

# **GREATER PHUKET CHAPTER**

## **PROPERTY REPORT SOUTH EAST ASIA**



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Engel & Volkers

# Hua Hin's Property Market 2011

Residential Condominium

AMCHAM Property Event

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Holiday Inn Patong Phuket  
April 29<sup>th</sup> 2011

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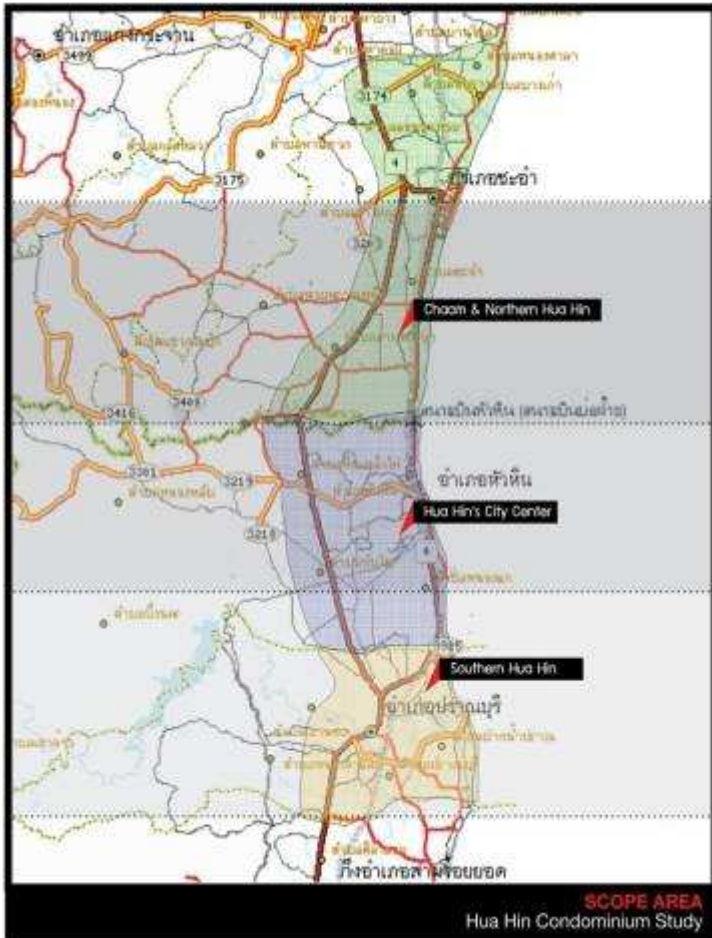
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# 1

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## Introduction

## Scope Areas



### Cha Am and Northern Hua Hin

Starting from Petchkasem Rd., (Highway No.4) on the Cha Am intersection and ending at Hua Hin's Airport

### Hua Hin's City Center

Starting from Hua Hin's Airport and ending at Suan Son Military Park in Khao Takieb area

### Southern Hua Hin

Starting from Suan Son Military Park in Khao Takieb area and ending at Dolphin Bay in Pranburi area.

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## Hua Hin Market Overview

## ■ Hua Hin's Market Overview

- Hua Hin is still a favored location for both Thai and foreign buyers, however the market is currently driven by local demands
- Increase in land prices of over 100% during the last 4-5 years and still on the upward trend
- Very limited supply of beach front land available in central Hua Hin
- Supply of residential property has grown rapidly over the last 10 years along with prices growing continuously as well, with slower growth during 2008 & 2009 period
- The market has shown a higher demand during the end of 2010 in comparative to 2009, however the price remains stable with many projects approaching its completion as there are still many unsold units available.

## Factors Effecting Investment



### Positive Factors

- Hua Hin is very close to Bangkok – only 2 hours easy drive from Bangkok’s downtown area
- Charming traditional city, good foods & many tourist destinations
- Hua Hin is gaining more and more popularity with both local and international tourists
- High development potential -Small city but many big developers are holding the land for future development

### Negative Factors

- Political uncertainty
- Negative reputation of some developers regarding the ability to complete project and provide after sales service
- The substantial increase in land costs has driven up the costs of development and thus causing a higher product price

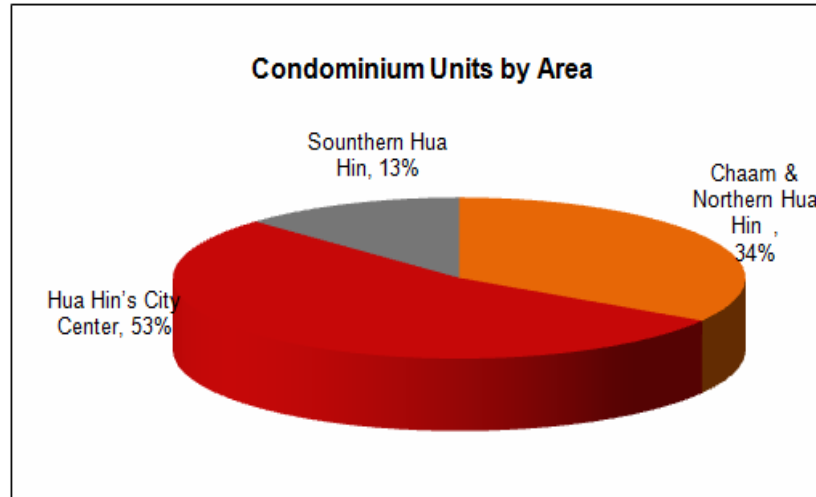


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## Supply & Demand

# Supply



**Supply by Area**

Area	Active Projects	Proportion	No. of Units	% of Total
Chaam & Northern Hua Hin	5	31%	1,033	34%
Hua Hin's City Center	9	50%	1,628	53%
Southern Hua Hin	3	19%	385	13%
<b>Total</b>	<b>17</b>	<b>100%</b>	<b>3,195</b>	<b>100%</b>

## Supply

### Hua Hin's Residential Condominium Market : Supply Situation 2010

- There are the total of 17 active projects as of 2010.
- The majority unit type is 1 bedroom unit, accounted for 58%, followed by 2 bedrooms unit, accounted for 27%.
- Hua Hin's City Center, the most developed area holds the biggest proportion of active supply accounted for 53% of total units.
- Cha Am and Northern Hua Hin Area are currently both ranked second in terms of active supply available and expect to have a continuous growth due to limited land available in Hua Hin's City Center area.
- Not many residential projects development in Southern Hua Hin Area. There are still many vacant land available and the majority of the development in the area still be the Scandinavian village and resort development

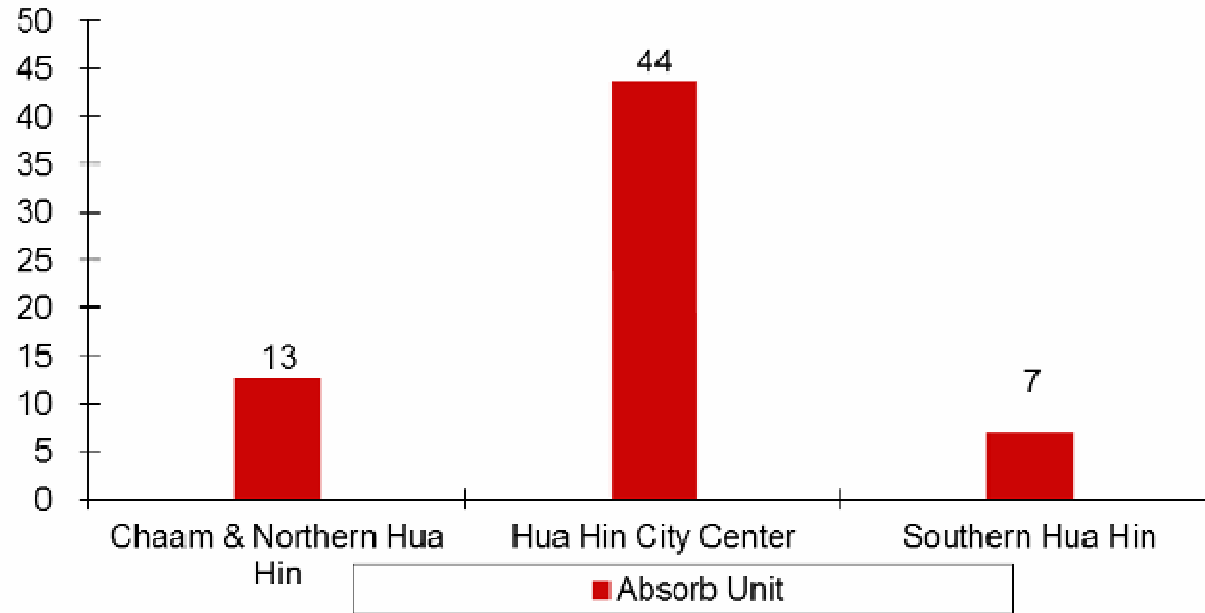
## ■ Demand



- As of the second half of 2010, the total active supply of condominium unit in Huahin was approximately 3,200 units, **52% or 1,647 units has been sold.**
- **The Hua Hin's city center area can achieved the highest performance of 70% sold,** follows by Cha Am & Northern Hua Hin and Southern Hua Hin accounting for 67% and 46% sold, respectively.

## Demand

Absorption Rate by area in 2H/2010



Among these 3 areas, Hua Hin City Center showed the strongest performance, they can absorb 44 units per month. While Southern Hua Hin Area showed the worse performance, the absorption is only 7 units per month

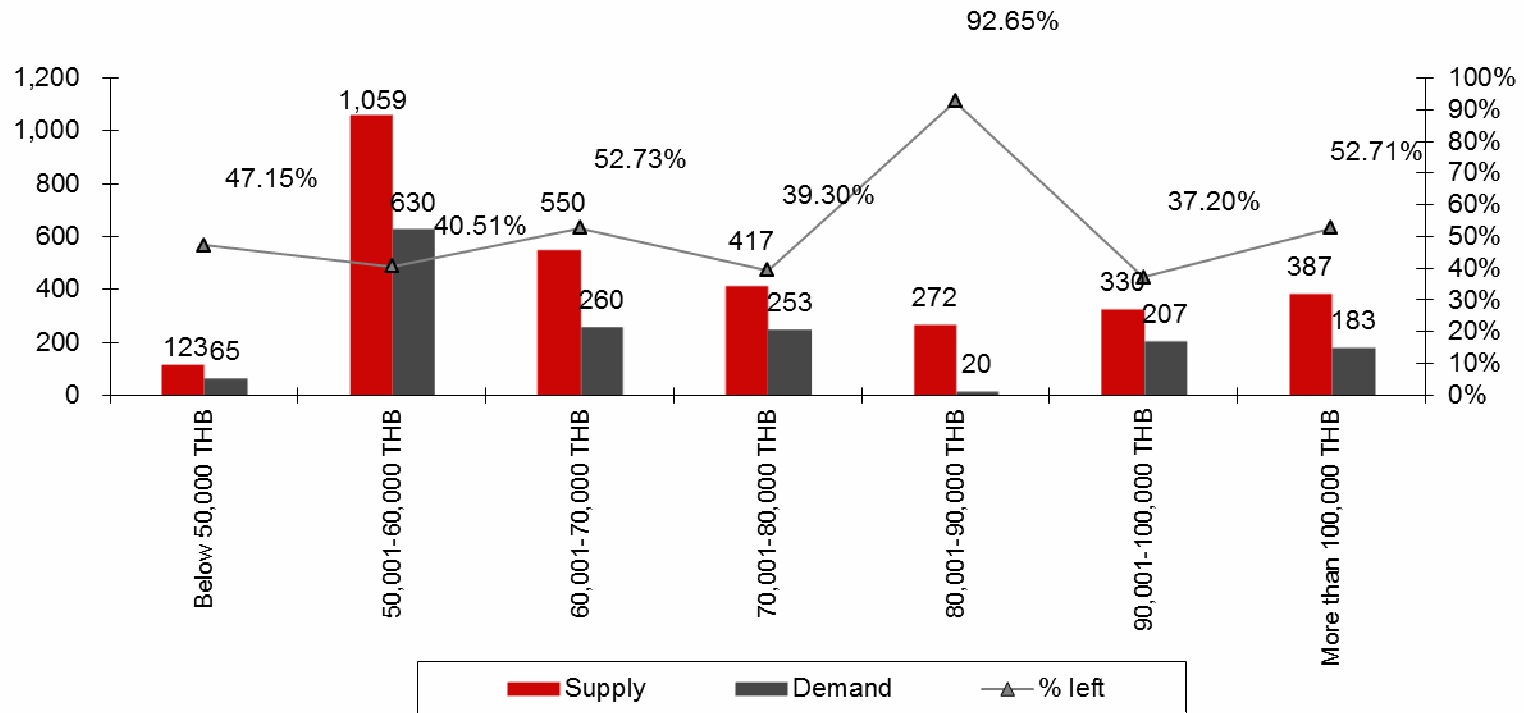
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## Price & Market Outlook

# Price

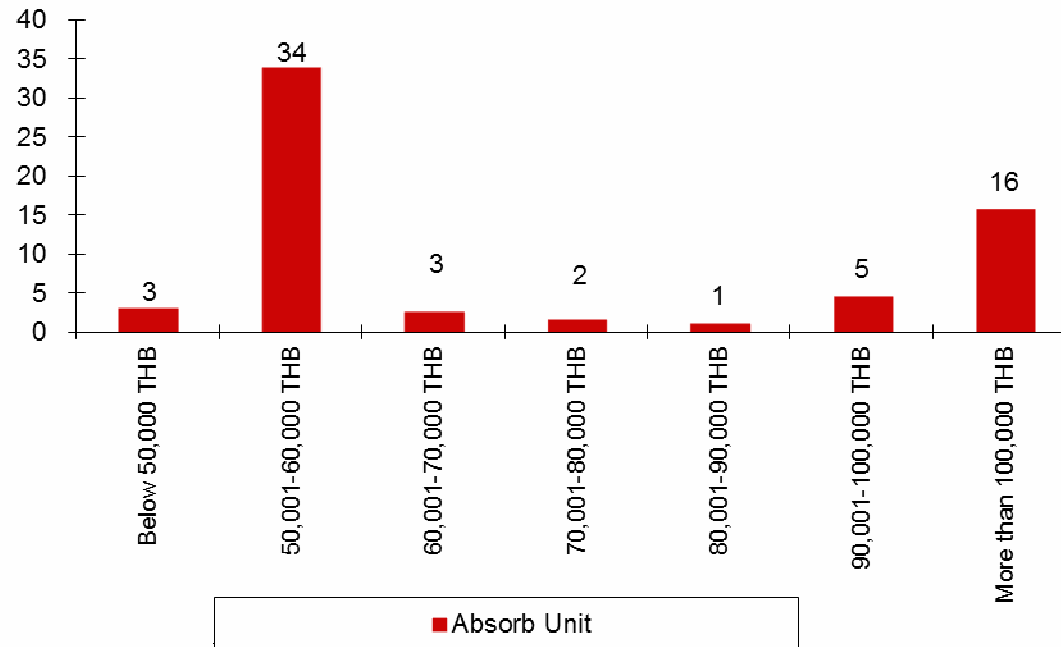
Supply vs. Demand by price per sqm. 2H/2010



Most of the units in the market have the offering price 50,000 to 60,000 baht per sq.m. and their performance are in the acceptable range 40% of the total units has been sold.

## Price

Absorption Rate by price per sqm. 2H/2010



The number of absorb units in the 50,000 to 60,000 baht per sq.m. range is very outstanding. They can absorb 34 units per month which is a lot higher than the rest.



## ■ Outlook for 2011

- The market has picked up since the mid of 2010, the local demand will remain strong with returning foreign buyers guaranteeing the market success in 2011.
- Many developers are aggressively acquiring the land plots in Hua Hin and have plans to launch projects in the near future. However the accumulated unsold stock may put a price barrier to the new projects that plan to launch during 2011.
- Foreign buyers are looking for projects on a peaceful location which is not very far from the beach with a budget of 4 to 6 million baht.
- Thai buyers are more focused on projects on the beach and not very far from city center.
- The sea view units in the prime area are very rare in the market in contrast with very strong demand. The resale price for these units have increased continuously and generated huge resale profits for owners.

## Further Information

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