



Thailand Property Market Index

Q2 2021



DDproperty



190 (-4%)

Q2 2021 Price Index



399 (10%)

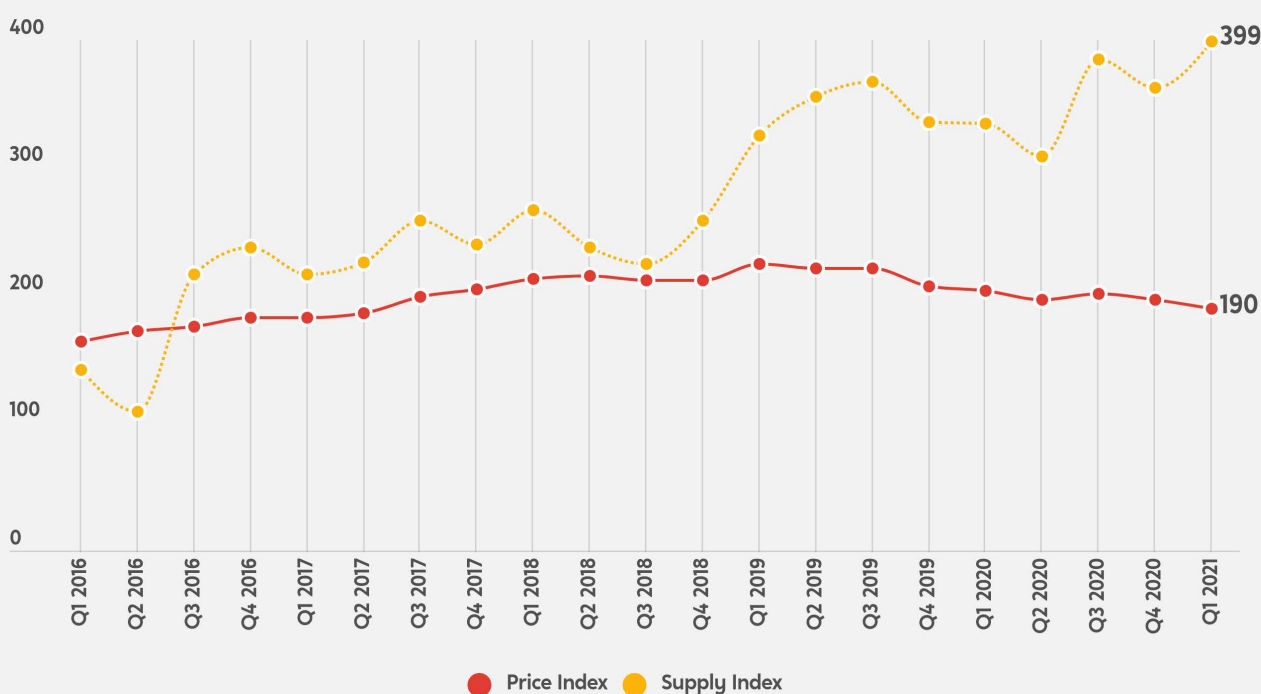
Q2 2021 Supply Index

Executive Summary

It is important to keep an eye on Thailand's latest COVID-19 wave as it could further impact the overall economy. Moreover, it could influence property market transactions and affect domestic purchasing power, which already was forecast to take a downturn as the economy has yet to recover from the first wave.

DDproperty Thailand Property Market Index

Price Index & Supply Index (QoQ)



Source: DDproperty



“

New projects are targeted towards horizontal living, buyers with real demand and investors with no affordability issues. Property prices will likely remain stable until the end of 2021 or until the pandemic improves

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Kamolpat Sawaengkit

Country Manager of DDproperty

Bangkok's Price Index has decreased from Q1 2021 but is forecast to be stable throughout 2021. The Supply Index increased from the previous quarter due to new project launches, developers rushing to sell their inventory of ready to move in properties and buyers deciding to sell too. However, the Supply Index is expected to dip again, on account of the the new wave of COVID-19 infection that hit the country in March 2021.

Report Highlights

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Q2 2021 remains an attractive time for buyers and long-term investors due to the lower interest rates and prices, particularly of condominiums.



Sellers and investors planning to rent out or sell their properties need to understand how consumer mindsets have altered during the pandemic. Sellers are recommended to postpone their sale to gain higher returns as property price growth remains stagnant.



Buyers with plans to purchase property need financial discipline given the economic instability caused by the ongoing pandemic.



Government measures relating to vaccination schedules will be a key indicator of how fast the economy will recover. Achieving herd immunity will be instrumental in leading the country to better opportunities, regaining citizen confidence, and encouraging tourists to return – all critical to positively affecting the real estate market.



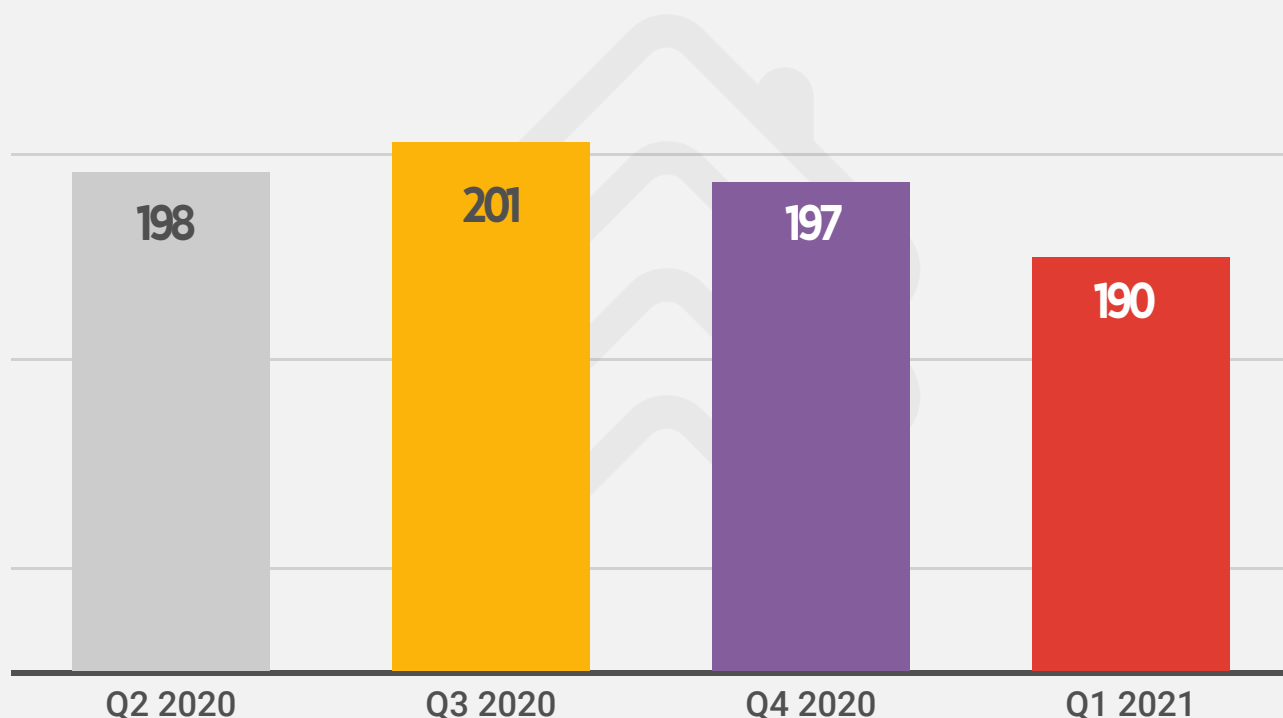
Price Trends

Property prices in Q2 2021 have continuously decreased from Q1 2021. The economic slowdown, high household debts, and the impact of the latest COVID-19 wave caused buyers to delay or postpone property purchases. To attract buyers, developers engaged in price wars, launched promotional campaigns, and offered discounts to speed up buying decisions.

Bangkok's property Price Index decreased from 197 to 190 points or a 4% reduction from the previous quarter. According to the latest DDproperty Thailand Property Market Index report, this is the lowest Price Index over the past 15 quarters since Q2 2017.

DDproperty Thailand Property Market Index

Property Price Index dropped by 4%



(Base Quarter = Q1 2015 = 100.0)

Source DDproperty

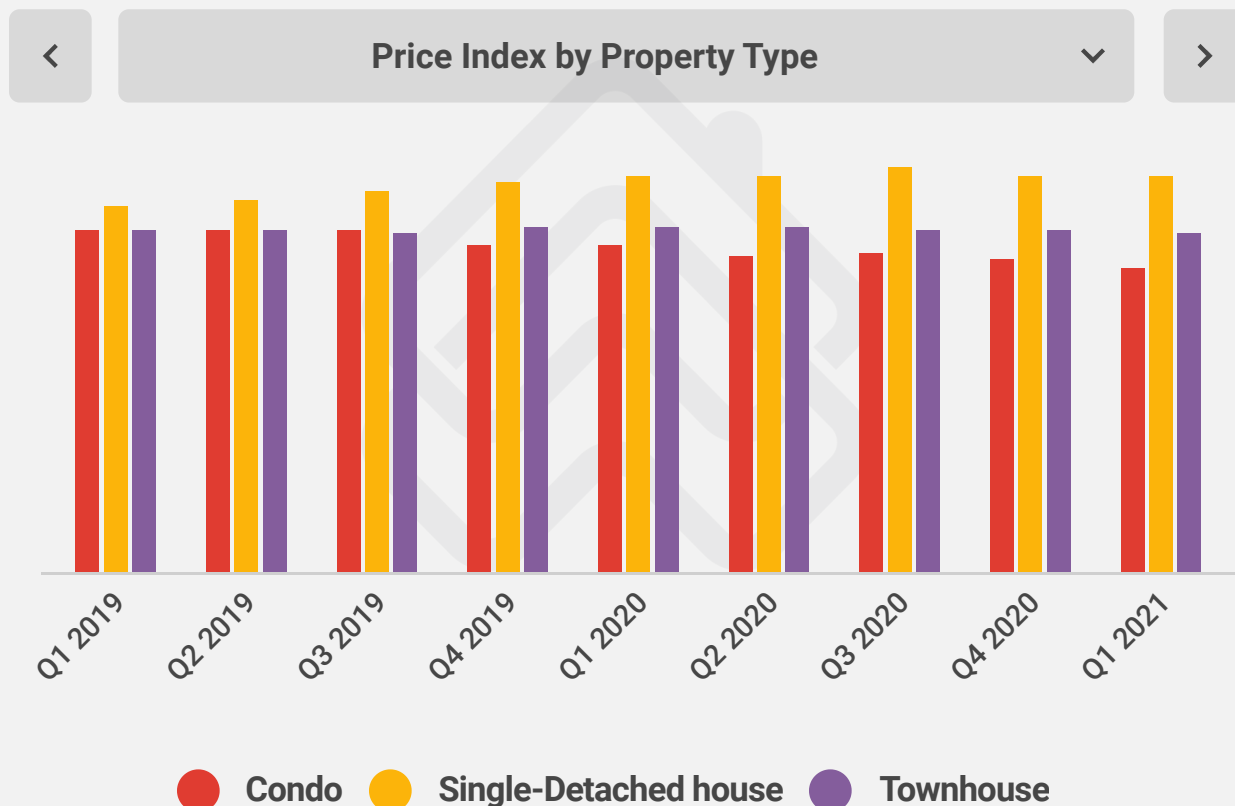
The Price Index decrease applies across every residential property type but is particularly apparent for condominiums because consumer interest still veers towards horizontal living. Also, investor numbers have decreased as loan-to-value measures require buyers investing in additional properties to part with a higher deposit.

The number of foreign investors also decreased because of the pandemic.

The Price Index of condominiums decreased 3% from the previous quarter, slumping 8% year-on-year (YoY). It remained stable for townhouses and single-detached houses despite enjoying an increase of 8% in the last two years.

DDproperty Thailand Property Market Index

Bangkok: Price Index by Property Type (QoQ)



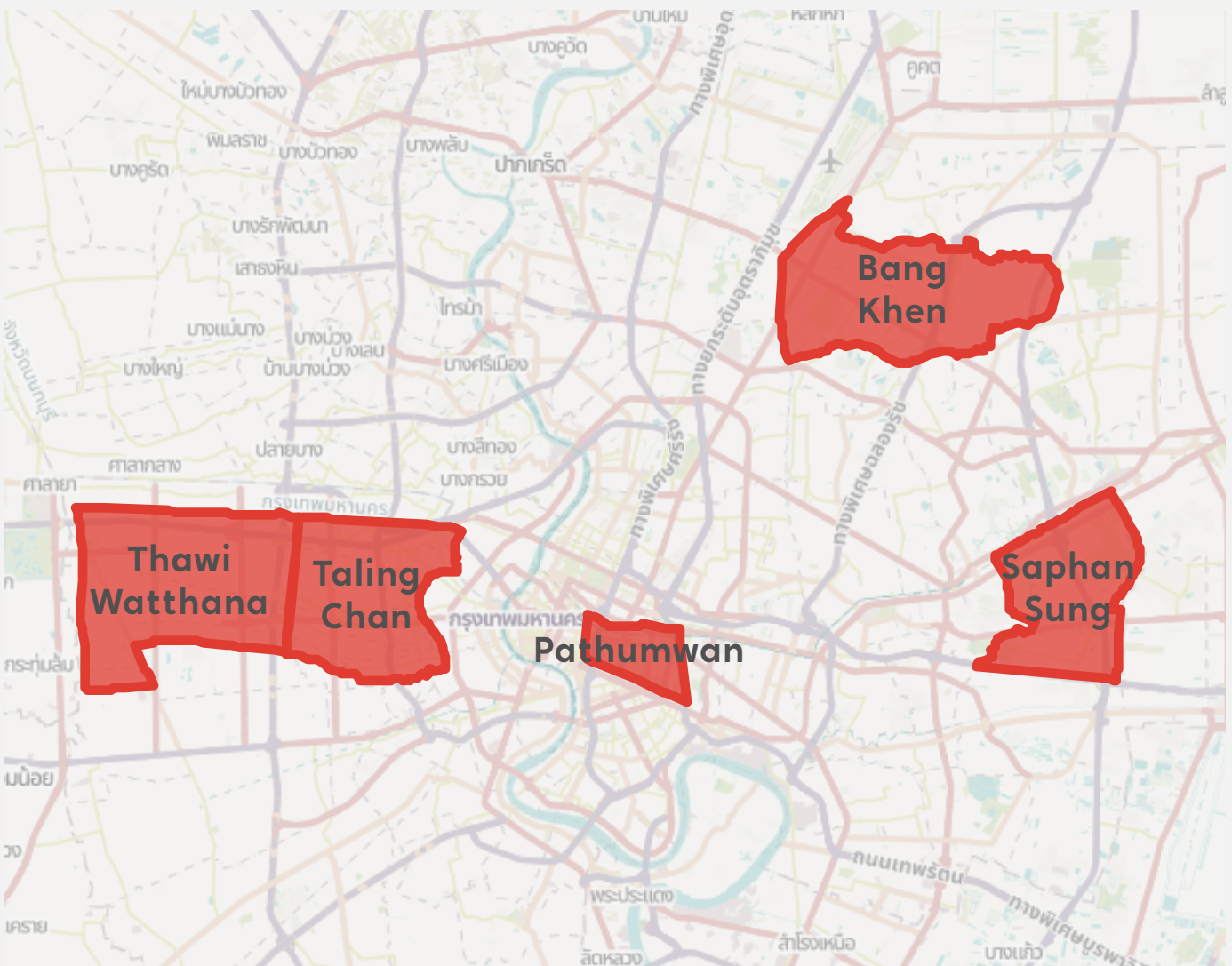
5 Districts

with the Highest Median Asking Prices Growth

	District	Area	Median Asking Price*	QoQ(%)
1	Thawi Watthana	Outskirts	25,000	13
2	Bang Khen	City Fringes	50,000	10
3	Taling Chan	Outskirts	43,000	6
4	Saphan Sung	City Fringes	31,000	5
5	Pathumwan	CBD	215,000	4

Legend: CBD – Central Business Districts

*Price per square metre



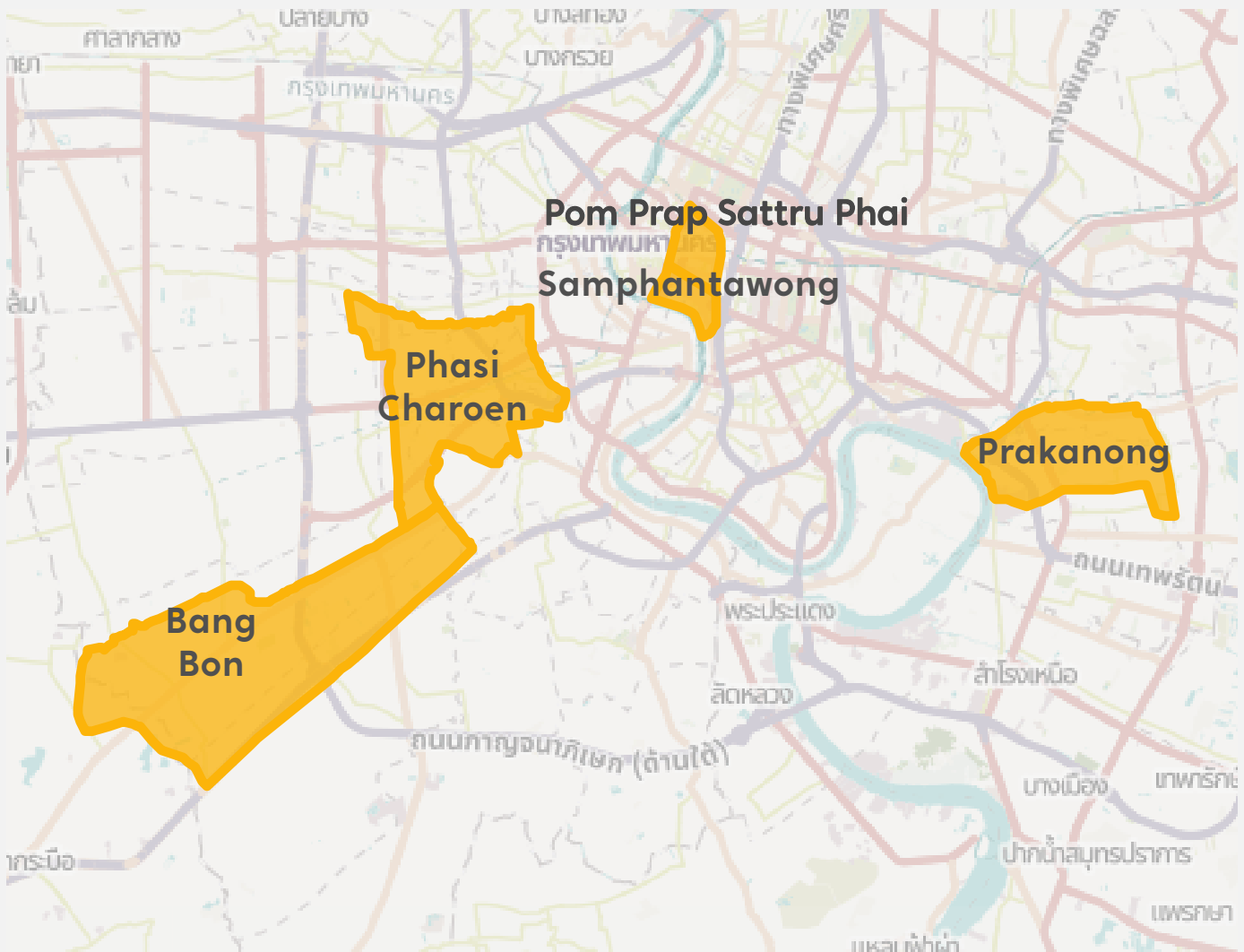
5 Districts

with the Highest Median Asking Prices Moderation

	District	Area	Median Asking Price*	Q0Q(%)
1	Samphanthawong	City Fringes	81,000	-18
2	Pom Prap Sattru Phai	City Fringes	190,000	-11
3	Bang Bon	Outskirts	47,000	-9
4	Phasi Charoen	City Fringes	65,000	-7
5	Phra Kanong	City Fringes	97,000	-6

Legend: CBD – Central Business Districts

*Price per square metre

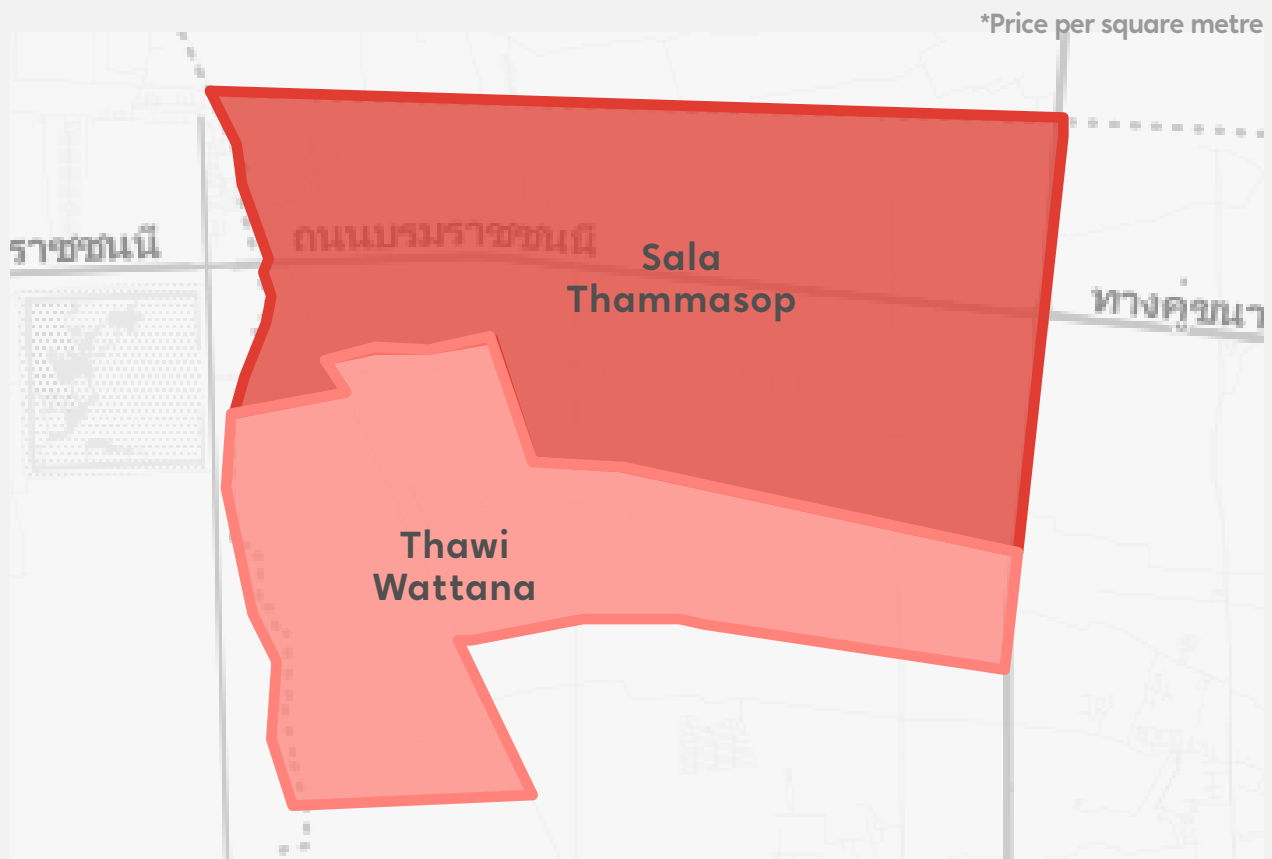


Bangkok Fringe Areas Experience the Highest Price Index Growth

Bangkok's fringe and outer CBD areas that access current and future Skytrain routes recorded the highest Price Index growth.

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

District	Area	Median Asking Price*	QoQ	YoY
Thawi Wattana	Sala Thammasop	26,000	14%	17%
Thawi Wattana	Thawi Wattana	22,000	4%	4%

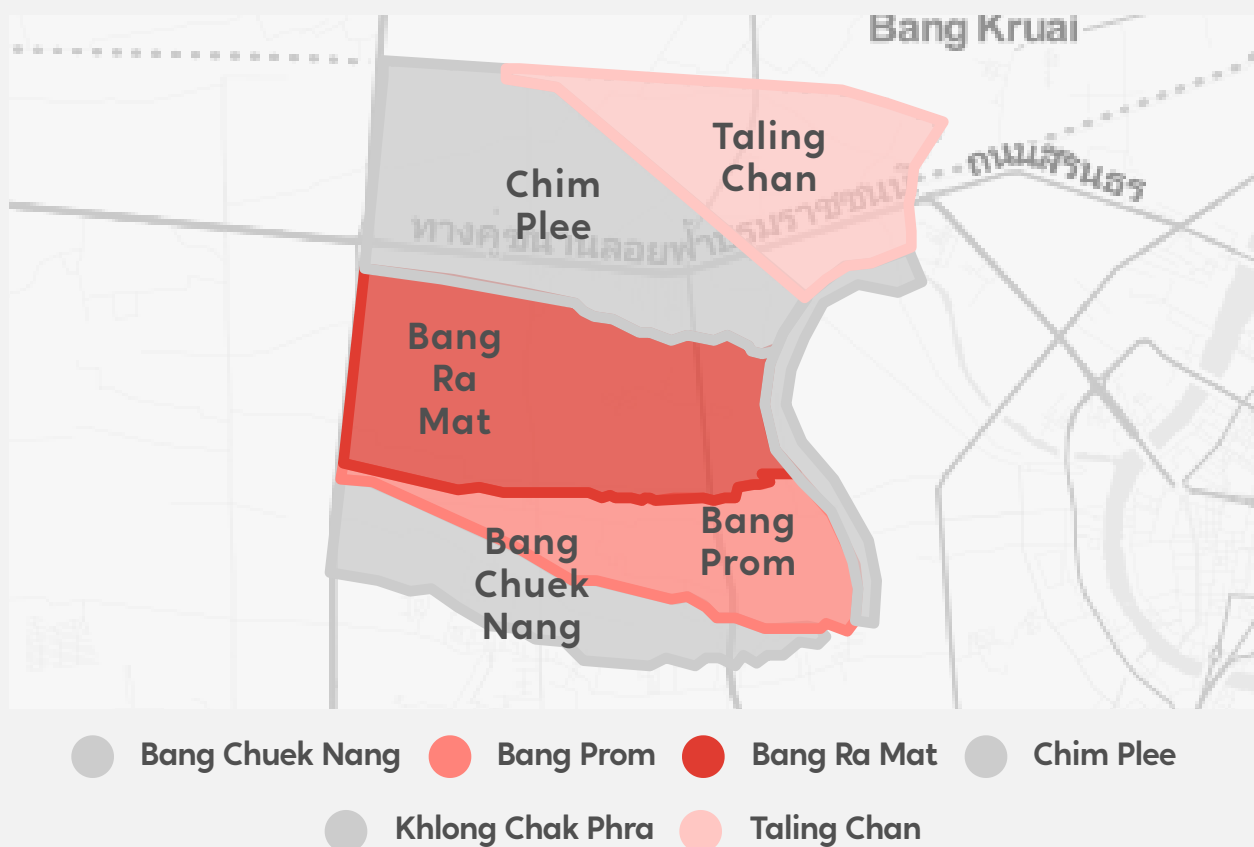


● Sala Thammasop ● Thawi Wattana

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

District	Area	Median Asking Price*	QoQ	YoY
Taling Chan	Bang Ra Mat	40,000	6%	5%
Taling Chan	Bang Prom	43,000	3%	11%
Taling Chan	Taling Chan	63,000	2%	3%

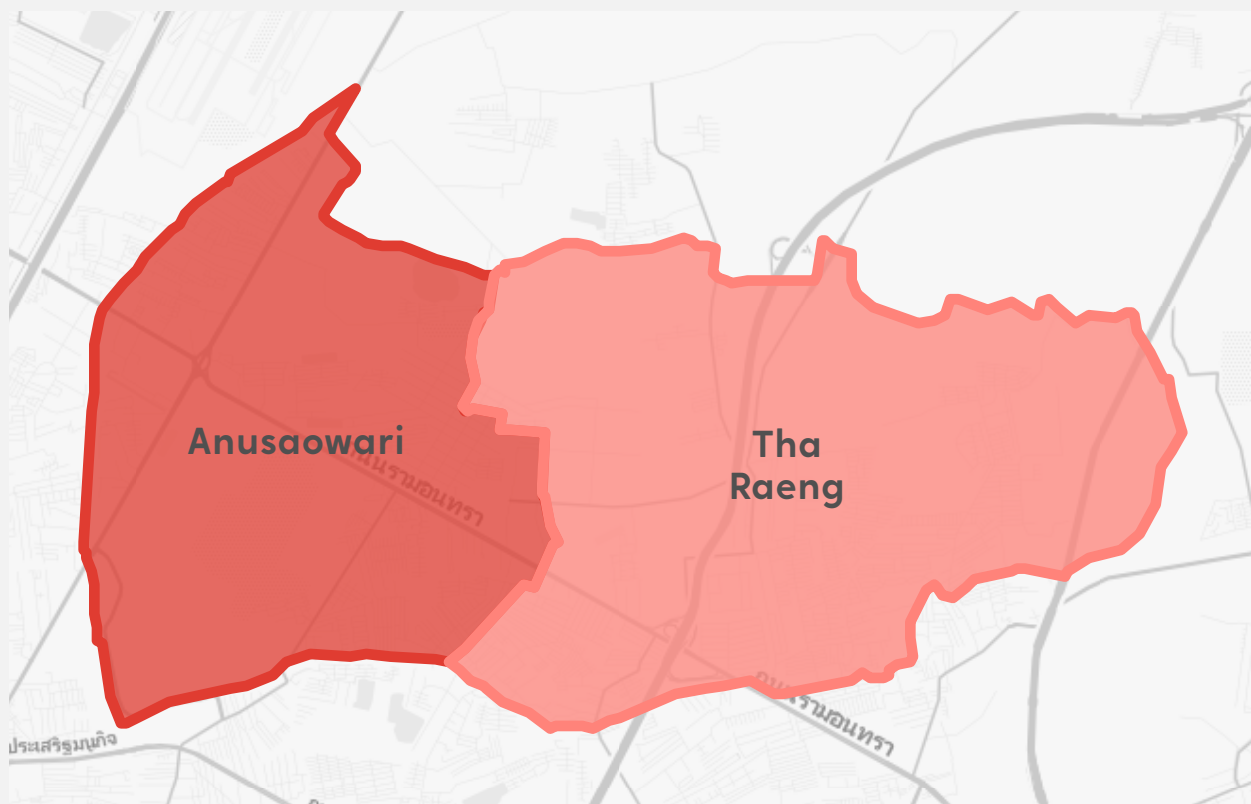
*Price per square metre



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

District	Area	Median Asking Price*	QoQ	YoY
Bang Khen	Anusaowari	63,000	10%	18%
Bang Khen	Tha Raeng	28,000	1%	-1%

*Price per square metre



● Anusaowari ● Tha Raeng

In Thawi Watthana district, it rose 13% from the previous quarter, with single-detached houses experiencing the highest growth at 15%. Meanwhile, the Index increased 14% and 4% in Sala Thammasop and Thawi Watthana subdistricts, respectively.

The Price Index in Taling Chan district increased 6% from the previous quarter, with single-detached houses experiencing the highest growth at 3%. Within this district, Bang Ramat subdistrict increased 6%, Bang Prom subdistrict by 3% and Taling Chan subdistrict by 2%. The MRT Red Line (Bang Sue-Taling Chan) due to be operational in November 2021 and the proximity to the accessible Si Rat - Outer Ring Road Expressway partly contribute to this growth.

The Price Index in Bang Khen district increased by 10% from the previous quarter, with condominiums enjoying the highest growth at 11%. In Anusawari subdistrict, the index increased 10% and 1% in Tha Raeng subdistrict due to the BTS Green Line extension (Mo Chit- Khu Khot) becoming operational in December 2020.



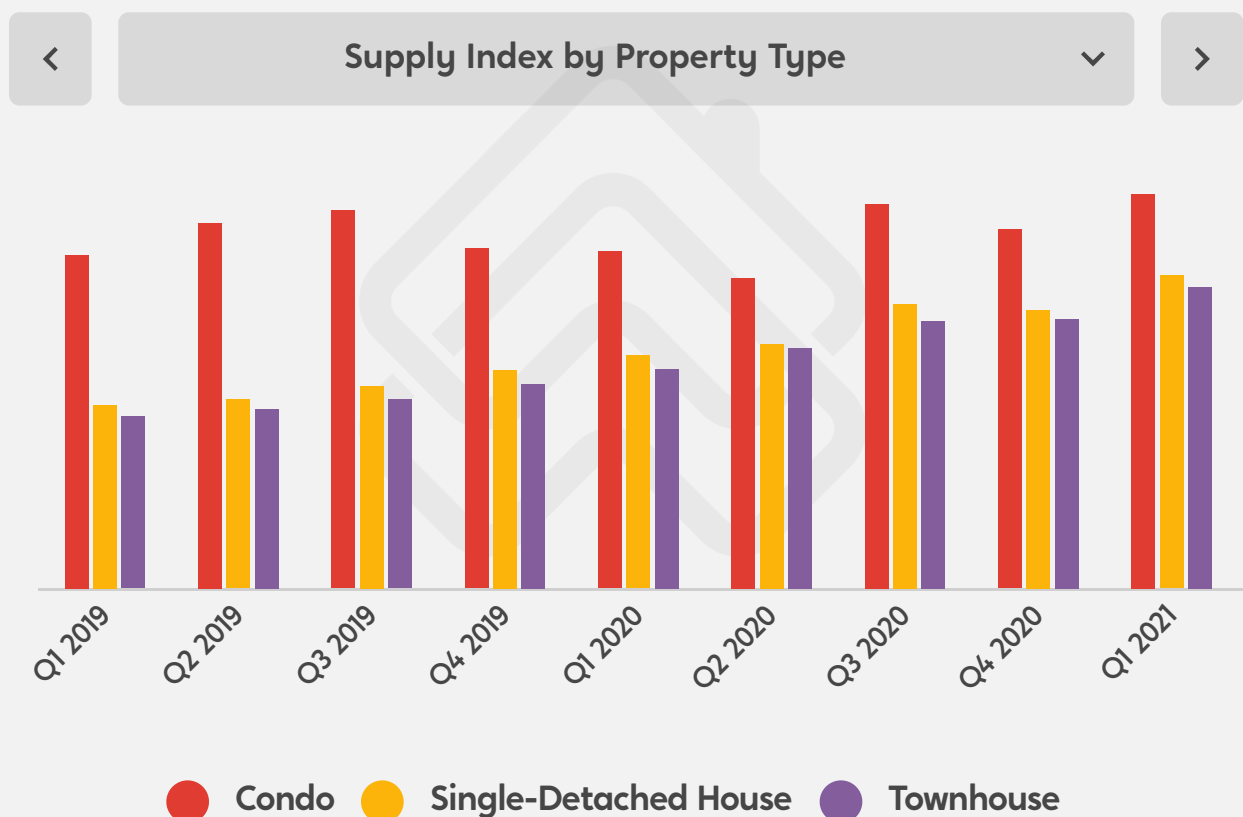
Supply Trends

The supply of residential properties vastly increased in Q1 2021 reflecting growing developer and consumer confidence to sell. During this period, the COVID-19 outbreak appeared to be improving before the third wave hit in March 2021. However, low absorption rates caused market oversupply.

Despite Bangkok's Supply Index increasing to 399 points from 363 points from the previous quarter, or 10%, property supply is expected to plummet as developers postpone launching new projects, while consumers delay their selling decision.

DDproperty Thailand Property Market Index

Bangkok: Supply Index by Property Type (QoQ)



Condominiums accounted for the highest proportion of all Bangkok supply at 88%, representing a 10% hike from the previous quarter. Single-detached houses accounted for 7% (+12% QoQ) and townhouses 5% (+12% QoQ).

The areas with the highest supply over the last quarter are Bangna subdistrict in Bangna district recording 15% growth; Phra Khanong subdistrict in Khlong Toei district increasing 12%;

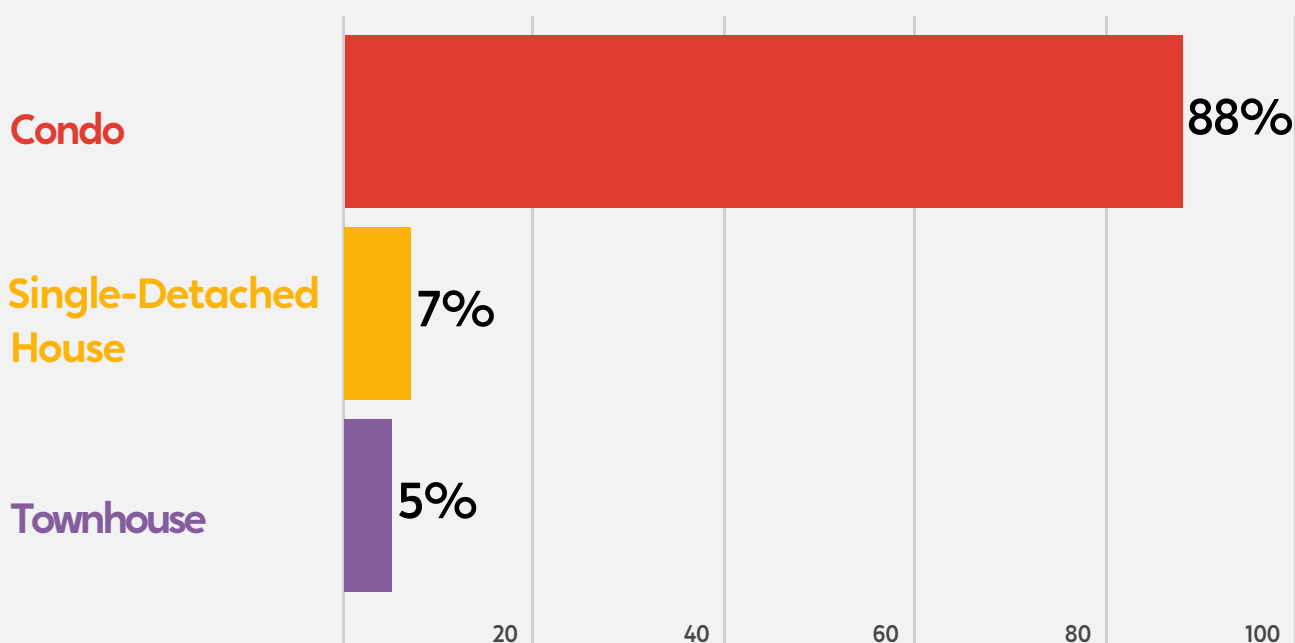
Huai Kwang subdistrict in the district of the same name rising 10%, and Khlong Tan Nuea subdistrict in Wattana district increasing 8%.

Condominiums are concentrated in Wattana district, representing 18% of all Bangkok supply, while townhouses were focused in Khlong Sam Wa district accounting for 7%.

Prawet district was the locale for the most single-detached supply accounting for 8%.

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Residential Property in Bangkok by Property Type (%)



Locations with the Highest Supply Reduction

Some central Bangkok locations enjoyed a significant decline in supply from the previous quarter. Namely, Talat Phlu subdistrict in Thonburi district decreasing by 17%, Somdet Chaopraya subdistrict in Khlong San district dropping by 8%, Wang Mai subdistrict in Pathumwan district by 4%, and 2% dip recorded in Nuanchan subdistrict of Bueng Kum district.

These areas generated significant interest from buyers, especially Somdet Chaopraya subdistrict in Khlong San district where there was increased interest of 81%.

Attention for Wang Mai subdistrict in Pathumwan district rose by 70%, a 15% hike was recorded in Nuanchan subdistrict in Bueng Kum district. However, interest in Talat Phlu district in Thonburi district showed a 14% reduction from the previous quarter.

Simultaneously, interest in renting spiked, particularly in Wang Mai subdistrict in Pathumwan district by 86%. At the same time, Talat Phlu district in Thonburi district and Nuanchan subdistrict in Bueng Kum district enjoyed 54% and 36% growth respectively.

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This reflects heightened consumer interest in buying and renting properties where supply is limited, creating favourable conditions for investors who own properties in such areas. However, investors should be mindful of the pandemic since it can cause market fluctuations.

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Properties in THB5-10 Million Segment Dominate the Market

Looking at property supply across different price segments, the THB5-10 million segment accounts for the majority, followed by the THB3-5 million and THB1-3 million price brackets.

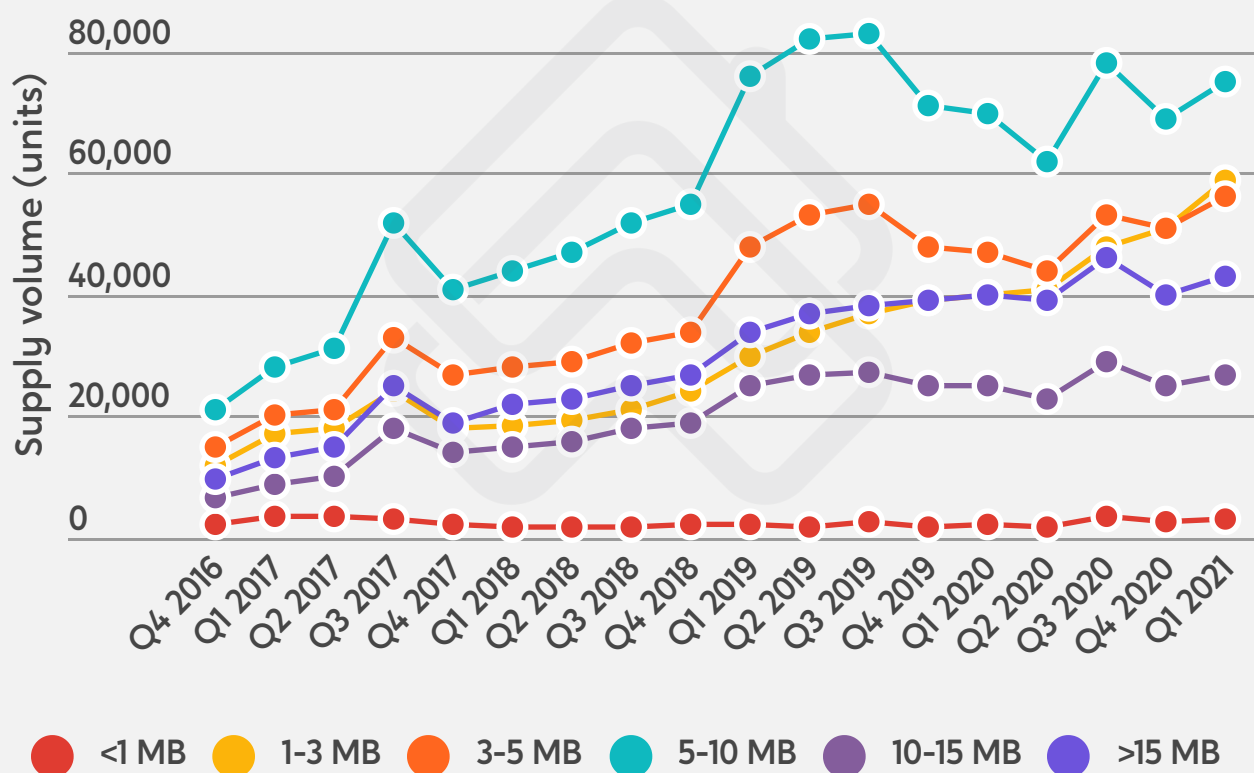
Supply increased in every price segment, with the THB1-3 million segment experiencing the highest supply growth at 14% QoQ.

Meanwhile, the THB5-10 million segment grew by 8% QoQ and the THB3-5 million segment increased by 10%.

Condominium supply in the THB5-7 million segment experienced a 7% growth from the previous quarter, while the THB1-3 million segment rose by 16%.

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Bangkok: Supply Volume by Price Range (QoQ)



Simultaneously, single-detached houses over THB10 million hiked 13%, while most townhouse supply appears to fall in the THB1-3 million segment that increased 16% growth from the previous quarter.

Despite properties falling in the THB1-3 million segment appearing to attract the most attention, figures reveal that properties over THB10 million enjoyed the highest consumer interest growing by 34%. The THB5-10 million bracket expanded by 27%, and the THB1-3 million by 23%.

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There is still an oversupply at the lower end of the market around the THB1-3 million mark despite consumer interest. This reflects the weak purchasing power possessed by lower-middle-class consumers who are also not positively affected by government policies such as lower mortgage and transfer of ownership fees. And despite higher-class consumers showing interest to invest, they are likely to take longer to part with their cash.

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Red Line Drives a Spike in Property Prices

The Red Line commuter train system recently commenced trial operations in March 2021 and should be operational in November 2021. This route influenced the Price Index of properties within its vicinity particularly in Don Mueang district that enjoyed 3% growth from the previous quarter, and Sanambin subdistrict increasing by 7%. The Supply Index in the district rose 8% QoQ.

The Price Index of Chatuchak district remains stable from the previous quarter. Looking across locations within the Red Line routes, the Price Index of Chatuchak subdistrict declined by 3% and Lad Yao subdistrict increased by 2%. The Supply Index in Chatuchak district increased by 14%, while Lad Yao subdistrict and Chatuchak subdistrict increased by 31% and 5%, respectively.

The Price Index in Lak Si district remained constant from the previous quarter; Talat Bang Khen subdistrict had a 5% reduction, while Thung Song Hong subdistrict increased by 2%.

Meanwhile, the Supply Index in Lak Si district rose by 11%; Talat Bang Khen subdistrict and Thung Song Hong subdistrict increased by 7% and 9%, respectively.

The Price Index of Khu Khot subdistrict in Lam Luk Ka district remained stable from the previous quarter, while its Supply Index increased by 4%. The Price Index of Prachatipat subdistrict in Thanyaburi district declined by 1% while the Supply Index increased by 15%.

Consumer interest in locations near the Red Line routes increased by 34%. In Bangkok, the highest attention was paid to Sanambin subdistrict in Don Mueang district with a 54% QoQ increase, followed by Chatuchak subdistrict (+53%) and Lad Yao (+46%) subdistrict in Chatuchak district.

Pathum Thani is also located within the Red Line routes. Areas of high demand included Khu Kot subdistrict of Lam Luk Ka district

and Prachatipat subdistrict of Thanyaburi district, where purchasing interest rose by 35% and 19% from the previous quarter.

Properties within the Red Line route tend to experience both supply and prices increases thanks to consumer's growing appetites. Predictions see that prices in locations will increase further once the SRT Red Line launches.



Northern Provinces Facing Air Pollution Issues

Air pollution continues to be an annual issue in Thailand's Northern provinces, especially between December and April. The smog caused by biomass burning continues to have impact on the real estate industry and consumer interest in the affected cities.

Chiang Mai

Overall, the Price Index in Chiang Mai increased by 2% from the previous quarter. In San Kamphaeng district, it rose by 7%, while in Chiang Mai district and San Sai district, the Price Index increased by 4% and 2%.

Consumer interest ramped up in these three locations. San Kamphaeng district the most rising by 34%, followed by Chiang Mai district with 28% growth and 16% recorded in San Sai district. However, in line with the annual arrival of smog, consumer interest between January and March dipped by 25%, 23% and 19% respectively.

Chiang Rai

In Chiang Rai, the Price Index did not alter from the previous quarter.

However, there were shifts within its districts, notably decreases of 17%

in Wiang Chai district and 1% in Mae Chan district, while Mueang Chiang Rai district remained stable.

The three locations that saw sharp rises in consumer interest over the past quarter were Wiang Chai district increasing 313%, Mae Chan district by 221%, and interest rising in Mueang Chiang Rai district by 50%. Between January and March, these three locations still generated interest but at a lower rate increasing by 20%, 25% and 9%.

Lampang

Overall, the Price Index in Lampang increased by 23% from the previous quarter. It reduced by 14% in Mueang Lampang, which had the highest number of real estate properties.

Even though consumer interest was concentrated in the Mueang Lampang district, it decreased by 63% from the previous quarter. Looking at data in January, consumer interest shrunk 91%.

More than any other province in Northern Thailand, Chiang Mai had the highest decrease in consumer interest due to its geographic location and basin-like shape surrounded by mountains, making its air pollution more severe than other provinces.

A Year of COVID-19: Impact on the Real Estate Market

The year-long scourge of the coronavirus put the country on prolonged lockdowns having a tremendous impact on every industry, including real estate.

Five locations saw an increase in consumer interest from when the imposition of the first lockdown and when the first lockdown was imposed and when the third wave hit (March 2020 vs. March 2021).

	Province	District	YoY Growth
1	Bangkok	Nong Khaem	113%
2	Bangkok	Min Buri	98%
3	Bangkok	Saimai	83%
4	Bangkok	Bang Khae	74%
5	Bangkok	Khlong Sam Wa	67%

All locations are outside Bangkok's CBD and in the city outskirts near current and future Skytrain routes illustrating the interest of areas with more space, not to mention lower property prices compared to the city.

Properties that attract the highest interest are single-detached houses increasing 72% over the year, while townhouses rose 43% and condominiums 12%. The THB3-5 million segment experienced the highest consumer interest growth with 39%, followed by properties in the THB1-3 million segment enjoying 37% growth and THB5-10 million segment rising 36%.

Locales with the highest interest for rental properties are near tourist areas or where there is high demand for jobs.

	Province	District	YoY Growth
1	Bangkok	Buang Kum	102%
2	Nakhon Ratchasima	Mueang Nakhon Ratchasima	99%
3	Chon Buri	Mueang Chon Buri	80%
4	Nonthaburi	Pak Kret	77%
5	Nonthaburi	Mueang Nonthaburi	66%

Single-detached houses had the highest rental interest (+39% YoY), followed by townhouses (+33% YoY), and condominiums (5% YoY).

Rental properties under THB 10,000 a month captured the highest consumer interest (+31% YoY). Meanwhile, properties with THB10,000-20,000 per month has the second highest consumer interest (+15% YoY), followed by those between THB20,000 and THB30,000 per month (+9% YoY). At the same time, the appetite for properties over THB30,000 per month reduced by 2% over the year.

Macroeconomics Overview

The Monetary Policy Committee (MPC) unanimously decided to stabilize interest rates at 0.50% to bolster the growth of Thailand's economy and to soften the blow of the latest and severe COVID-19 wave.

Nevertheless, economic recovery depends on many factors, including how quickly the government could manage the extensive availability of COVID-19 vaccines to achieve herd immunity. It is hoped that this could lead to the recovery of the tourism industry.

Government policies also need to be consistent and effective to hasten the country's economic recovery.

The 0.50% interest rate per year could benefit the real estate market. However, economic instability and the pandemic make consumers more conscious about their spending habits and raise concerns about long-term commitments like buying a house. In Q2 2021, it is vital to keep an eye on how appropriate upcoming government policies are and how they impact businesses and citizens.



It's also crucial to see that the government tries to stimulate foreign buyer interest by several initiatives, including allowing them to buy more than 49% of the condominium ownership quota, relaxing restrictions on landed property ownership, as well as expanding the leasehold rights to over 30 years. These policies are expected to be raised during the cabinet meeting in late April or early May 2021.

Thailand's economy is forecast to grow by 3%, which is lower than previous predictions due to the effects of the new wave of COVID-19 and fewer foreign tourists. The economy is expected to grow by 4.7% in 2022, when the number of tourists is expected to increase as a result of increased vaccinations both in Thailand and abroad. This could boost economic recovery in the second half of 2022.



Conclusion

Property prices are likely to continually decline because of the COVID-19 pandemic and economic slowdowns, which affect buying decision. Despite government policies to stimulate the real estate market, such as by lowering the ownership transfer fee for properties less than THB3 million, the supply available in the market is still high. This shows that lower-middle class consumers are delaying their buying decisions.

Horizontal properties generate the most consumer interest due to their preference for properties with bigger living spaces. This is consistent with DDproperty's Thailand Consumer Sentiment Study revealing that more than 50% of consumers choose property size as their number one priority followed by its cleanliness.

Additionally, more consumers are considering buying properties on the outskirts of Bangkok, especially around new and upcoming Skytrain routes due to convenience and more attractive prices than in the city.

Expediting the COVID-19 vaccinations could be the fastest cure to help the economy and real estate market recover as it directly affects consumer confidence. The current unstable circumstances are making consumers postpone their buying decisions despite attractive property prices.

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 the No.1 property website in Thailand, with over 3.5 million monthly visits and over 700,000 home choices.

Voted "Top Brand in Online Property Search" by property seekers, DDproperty is the most preferred destination for Thais to find and own their dream home.

The company is part of [PropertyGuru Group](#), Asia's leading property technology company.

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Special Thanks

To Khun Kamolpat Sawaengkit for her contributions to the Thailand Property Market Index Q2 2021.

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