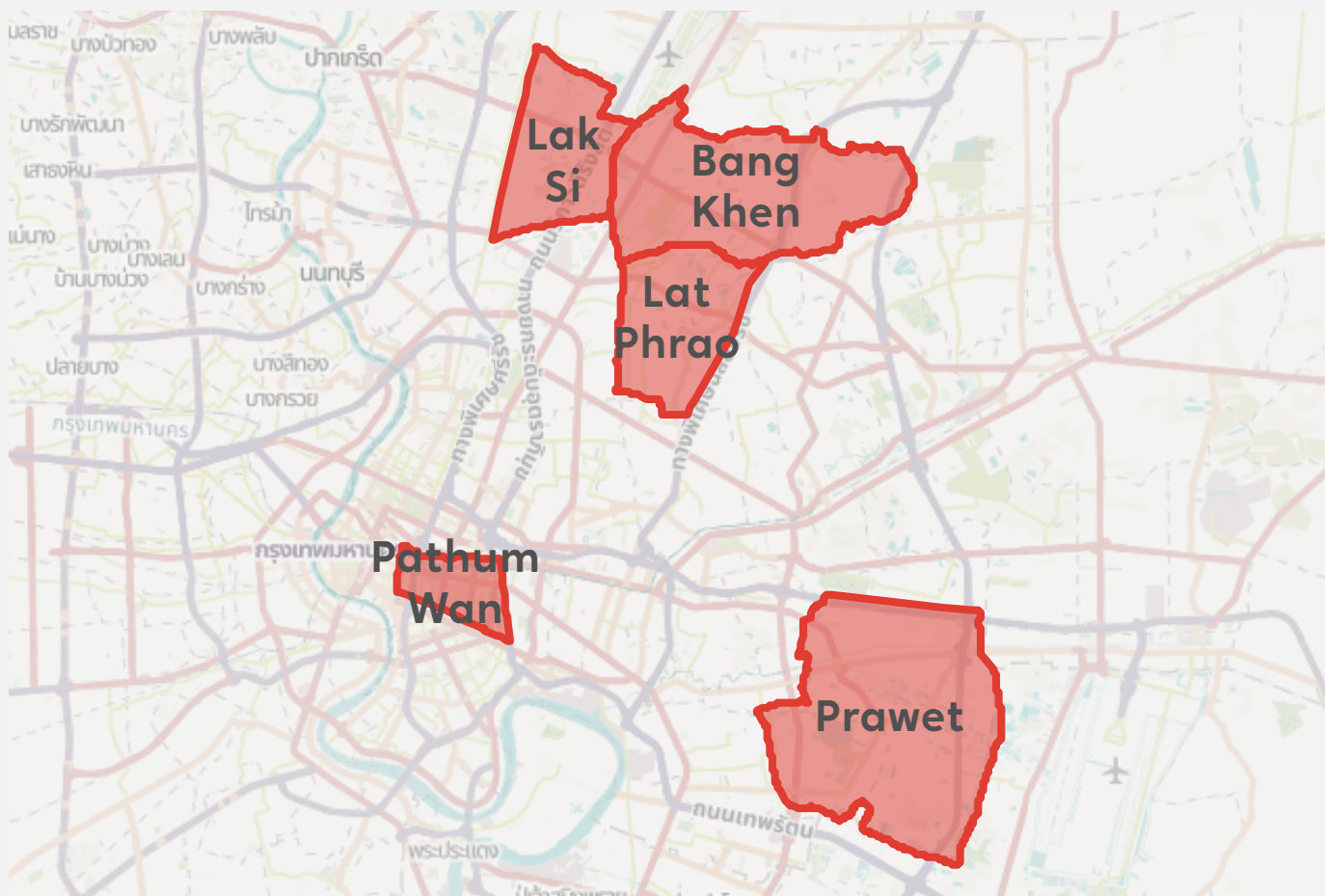
5 Districts

with the Highest Median Asking Prices Growth

	District	Area	Median asking Price*	% Change from previous quarter
1	Bang Khen	City Fringes	45,000	7
2	Lat Phrao	City Fringes	48,000	6
3	Lak Si	Outskirts	64,000	6
4	Prawet	Outskirts	44,000	4
5	Pathumwan	CBD	207,000	4

Legend: CBD - Central Business District

*Price per square metre



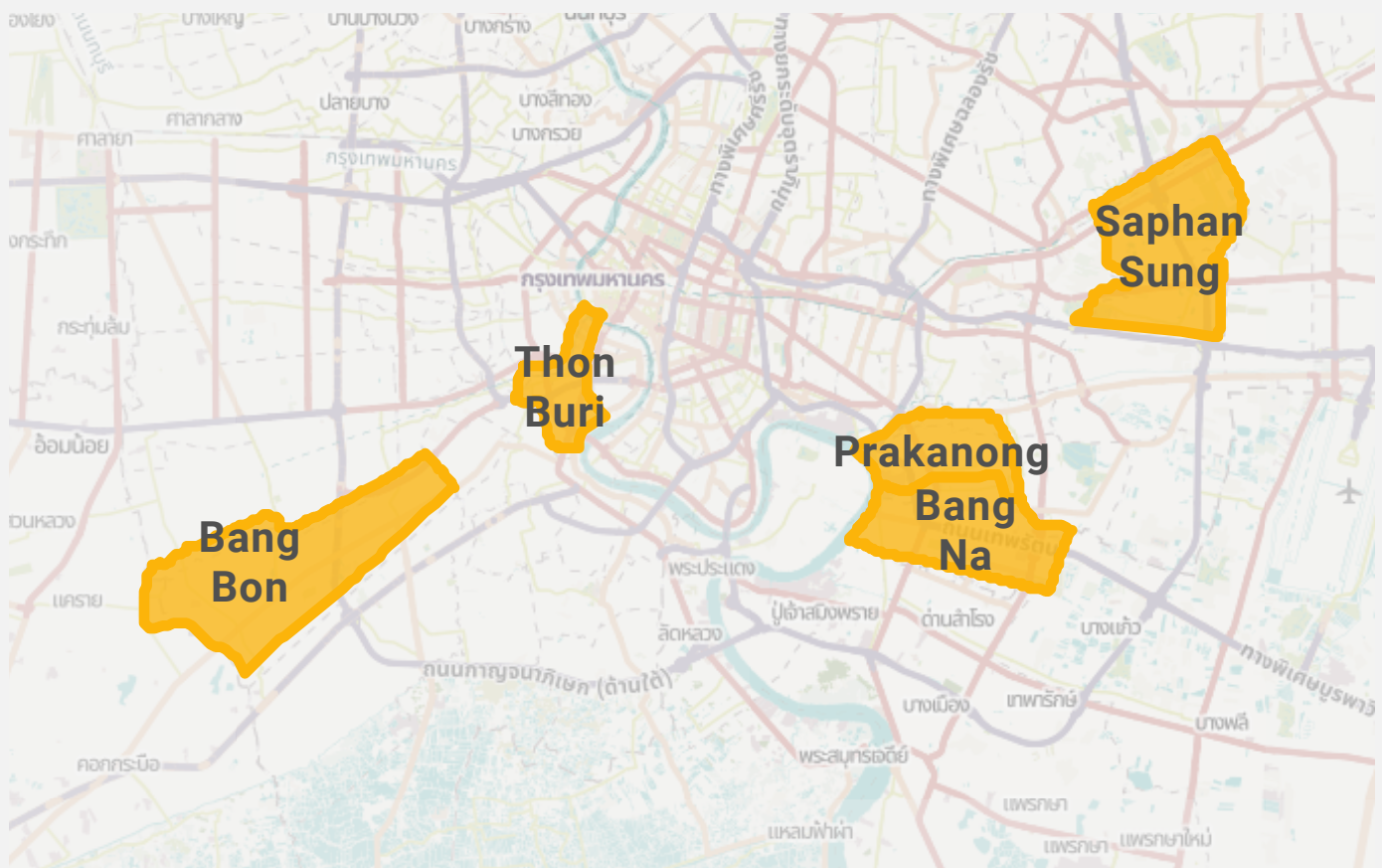
5 Districts

with the Highest Median Asking Prices Moderation

	District	Area	Median asking Price*	% Change from previous quarter
1	Bang Bon	Outskirts	51,000	-17
2	Thon Buri	City Fringes	94,000	-4
3	Saphan Sung	City Fringes	30,000	-4
4	Bang Na	City Fringes	80,000	-4
5	Phra Kanong	City Fringes	102,000	-3

Legend: CBD - Central Business District

*Price per square metre



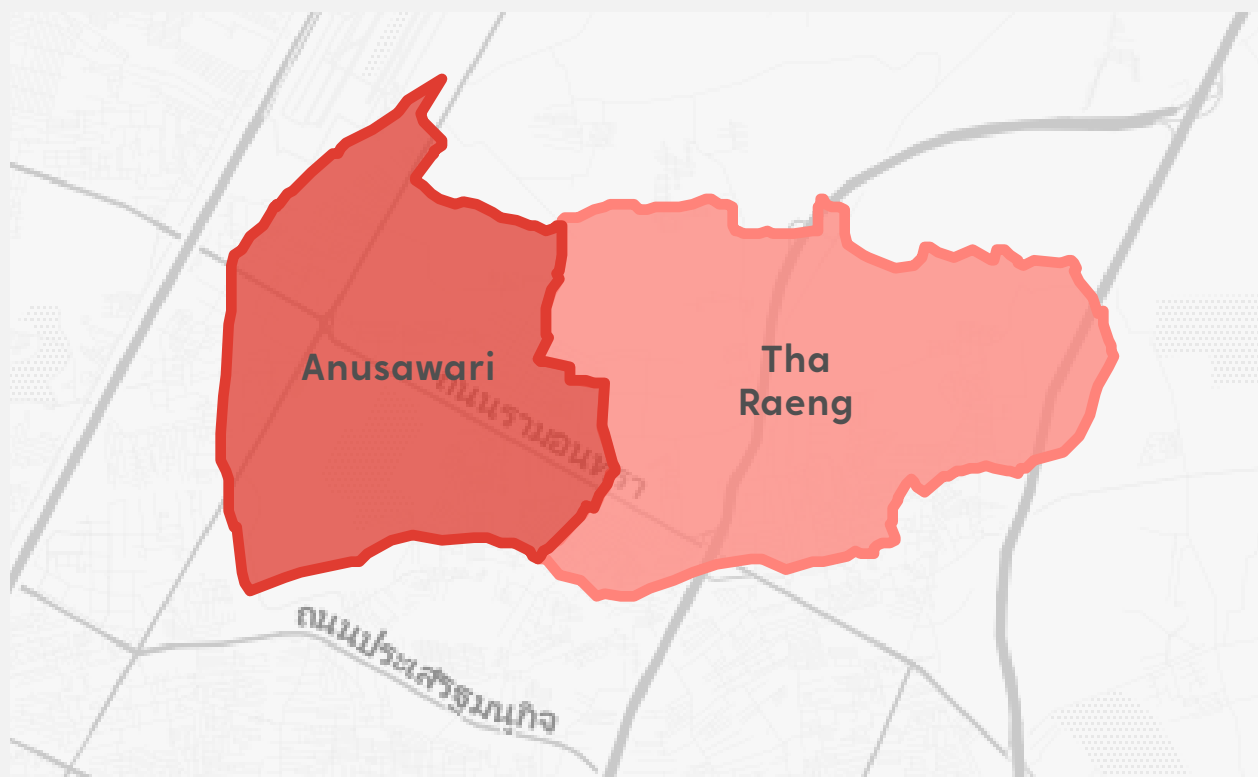
Price Index Increases for Areas Near the Sky Train Stations

Areas with the highest Price Index growth are mostly situated near newly opened or nearly opened BTS stations such as Bang Khen district, which rose by 7% from the previous quarter. Here condominium prices increased by 4%.

3 Districts Near Sky Train Routes with the Outstanding Price Index Growth

District	Area	Median Asking Price*	QoQ	YoY
Bang Khen	Anusawari	57,000	7%	6%
Bang Khen	Tha Raeng	28,000	0%	4%

*Price per square metre

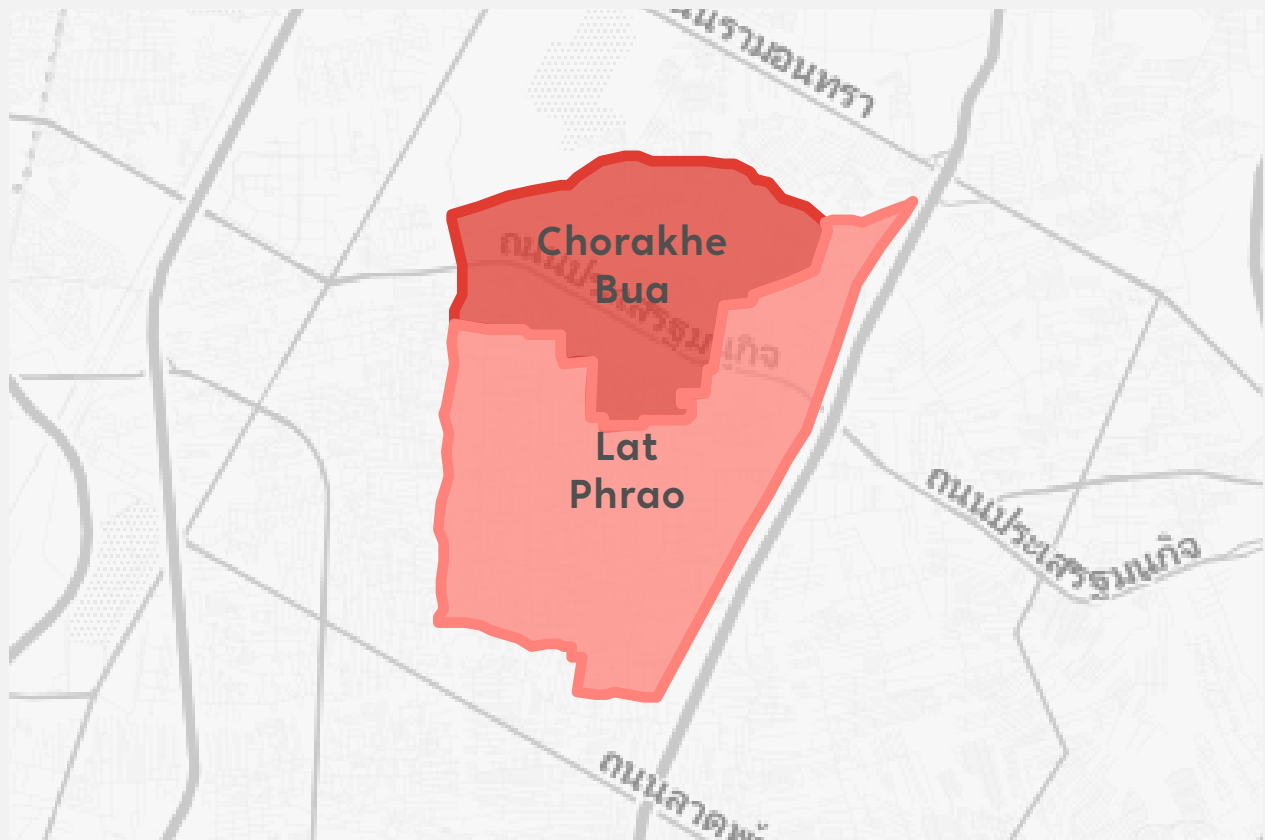


● Tha Raeng ● Anusawari

3 Districts Near Sky Train Routes with the Outstanding Price Index Growth

District	Area	Median Asking Price*	QoQ	YoY
Lat Phrao	Lat Phrao	49,000	6%	10%
Lat Phrao	Chorakhe Bua	40,000	2%	0%

*Price per square metre



● Chorakhe Bua ● Lat Phrao

3 Districts Near Sky Train Routes with the Outstanding Price Index Growth

District	Area	Median Asking Price*	QoQ	YoY
Lak Si	Talat Bang Khen	48,000	-3%	1%
Lak Si	Thung Song Hong	62,000	6%	14%

*Price per square metre



● Talat Bang Khen ● Thung Song Hong

The Price Index in Anutsawaree subdistrict also increased by 4%, while it remained stable in Tha Raeng subdistrict due to the BTS Green Line (Mochit-Sapan Mai-Kukot) that includes 11th Infantry Regiment, Wat Phra Sri Mahathat, Phahon Yothin 59, Sai Yut, and Saphan Mai stations.

The Price Index in Lat Phrao district grew by 6% from the previous quarter with single-detached houses experiencing the highest growth at 5%. In Lat Phrao subdistrict and Chorakhe Bua subdistrict, the Price Index increased by 6% and 2%, respectively, due to the BTS Yellow Line Lat Phrao-Samrong (Lat Phrao 71 station and Chokechai 4 station that will be operational in 2021).

In Lak Si district, the Price Index hiked by 6% from the previous quarter while it rose by 1% for single-detached houses and condominiums. In Talat Bang Khen subdistrict, it decreased by 3% and increased by 6% in Thung Song Hong subdistrict due to the proximity to BTS Dark Red Line Bang Sue-Rangsit (Thung Song Hong station, Lak Si station), which will be operational in 2021.



Supply Trends

The supply or numbers of residential properties decreased after the new wave of COVID-19, causing developers and consumers wanting to sell to delay selling. The Supply Index declined to 363 points from 385 points or by 6% from the previous quarter and is expected to be affected for at least another quarter.

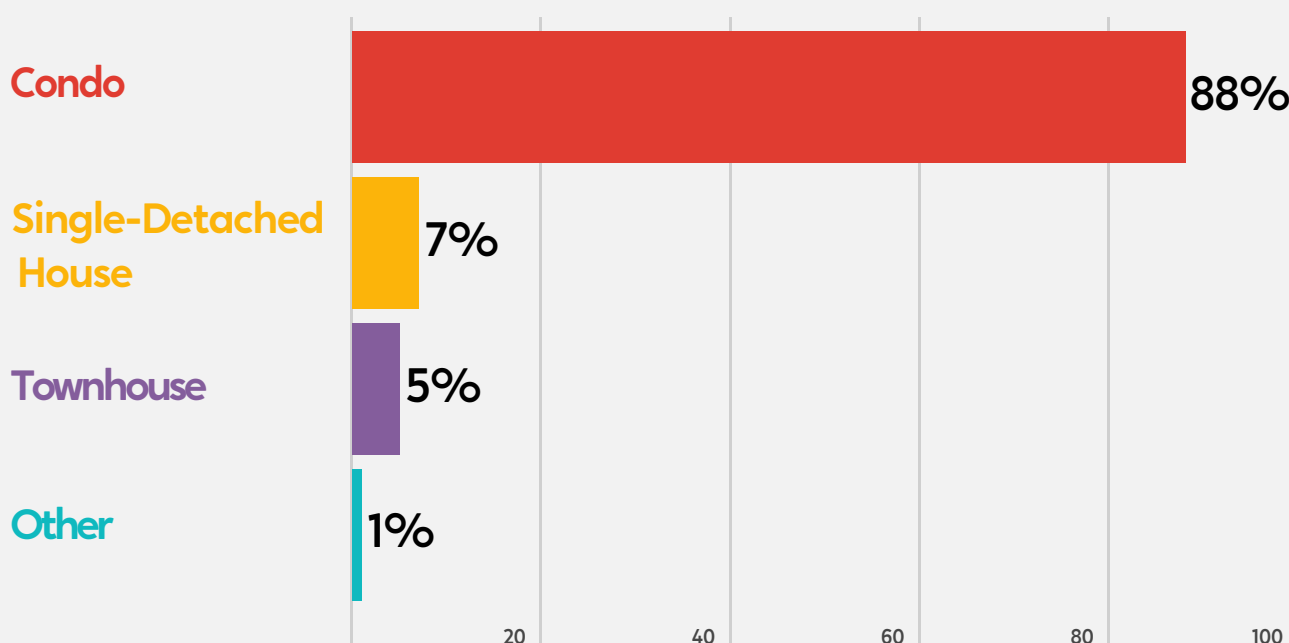
Condominiums accounted for the highest proportion of all Bangkok supply at 88%.

However, this number represents a decrease of 7% from the previous quarter. Single-detached houses accounted for 7% of supply in Bangkok (-2% QoQ) and townhouses for 5% (+1% QoQ).

Wattana district is where condominiums are concentrated, accounting for 18% of all Bangkok supply, and is also the locale with the most townhouse supply, whereas single-detached houses are concentrated in Prawet district.

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Residential Property in Bangkok by Property Type (%)



5 Districts Experiencing the Highest Supply Reduction

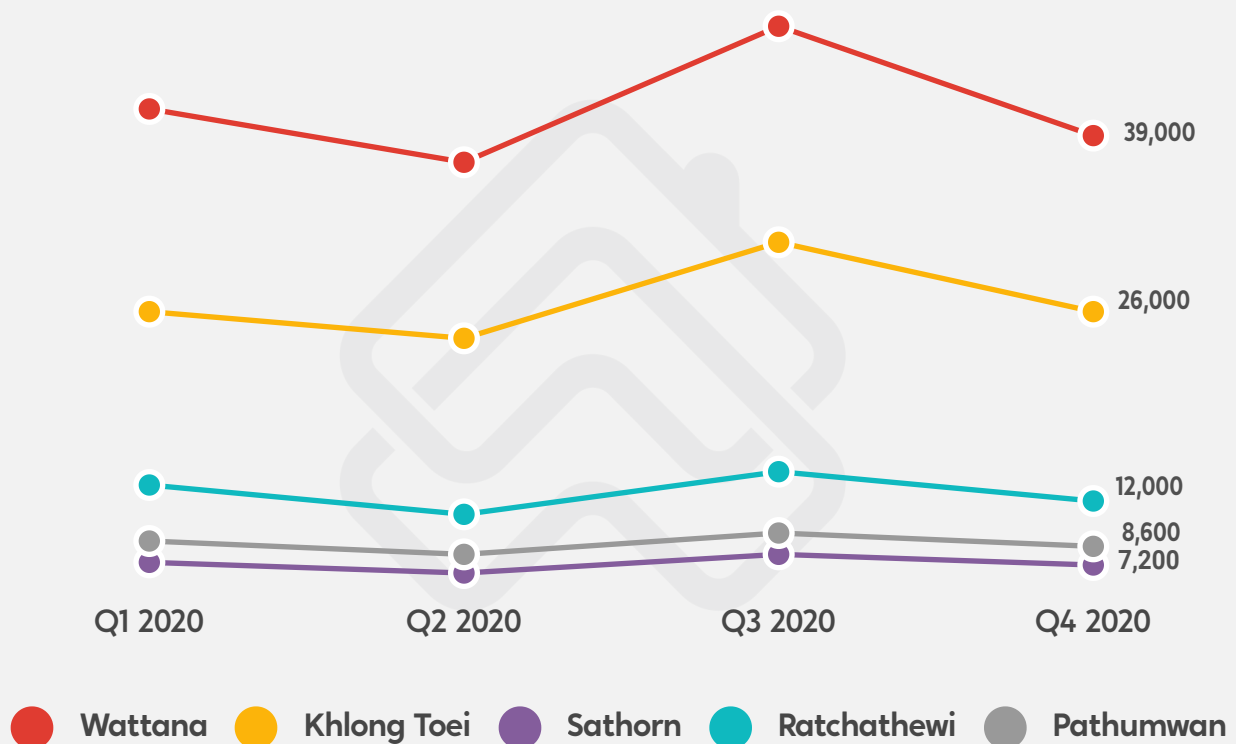
Some locations in central Bangkok have experienced the highest supply decline from the last quarter, especially in Wattana district. Its subdistricts, Phra Khanong Nuea, Khlong Tan Nuea, and Khlong Toei Nuea saw major supply reductions by 19%, 16%, and 15%, respectively. The next location with the highest decline was Khlong Toei district dropping by 18% in Khlong Tan subdistrict and by 12% in Khlong Toei subdistrict.

Thung Maha Mek subdistrict in Sathorn district also decreased by 18%, while Makkasan subdistrict in Ratchathewi declined by 15% and Lumpini subdistrict in Patumwan slumped by 11%.

Nearly all areas saw less interest from buyers, except Khlong Tan Nuea subdistrict in Wattana and Phra Khanong subdistrict in Khlong Toei where buyer interest has increased by 1%.

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Locations with the Highest Supply Reduction (QoQ)

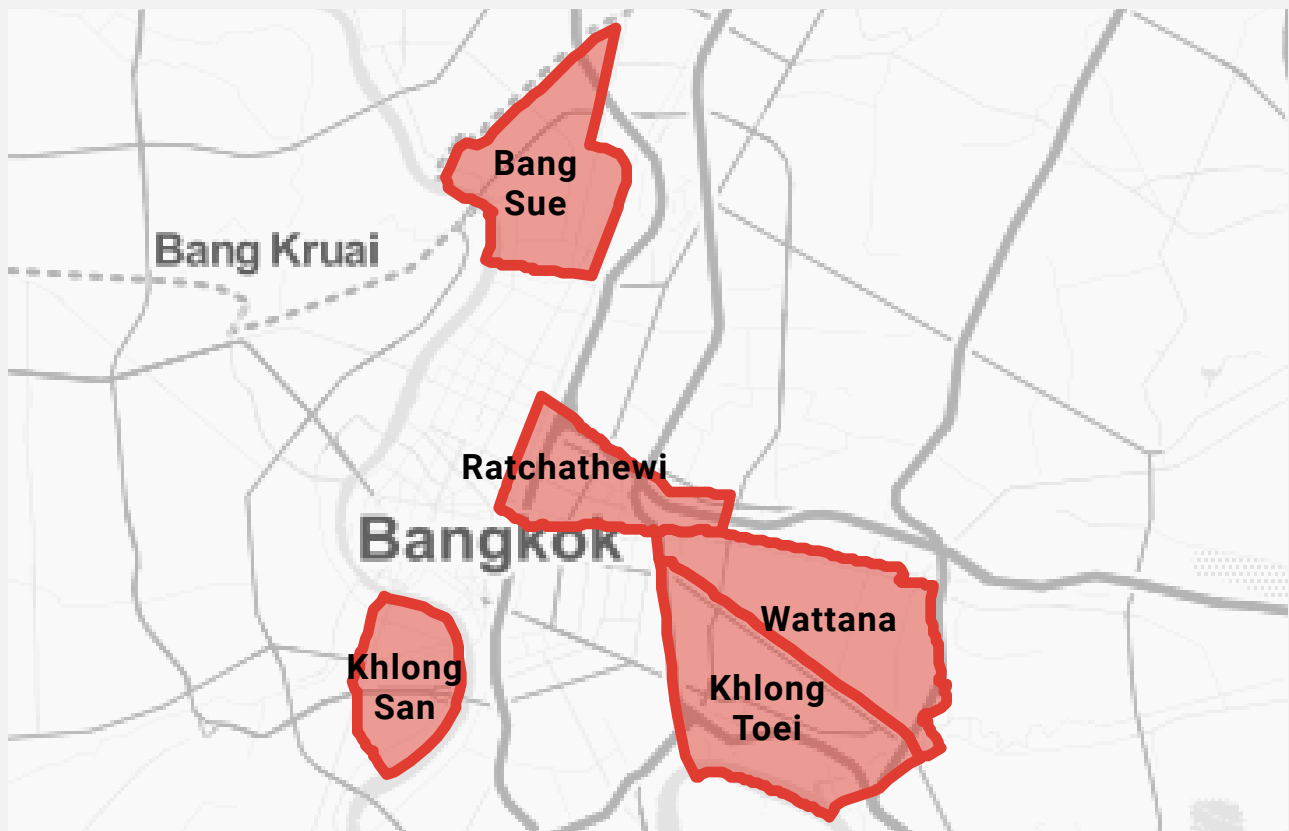


On the other hand, interest in renting spiked especially in Khlong Toei district. Its subdistricts, Khlong Toei, Phra Khanong, and Khlong Tan saw rental interest rise by 17%, 12%, and 11%, respectively. Wattana district, Khlong Toei Nuea, Khlong Tan Nuea, and Phra Khanong Nuea subdistricts enjoyed 15%, 10% and 9% growth, respectively.

“This reflects heightened consumer interest for rental properties, creating favourable conditions for investors who own properties in such areas.”

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5 Areas Saw More Interest from Renters



● Bang Sue ● Khlong San ● Khlong Toei ● Ratchathewi ● Wattana

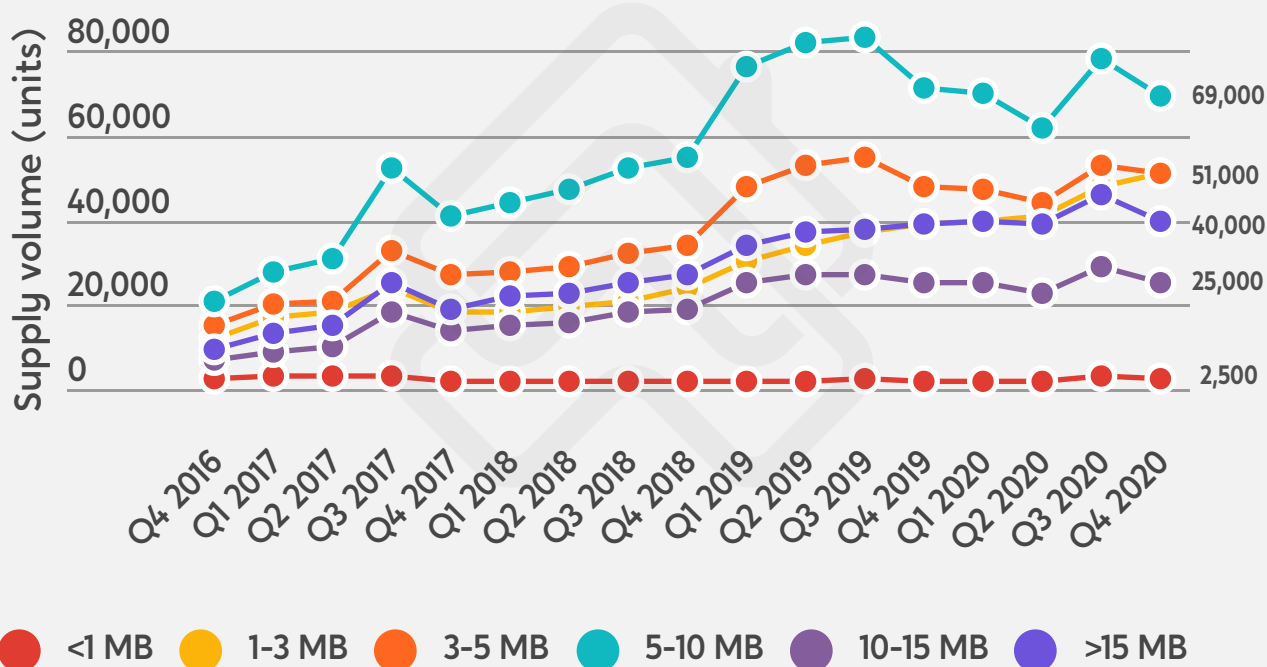
Properties in THB5-10 Million Segment Dominate the Market

Looking at property supply across different price segments, the THB 5-10 million segment accounts for the majority, followed by the THB3-5 million segment, and the THB1-3 million price bracket. Despite the THB 5-10 million segment experiencing the highest supply, it declined by 11% QoQ. Meanwhile, the THB5-10 million segment remained consistent and garnered the most attention, growing by 5% QoQ. These are consistent with the high absorption rates seen last quarter.

The numbers of condominiums in the THB5-10 million segment dropped by 12% from the previous quarter, while the THB1-3 million segment spiked by 7%. Single-detached houses priced over THB10 million rose by 5% from the previous quarter, while the THB1-3 million segment increased by 4%. Most townhouses in the THB1-3 million price bracket decreased by 2% from the previous quarter.

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Bangkok: Supply Volume by Price Range (QoQ)



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This shows that lower-middle class consumers are delaying buying decisions during this period especially for properties in the THB 1-3 million segment, while consumers with higher budgets and stronger purchasing power are showing interest in buying and investing in property. Overall, however, most consumers are still delaying decisions to buy property.

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Even though the THB1-3 million segment appears to attract the most attention, properties over THB10 million experienced the highest consumer interest growing by 7%, while the THB5-10 million bracket expanded by 5% and the THB1-3 million bracket by only 1%.

Properties in Provinces with the Highest Infection Rates



Samut Sakhon

The overall Price Index in Samut Sakhon increased by 4% from the previous quarter but surprisingly plummeted in Krathum Baen district by 5%. Single-detached houses accumulated 7% Price Index growth while townhouses grew by just 3%.

The Supply Index decreased by 4% from the previous quarter, with 75% of all supply concentrated in Mueang Samut Sakhon district also decreasing by 4%. Single-detached houses accounted for the highest proportion, mostly located in Mueang Samut Sakhon district.

Looking at supply across price segments, most condominiums and townhouses fell into the THB1-3 million bracket while single-detached houses in the THB3-5 million segment.

Samut Sakhon was the first province to be officially announced as having new cases of COVID-19 infections. However, the property market does not appear to have been impacted as current data is not yet available.



Rayong

The Price Index in Rayong drastically plummeted by 70% from the previous quarter, especially with Pluak Daeng district experiencing a 61% drop. The Price Index for condominiums and single-detached houses decreased by 30% and 40%, respectively, while that of townhouses remained stable.

The Supply Index shrunk by 94% from the previous quarter, 46% of which are for properties located in Pluak Daeng district. Even though this district accumulated the highest supply, it was at 97% less than the previous quarter. Single-detached houses accounted for the highest supply across all property types, most of which were in Pluak Daeng and Mueang Rayong districts.

In terms of price, most supply fell into the THB1-3 million segment, which declined 5% from the previous quarter.

Rayong is one of the first provinces to confront the new wave of COVID-19, resulting in a slowdown across tourism, the EEC, and the property market after Price Index recovered by 300% in Q3 2020 from the previous quarter.



Chon Buri

The Price Index in Chon Buri decreased by 10% from the previous quarter to its lowest figure since Q2 2018. Most locations face price depressions except Mueang Chon Buri and Sriracha districts where the Price Index increased by 6% and 2%, respectively. Pricing for condominiums, single-detached houses, and townhouses declined by 1%, 14%, and 1%, respectively.

The Supply Index in Chon Buri dropped by 70% from the previous quarter, up to 70% of which are properties located in Banglamung district. Despite this district having the highest supply, it still decreased by 75%. Condominiums accounted for the most available properties, most of which are in Banglamung district.

In terms of price segmentation, supply for condominiums and townhouses was concentrated in the THB1-3 million segment while single-detached houses were in the THB5-10 million segment.

Chon Buri was expected to gain positive momentum in Q3 2020, with the Price Index increasing by 6% from the previous quarter. However, the new wave of COVID-19 infections halted tourism and caused the Price Index and Supply Index to decline. The progression of EEC projects such as U-Tapao International Airport and the high-speed rail line does not seem to have helped much.

Macroeconomics Overview

The Monetary Policy Committee (MPC) reported that Thailand's economic recovery would occur in 2021, expanding at 3.2%, below the previous forecast of 3.6%. It also might take over two years to return to its pre-pandemic position.

The gradual recovery of the economy might be interrupted by uncertain circumstances caused by the new wave. Therefore, the MPC agreed to stabilise interest rates at 0.5% per annum to support the recovery process.

Even though low-interest rates benefit potential buyers, the new wave decelerates economic recovery, resulting in more conscious consumers especially for products with a higher value like property.

Going forward, upcoming government measures will monitor how these policies could ease the economic slowdown and revive consumer confidence.

The new wave of COVID-19, the agility of sourcing and distributing vaccinations, and political instability could all affect Thailand's overall economic revival.



Conclusion

Since the first wave of COVID-19, developers have adjusted their strategies such as by launching online marketing campaigns to avoid dealing with the impact of the outbreak.

The slow economic recovery and high absorption rates from promotional campaigns in 2020 will result in less purchasing power in Q1 2021. Developers are expected to delay their new project launches and wait until demand returns to minimise risk. Even though property prices remain the same as in 2020, there are still many promotional campaigns to attract consumers, such as free interest rates or free maintenance fees and discounts.

Consumers still veered towards vertical properties such as single-detached houses, which developers are also focusing on.

Targeting consumers who inevitably need to work from home and spend more time at home is in line with data collected in the DDproperty's Thailand Consumer Sentiment Study that identified that over 50% of consumers stressed the need for size when looking to buy.

2021 could still be a golden opportunity for buyers and investors with high purchasing power as property prices remain stable as in 2020. Most projects are scattered to outskirts of Bangkok, especially near new and upcoming BTS stations.

Even though government measures like deductions on land taxes and ownership transfer fees might have allowed the property market to breathe easier, those policies are expected to offer little stimulus. Most consumers have still delayed their decision to buy due to COVID-19, household debt, and political instability.

About This Report

Buying a home can be one of the most difficult decisions of our lives. It is also likely to be the most expensive one too. When committing to purchasing property, it is important to make an informed choice for a confident investment.

DDproperty helps make this process easier for homebuyers since we are all potential homebuyers and homeowners. Therefore, we have created this report to help Thais better understand the mechanics of the property market, so buyers know their offer is in line with market sentiments or to understand when the right time is to make their purchase

As the Kingdom's leading online real estate portal, DDproperty processes a vast amount of real estate data daily, providing us with the necessary data to crunch, and deliver in-depth insights to all Thai home seekers.

We study the property market throughout Thailand, in different locations, and across various property types, to provide a comprehensive, insightful overview of home pricing.

Methodology

Using a range of statistical techniques, the data from over 200,000 residential property listings on DDproperty.com are aggregated and indexed, demonstrating the movement of pricing due to supply. The DDproperty Thailand Property Market Index (DDproperty Property Market Index) illustrates seller optimism and indicates the price level that real estate developers and homeowners expect to achieve for their respective properties.

Short term increases in the Index demonstrate sentiment buoyancy, while in the long term, the Index

indicates which part of the property cycle Thailand is in.

The Price Index is based on price levels as of Q1 2015. This means that all the levels are relative to the pricing of this period.

We complement the price levels with a view on supply volumes in the market through the number of property listings on DDproperty.com.

Our supply volume not only takes into account the residential resale supply, but also new launch supply in the Thai market.

About DDproperty

DDproperty is Thailand's No.1 property portal and helps over 3 million people find and own their dream home in Thailand every month.

The company is part of the PropertyGuru Group, Asia's leading property technology company and the preferred destination for over 25 million property seekers to find their dream home every month.

PropertyGuru and its group companies empower property seekers with the widest option of more than 2 million homes, in-depth insights and solutions that enable them to make confident property decisions across Singapore, Malaysia, Thailand, Indonesia and Vietnam.

Over the last decade, the group has grown from a regional property media powerhouse to a high-growth technology company with a robust portfolio of No.1 property portals, award-winning mobile apps, the best-in-class developer sales enablement platform, and a host of industry-leading property offerings including awards, events and publications across Asia.

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With Thanks

Special thanks to Khun.Kamolpat Sawaengkit for her contributions to the Thailand Property Market Index Q1 2021.

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