



Housing Market in the Bangkok Metropolitan Region (BMR)

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Thailand's Housing Market Overview

Nationwide Market

Market Value

944 Billion Baht
Total Market Value of Housing
Transferred in 2021



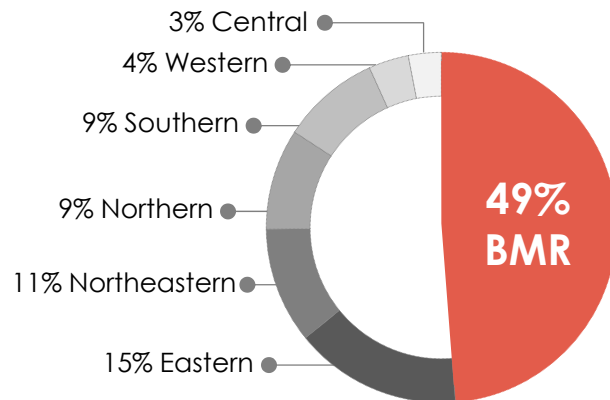
62% BMR



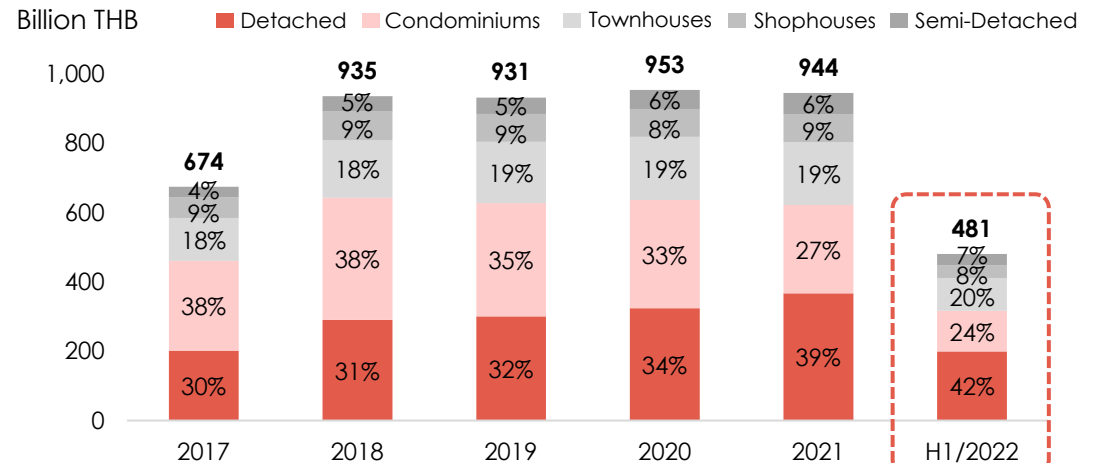
38% Upcountry

Market Volume

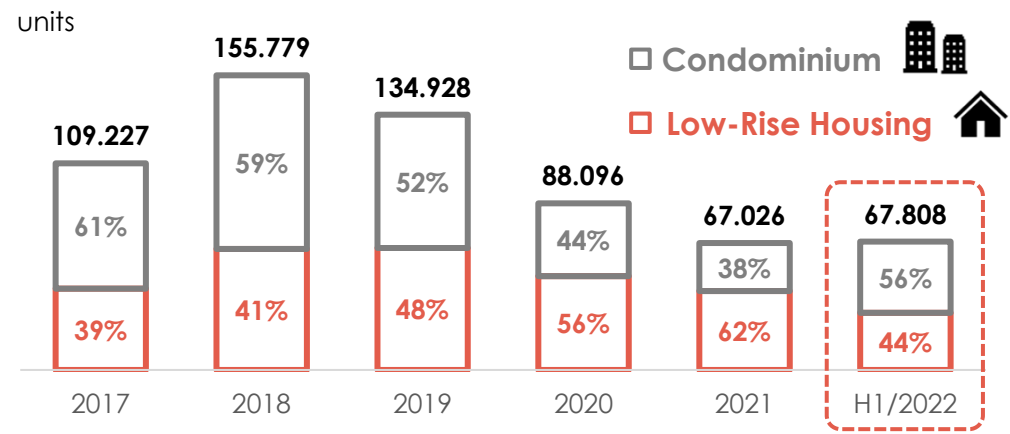
343,706 Housing Units
Transferred by Region in 2021



Major Types of Housing Transferred Nationwide



Newly Launched Housing Supply in BMR and 6 Major Provinces



Note: BMR include Bangkok, Nontaburi, Pathumthani, Samut Prakarn, Samut Sakorn, and Nakhonpathom
Low-Rise Housing include Detached houses, Duplexes, Townhouses, and Shophouses.

Source: Real Estate Information Center (REIC)

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BMR Overview

Bangkok Metropolitan Region (BMR) Market

Market Value

584 Billion Baht
Total Market Value of Housing
Transferred in 2021

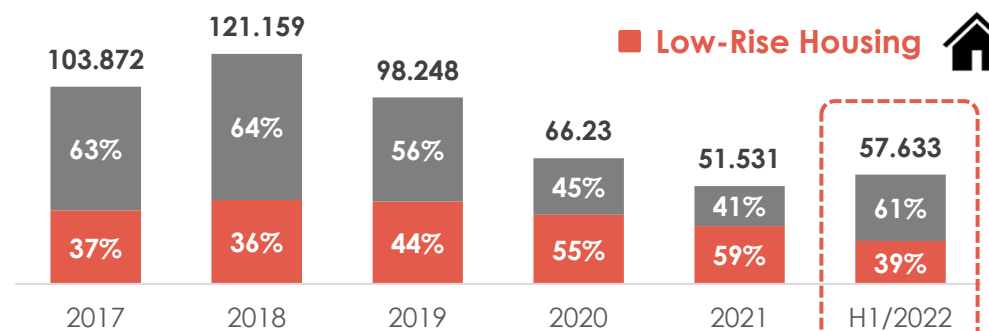
Market Volume

167,464 Housing Units
Transferred in 2021

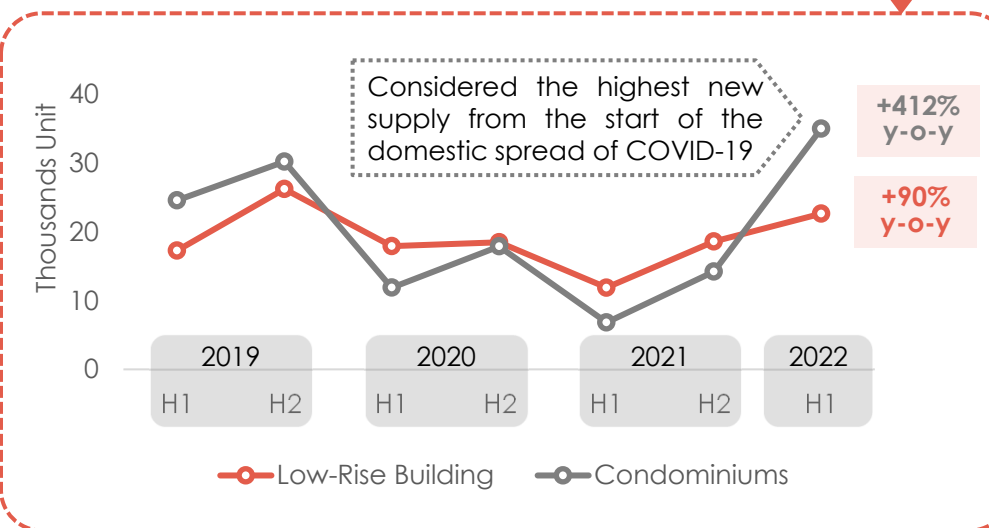
Newly Launched Housing Supply in BMR

Units

■ Condominium 
■ Low-Rise Housing 



- Almost 2 years from the start of the domestic spread of COVID-19, the housing market in BMR has shrunk consistently, mainly due to weaker consumer spending from the slowing economy and heavy oversupply, especially in the condominium market that has forced developers to postpone their projects.
- However, several developers are more confident in 2022 and are gradually launching housing projects that they have been holding back on selling last year. New unit numbers were 57,633 units in the first half of 2022 which is higher than the total new units launched in the full year of 2021.



Note: BMR includes Bangkok, Nontaburi, Pathumthani, Samut Prakarn, Samut Sakorn, and Nakhonpathom
Low-Rise Housing include Detached houses, Duplexes, Townhouses, and Shophouses.

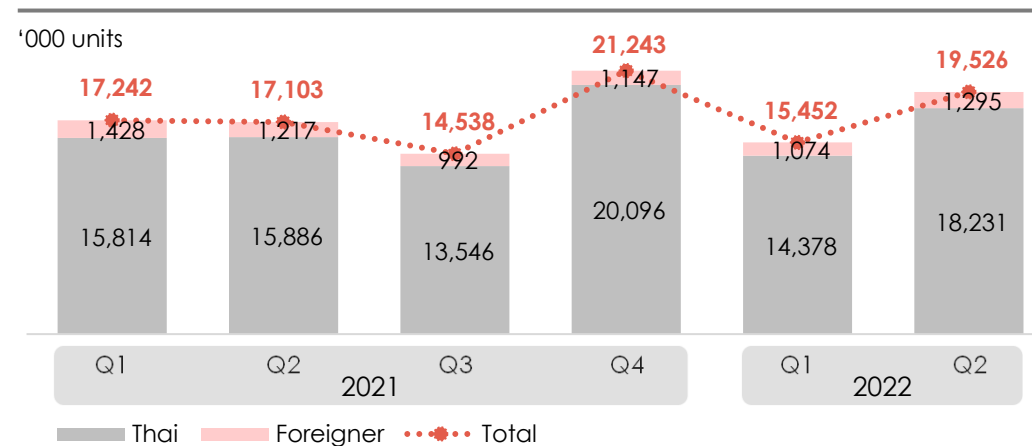
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Condominium Market in BMR

- The condominium market in 2022 started to improve in the second quarter, mainly boosted by more local demand from the easing of COVID-19 restrictions and the extension of government incentives (i.e., the relaxation of LTV requirements and the reduction of transfer ownership/mortgages fees), including foreign demand as the government is to fully reopen cross-border travel on May 1st, 2022.
- Despite foreign tourists beginning to enter Thailand, the demand of condominiums in BMR from overseas has not returned to normal due to Chinese buyers, the largest foreign buyer of condominiums in Thailand, still having difficulties travelling due to COVID-19.
- Developers predicts that condominium buyers will return in full in the next 2 years with a rebound of foreign buyers in 2023.

Condominiums Transferred in BMR

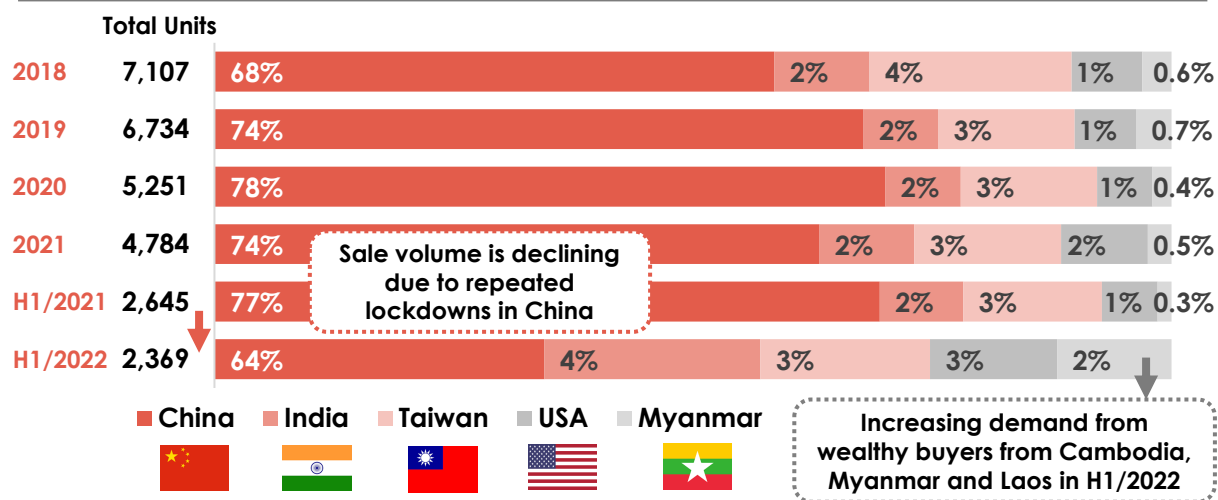


Source: Real Estate Information Center (REIC)



Foreign Condominium Market

Nationality Share by Transferred Volume



Source: Real Estate Information Center (REIC)

The **Chinese** bought the most condominiums among foreigners in Thailand and continues to dominate the market with the highest share by both value and volume terms in the first half of 2022.

Why do the Chinese purchase condominiums in Thailand:

- ✓ Inexpensive property prices compared to the inflated property prices in China.
- ✓ Many Chinese businesses are exiting the country or setting up additional facilities elsewhere.
- ✓ Affordable destination with a high-quality lifestyle, low cost of living and schooling, and high-quality medical care in Thailand.

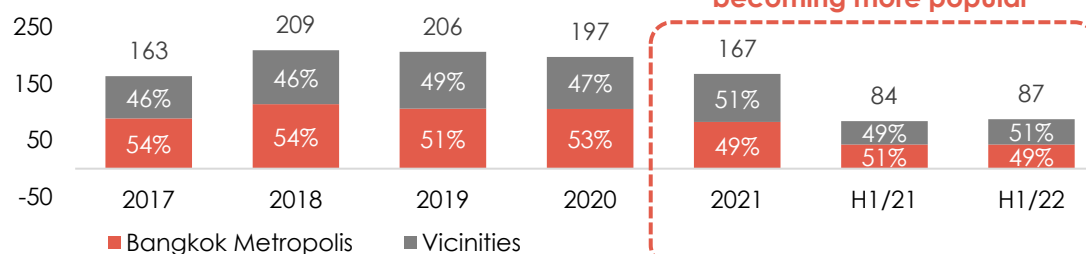
Low-Rise Housing Market in BMR

- The low-rise housing market after the COVID-19 pandemic has been driven by real demand, including a changing consumer behavior in the market caused by the current working from home trend, needing larger and more adaptable spaces with a wider range of room functions. These led developers to launch many new low-rise housing projects, especially in suburban areas due to the expansion of the city to outer areas with lower land prices than the city center, plus the expansion of mass transit across the BMR.
- However, the growing supply of low-rise housing projects in BMR, particularly in low-medium detached houses and townhouses, could lead to an oversupply in the market due to the high household debt and rising rate of inflation.
- Meanwhile, the rising construction costs and land prices at present have increased the selling price of recent and upcoming projects, especially detached houses since it requires a large area to develop.

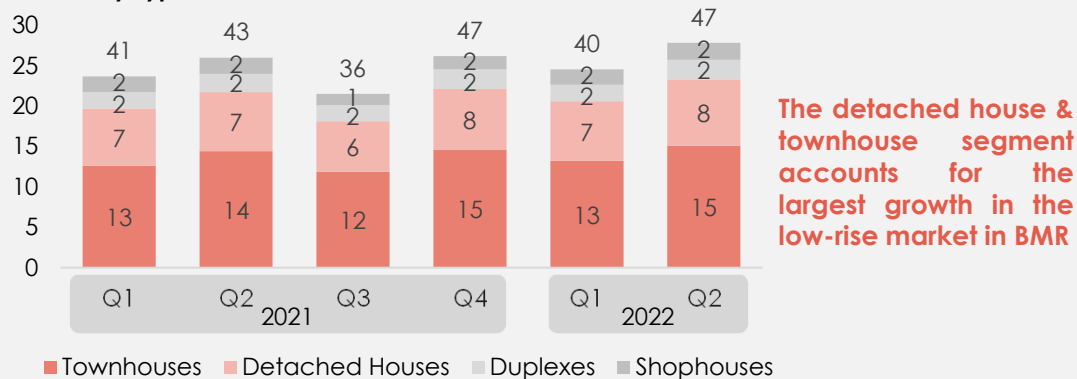


Transferred Low-Rise Housing in BMR

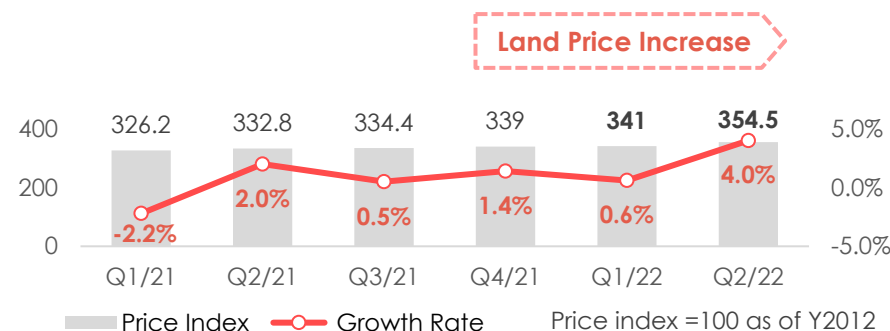
'000 units **By Area**



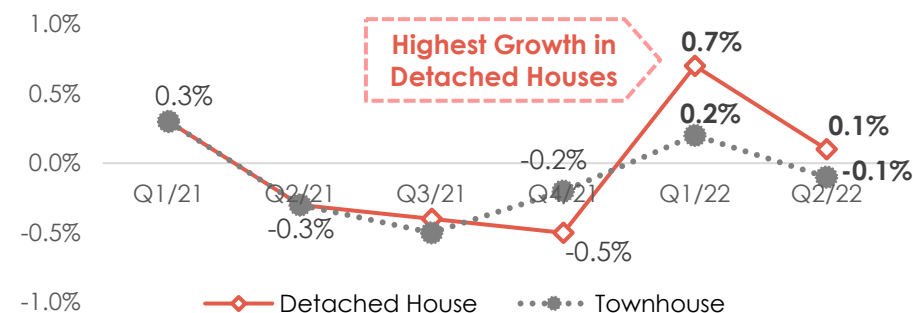
'000 units **By Type of House**



Empty Land Price Index in BMR



Growth Rate of Housing Price Index in BMR



Source: Real Estate Information Center (REIC)












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Movement of Major Housing Developers (1)

Major Housing Developers in Thailand

Project Launch Plans 2022 in BMR (by the company, subsidiaries & JV)

	Major Developers	Total Revenue ^{1/} (FY 2021)	Net Sales (FY 2021)	Project Number	Project Value	Main Housing Types (In terms of value)
	AP (Thailand) Plc.	6,119 (BHT Mil.)	3,506 (BHT Mil.)	60 Projects	73,800 (BHT Mil.)	Low-Rise Housing
	Sansiri Plc.	21,591 (BHT Mil.)	21,117 (BHT Mil.)	46 Projects	50,000 (BHT Mil.)	Low-Rise Housing
	Noble Development Plc.	3,726 (BHT Mil.)	2,709 (BHT Mil.)	18 Projects	47,700 (BHT Mil.)	Condominium
	SC Asset Corporation Plc.	18,074 (BHT Mil.)	17,768 (BHT Mil.)	27 Projects	41,200 (BHT Mil.)	Low-Rise Housing
	Origin Property Plc.	4,638 (BHT Mil.)	964 (BHT Mil.)	20 Projects	33,540 ^{2/} (BHT Mil.)	Condominium
	SENA Development Plc.	3,039 (BHT Mil.)	2,056 (BHT Mil.)	49 ^{3/} Projects	27,480 ^{3/} (BHT Mil.)	Condominium
	Land and Houses Plc.	30,472 (BHT Mil.)	26,507 (BHT Mil.)	12 Projects	24,550 (BHT Mil.)	Low-Rise Housing
	Property Perfect Plc.	7,278 (BHT Mil.)	5,947 (BHT Mil.)	14 Projects	24,210 (BHT Mil.)	Low-Rise Housing
	Supalai Plc.	27,661 (BHT Mil.)	27,156 (BHT Mil.)	15 Projects	18,400 (BHT Mil.)	Low-Rise Housing
	Pruksa Real Estate Plc.	25,972 (BHT Mil.)	25,049 (BHT Mil.)	31 Projects	16,300 (BHT Mil.)	Low-Rise Housing
	L.P.N. Development Plc.	3,337 (BHT Mil.)	3,249 (BHT Mil.)	9 Projects	11,430 (BHT Mil.)	Condominium

Note: The financial figures in the table may include non-housing businesses.

^{1/} Total revenue includes other income such as interest income, dividend income etc.

^{2/} Project value of Origin Property includes 3 projects in upcountry

^{3/} Project number and value of SENA Development include projects in Upcountry

Source: Compiled from news publications, companies' IR materials

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Movement of Major Housing Developers (2)

AP (Thailand) Plc.

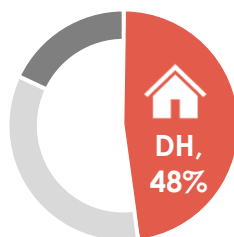
- Key Movements:**
- Jump into sub-urban housing market
 - Launch 2 new competitive brands in mass segment
 - Launch new DH brand 3-5 MB to target young generations
 - Set to unveil 20 new home models



Foreign Partners: Mitsubishi Estate group

Project Launch Plan 2022 in BMR Breakdown by Housing Type

	Low-Rise 82%		Condominium 18%
	DH	TH	Condominium
Project Number	26	29	5
Project Value (BHT Mil.)	35,600	25,200	13,000
% Share by Value	48%	34%	18%



Sansiri Plc.

- Key Movements:**
- Launch DH with solar rooftops and EV chargers
 - Launch both luxury and affordable condominiums
 - Accept cryptocurrencies as payment for housing

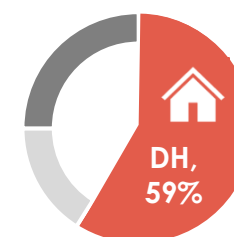


SANSIRI

Foreign Partners: Tokyu Corporation

Project Launch Plan 2022 in BMR Breakdown by Housing Type

	Low-Rise 75%		Condominium 25%
	DH	TH	Condominium
Project Number	16	12	18
Project Value (BHT Mil.)	30,600	8,400	11,000
% Share by Value	59%	16%	25%



Noble Development Plc.

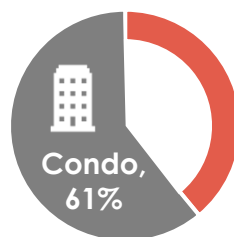
- Key Movements:**
- Expand a new brand to penetrate the premium affordable market
 - Launch various product models to new customer groups
 - Launch condominium near department store and airport

noble

Foreign Partners: Hongkong Land

Project Launch Plan 2022 in BMR Breakdown by Housing Type

	Low-Rise 39%	Condominium 61%
	Low-Rise Housing	Condominium
Project Number	12	6
Project Value (BHT Mil.)	18,800	28,900
% Share by Value	39%	61%



SC Asset Corporation Plc.

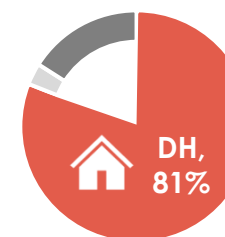
- Key Movements:**
- Mainly focusing on low-rise housing development, mostly priced above THB10 million per unit
 - Launch SDH with EV charger and home automation
 - Accepts cryptocurrencies for payments of its houses

SC ASSET

Foreign Partners: Nishitetsu Group

Project Launch Plan 2022 in BMR Breakdown by Housing Type

	Low-Rise 84%		Condominium 16%
	DH	DH&TH	Condominium
Project Number	23	2	2
Project Value (BHT Mil.)	32,235	1,265	6,500
% Share by Value	81%	3%	16%



Note: DH: Detached House, TH: Townhouses

Source: Compiled from news publications, companies' IR materials

Movement of Major Housing Developers (3)

Origin Property Plc.

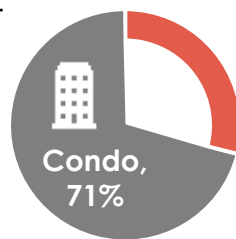
- Key Movements:**
- Provide new living solutions to satisfy various customers such as startups, pet lovers, campus people and investors
 - Launch housing with solar rooftops and EV chargers
 - Accepts cryptocurrencies for payments of its houses



Foreign Partners: Tokyu Land Asia, Nomura Real Estate and GS E&C

Project Launch Plan 2022 in BMR Breakdown by Housing Type

	Low-Rise 29%	Condominium 71%
	Low-Rise Housing	Condominium
Project Number	6	14
Project Value (BHT Mil.)	9,650*	23,890
% Share by Value	29%	71%



SENA Development Plc.

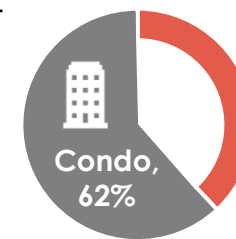
- Key Movements:**
- Focus on low-medium condominium targeting younger generations who are looking for their first home
 - Launch housing with solar rooftops and EV chargers
 - Accepts cryptocurrencies for payments of its houses



Foreign Partners: Hankyu Hanshin Properties

Project Launch Plan 2022 in BMR Breakdown by Housing Type

	Low-Rise 38 %	Condominium 62%
	Low-Rise Housing	Condominium
Project Number**	28	21
Project Value** (BHT Mil.)	10,575	16,905
% Share by Value	38%	62%



Land and Houses Plc.

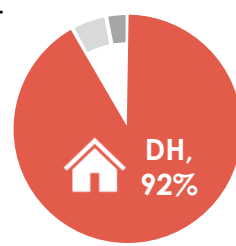
- Key Movements:**
- Focus on affordable low-rise housing market
 - Launch low-rise housing with home automation, health & wellness service
 - Launch housing with EV chargers in luxury projects



Foreign Partners: -

Project Launch Plan 2022 in BMR Breakdown by Housing Type

	Low-Rise 97%		Condominium 3%
	DH	DH&TH	Condominium
Project Number	10	1	1
Project Value (BHT Mil.)	22,610	1,120	820
% Share by Value	92%	5%	3%



Property Perfect Plc.

- Key Movements:**
- All new project are low-rise houses
 - EV charger home box installed in every house unit
 - Focus on projects JV with foreign investors near BTS new lines and new department stores



Foreign Partners: Hongkong Land and Sumitomo Forestry

Project Launch Plan 2022 in BMR Breakdown by Housing Type

	Low-Rise 100%	Condominium 0%
	Low-Rise Housing	Condominium
Project Number	14	-
Project Value (BHT Mil.)	24,210	-
% Share by Value	100%	0%



Note: Gen Y: born between 1982 and 1994, Gen Y: born between 1995 and 2010

*Project Value of Low-Rise Housing by Origin Property includes 3 projects in upcountry

**Project Number and Value of SENA Development include projects in upcountry

Source: Compiled from news publications, companies' IR materials

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Movement of Major Housing Developers (4)

Supalai Plc.

- Key Movements:**
- Focus on low-rise luxury houses to support real demand customers
 - Use of innovation in housing project design, for example; smart homes and EV chargers

SUPALAI

Foreign Partners: -

Project Launch Plan 2022 in BMR Breakdown by Housing Type

	Low-Rise 78%	Condominium 22%
	Low-Rise Housing	Condominium
Project Number	13	2
Project Value (BHT Mil.)	14,400	4,000
% Share by Value	78%	22%



Pruksa Holding Plc.

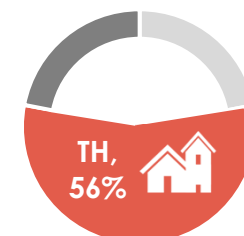
- Key Movements:**
- Launch housing projects with the combination of home, healthcare, and digital technology, for example; solar rooftop, house design for health care, and set up health centers near its housing projects.

PRUKSA

Foreign Partners: -

Project Launch Plan 2022 in BMR Breakdown by Housing Type

	Low-Rise 78%	Condominium 22%
	DH	TH
Project Number	6	22
Project Value (BHT Mil.)	3,600	9,200
% Share by Value	22%	56%



LPN Development Plc.

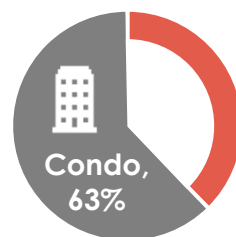
- Key Movements:**
- Launch housing projects with affordable prices
 - Launch new low-rise house and condominium brands to target younger generations including Gen Y, first jobber, entrepreneurs and startups



Foreign Partners: -

Project Launch Plan 2022 in BMR Breakdown by Housing Type

	Low-Rise 37%	Condominium 63%
	Low-Rise Housing	Condominium
Project Number	5	4
Project Value (BHT Mil.)	4,210	7,220
% Share by Value	37%	63%



Key Movements of Large Developers:

- The new launches are mainly housing projects with affordable sales prices to reach younger generations.
- Developers tend to setup joint ventures more in low-rise housing projects in order to mitigate risks, expand the capital base and to increase competitiveness.
- Developers are offering housing projects consistent with the customers' demands and needs.
 - ✓ Most major developers launch housing with solar rooftops and/or EV chargers.
 - ✓ Sansiri, SC Asset, Origin, and Sana accept cryptocurrencies (digital currency) as payments for their housing projects.
 - ✓ Origin continues to launch pet-friendly condominiums as the pet parenting community continues to grow, and also offers IP programs for customers who want to invest in condominiums.

Source: Compiled from news publications, companies' IR materials

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Key Factors in the Housing Market (1)

- There are several factors that have potential to impact on the current housing market and emerging opportunities/challenges in the future:

Key Factors Affecting Opportunities and Challenges in the Housing Market



The Mass Transit System

- Following strong governmental support, **the mass transit system of Bangkok is going through its largest expansion**, with several lines under construction this year, and plans to extend the lines in the future.
- The new mass-transit routes will help boost the growth of properties across many locations and provide investment opportunities for developers to purchase land surrounding the new lines and develop more new housing both condominiums and low-rise projects.



Bangkok City Plan

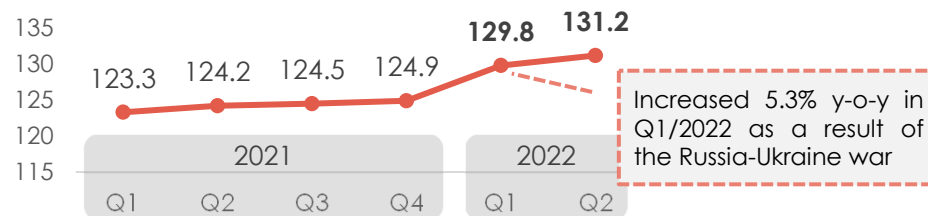
- The new Bangkok city plan**, which will be the policy that defines the direction of housing development **is currently under review**, to meet current market demands as many regulations are outdated.
- The new plan is expected to offer many more opportunities for housing development, such as residential zone expansions (especially in the suburban zones), increased floor area ratios (FAR) in some areas, road network expansions to support housing development near major mass transit stations, and so on. The completed land use map of this new Bangkok city plan will be presented in 2024.



Construction Material & Land Prices

- Due to the impact of the **Russia-Ukraine war**, **prices of fuel and inflation are increasing**, and this will continue to **affect construction material prices** in Thailand, especially iron and iron products.
- Meanwhile, land for housing development is currently become more competitive, especially land near future mass transit lines and land for low-rise housing projects, resulting in land price increases.
- This has boosted the cost of house builds significantly and will drive new home prices higher in the future.

Home Construction Cost Index



The Land and Building Tax

- The land and building tax started 100% collection rate** in April 2022, from 10% in the 2020-21 tax year. The new tax is likely to affect the housing market in various aspects.
 - The number of housing will grow in line with the rising number of landowners who are not property developers but want to sell their land or develop projects on their plot to avoid higher taxes.
 - However, condominium developers will face higher costs of keeping unsold stock.



Interest Rates

- It has expected that the **BOT will continue to raise interest rates to 2% by the end of 2023**, which will be in line with the US as the interest rate hikes in the US is causing the baht to weaken and will impact to increases of interest rates in Thailand. This will lead to a drop of purchasing ability, increase home prices and construction costs for the housing market.

Source: Property Agencies, Public news

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Key Factors in the Housing Market (2)

- Consumer house-buying behavior are influenced by several factors, including the new normal lifestyle, digital technology, sustainable housing and a growing trend of iconic housing.

Key Factors Influencing Consumers' House Purchase Behaviors



New Normal Lifestyle

- ▶ With New Normal Lifestyles under the pandemic, homebuyers seem to change their purchasing behaviors.

Working from Home

- As many office workers shift to working from home, customers' preferences are changing towards low-rise houses due to lower density with larger and more adaptable spaces.

Spend Holidays at Home

- Due to travel restrictions, more people are spending time in their homes. Therefore, the house design and facility that is suitable for living is essential for further housing development, for both low-rise housing and condominiums.



Digital Technology

- ▶ As customers, especially the younger generations, are far more likely to expand their use of technology, **major developers in the housing market are starting to adopt technology into their housing projects** to make living convenient, safe and intuitive; for example,
 - Smart home or home automation
 - Auto parking system
 - Smart living application
 - Other associated technologies
- ▶ Developers also started accepting digital payments: cryptocurrencies for houses, responding to the younger generations who are interested and have confidence in digital assets.



A Growing Trend of Iconic Housing

- ▶ **Developers are more likely to launch iconic housing projects** in order to attract customers who have specific needs and are interested in their projects, for example,
 - Pet-friendly condominiums
 - Housing with health & wellness services
 - Condominiums with an investment property (IP) program*



Sustainable Housing

- ▶ Environmentally friendly and energy efficient housing is growing and scaling in Thailand due to an **increase in environmental awareness** among customers, including policies to support sustainability by the government.
- ▶ Several developers currently launch housing projects with;
 - EV chargers
 - Solar rooftops
 - Waste management

Note: * The program which guarantee the customer a yield, for example; customers will receive regular revenue in the form of yield every month for 20 years, averaging from all the units under the program.

Source: Property Agencies, Public news

Key Factors in the Housing Market (3)

- Currently, various policies and regulations are implemented in Thailand to boost house sales, such as the easing of mortgage rules by lifting loan-to-value ratio (LTV) limit to 100%, lowering property transfers and mortgage fees, new policies regarding LTR visa, and increased opportunities for foreigners to buy properties in Thailand.

Policies and Regulations to Support the Housing Market

The Relaxation of LTV Regulations

The Bank of Thailand (BOT) eased the loan-to-value (LTV) ratio in October 2021 for mortgage lending to allow homebuyers to take out loans of up to 100% of the total home value, until the end of 2022.

Lowering Property Transfers and Mortgage Fees

The government lowered transfer fees and mortgage fees in February 2021 and extended to the end of 2022 for both new and second-hand properties, covering houses, condominiums and land with maximum price of no more than 3 million baht. This subsidy only applies to Thai nationals.

- Transfer Fees : From **2%** (normal fee) to **0.01%**
- Mortgage Fees : From **1%** (normal fee) to **0.01%**

New 10-Year LTR Visa

There is a new policy regarding the LTR visa launched in September 2022, which aims to attract foreign investors, talents, remote workers and retirees to live, work or invest in Thailand.

Benefits:


- ✓ 10 years renewable visa with multiple re-entry permit (five years upon arrival with another five years extension)
- ✓ Spouse and children of the LTR visa holder are eligible for the same visa (maximum of four persons per family)
- ✓ 90-day report requirement extended to one year
- ✓ Renewable digital work permit; the validity period will be five years
- ✓ 17% Personal Income Tax for highly skilled professionals who work in the target industries
- ✓ Fast Track Lane Service at International Airports in Thailand

Related Regulations for Foreign Land Ownership in Thailand

- 
Low-Rise Housing/Land : The Thai government has announced a new policy to allow foreigners to fully own residential properties in Thailand, effective from September 2022.

Conditions:

- ✓ Allowed to own up to **1 rai** of land
- ✓ Investment amount of **40 MB** for no less than **3 years** (from 5 year under the earlier law)

- 
Condominiums: Foreigners can own condominium units with the maximum of 49% of the total project area.

Source: Thailand Board of Investment (BOI)

- (1) Land Code Amendment Act (No.8) B.E. 2542 (1999)
- (2) Condominium Act, (No. 4), B. E. 2551 (2008)

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Conclusion

- The housing market in the Bangkok Metropolitan Region (BMR) showed positive signs in the first half of 2022, reflecting the economy and the improved confidence of housing developers after the lockdown measures were relaxed.
- The condominium market faced greater economic risks than the low-rise market because the demand is mainly from investors and oversea buyers, which is impacted by economic conditions. However, developers predict that condominium customers will be returning in full during the next 2 years.
- The low-rise housing market is driven by real demand with customers' changing lifestyles post-COVID-19. These led developers to launch many new low-rise housing projects, which are causing some concerns regarding the oversupply in the market.
- Future housing market in the BMR is expected to see substantial continued growth from mega infrastructure developments, increase foreign investment, expansion of urbanization in BMR and so on. Despite several key support factors driving market growth, there are also risk factors.
- Therefore, developers should launch new projects carefully whilst updating the related regulations in order to make decisions with regards to investment and planning.

Key Trends and Opportunities

- ▶ Housing projects near mass transit (BTS/MRT) new lines, hospitals, schools, universities, department stores, airports
- ▶ Housing projects in suburban areas
- ▶ Low-medium houses with affordable prices for younger generations
- ▶ Housing projects for foreigners who want to live or invest in Thailand
- ▶ Housing projects to support digital and sustainable lifestyles
- ▶ More investment in housing with:
 - ✓ EV chargers
 - ✓ Wellness service
 - ✓ Solar rooftops
 - ✓ Investment property (IP) program
 - ✓ Pet-friendly

Challenges

- ▶ Uncertain economic conditions and purchasing power of domestic buyers, investors, and oversea buyers
- ▶ A risk of oversupply situation in low-rise housing and condominiums in some areas
- ▶ Increase construction cost
- ▶ Increase land/building tax and interest rates
- ▶ Change of government policies and regulations
- ▶ Change of homebuyer' behaviors as time goes by

Key Considerations



COVID-19 Pandemic

There is the risk of disease outbreaks from virus mutations as well as the return of measures to control the virus outbreak, that could make it difficult for developers to market their properties. This is also affecting domestic spending and the number of foreign tourists.



Market Demand

Future housing projects need to capture the major factors and trends, which affects customer demand and preference to ensure that the investment will be successful.



Foreign Investor Restrictions

Foreigner investors who want to invest in any housing projects need to establish a joint-venture company with a Thai partner.

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