



24th
AVA
CONGRESS
BALI, INDONESIA
23-26 NOVEMBER 2022

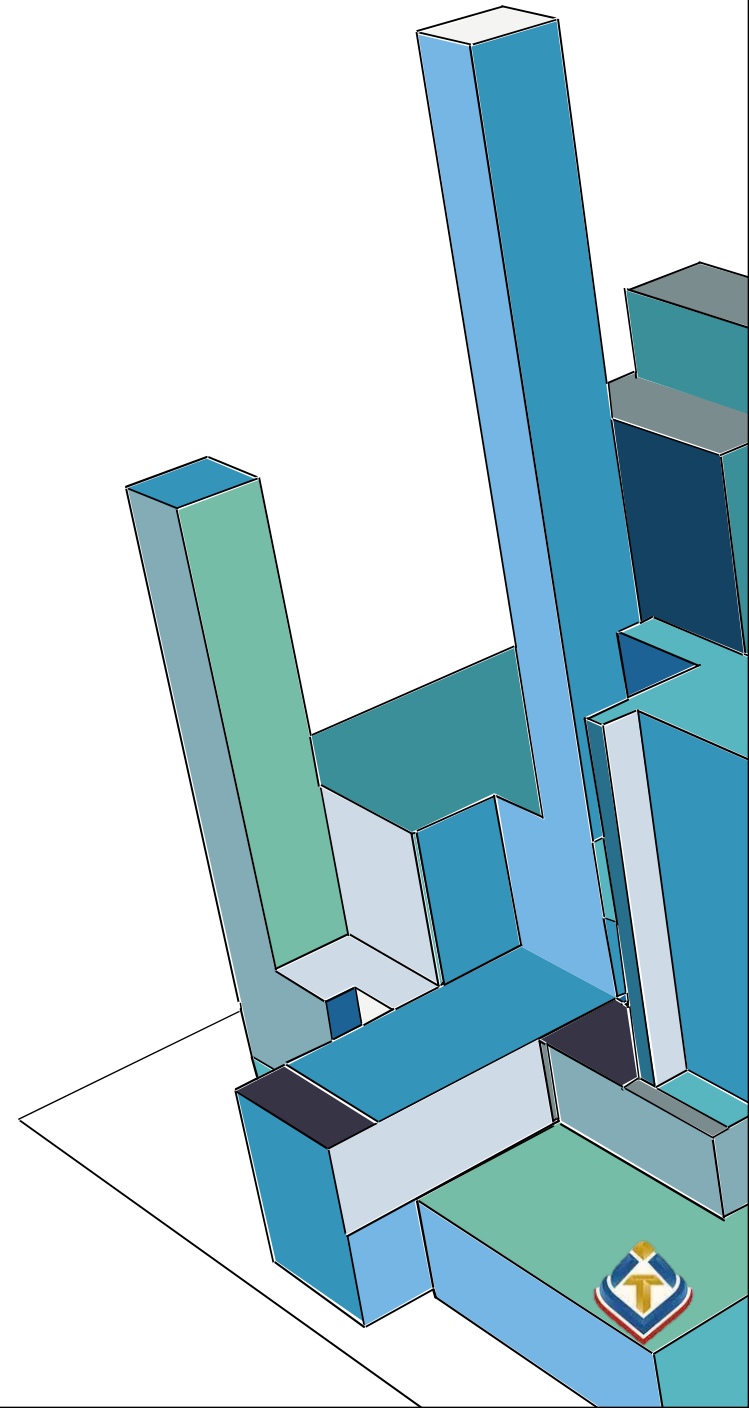
ECONOMIC AND PROPERTY UPDATE IN THAILAND

24th AVA CONGRESS

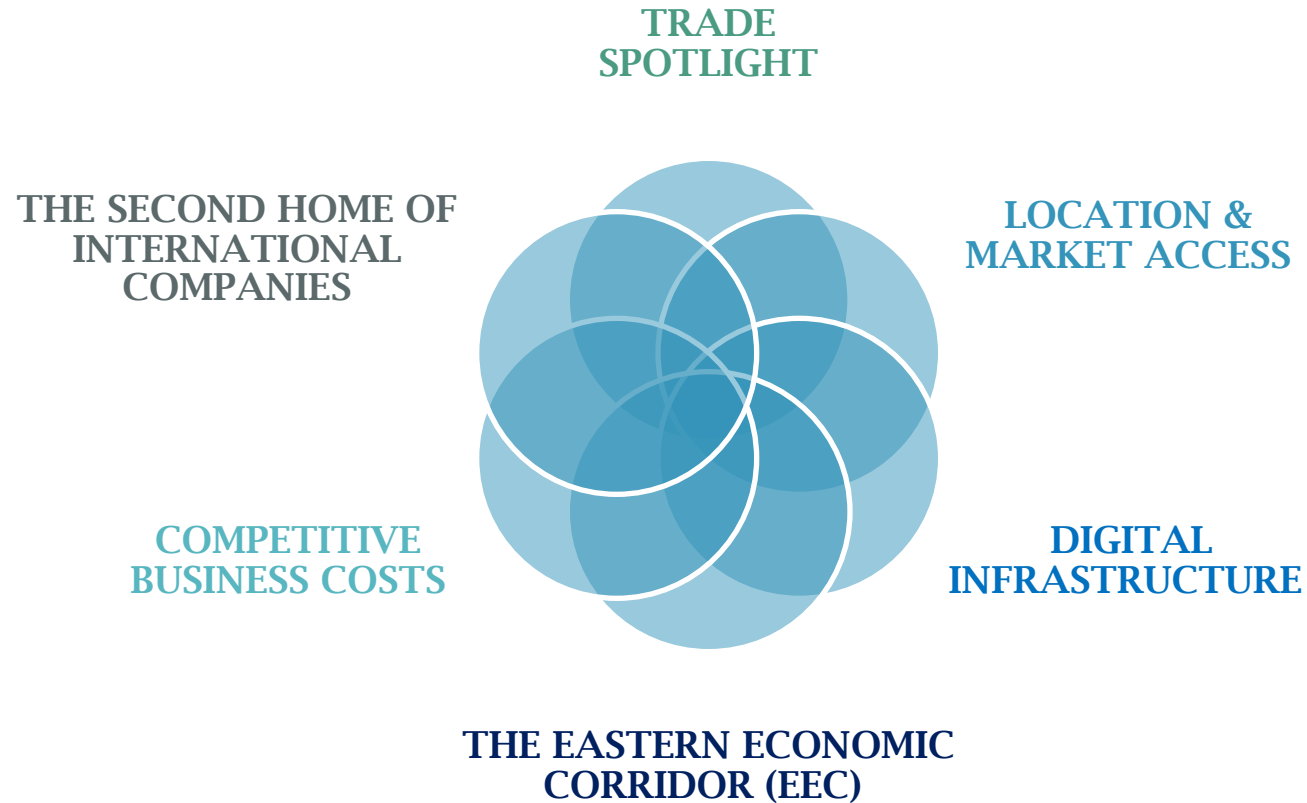
The Valuers Association of Thailand
Speaker: Naridtanan Palakavong na Ayuthaya Ph.D



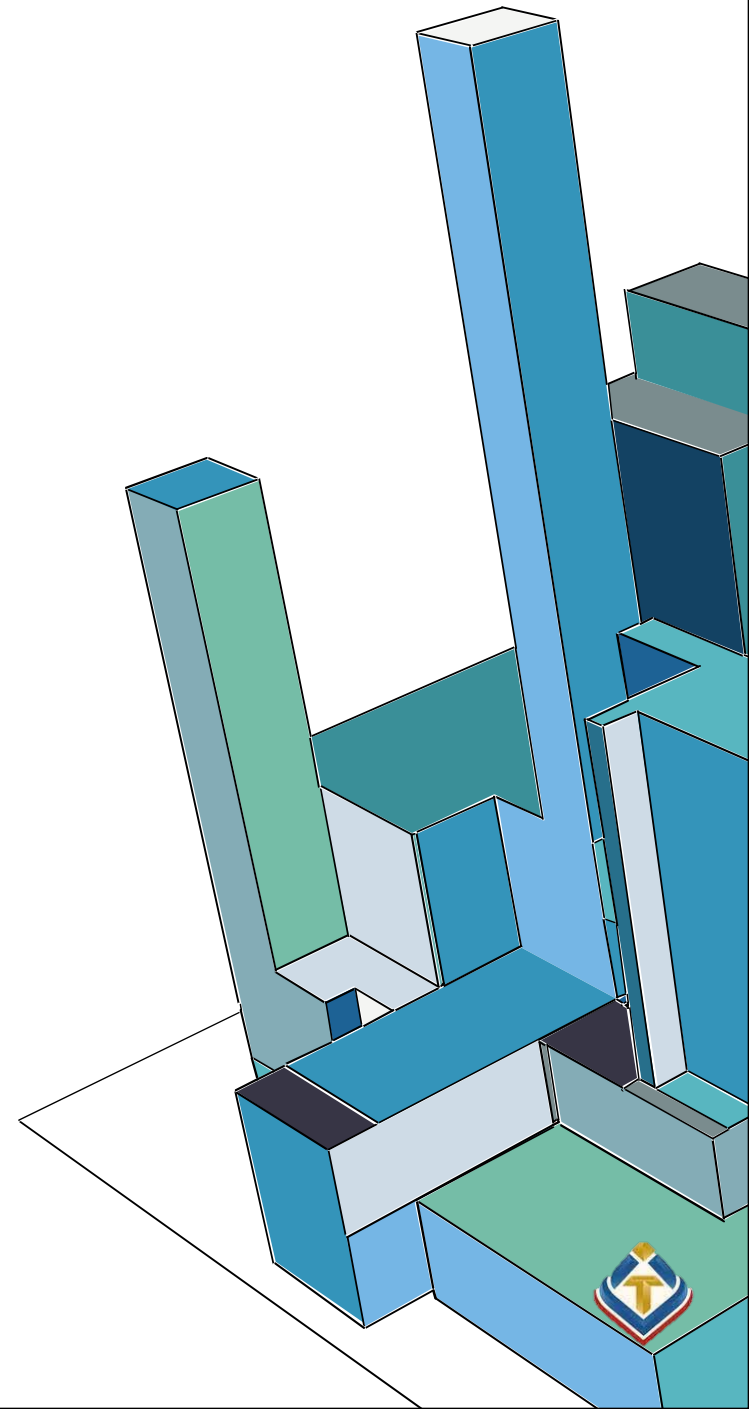
Why Invest in Thailand



Why you should Invest in Thailand

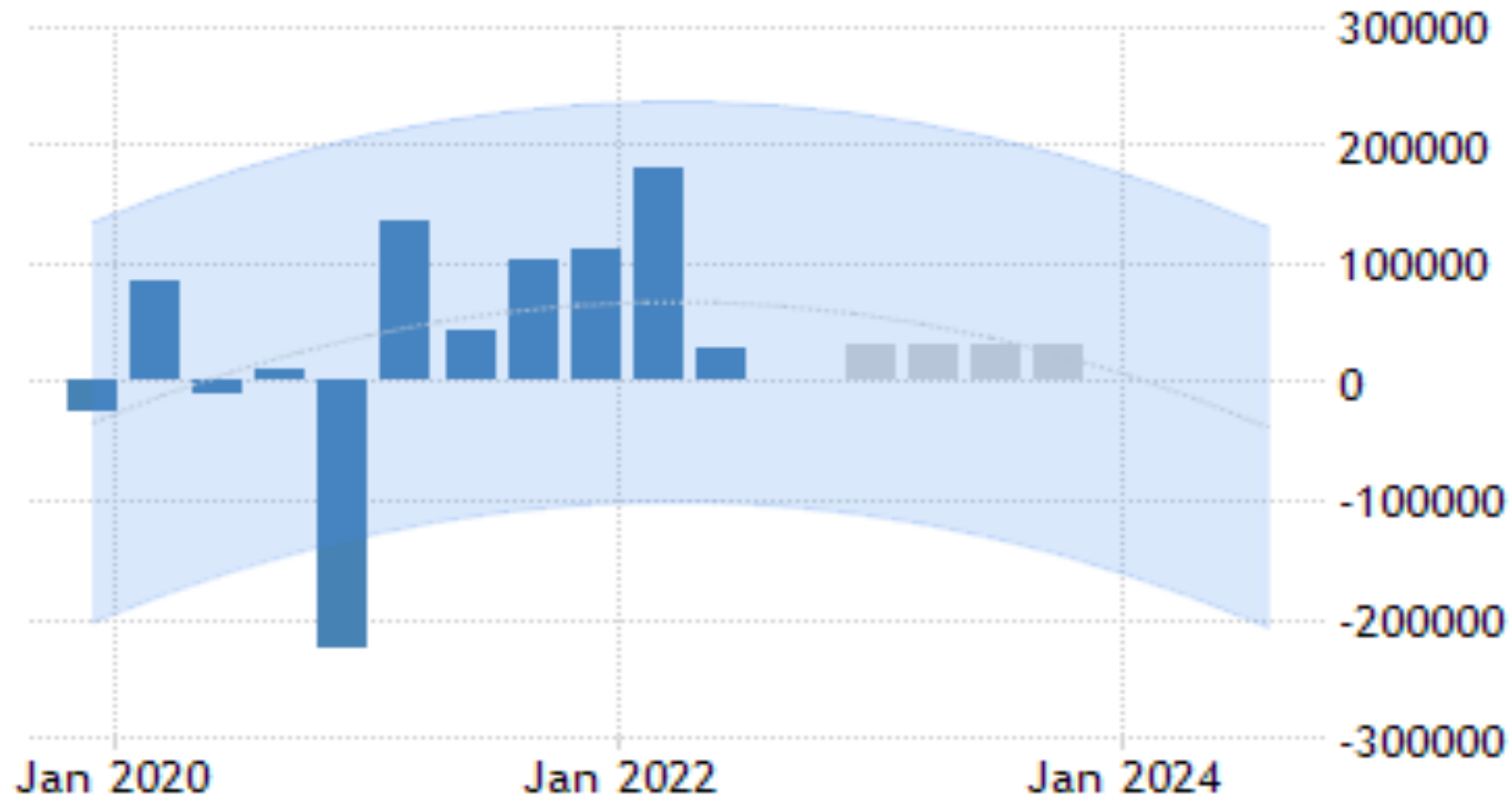


Foreign Direct Investment



FDI : Foreign Direct Investment Trend

from 2020 and forecast of 2023 (Million THB)

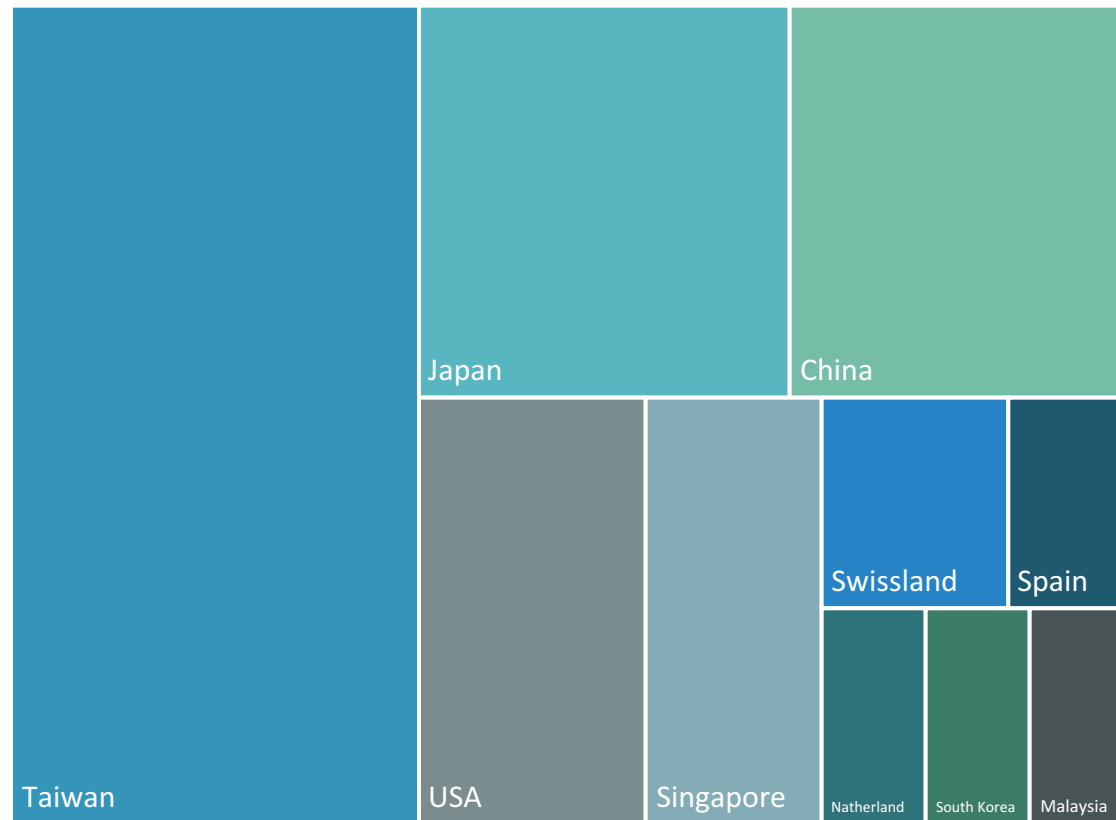


Source : <https://tradingeconomics.com/thailand/foreign-direct-investment>



FDI : Value of investment by Country (Million USD)

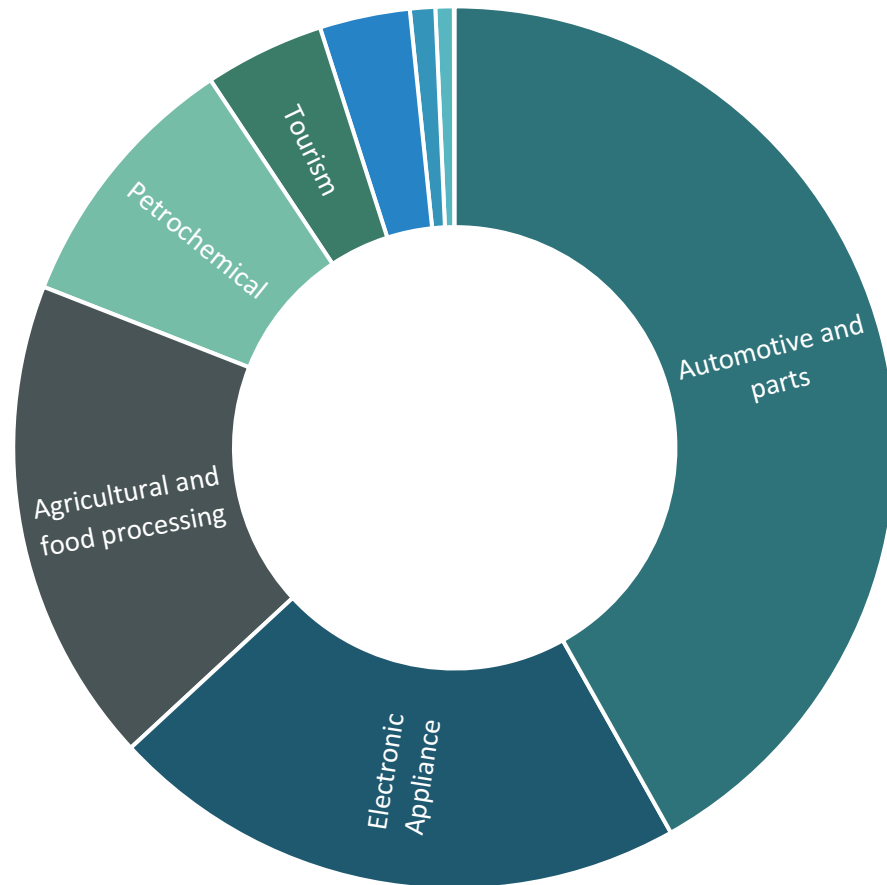
Accumulated of 6 months
January 2022 - June 2022



Rank	Origin	Number of Projects	Value of investment (Million USD)
1	Taiwan	19	1,093.31
2	Japan	97	479.80
3	China	45	438.51
4	USA	17	319.92
5	Singapore	77	245.31
6	Swissland	5	128.90
7	Spain	1	85.01
8	Natherland	31	74.55
9	South Korea	14	73.96
10	Malaysia	9	71.01

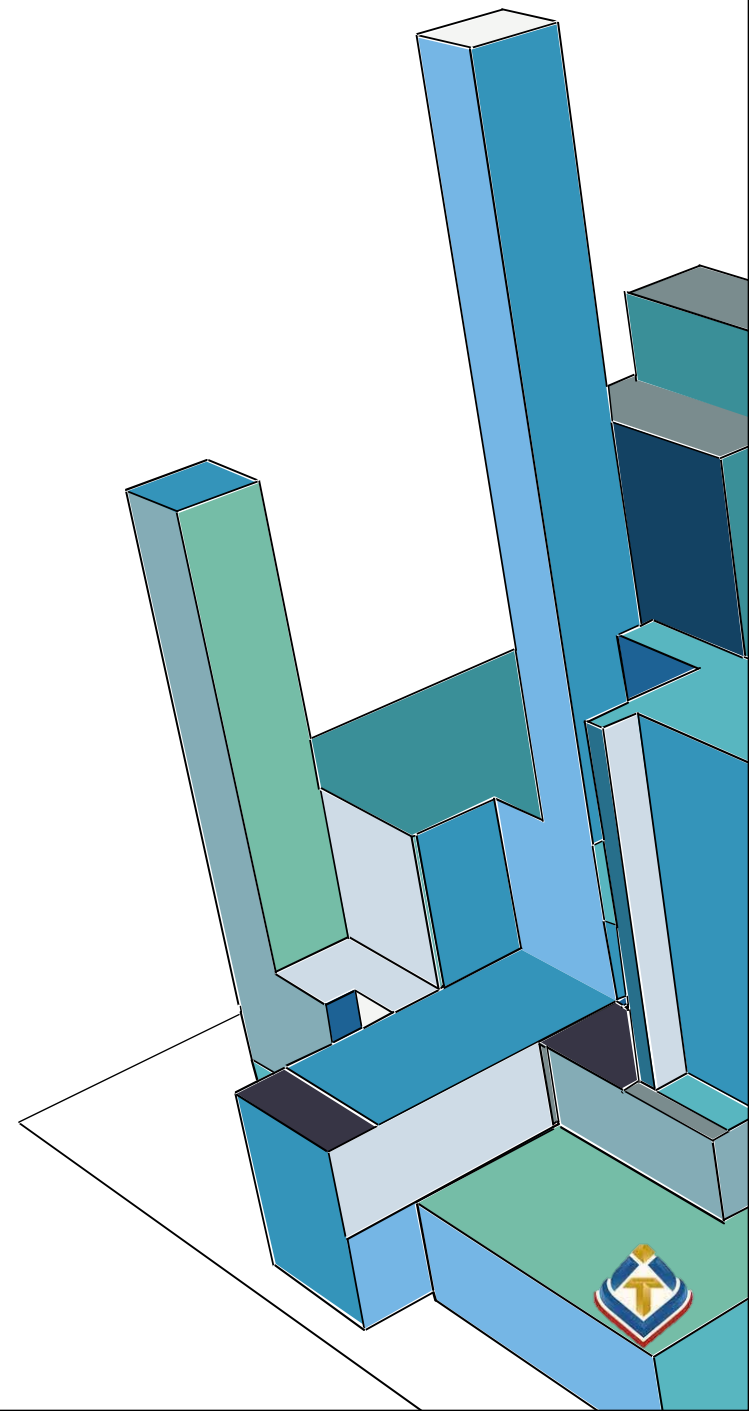
FDI : Value of investment by Industry (Million USD)

Accumulated of 6 months
January 2022 - June 2022



Industry	Number of project	Amount of Investment (Million THB)
Automotive and parts	43	1,193.03
Electronic Appliance	51	605.92
Agricultural and food processing	39	508.33
Petrochemical	30	277.36
Tourism	2	125.22
Biological Technology	3	94.33
Digital	37	26.35
Medical	5	19.18
Robot Automation	2	0.51
Aerospace	2	0.34

Thailand Real Estate Market Outlook



RESIDENTIAL

Trends to Watch...

CATERING FOR DOMESTIC REAL DEMAND

- Local prefer buying a house

NICHE MARKET WILL PERFORM

- Near school/University projects
- Branded Residences

BUYER'S FINANCIAL POSITION

- Covid19 induced financial stress and business disruptions
- Low interest rate & easing LTV restrictions should help stimulate demand

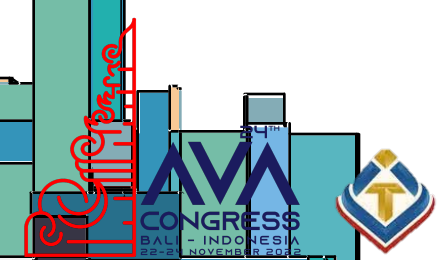
RESIDENTIAL

Downtown Condo in Cautions Mode

- No new project launches last year
- High level of unsold luxury condo supply in downtown
- Strong demand outside CBD, more affordable price
- Buyers become more selctive
 - Forcus more on spaces
 - Value for money products
 - Take longer purchase secision

Housing Demard Strong

- Northern & Eastern Bkk easier to commute from city
- Strong demand for low-rise housing
- Buyer shifted to low density, larger and more adaptable spaces
 - Separate working room
 - Children's playroom
 - Interconnected family area & kitchen
 - Double volume spaces
 - home automation & technology
- Buyer prepare for uncertainties



OFFICE

Trends to Watch...

CLEAR GUIDELINES AROUND HYBRID WORKING

- Headquarter reassessed the need of spaces
- More flexible workplace
- Ensure productivity
- Cost savings

GREATER ESG FOCUS (Environmental, Social & Governance)

- ESG standards will need when tenants choosing their next office space
- Landlords need to implement sustainability policies to meets new ESG requirements

FLIGHT TO QUALITY RELOCATION

- Change in office utilization makes older offices no longer be suitable for modern workplace
- Over 70% of office buildings in CBD are over 20 years old

OFFICE

Negative net-take up last year

- Companies financial impact from pandemic, contractions & relocation impacting rents
- Companies reassess their workplace to adaptation of hybrid working model
- Rental growth drop in some office buildings
- Tech-related sector drives for office demand

New Projects Reviewing their Approach

- Increase in office supply and vacancy rate
For the 1st time in many year....
- Tenants have more choice and able to prioritize the space best suited their needs
- and have more negotiation power for better rents and terms
- Partnerships with coworking space operators will add value to tenants



RETAIL

Trends to Watch...

FOCUS ON FLEXIBILITY WHILE BEING CAUTIONS

- Turnover rent model will be more common
- Retailers more cautious in their expansion plans
- The new to market brands also reassess market entry strategy

LIVING WITH CONSTRAINTS

- Most affected sectors by Covid19
- Most impacted by government restrictions
- Waiting to see gov subsidies policies this year

BRINGING TRAFFIC TO BRICK-AND-MOTAR

- To bring back shoppers from online shopping habit
- In store promotions
 - On site events
 - New experience concepts

RETAIL

Retailers more cautious on expansion

- With spending power affected by pandemic and market sentiment
- Retailers taking a step back on their expansion plans and no rush to open new physical stores
- Retailers have more bargaining power to negotiate lease term with landlords

HOTEL

Trends to Watch...

ANOTHER YEAR FOR DOMESTIC TOURISM

- Heavily reliance on domestic
- Draw local demand with promotion packages
- “Staycation” is no longer a new trend

NEW HOTEL DILEMMA

- Over 7,400 keys to be completed by 2022
- Will increase hotels supply by 6.7%
- Is it the right time?? Or should the projects be on hold

OCCUPANCY FIRST

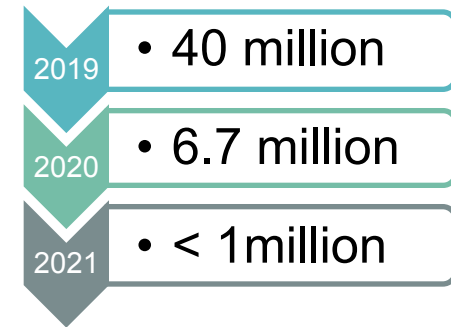
- Focus on cost control to meet break even point
- Seeking other revenue from F&B, special collaboration and events

HOTEL

Anoter Inward Looking Year for Hotel & Tourism

- Tourist destinations: Phuket, Pattaya, Samui will take longer to recover
- To survive hotels explore F&B opportunities
 - Food delivery services
 - WFH promotion package
 - Staycation campaign
 - Promotion that meet local demand

International Tourists arrivals





Naridtnan Palakavong na Ayuthaya Ph.D

Organization

- ❖ CEO of CPM CAPITAL Co., Ltd
- ❖ Qualified Principal Valuer, Thailand
- ❖ Board Committee, The Valuers Association of Thailand
- ❖ Research Grant Committee, ASEAN Valuers Association (AVA)

Education

- ❖ **Doctor of Philosophy, Business Administration (International Program)**, Faculty of Commerce and Accountancy, Thammasat University, Thailand.
- ❖ **Master of Business Administration, (International Program)**, Kasetsart University, Thailand and Ecole de Management de Strasbourg, Universite Robert Schuman, France.
- ❖ **Bachelor of Management and Marketing Double Majors**, Curtin University of Technology, Australia.

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