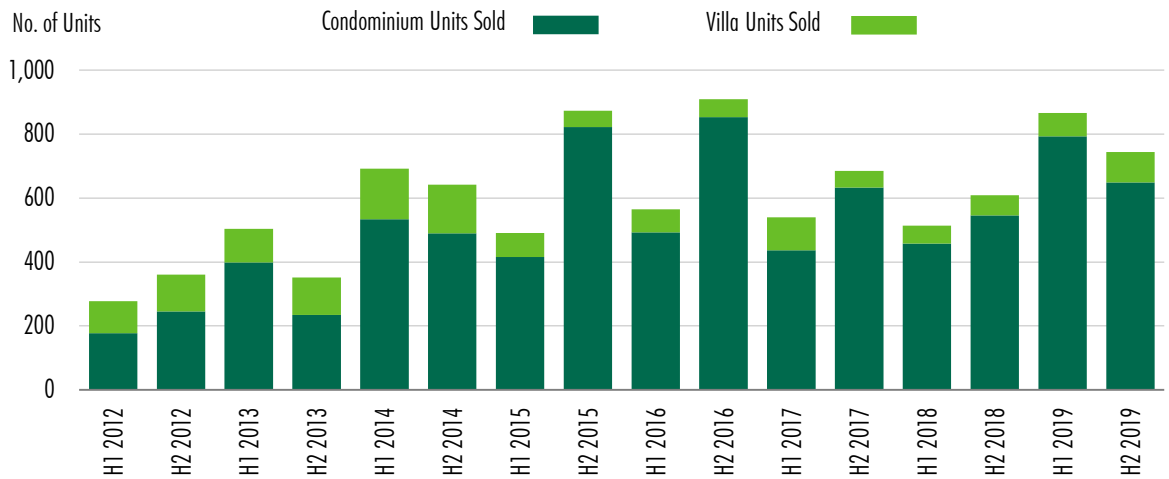


Phuket Residential, H2 2019

Residential demand driven by Investment-Oriented Products

Figure 1: Number of Condominium and Villas Sold by Half-year from H1 2012-H2 2019



Source: CBRE Research, H2 2019

SEMI-ANNUAL HIGHLIGHTS - CONDOMINIUMS & APARTMENTS

- A total of 649 condominium units were sold in H2 2019, increasing 18.9% Y-o-Y.
- Of all the condominiums sold in the second half of 2019, 65% were investment-oriented products.
- As of H2 2019, Chinese tourist arrivals showed good signs of recovery, but a stronger Thai baht remains a challenge.
- Four new resort condominium projects were launched in H2 2019: Skypark, The Passport Resort and Yacht Club, Melia Phuket Karon Residences and Otium.

SEMI-ANNUAL HIGHLIGHTS - VILLAS

- A total of 95 villas were sold in H2 2019, increasing 51% Y-o-Y.
- New property sales were dominated by investors who wanted rental income and looking for lower-end villas priced below THB 35 million, accounting for 94% of the total villa sold in H2 2019.
- The upper-end of the market (THB 35 million and above) improved with a total of 6 high-end villas sold.
- Four villa projects were launched in H2 2019, two of which belong to the lower-end segment with prices below THB 35 million. The remaining two belong to the Entry-level segment, while one was in the High-end segment with prices from 35 – 90 million.

There were 649 condominium units and 95 villas sold in H2 2019, increasing 18.9% Y-o-Y and 51% Y-o-Y, respectively.

Property sales were still concentrated on investment-oriented products with rental management programs that usually come with a fixed period of guaranteed returns for both villa and resort condominiums. Investors prefer resort condominiums because of the lower lump sum price and generally more attractive rental management schemes.

As of H2 2019, most of the condominium units sold were from projects with rental guarantees. However, a third of the total sales came from Skypark, within the Laguna Phuket integrated development which offered no rental program, yet achieved a sales rate of over 50% shortly after launch.

We believe the project’s success was due to adequate unit sizes and a lump sum price below THB 8 million, along with the Laguna’s reputation as an integrated resort compound.

Most condominium buyers continued to be foreigners from China, Hong Kong, Singapore and Russia. Chinese tourist arrivals to Thailand showed positive signs of recovery, increasing 16.0% Y-o-Y. However, the ongoing appreciation of the Thai baht could negatively impact foreign demand as property becomes more expensive.

Luxury segment sales for both villas priced above THB 90 million and condominiums priced above THB 20 million were limited, with two luxury villas and sixteen condominium sold in H2 2019.

Most of the villas sold were still in the lower-end segment, accounting for 81% of the total villas sold in H2 2019 as income producing properties rather than just holiday homes. We believe growth in tourist arrivals will

New Villa Project Launches in H2 2019

Himmapana Hills Phase 3

Mid-range, between THB 15– 35 million / unit)



Source: CBRE Research, H2 2019

New Condominium Project Launches in H2 2019

Skypark

(Entry-level, below THB 8 million / unit)



Source: CBRE Research, H2 2019

Melia Phuket Karon Residences

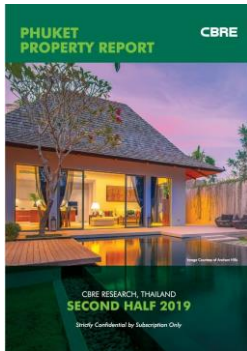
(Mid-range, between THB 8– 15 million / unit)



Source: CBRE Research, H2 2019

continue to be a key driver of demand in both the residential and hotel market.

More future condominium developments are expected to move toward the northern west coast of Phuket and the Phang Nga province, especially with the ongoing development of the new Phang Nga International Airport.

QUARTERLY REPORTS

Phuket Property Report

The Phuket Property Report, the latest half yearly subscription report by CBRE Research in Thailand, is an initiative designed to bring professional analysis and transparency to the growing Phuket property market.

The report provides detailed information and analysis from CBRE's comprehensive and unrivalled Phuket and overall Thailand database, combined with our own exhaustive market and property surveys.


Bangkok Property Report

The Bangkok Property Report, now in its 22nd year, is CBRE Thailand's flagship quarterly subscription publication, with data from a tried and tested database reinforcing its reputation as Bangkok's definitive property sector source.

The Bangkok Property Report provides in-depth analysis of the Bangkok real estate market, including property supply and demand, occupancy, take-up, prices, rental trends and other indicators.

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