



DDproperty

# Thailand Property Market Outlook 2022







# Introduction

In 2021, the real estate market became sluggish due to several factors, including the never-ending COVID-19 pandemic that has significantly impacted many industries, making for a challenging recovery.

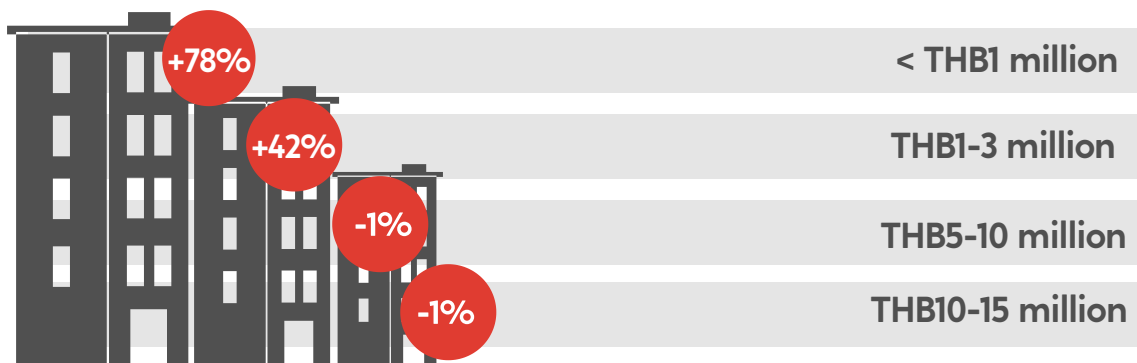
To illustrate, consumers are taking longer deciding on their house-buying strategy, which is consistent with the latest DDproperty's Thailand Consumer Sentiment Study that indicates 71% of consumers have further delayed their house buying.

The stalled real estate market has forced developers to adapt quickly. For one, they launched more landed property projects to satisfy the real demand of consumers, many of whom stayed at home during the pandemic or worked from home to observe their company's directive to do so.

Looking ahead to 2022, the real estate market is expected to recover. Overall, prices are forecast to remain the same. This is especially true for condominiums, which do not show signs of oversupply and continue to attract buyers. The factors that need to be observed are how well the government controls the spread of COVID-19 and economic stimulus measures, which could help the market recover.

# Overview

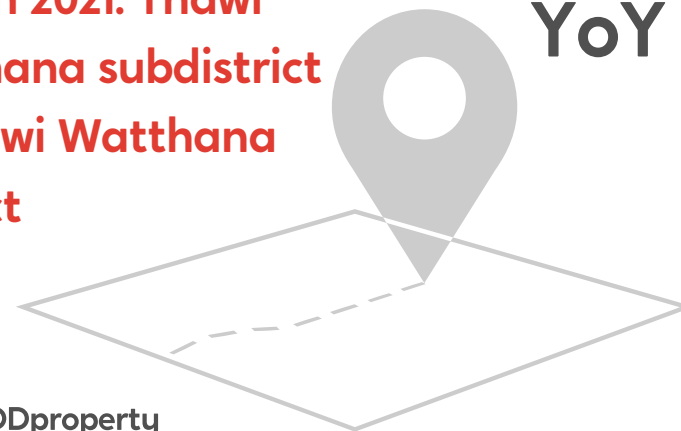
## Supply Volume by Price Range (YoY)



Source: DDproperty

The highest price growth area in 2021: Thawi Watthana subdistrict in Thawi Watthana District

83%  
YoY

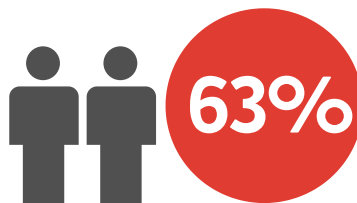


Source: DDproperty

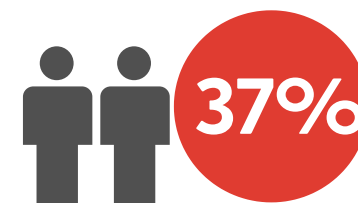
## The Biggest Deterrent of Purchasing a Property



Loss of income due to COVID-19



Property prices



Political instability

Source: DDproperty's Thailand Consumer Sentiment Study

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Looking Back  
at 2021



# The Sluggish Housing Market

The COVID-19 pandemic has tremendously affected most industries. Many companies laid off their employees, reduced salaries, or even closed permanently. The pandemic has effectively become one of the biggest and longest crises causing consumers to be mindful about spending for unnecessary items, as well as high involvement products such as property.

Government's real estate measures, such as reducing transfer ownership fees and mortgages for properties under THB3 million and the Bank of Thailand's (BOT) loan-to-value (LTV) measures introducing 100% mortgages in October 2021, have not helped much yet. Despite these incentives, consumers still lack purchasing power and remain uncertain about the pandemic and the overall economy.



Consequently, developers have postponed new project launches, particularly of condominiums, to focus on selling existing inventory using promotional campaigns and discounts. As a result, the Price Index for residential properties in Bangkok this year is decreasing.

Thailand's GDP growth remains low due to the prolonged pandemic, influencing consumer purchasing power and confidence. According to the Monetary Policy Committee, Thailand's economy has already reached the lowest point.

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Locations with the highest price growth are in Bangkok suburbs because most landed properties in these areas are more affordable for the majority. In addition, the expansion of BTS/MRT routes makes travelling to the city much more convenient.

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**Kamolpat Sawangkit**

Country Manager,  
DDproperty

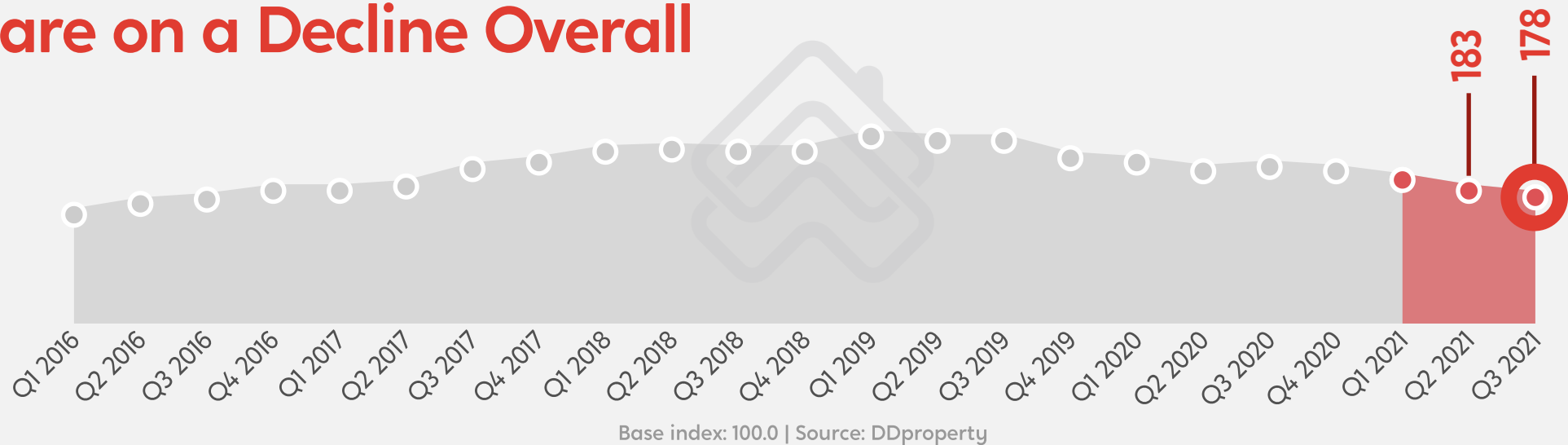
# Key trends

## in 2022





# Property Price Trends are on a Decline Overall



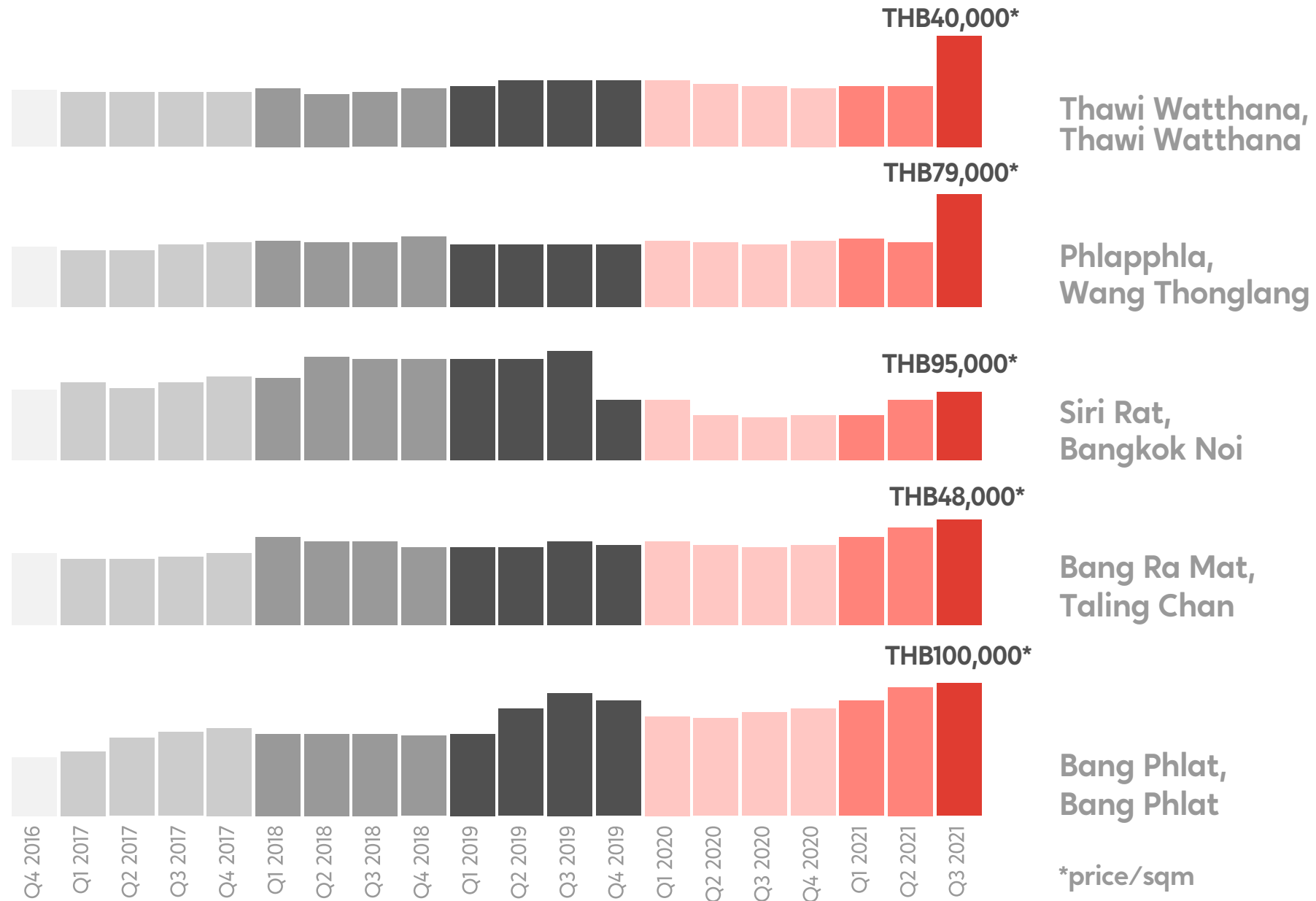
House prices have been decreasing since the end of 2019 due to the sluggish economy, a high level of household debt, and stringent new LTV requirements requiring higher deposits. COVID-19 has also directly impacted consumer purchasing power, which contributed to stagnant real estate prices.

According to the DDproperty Thailand Property Market Index, the Price Index of Bangkok residential property has been decreasing since Q4 2020. It decreased from 197 points to 190 points in Q1 2021, to 183 points in the following quarter,

and to 178 points in Q3 2021. Overall, the Price Index decreased by 11% compared to the same period in 2020.

Despite the decline in overall Price Index, there has been some growth. The Price Index of landed residential properties shows positive signs, especially for single-detached houses, which increased by 6% from the previous year and by 13% from Q3 2019, before the COVID-19 outbreak. Meanwhile, the Price Index of condominiums has slumped by 11% from the previous year and by 16% since the pre-pandemic period.

## 5 Locations with the Highest Median Asking Price Increase



# Location in Bangkok with Outstanding Price Growth

## Condominium

	District	Subdistrict	YoY
1	Sai Mai	Khlong Tanon	+58%
2	Wang Thonglang	Phlapphla	+43%
3	Prawet	Dok Mai	+22%
4	Phasi Charoen	Bang Chak	+19%
5	Pathumwan	Lumpini	+14%

## Single-detached House

	District	Subdistrict	YoY
1	Khlong San	Khlong San	+169%
2	Huai Khwang	Bangkapi	+141%
3	Chatuchak	Sena Nikhom	+62%
4	Bang Phlat	Bang Phlat	+40%
5	Chatuchak	Lat Yao	+34%

## Townhouse

	District	Subdistrict	YoY
1	Khlong San	Somdet Chao Phraya	+292%
2	Khlong San	Khlong Ton Sai	+134%
3	Thawi Watthana	Thawi Watthana	+78%
4	Min Buri	Saen Sab	+45%
5	Khlong San	Khlong San	+37%

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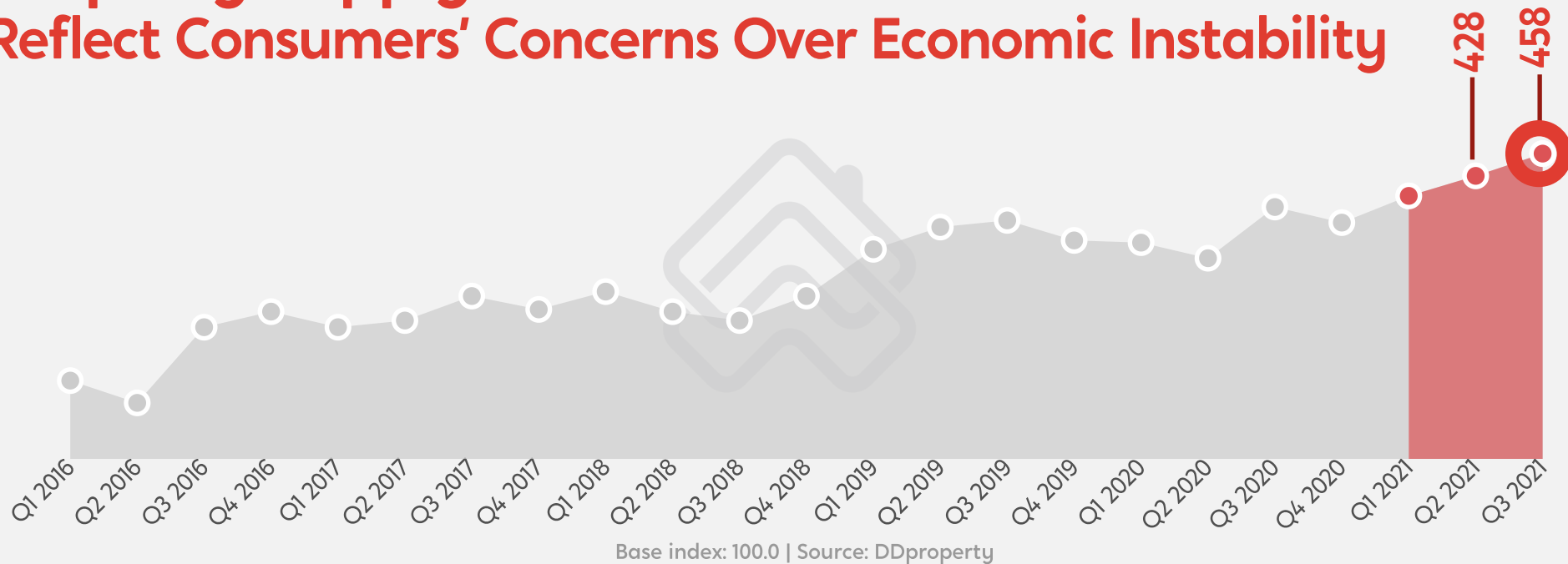
The locations with the highest price growth are mostly located around city fringes, and the outskirts of Bangkok.

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# Property Supply Trends

## Reflect Consumers' Concerns Over Economic Instability



The Supply Index continued to climb despite developers delaying project launches and consumers postponing their sales. However, a high level of inventory remains, especially for condominiums.

In Q1 2021, the Supply Index steadily increased from 399 points to 428 points, then reached 458 points in Q3 2021. Overall, the index rose by 19% from the

previous year and by 25% from before the pandemic.

These reflect low absorption rates resulting from the extended period of economic slowdown, causing consumers to be wary of economic instability and, thus, delay buying property. Investors and foreign buyers have also disappeared from the market.

## 5 Locations with the Highest Supply Growth in 2021

	District	Subdistrict	YoY
1	Wang Thonglang	Phlapphla	+161%
2	Klong Sam Wa	Sam Wa Tawan Ok	+121%
3	Nong Chok	Nong Chok	+108%
4	Sai Mai	O-Ngoen	+98%
5	Chatuchak	Chan Kasem	+87%

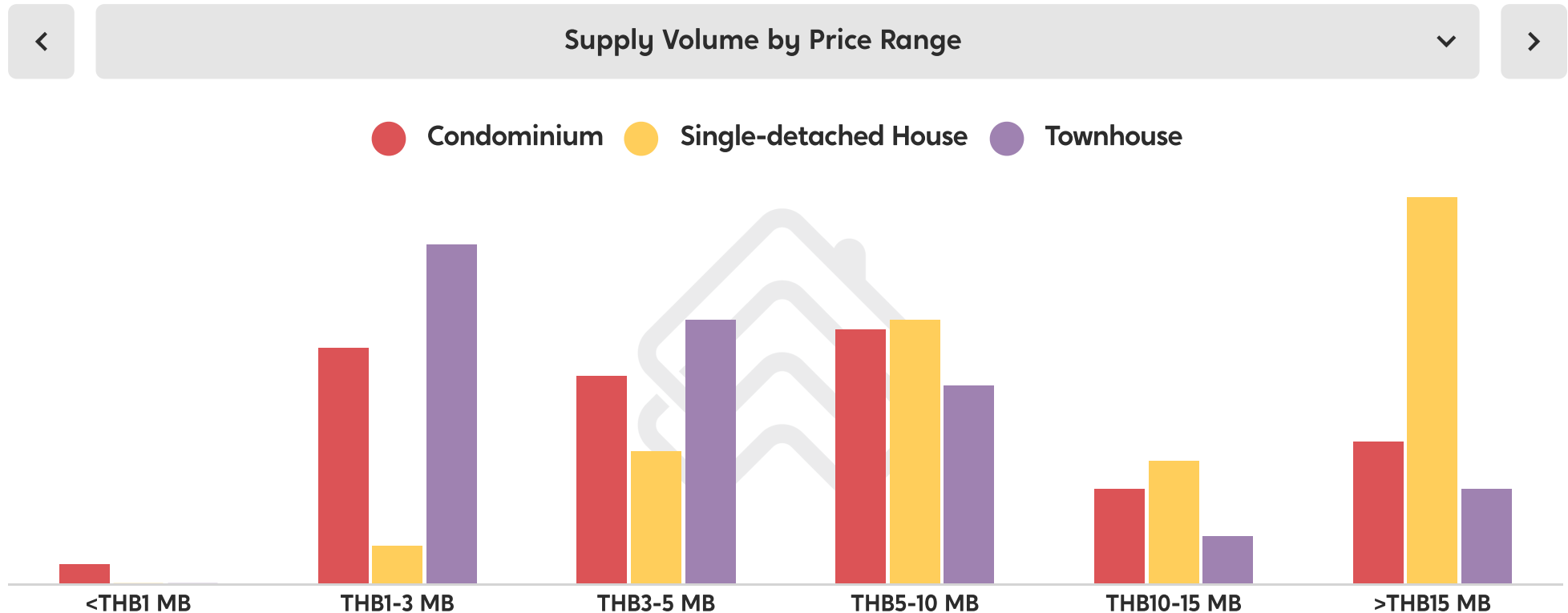
Over the past year, the area with the highest supply growth for condominium supply was Khlong Thanon Subdistrict in Sai Mai District, which had a staggering 323% increase. The locations with the highest supply growth for single-detached house and townhouse were Phlapphla subdistrict in Wang Thonglang district and Sam Wa Tawan Tok subdistrict in Khlong Sam Wa district, rising by 295% and 162% YoY, respectively. Categorising properties by prices, those under THB1 million recorded the highest growth, increasing by 78%. On the other hand, the THB1 to 3 million segment increased by 42%, while the THB5 to 10 million and THB10 to 15 million segments decreased by 1%.

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This indicates that inventory for property under THB3 million remains high because consumers in this tier are affected by the poor economic outlook. However, properties priced between THB5 and 15 million, which are geared more towards middle-higher class consumers, show positive signs as evidenced by their decreasing supply.

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## Supply Situation in Bangkok



Most condominiums fall into the THB5 to 10 million bracket, representing 27% of supply, while condominiums priced between THB1 to 3 million represent 25%. Concurrently, single-detached houses priced over THB15 million account for 41% of supply, followed by those priced between THB5 to 10 million, representing 28% of supply. On the other hand, 36% of all townhouse supply fall into the THB1 to 3 million bracket and 28% between THB3 and 5 million mark.





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Even though supply from unsold units continually increased in 2021, most of these comprise horizontal property specifically single-detached houses, which increased by 33% from the previous year. On the other hand, townhouse supply increased by 30%, while condominiums increased by 11%. It is forecast that in 2022, developers will continue to sell their unsold stocks located in the city, but more and more new project launches will hit the market once the economy recovers.

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# Most Thais Delayed Buying Property

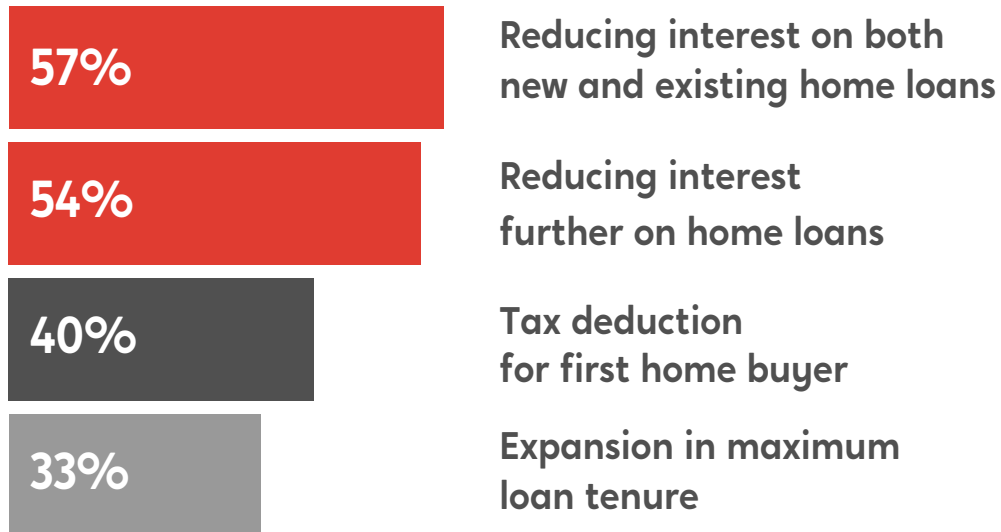


The pandemic caused a shift in consumer behaviour, from how to travel to where to work and live.

According to DDproperty's Thailand Consumer Sentiment Study, 71% of Thai consumers show interest in buying property but have postponed buying a house, with 39% planning to buy within the next one to two years. Financial instability created by COVID-19 is one challenge to investing in property as 63% of respondents had concerns over the property price, while 37% lacked confidence due to political instability.

80% of consumers also cited that the government does not help ease the process of owning property. 57% of those surveyed said measures such as reducing interest rates on old and new home loans are needed to transact.

## The Government's Measures Expected by Thai Consumers



Source: DDproperty's Thailand Consumer Sentiment Study

Looking at age ranges, more than half of millennials (58%) have no plans to move out of their family home within the year. 49% want to be with and take care of their family, while 43% do not have enough financial support to climb onto the property ladder.

As for financial planning for millennials, 61% focused on managing their money as efficiently as possible through an emergency fund. 60% spent their money on family expenses and 54% used their funds to pay off debt.

Additionally, 93% of Thai consumers are interested in the importance of sustainable living, such as houses with solar panel systems (62%), cooling systems (58%), and pollution absorption functions (48%).



# The Economy Has Passed Its Lowest Point



Even though the COVID-19 pandemic has significantly impacted the Thai economy throughout 2021, the Monetary Policy Committee estimates that the economy has passed its lowest point and that the country is taking steps towards economic recovery.

The relaxing of COVID-19 measures, the reopening of the country, and the distribution of vaccines have all aided this. Nevertheless, the recovery rate still shows signs of uncertainty.

Overall, Thailand's economy is forecast to grow by 3.7%, thanks to the increase in domestic spending rate and the recovering tourism industry.

# Big Property Bets

in 2022



# 3 Greater Bangkok Provinces Enjoying Significant Price Growth

## Nonthaburi

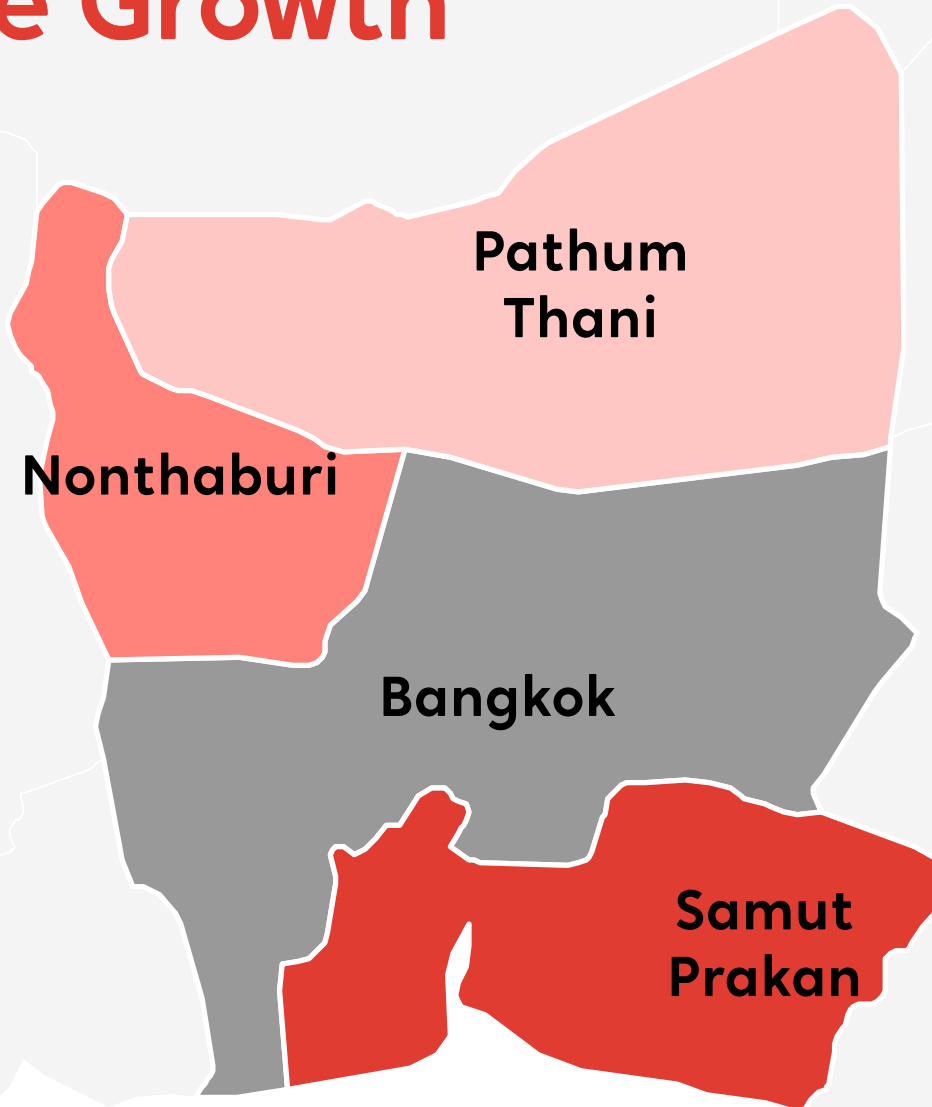
Price Index +0.4 YoY  
Supply Index +21 YoY

## Pathum Thani

Price Index +5 YoY  
Supply Index +24 YoY

## Samut Prakan

Price Index +14 YoY  
Supply Index +20 YoY





## Nonthaburi

Locations with the highest price growth are those near the MRT Purple Line route Bang Yai - Bang Sue. Bang Rak Noi subdistrict in Mueang Nonthaburi district increased by 17% and Bang Yai subdistrict in Bang Yai district rose by 9%.

Locations with the highest supply growth are Bang Khu Rat subdistrict in Bang Bua Thong district, increasing by 84% from the previous year; Bang Rak Yai subdistrict in Bang Bua Thong district came in second, rising by 60%; and Ban Mai subdistrict in Bang Yai district, which recorded a 59% growth YoY.

Condominium supply grew the most in Bang Kraso subdistrict in Mueang Nonthaburi District, by 21%, while single-detached houses had the highest growth in Bang Mae Nang subdistrict in Bang Yai district, rising by 12%. Lastly, Bang Bua Thong subdistrict in Bang Bua Thong district experienced the highest growth in the supply of townhouses, increasing by 35%.



## Pathum Thani



Locations with the highest price growth over the year are situated near the Skytrain extension Khu Khot - Outer Ring Road. These include Khlong Hok subdistrict in Khlong Luang district increasing by 50% and Khlong Ha subdistrict in Khlong Luang district rising by 19%.

Locations with the highest supply growth are Lam Luk Ka subdistrict in Lam Luk Ka district increasing 65% YoY, Khu Khot subdistrict in Lam Luk Ka district came in second rising by 20%, followed by Khlong Nueng subdistrict in Khlong Luang district climbing 36%.

Condominium supply grew the most in Khlong Nueng subdistrict in Khlong Luang district, by 18%, while single-detached houses had the highest supply growth in Lat Sawai subdistrict in Lam Luk Ka district, rising by 41%. Khlong Sam subdistrict in Khlong Luang district experienced the highest growth in the supply of townhouses, increasing by 5%.



## Samut Prakan

Locations with the highest price growth are those near the BTS Green Line (Samrong-Keha): namely Tai Ban Mai and Thepharak subdistricts both in Mueang Samut Prakan district, which increased by 12%. These locations also benefit from the upcoming Yellow Line (Lat Phrao-Samrong) that will be fully operational in 2022.

The location with the highest supply growth is Pak Nam subdistrict in Mueang Samut Prakan district, rising by 32% YoY. However, significant supply growth occurred in other areas too; for instance, Thepharak and Tai Ban Mai subdistricts in Mueang Samut Prakan district increased by 24% and 19% YoY, respectively.

The area with the most condominium supply growth was Samrong Nuea subdistrict in Mueang Samut Prakan district, climbing 33%. On the other hand, Bang Kaeo subdistrict in Bang Phli district had the highest growth number of new single-detached houses and townhouses, increasing by 28% and 45% YoY, respectively.





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The prices of properties in the three aforementioned provinces were typically between THB1 and 3 million, but most single-detached houses fell into the THB5 to 10 million range. Since condominiums and townhouses are mainly priced between THB1 to 3 million, it proved to be a tough market for condominiums since buyer appetites are veering more towards horizontal living,

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**Should you buy or sell  
property in 2022?**



# Should you buy or sell property in 2022?

## For Buyers

- Real estate prices show no signs of growth, especially at the beginning of 2022. It is a buyer's market for those with sufficient purchasing power and access to government LTV policies aimed to attract consumers and investors.

- Prices of landed properties such as single-detached houses and townhouses can increase as a result of pandemic-driven changes in consumers' behaviour. Additionally, the BTS/MRT route expansion around Bangkok's suburbs could generate incremental property price increases.



## For Sellers

- Due to a high supply of unsold inventory, sellers should delay selling to a more lucrative part of the market to yield a higher profit.

- Locations that show positive price growth are mainly on the outskirts of Bangkok; landed property in particular could make significant profit in the future.



## Considering Factors

- High vaccine distribution rates across the country together with the development of COVID-19 pills will tremendously help global economic recovery from the prolonged pandemic. This, in turn, will help the real estate market recover.

- Reduced transfer ownership fees and other stimulus policies from the government could also contribute to the real estate market's recovery.





# Conclusion

# 2022, the Year of Recovery

The real estate market is expected to recover in 2022. There are already positive signs of this in the last quarter of 2021, including the easing of COVID-19 restrictions, widespread distribution of vaccines, and overall economic rebound.

New supply is predicted to enter the market at the beginning of 2022 as developers and sellers offload their existing property to cater to consumers with strong purchasing power. Positive indicators are the easing of LTV measures and the reopening of the country.

Pricing remains stable from 2021, reinforced with the availability of promotional campaigns and discounts to encourage more sales.

Meanwhile, developers have shifted their strategic focus to accommodate consumers' behavioural changes caused by COVID-19. For instance, developers

are integrating smart home technology into their developments to allow contactless activity and launching mixed-used residential property projects to ensure long-term profitability.

It's worth noting that locations around the outskirts of Bangkok flourished. This is especially true for those close to certain Skytrain systems, many of which will be operational in 2022 like the Yellow Line (Lat Phrao-Samrong) and Pink Line (Khae Rai-Min Buri). This transportation system will help boost the growth of properties across many locations.

Nevertheless, many challenges for the real estate market remain, including the prolonged COVID-19 pandemic, high household debt, strict requirements to secure a mortgage, and political instability, to name a few. Support from the government is required to help boost the real estate market and Thailand's economic recovery.





# 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

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