

Bangkok real estate market set to grow along transport routes

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By The Nation

Knight Frank Thailand Research (KFTR) says new mass transit routes will continue to rule real estate conversations in the coming years, as there are a lot of major public transport changes happening in Bangkok in the near future.

The company says it expects heightened competition in previously less accessible zones of Bangkok, especially areas along the BTS Light Green Line Extension (Mo Chit-Kukot), MRT Blue Line Extension (Taopoon–Thapra-Hualamphong), MRT Pink Line (Kae Rai–Minburi), MRT Orange Line (Rama 9–Ramkamhaeng), and MRT Yellow Line (Ladprao-Huamak).

Rent and sale prices in those aforementioned areas are foreseen to increase substantially based on a project's proximity to convenient transport.

“The amount of new supply launched in Bangkok is expected to mount continuously and big-name developers will be key players in the market supported by their solid capital structure, high bargaining power, and innovative amenities that focus more on experiences and future lifestyle,” KFTR said.

“While selling prices in the peripheral is expected to be stable on the back of land abundance and affordable land prices in the areas, prices for future supply in the CBD is anticipated to increase in line with land scarcity and soaring land prices.”

In 2018, more affordable units are expected to enter the market, especially those between Bt3 million to Bt5 million that will continue to draw attention from buyers in the mid-range market segment, KFTR said.

“However, developers should be cautious in starting new projects in the lower-end to middle market segments along new mass transit routes in the suburbs to cushion against the risk of oversupply.

“On the demand front, demand across the market will continue to be driven upwards by domestic home buyers and expatriates. Moreover, one trend that is helping drive demand is an influx of foreign buyers, especially those from China who are looking for a safe place to store their wealth.”