

MarketView

Bangkok Residential

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Third Quarter 2011

Quick Stats – Bangkok Residential Sales

	Y-o-Y Change in Q2 11	Y-o-Y Change in Q3 11
Demand	↑	↓
Supply	↑	↑
Price	↓	↓

Quick Stats – Bangkok Residential Leasing

	Change in Q2 11	Change in Q3 11
Demand	↑	↑
Supply	↑	↑
Grade A Rents	↓	↑

Quarterly Highlights

- The existing condominium supply in downtown and midtown areas reached 298,240 units. There were 3,152 units completed in this quarter.
- Seven projects were launched in Q3 2011 in the downtown area. The number of newly launched units decreased from 5,888 units in the previous quarter to quarter. One bedroom and two bedroom units dominate new supply (92%).
- Central Lumpini was the area with the highest average achieved re-sales price level (145,000 THB/sq.m.).

There were significantly fewer new condominium developments launched in downtown Bangkok in Q3 2011 compared to Q2 2011 (1,200 units compared 6,000) but the percentages sold at launch were still good, we estimate that on average 50% of the units were sold at launch.

There was a change in the type of units being launched. In the previous quarter 68% of the units launched were one bedroom units and this quarter 47% were one bedroom units and 45% were two bedroom units.

Supalai one of the top ten public listed developers launched Supalai Premier Asoke project on Petchburi road with 423 two bedroom units sized at 65-85 sq.m. and priced at THB 4.5 million to 7.6 million (THB 75,000- 90,000 per sq.m.).

Another example of larger units being launched is the Marvel Residence development by Major Development on Sukhumvit Thonglor Soi 5 with unit sized at 233-486 square metres priced 185,000 baht per sq.m.

Despite the recent fall in the stock market, we have seen continued buying of downtown condominiums. We think this might be a sign of investors shifting from paper to real assets and from volatile to less volatile investments. Pricing for the best downtown buildings has remained steady or increased.

The market continued to be dominated by Thai buyers. We believe that the proportion of different types of buyer has changed with a lower percentage of speculators and buy-to-rent investors and more end-user purchasers.

The impact of the floods will not mean that everyone decides to buy a condominium rather than a single detached house or townhouse but it will accelerate the trend that living in a condominium is socially acceptable and fashionable for Thais. We think there will be increased demand for recently completed buildings both from first time buyers and wealthy Thais seeking an inner city second home.

In the third quarter, we are beginning to see the return of foreign purchaser interest particularly at the high end of the market in projects such as the Ritz Carlton Residences and St. Regis. Although the change in demand was not huge it was the first upturn since the Lehman Brothers bankruptcy in 2008. The profile has also change to Singaporeans and Hong Kong Chinese as opposed to being European or American expatriates based in Asia.



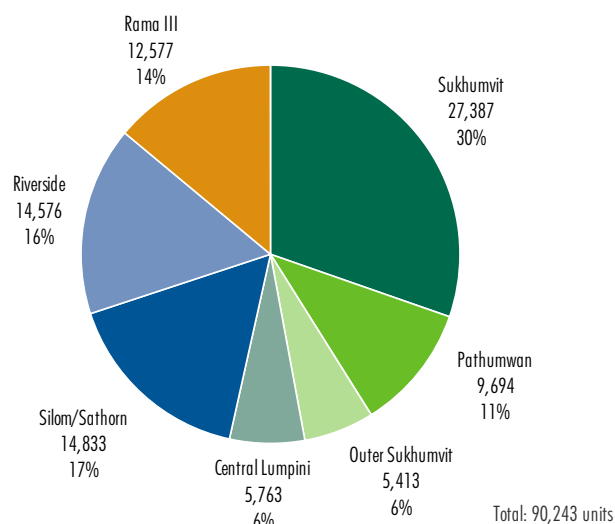
“There has been a clear upswing in demand for condominiums after the recent flooding in Bangkok, particularly for completed and ready to move in properties. We have seen an increase in demand across the board in all sizes and segments of the market. The housing market on the other hand will take time to adjust, both in terms of product and new locations”

Pathnadabutr, Managing Director, CBRE Thailand

BANGKOK RESIDENTIAL SALES

Supply

Existing Condominium Supply (Units) by Area, Q3 2011

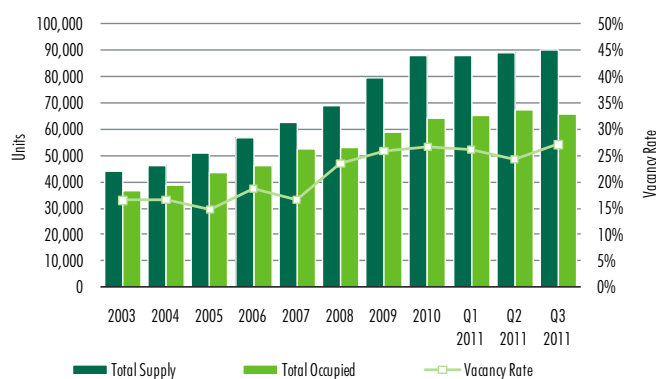


The existing supply in downtown Bangkok reached 90,243 units, up from 89,024 units. This represented an increase of 1.4% Q-o-Q and 6.0% Y-o-Y.

The largest portion of supply in downtown (30%) is in the Sukhumvit area. This is because of the geographic size of the area, its position as an established prime residential location, availability of shopping centers, and the convenience of the BTS mass transit system.

Demand

Supply, Demand and Vacancy Rate in Downtown Bangkok (Freehold), 2003-Q3 2011

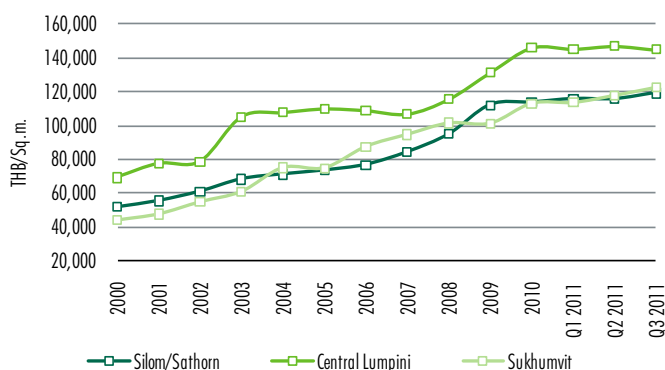


Our survey shows that the total number of units occupied by owners or tenants declined from 63,979 in Q2 2011 to 63,645 in Q3 2011. The occupancy rate declined to 71.4%.

Vacancy rates will rise in older buildings, particularly buildings which have units available for rent as tenants will prefer to lease units in new buildings. The Pathumwan area has the highest average occupancy of 80.6%, the Outer Sukhumvit area has the lowest at 42.4%.

Price

Average Prices of Completed (Upscale and above) Freehold Condominium Units, 2000-Q3 2011



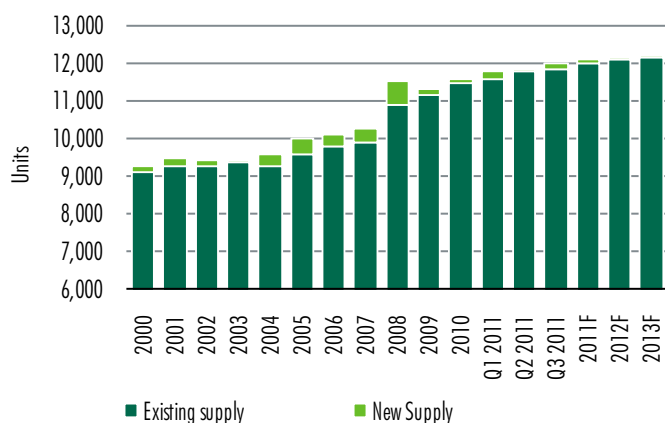
The average achieved re-sale price of completed upscale units and above increased by 5.2% Y-o-Y from THB 122,555 per sq.m.in Q3 2010 to THB 128,907 per sq.m.in Q3 2011.

Central Lumpini had the highest average achieved price of THB 145,000 per square metre, an increase of 2.4% from the same period last year. This is followed by Sathon/Silom (THB 119,222/sq.m.) and Sukhumvit (THB 122,500/sq.m.). Changes in average prices are often highly dependant on the quality and number of units available for re-sale. In addition, buyers continue to show a stronger preference for new units over existing ones.

BANGKOK RESIDENTIAL LEASING

Supply

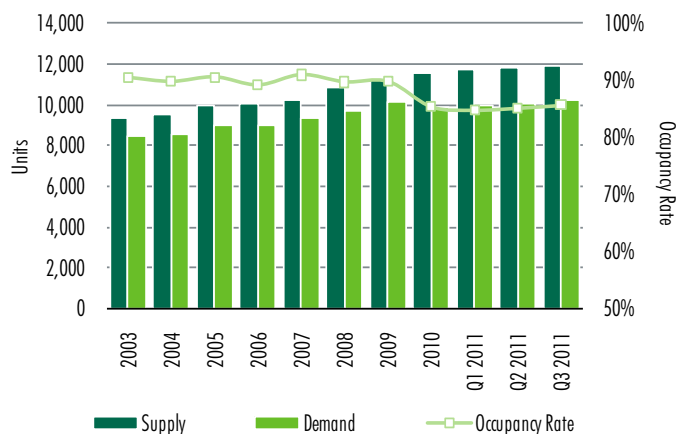
Future Supply of Expatriate Apartments (single ownership/multiple family), 2000-2013F



In Q3 2011, the total apartment supply (single ownership and multifamily developments) in the downtown area of Bangkok was 11,953 units, up 4.2% Y-o-Y. In this quarter, 114 units in two projects on Sukhumvit Road were completed.

Demand

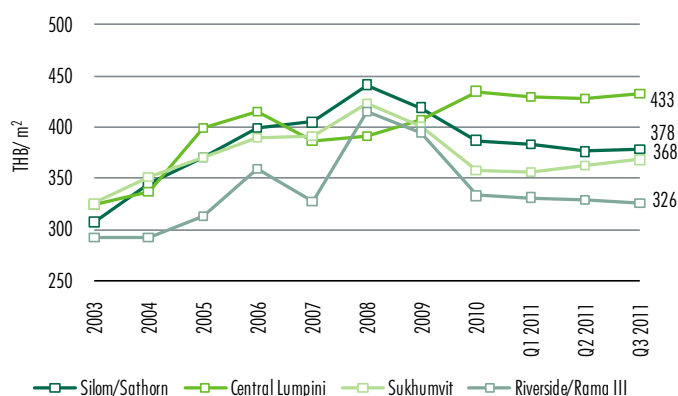
Supply, Demand and Occupancy Rate, 2003-Q3 2011



The occupancy rate increased marginally in this quarter to 85.7%. The Central Lumpini area achieved the highest occupancy rate of 89.2 % during the quarter followed by Sukhumvit.

Rent

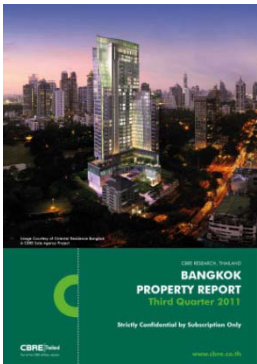
Achieved Rents by Area and Grade (single ownership/multiple family), Q3 2011



Apartment rental rates are relatively stable with only small movements seen Q-o-Q. The Riverside area was the only one area that the average rent of Grade-A apartment decreased. Rents are highest in the Central Lumpini area.

CBRE Research Services Subscription Products

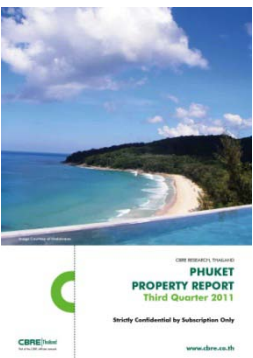
Bangkok Property Report



The Bangkok Property Report, now in its 13th year, is CBRE Thailand's flagship quarterly subscription publication, with data from a tried and tested database reinforcing its reputation as Bangkok's definitive property sector source.

The Bangkok Property Report provides in-depth analysis of the Bangkok real estate market, including property supply and demand, occupancy, take-up, prices, rental trends and other indicators.

Phuket Property Report



The Phuket Property Report, the latest quarterly subscription report by CBRE Research in Thailand, is an initiative designed to bring professional analysis and transparency to the growing Phuket property market.

The report provides detailed information and analysis from CBRE's comprehensive and unrivaled Phuket and overall Thailand database, combined with our own exhaustive market and property surveys.

For more information regarding both reports, please contact: james.pitchon@cbre.co.th or call 66.2654.1111 ext 205.

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Useful Information when Leasing Residential Property

Rental:

This is always referred to as monthly rental, and is payable monthly in advance, by the tenant to the Landlord. The total rent may be split between rental of space, rental of furniture and service/ maintenance charges. Tenants are responsible for payment of utilities. Tenants also usually pay for monthly cable TV subscription, with the owner paying for installation of one outlet.

Deposit:

This can take one of the following forms, but varies between Landlords:

- An initial one month's rental deposit paid immediately upon terms being agreed; one further month's deposit upon signing of the Agreement.
- Two months' rental deposit payable immediately upon the terms being agreed.
- Two months' rental deposit payable upon the signing of the Agreement.

Residential Leasing Services:

- Orientation
- Home finding service
- Hand over process/Hand back procedure
- Lease expiry or early termination
- Deposit recovery
- Benchmark rental studies
- Lease management

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