

Asia Property Report

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CBRE confident on Pattaya residential market

CB Richard Ellis Thailand is the latest local property consultant to forecast significant growth for the residential market in Pattaya. In a recent report, the company outlined why it expected real estate activity in the Eastern Seaboard city to become increasingly robust in the coming years. "We are seeing more people buying houses and condominium units in Pattaya as first homes," Aliwassa Pathnadabutr, Managing Director of CB Richard Ellis Thailand said, "as second homes for leisure and relaxation, and as retirement residences. The availability of retail outlets, recreational activities, health services, and international schools has increased Pattaya's attractiveness to prospective long-term residents." Pattaya, one of Thailand's most popular holiday destinations for both local and foreign visitors, is easily accessible, being less than two hours' drive from Bangkok and about one hour from the new Suvarnabhumi Airport. The opening of the new airport, such retail facilities as shopping centres and a movie complex, international hotel chains, and lifestyle facilities such as golf courses, will benefit Pattaya and broaden its appeal as a convenient leisure home location. The lack of new condominium projects launched since 1994 has resulted in a limited supply, particularly of new grade A stock. Most transactions over the past five years have been resales of units in existing projects that are more than 10 years old, and the market has only started to see new supply in late 2004. A number of new grade A condominium projects, including Northshore developed by Raimon Land Plc, and Le Royale Beach developed by Wise Power Land Co. Ltd are expected to complete construction over the next two years. These projects cater to a broad market from the middle-end and high-end segments, with selling prices in the region of 60,000 - 75,000 baht per square metre. Demand is coming from not only end-users, but also expatriates renting units. Statistics from the Alien Occupational Control Division of the Department of Employment show that there were 4,870 expatriates with work permits in Chonburi as of the end of 2004, a 30.5 per cent increase year-on-year from the 3,731 expatriates in 2003. This excludes permanent residents. CBRE identifies the most popular areas for developing city residential projects as Pattaya beach up to Jomtien beach, while the best location for resort-style developments is between the Ambassador Jomtien Hotel and Bang Sarey where the quiet beachfront location ensures privacy for residents.

"We believe that Pattaya is at the beginning of a new property cycle as demand continues to improve." Ms. Aliwassa said. "The Pattaya residential market is also attractive for both local and foreign investors who are looking at rental returns due to continued growth in the number of expatriates in Pattaya."

