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Developers focus on luxury condos in Bangkok CBD as land prices rise

Units in a luxury condominium in Bangkok will go on the market at a record-high price of at least Bt500,000 per square metre next year when Sansiri launches its ready-to-stay project on Wireless Road.

"We will offer a starting price of Bt500,000 per square metre, or perhaps more, when launching the project to the market in the middle of 2016," said Srettha Thavisin, president of the residential developer.

The Bt6-billion project features an interior design that incorporates furniture from a New York fashion designer for all condo units and public zones. The project commenced construction in 2013, but will not be open for bookings till it is ready in mid-2016.

"This will be our masterpiece project, and one that also changes the face of the city condominium into a fashion design, being the first fashion-designer condominium in Thailand," he said.

However, the luxury project will not be given a name until it is complete and opens for sale, he added.

Meanwhile, Pace Development's Nimit Luang Suan condominium currently offers the highest starting price, at Bt300,000 per square metre, with up to 70 per cent of the project value of Bt7.5 billion already been sold.

Srettha said limited availability of land in the central business districts (CBDs) was forcing developers to develop luxury residences that cover the high cost of land, rather than develop middle-market condominium projects in these locations.

Sansiri bought the roughly 2-rai plot for its luxury project on Wireless Road for Bt1.5 million per square wah (4 square metres) in 2010, which was expensive at that time. More recently, however, land in another central part of the capital - at Soi Na Na - cost Bt1.8 million per square wah when Quality Houses bought a plot there last year, on which it is developing its own luxury condominium project, the Q Sukhumvit, worth Bt10 billion.

The project is open for bookings, with units priced at Bt 260,000 per square metre. Quality Houses president and CEO Chadchart Sittipunt said demand for luxury condominiums was still growing, while the number of development opportunities was limited by the amount of land available in the CBDs.

Meanwhile, Suriya Poolvorak, managing director of Major Development - another developer of luxury condominiums in Bangkok - said the limited availability of land in the city was forcing property firms to develop luxury condos in the CBD as opposed to ones for the middle market.

"We also have tried to find more land for developing a luxury condominium, but cannot do so at this time," he said.

