

Luxury condo market hot

The number of new condominiums in Bangkok's central business district (CBD) is expected to surge 64% to 12,000 units this year, 70% of them driven by the highend and luxury segments, says property consultancy CB Richard Ellis (Thailand). Managing director Aliwassa Pathnadabutr said a CBRE survey found new condos in the CBD rose by 62% year on year in the first quarter to 2,008 units, 60% of them highend and luxury projects in prime locations.

"Highend and luxury supply is considerably less than in the mass market, but the absorption rate is relatively high at more than 80%," she said.

CBRE categorises highend as 120,000 to 200,000 baht a square metre or above 5 million baht a unit, luxury as 200,000 to 300,000 baht per sq m or above 10 million baht a unit and super luxury as above 300,000 baht per sq m or 20 million baht a unit. Ms Aliwassa forecasts some CBD condo prices will hit a high of 350,000 baht per sq m this year.

She said foreign investors from Hong Kong, Taiwan and Singapore were interested in buying luxury condominiums in Bangkok's inner city because the prices were cheap compared with their home countries, where prices can exceed 1 million baht per sq m. A stable political climate is a major factor drawing foreigners back, some of whom buy condos in Bangkok for investment purposes.

"The number of units CBRE sold to foreigners rose from 18% in last year's fourth quarter to 22% in this year's first quarter," Ms Aliwassa said.

CBRE plans to add China and India to its sales agents' target lists this year, while Hong Kong, Taiwan and Singapore remain roadshow destinations.

In a related development, the firm is holding its fourth annual CBRE Elite Living exhibition at Siam Paragon until May 31. It handpicked 13 projects in prime Thai locations nationwide worth a combined 15 billion baht for the expo.

CBRE expects sales of 2.5 billion baht from the event.