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## Lower rise seen in Bangkok land prices

THE AGENCY for Real Estate Affairs (AREA) forecasts that land prices in Bangkok will increase by 3 percent this year.

That compares with 3.5-per-cent growth last year, which itself was a decline from 2013 and 2012, which both saw land prices rise by 4.6 percent.

The highest prices last year, around Bt 1.75 million per square wah (Bt 437,500 per square metre), were in the vicinity of the Siam, Chit Lom and Ploen Chit Skytrain stations. AREA estimates that next year, prices in those three locations will reach between Bt1.9 million and Bt2 million per square wah.

AREA bases its forecasts of continuing slow growth in land prices on the state of the economy. Small and medium-sized enterprises are struggling, exports are flat and other economic indicators look gloomy. Hence real estate, as a dependent variable to the economy at large, will see limited growth.

AREA president Dr Sopon Pornchokchai noted, however, that land parcels near the mass-transit routes saw price increases last year significantly higher than the 3.5-per-cent average, rising by 8.5 per cent near both the BTS Skytrain and MRT systems. Near the Purple Line extension to Bang Yai, increases were even higher, at 9.8 per cent.

Land near the Nana and Asoke Skytrain stations were valued at Bt 1.7 million per square wah, reflecting their proximity to retail centres. In the financial centre of Silom, prices averaged Bt 1.5 million per square wah.

Sopon pointed out that these were average market prices, and government-assessed value would be a lot lower.

For example, assessed value in Silom was only Bt 850,000 per square wah.

In Phuket last year, the highest land prices were Bt 450,000 per square wah, while Samui land was fetching a maximum of Bt 300,000 per square wah.