



# PATTAYA CONDOMINIUM

MARKET OVERVIEW 1H 2016

## HIGHLIGHTS

- The cumulative supply of Pattaya condominiums at the end of 1H 2016 was recorded at 60,696 units. The Jomtien area showed the highest supply, with approximately 23,827 units, as of 1H 2016. In terms of new supply, there were approximately 182 units of new supply being launched during 1H 2016; all were located in the Pratumnak area.
- Demand for Pattaya condominium units at the end 1H 2016 totalled 40,361 units. The take-up rate grew gradually to 66% at the end of 1H 2016, from just 62% during the end of 2015.
- The buyers of Pattaya condominium vary, consisting of many nationalities around the world; the majority of international buyers are from China, Singapore, Hong Kong and Russia. Thais are also the main buyers of Pattaya condominiums.
- The average selling price of a sea view condominium in Pattaya has increased by 2% from just THB 117,446 per square metre in 2015 to THB 119,795 per square metre during the first half of 2016. The average selling price of partly sea view and non-sea view condominiums was quite stable at THB 67,900 per square metre and THB 66,925 per square metre, respectively.



**RISINEE SARIKAPUTRA**  
Director, Research and Consultancy

"The emerging buyers of Pattaya condominium are Chinese, though Chinese buyers have replaced Russian buyers, unfortunately Pattaya condominium market has not yet recovered in 2015 and 2016."

## Market Overview

The outlook of Pattaya's condominium market seems unpredictable. Developers have slowed down in launching new condominium projects during the first half 2016; only 182 units were launched, making up a total supply of 60,696 units, as of 1H 2016. The take-up rate has increased to 66% during the first six month of 2016, from just 62% in 2015. This was due to the slow growth in the number of new supply during the first half of 2016; in this period, there were only 2,876 condominium units being bought. The number of units sold decreased in 2015 and 1H 2016. The average unit sold each year was in the range of 6,000 to 6,500 units. In 2015, the new units being sold dropped to 5,733 units. Developers have tried to clear the remaining inventory by offering a guarantee rental return of 5 to 7% during the first three years when the buildings have been completed. In terms of selling price, the selling price of sea view condominiums in Pattaya increased 2% in 1H 2016,

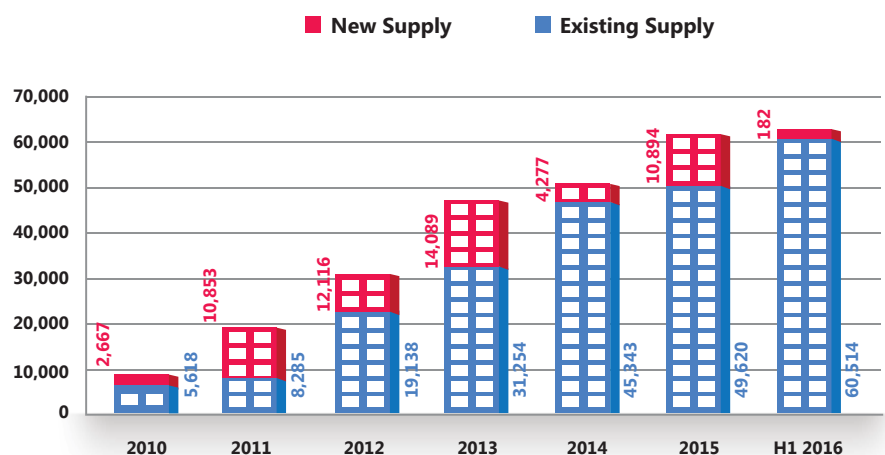
from just 117,466 baht per sqm in 2015 to 119,795 baht per sqm in 1H 2016.

The partly sea view and non-sea view condominium prices remained stable at THB 67,900 and THB 66,925 baht per sqm, respectively.

## Supply Trend

The launch of new supply of condominiums in Pattaya has slowed, with only 182 units in 1H 2016. During the first half of 2016, the cumulative supply of Pattaya condominiums was recorded at 60,696 units. All new projects in 1H 2016 were in the Pratumnak area. There were four projects launched in 1H 2016: Turtle Creek Pattaya, New Nordic C View Boutique, New Nordic Club 4 and Paradise Ocean View Residence. In terms of condominium locations in Pattaya, the majority of new supply was in the Jomtien area, with approximately of 37% of the total, followed by South Pattaya and Wong Amart with around 16% and 14%, respectively.

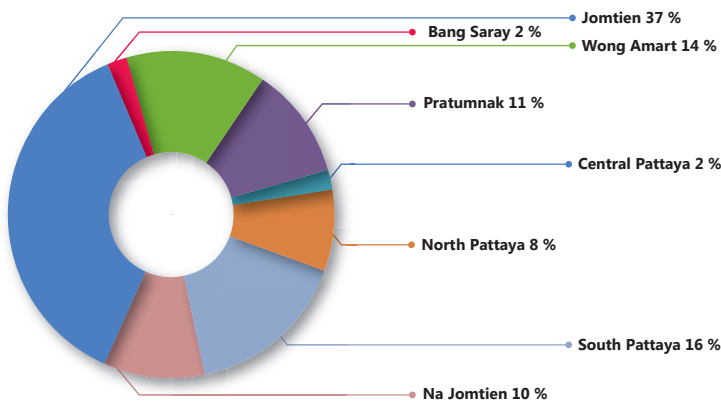
FIGURE 1  
**Pattaya Condominium Stock and New Supply 2010 to H1 2016**



Source : Knight Frank Thailand's Research

FIGURE 2

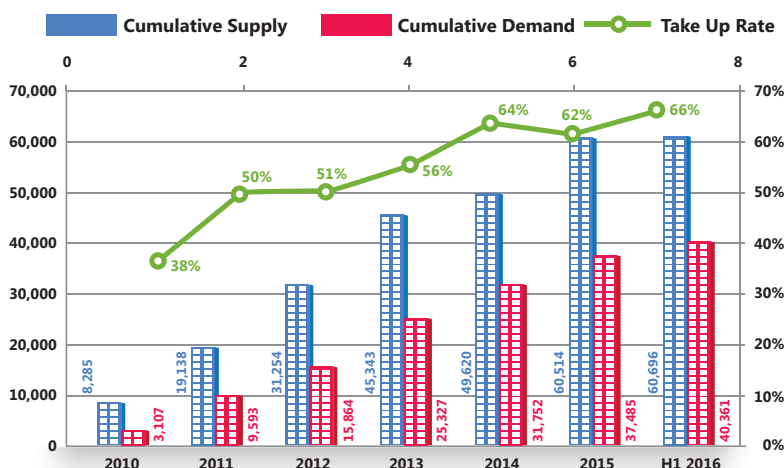
## H1 2016 Total Supply by Location



Source : Knight Frank Thailand's Research

FIGURE 3

## Supply, Demand, Take Up Rate of New Launch Between 2008 to H1 2016



Source : Knight Frank Thailand's Research

## Demand Trend

The demographic of Pattaya condominium buyers has changed since 2010. Previously, Pattaya was a favoured residential area for people from Russia, Germany, the Middle East, Australia, and India who also reside in

Bangkok, as well as tourists who wanted to purchase a retirement or holiday home in the coastal city. Russians were the main buyers in the Pattaya market but the numbers of such buyers have been declining steadily since 2014. The Ruble

currency crisis directly affected Russian visitors and their purchasing power as it decreased comparing to the previous year. The emerging buyers of Pattaya condominium are Chinese; though Chinese buyers have replaced Russian buyers, the Pattaya condominium market has not yet recovered in 2015.

The number of Chinese tourists visiting Pattaya has increased by 15.45%, whilst the number of Russian tourists visiting Pattaya dropped by 50%. Chinese investors started buying condominium in Pattaya for investment. Most condominiums that they bought were mainly fully furnished and The unit price was not over THB 5 million.

As of 1H 2016, there were 40,361 units sold out of 60,696 units, representing a sold rate of 66%. The sold rate increased from 2015; the rate of 62% to 66% during the first half of 2016 was due to the slowdown in the newly launched units during the first half of 2016.

## Pricing Trend

In terms of selling prices of condominiums in Pattaya, the view from the condominium unit is the main factor affecting the selling price. Condominium units with sea views had the highest average selling prices with THB 119,795 per sqm as of 1H 2016, an increase of 2% from THB 117,446 per sqm in 2015. The selling price of partly sea view and non-sea view units remained fairly stable or slightly increased at THB 67,900 and THB 66,925 per sqm, respectively.

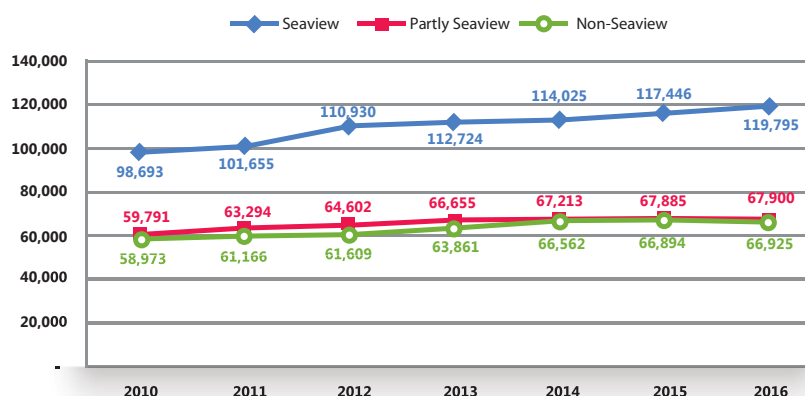


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FIGURE 4

## Average Selling Price by Condominium view, 2010-2016



Source : Knight Frank Thailand's Research

## Outlook

The Pattaya condominium market is hard to predict but there are several positive factors concerning Pattaya as a city and Pattaya properties such as infrastructure development, which refers to the train from Bangkok to Pattaya, the monorail train in Pattaya city and the Dual Track Train from China to Pattaya. Additionally Pattaya city features many convenient facilities, including international hospitals, international schools, shopping malls, restaurants and supermarkets – all ensuring that visitor needs are fulfilled. Besides, Pattaya is close to Rayong, Chonburi and Lamchabang Sea Port that

house many industrial estates, which are essential in terms of cargo transportation, tourism and industry development. Pattaya will be a town that has very high potential in the future. There are many management level personnel working in the industrial estates in Rayong, Chonburi and Sri Racha. With the complete facilities and amenities in Pattaya, such professionals working in said locations will choose to live there. Knight Frank (Thailand) believes that the Pattaya condominium market will recover but it will take some time.

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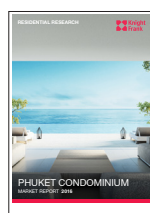
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