

REDPAPER

Stay on Top of Real Estate Industry Trends

Issue 1/2022



EMERGING HOMEBUYING TRENDS IN 2022

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The coronavirus pandemic has impacted Thailand's economy and undeniably altered the lifestyles of Thai people.

Will these affect the real estate industry?

REDPAPER, a report on real estate data and trends, sponsored by Frasers Property Thailand, reveals that Thailand's housing demands have been changed due to the pandemic that has continued for over two years. This report is based on a survey from TerraBKK conducted in late 2021 with the sample of 1,700 people aged between 22-53 whose income ranged from THB 35,000 to THB 160,000 which is equivalent to the home purchasing power of THB 2-10 million houses. The survey found that **consumer demands for single-detached houses and semi-detached houses have shifted from the year 2020 to 21% and 116% respectively.**



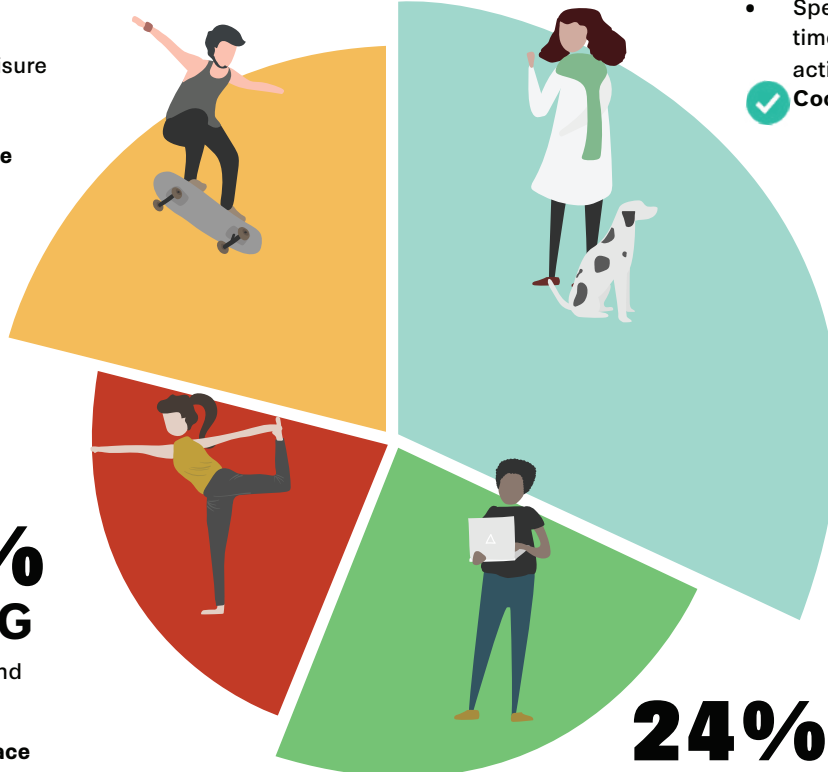
To illustrate the trends in "housing" demands in 2022, REDPAPER presents an article that takes an in-depth look into the two types of housing currently in high demand, namely single-detached houses and townhomes. Triggered by adapted lifestyles during COVID-19 so called the Now Normal, consumers are turning to single-detached houses and townhomes, where all areas can fully accommodate their daily needs, whether work, relaxation, exercises, or recreational activities. Green space and pet-friendliness are also two important factors for buyers. House designs and layouts therefore differ based on the following four lifestyles of homebuyers segment.

4 Lifestyles of Homebuyers

21% OUTGOER

- Rising demand for leisure space at home

✓ **Gathering, Multifunction Space**



32% HOMEBODY

- Spending most of their time at home for leisure activities

✓ **Cooking, Pet-Friendly**

23% WELLBEING

- Focusing on health and wellness

✓ **Wellness, Greenspace**

24% WELL-ORGANIZED

- Designing multifunctional space for all family members

✓ **Work/Study Space**

*Consumer demands from the sample of 1,700 people

According to the survey, consumers looking for a single-detached house tend to be those who enjoy spending most of their time at home (Homebody), keeping their workspace and areas tidy (Well-Organized) and giving a priority to health and wellness (Wellbeing). Meanwhile, a sizeable portion of those with their eyes on townhomes tend to be on the go, health-conscious and outdoorsy (Outgoer).

When it comes to choosing a home, housing in the city was at the top consideration list in the pre-COVID-19 era. There was a strong demand for urban properties strategically located in the center of Bangkok which

is close to business districts and mass transit stations. However, in the 'Now Normal' where most businesses have adopted a hybrid working model, people can work remotely from anywhere, thereby reducing the need to live in the city. **On the contrary, the market shows the upside demand for the residential properties situated in suburban areas surrounded by healthy and safe environment. Consumers are now looking for larger spaces where they can live, work and play.**

5S Key factors considered by homebuyers



63% SAVE

- High-quality houses would lower maintenance costs, leading to cost savings in a long-term
- Value for money

Rather than buying a home at the cheapest price, homebuyers are seeking for 'value for money'. Several aspects such as quality, design, layout as well as flexible/functional spaces are the reasons to justify whether the price is reasonable.



54% SANITATION

- Sanitation in the project area
- Smart home with touchless function

As the COVID-19 outbreak continues, hygiene both at home and outside is of paramount importance. A well-ventilated house located in a good environment will therefore give residents a peace of mind and a sense of safety.



53% SAFETY

- Effective security measures
- Brand credibility assures brand promises to consumers

Strict security measures and brand credibility can gain buyers' trust and make them feel that the residence is safe to live in, especially for those looking to buy a single-detached house or townhome for whom the surrounding environment and the community of neighbors are essential factors.



47% SUSTAINABLE LIVING

- Green space in common areas
- Use sustainable and green building materials in construction

Energy-efficient homes and environmental sustainability are two global issues of interest. Future single-detached houses need to be built with sustainable, energy-efficient, and environmentally friendly construction materials.

Housing should focus on providing a green space in the common areas and around the house for recreational purposes.



44% SOCIABLE DESIGN

- The design for all family members i.e. elders, children, and people with disabilities
- Pet-friendly

An ideal house is designed according to the residents' needs. This is more important than ever as people spend more time at home: home is no longer just a place to live, but also where people work and study. The use of shock-absorbing materials is suitable for families with elders, children, and people with disabilities. There should also be an area designated for pets.



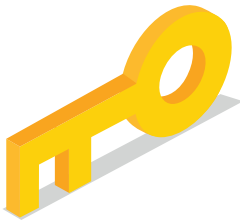
Single-detached houses ideal for the Now Normal

Save & Safety (value-for-money and safety): two emerging trends for prospective buyers of single-detached houses that meet the needs of all age groups



SAVE

While the economic situation influences consumer decisions, residents look for a home with reasonable price. The buyers of single-detached houses tend to be less concerned about the price. They emphasize on value for money when considering to purchase a home. With the ongoing expansion of mass transit lines to suburban areas, numbers of shopping malls in both downtown and outer zones, consumers now show higher interests in single-detached houses in the suburban area - enjoying the luxury of having larger spaces compared to condominiums in the city. More importantly, due to a new lifestyle made possible by a hybrid working model where people can alternate between working from home and working on site, a house must be designed to offer usable space that can be easily adjusted to the residents' needs in every aspect, whether for living, working, studying or other activities.

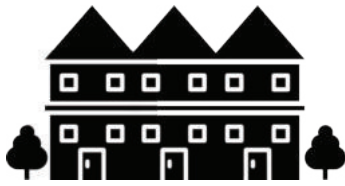


SAFETY

Safety is a priority for prospective homebuyers. It includes strict security measures, neighborhood safety as well as the house design and functions that provide convenience and wellbeing. Houses in demand in the Now Normal would encapsulate 'safety and security', for example, a smart home system that minimizes contact and is easily controlled via a mobile device remotely and the use of shock-absorbing materials for family members' safety especially for elders, children and people with disabilities.

In addition to prices and usable space, value for money encompasses environmental sustainability, which has become an issue of global concern. Long-term maintenance costs for future single-detached houses can be reduced by using sustainable building materials for resource efficiency. Besides, green space as part of the common area and smart home technology are also factors of homebuyers' purchase decision.





Townhomes priced between THB 2-5 million

Up and coming trend for young families on the lookout for value for money



The COVID-19 outbreak has altered housing trends among the young urbanites, who have now turned to consider a home that offers more usable space but is still located near a city transport network. **This is why townhomes have emerged as a primary choice for young people, especially for small families looking to buy a home of their own. Furthermore, townhomes are more affordable.**

Taking an in-depth look into the rising demand for townhomes, REDPAPER finds that 48% of prospective buyers consider townhomes sold at the price of THB 3 million and above, which is rather moderate compared to the prices of single-detached houses or condominiums in the city.



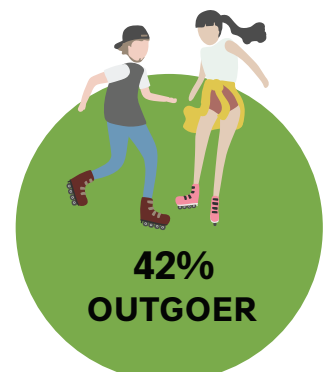
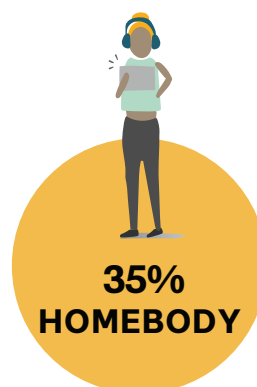
According to the survey, **The majority of buyers are interested in townhomes within the price range of THB 2-5 million.**



Important attributes that these consumers look for are:

- Value for money**
- Efficient space utilization**
- Timeless functions**

Interestingly, 42% of those inclined to buy a townhome tend to keep an outdoorsy lifestyle, while another 35% prefers spending most of the time at home for leisure activities. This presents an excellent opportunity for townhome developers to focus on target consumers based on their lifestyle.



The living environment surrounding their home - including common areas, facilities, shopping malls, ease of access to mass transit stations - is also important to them. Moreover, they may take common areas into more consideration as their home may not be spacious enough, making the availability of relaxation areas such as green space, clubhouse, gym, or swimming pool critical when considering to buy a townhome. Living with COVID-19 for two years, people are still spending more time at home, multifunctional homes continue to be popular.



When a need for more space or relocate arises in the future, a townhome is a good choice that allows a number of activities and can be easily remodeled based on the consumer's changing needs at any given time. For example, a townhome can be turned into a home office, storage space, photography studio, or online store. The ideal present-day homes are therefore designed to accommodate modifications as needed.

For real estate market trends this year, consumers will continue to see changes and a greater variety of options as developers adjust to the changing consumer trends brought on by the 'Now Normal'.



About US

REDPAPER is Frasers Property Thailand's insight report providing a running series of articles that address trends, gaps and analysis of the real estate industry in Thailand particularly in the residential, industrial and commercial sectors. It aims to report facts and market leaders' commentaries to readers.

For more information, please contact:

T: +66 2 483 0000 ext. 4262

E: th.fpt.pr@frasersproperty.com

W: redpaper.frasersproperty.co.th

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