

Khao Takiab condo prices skyrocket

Highest Q1 prices in south Hua Hin

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Khao Takiab saw the largest increase in condominium prices in the Hua Hin market, at 15.6% in the first quarter of this year, while south Hua Hin recorded the highest condominium prices at more than 130,000 baht per square metre.



The scarcity of beachfront land in the resort town drove up the prices of beachfront condominiums in the area in the range of 6.3% to 15.6% compared to the first quarter of 2010, according to the property agency Knight Frank Thailand.

Risinee Sarikaputra, associate director for research and consultancy, said the highest selling prices were in south Hua Hin, averaging 130,050 baht per sq m, while the lowest price was in Cha-am, at 90,593 baht.

Total supply of selected projects represented around 50% of the total supply in the market in the first quarter of 2011, showing that the condominium market had two main target groups – Thais for beach condominiums and foreigners for inland condominiums.

More than 75% of buyers of beach condominium were Thais, especially wealthy Thai families from Bangkok. There were also some expatriates and foreign retirees who bought beach condominiums.

The reliability and reputation of developers tended to be the most important factors for expatriates while an affordable price seemed to be vital for foreign retirees.

Foreign buyers, unlike those in other tourist destinations such as Phuket or Samui, were mostly retirees or those with Thai spouses. They had a limited budget and preferred to buy a residence for their own use as a second home during their country's winter season.

As foreign ownership regulations in Thailand had become more stringent, foreigners who were looking for a residence were paying more attention to condominium units which they were able to buy on a freehold basis.

Thus, they were likely to search for an inland condominium unit which is cheaper than a beachfront unit.

In a survey in the first quarter of 2011, Knight Frank found 38 condominium projects with 4,751 units in the market. The majority of supply, or 1,449 units, was located in Khao Takiab, followed by inland and Cha-am areas with 1,241 and 1,015 units respectively.

The majority of current selected supply being marketed is beachfront projects, at 1,928 units, representing 42% of the total, while the number of the units from non-beachfront projects was 1,588, representing 33.4% of the total. The number of units of inland projects totalled 1,241.

Beachfront condominium supply in Hua Hin will be difficult to find due to the scarcity of beachfront land in the area, thus the selling prices are expected to increase.

Demand is expected to come from largely foreign buyers looking for a convenient location with facilities.

The total selected condominium supply in Hua Hin as of the end of 2010 was 6,504 units which were accumulated from 2003-10 in Cha-am, Hua Hin, Khao Takiab, Khao Tao and inland areas.

A glut of supply existed in 2007 with about 2,121 units, followed by 2008 and 2010 with approximately 1,506 and 778 units respectively.

According to Plus Property, cumulative residential supply in Hua Hin as of the end of 2010 totalled 9,709 units _ 52% condominiums, 43% single and twin houses and 5% townhouses. Of the total supply, 6,522 units were taken.

Last year, there were a total of 5,192 units on sale and 2,008 or 39% were taken up. The sales rate for the Hua Hin beachfront was 76%, followed by Cha-am (73%), Khao Takiab (65%) and mountainside (57%).

The average condominium price in Hua Hin in 2010 was 76,438 baht per sq m, up 5% from 2009. The highest price was on the Hua Hin beachfront at 98,167 baht, up from 94,083 baht, followed by Khao Takiab at 74,439 baht, up from 69,635 baht.



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