

Surge in Demand for Phuket Residential Resort Properties Leads to the Highest Sales in Over a Decade

▲ 1,244 units
Number of Condominium Units Sold

▲ 251 units
Number of Villa Units Sold

▲ 87%
Cumulative Condominium Sales Rate

▲ 85%
Cumulative Villa Sales Rate

Note: Arrows indicate change from previous quarter.

SEMI-ANNUAL HIGHLIGHTS - CONDOMINIUMS & LEASEHOLD RESIDENTIAL

- In H1 2023, the Phuket condominium market generated the highest number of resort units sold in a half-year period over the past decade.
- There were five new projects launched with a total of 364 units. These projects are Kiara Reserve Residence, Angsana Oceanview Residence (Building II), Laguna Lakeside, The Aqua by Boat Pattana and The Balance by the Beach.
- 516 newly completed units came from one project, Wyndham La Vita Phuket.
- 12,475 completed units in the existing supply in H1 2023, a 4.3% H-o-H increase from 11,959 units in H2 2022. There are 5,405 units in the pipeline, which are expected to be completed within 2026. Most future projects are located on the West Coast.
- In terms of demand for resort condominiums in Phuket, 1,244 units were sold in H1 2023, an increase of 97.8% Y-o-Y from 630 units in H1 2022 or 94.9% H-o-H from 641 units in H2 2022.
- The one-bedroom unit type remains the most common in the market with 5,965 units, accounting for 47.8% of the total existing supply.

SEMI-ANNUAL HIGHLIGHTS - VILLAS

- As of H1 2023, the Phuket villa market continues to show heightened market activity, with a notable increase in newly launched projects and sales, resulting in nine sold-out projects in the first half of 2023.
- Since the start of the Russia-Ukraine war and the return of international arrivals post-pandemic, there has been a significant increase in activity in the Phuket villa market. This is reflected in the growing number of newly launched projects and the improved sales rates attributed to the return of foreign buyers and rising demand from Thai buyers.
- A total of 251 villas were sold in H1 2023, an increase of 50.3% H-o-H and 93.1% Y-o-Y. This is the highest number of units sold over a half-year period recorded in Phuket.
- Twenty villa projects launched in H1 2023 with a total of 422 units, 3 projects out of 20 were launched in the Luxury segment namely Banyan Tree Grand Residences (Beach Terrace), The Laytin Villa, and Botanica Grand Avenue.

Condominiums

As Thailand total reopened its borders in Q4, 2022, we saw a significant increase in the number of foreign tourist arrivals in Phuket International Airport from 2,079,950 passengers in H1 2022 to 4,051,043 passengers in H1 2023, but still less than half the pre-pandemic level in H2 2019.

In H1 2023, there were 1,244 condominium units sold, an increase of 97.5% Y-o-Y from 630 units in H1 2022. When compared to H2 2022, the number increased by 94.9% H-o-H from 641 units. The project with the highest number of units sold in H1 2023 was Utopia Dream. The project offers affordable prices per unit ranging from THB 4.64 – 9.69 million.

CBRE observes most new projects in this half were launched by reputable developers with bigger unit sizes. Some developers have adjusted their unit layout by merging two, one-bedroom units to offer a bigger unit size in accordance with the buyer’s need. In addition, CBRE sees the rental program becoming more optional than compulsory to give flexibility to buyers’ needs and preferences, as a greater proportion of buyers intended to use the property primarily for themselves.

CBRE expects to see more future projects designed with larger units, more suited for own stay or second-home buyers.

Villas

From a total of 251 villas sold in H1 2023, 67% of sales were in the Mid-range segment (THB 15-35 million), followed by the High-end (THB 35-90 million) at 15%, Entry-level (THB 5-15 million) at 11%, and the Luxury segment (above THB 90 million) with 7% of total sales. We believe the majority of these units were sold as villas for own use to both foreign and Thai buyers.

Banyan Tree Grand Residences (Beach Terrace) is the newest Luxury villa project launched by Laguna which followed the previously launched Banyan Tree Grand Residences (Oceanfront Villas) in 2022 of the same grade. The project has been launched off-plan, and 4 out of the 15 units have already been purchased.

Most villa buyers are looking to purchase a villa for their own-stay whether as a vacation home for their holidays, retreats, retirement, or even to relocate permanently.

FIGURE 1: Number of Condominium and Villas Sold by Half-year from H1 2012-H1 2023



Source: CBRE Research, H1 2023

New Villa Project launched in H1 2023

Banyan Tree Grand Residences (Beach Terrace)
Luxury, THB 90-100 million/unit

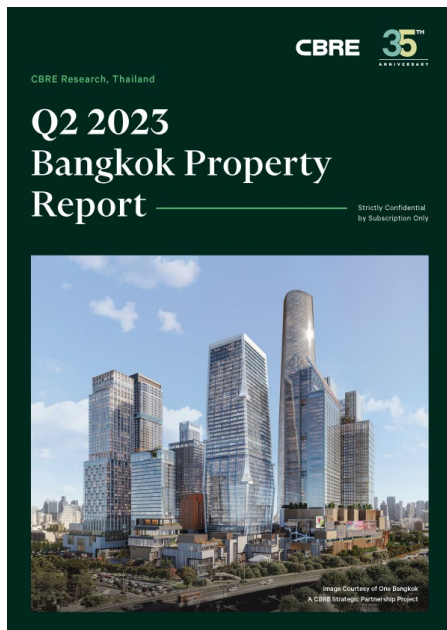


Newly Completed Condominium Project in H1 2023

Wyndham La Vita Phuket
Entry-level, Below THB 7.99 million/unit



QUARTERLY REPORTS



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