

Asoke - Ratchada - Rama9 - Huai Khwang Area

When mentioning important areas in Bangkok, the major zones that are considered as the centers of civilization consisted of large department stores, offices, and residences are Silom, Sukhumvit, and Ratchadapisek.

These areas can be divided into 4 zones along MRT lines as follows :

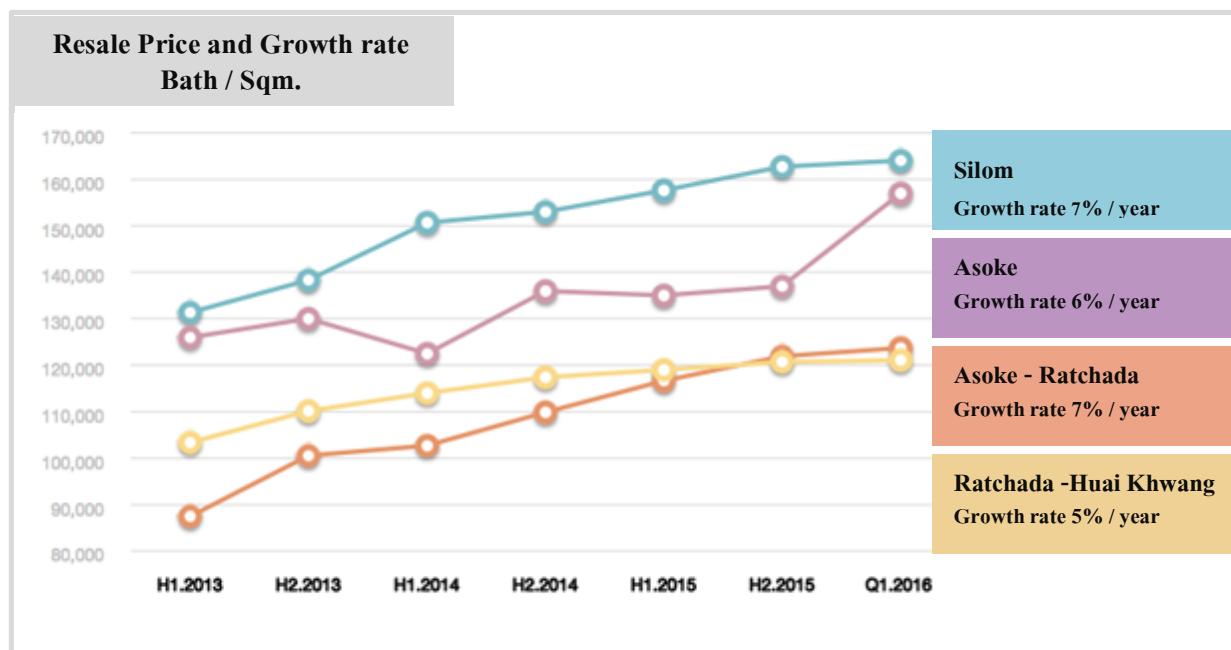
Silom Zone : Silom MRT Station/Saladang BTS Station

Asoke Zone : Sukhumvit MRT Station/Asoke BTS Station

Asoke - Ratchada Zone : Rama 9 MRT Station and Petchaburi MRT Station

Ratchada – Huai Khwang Zone : Thailand Cultural Center MRT Station and Huai Khwang MRT Station

The returns obtained from renting and the growth of resale price could be compared based on the potential on condominium investment of 4 zones as follows:



Source : www.TerraBKK.com The Information were collected as of 2016

For the growth of Capital Gain, outstanding locations with the highest level of the growth of Capital Gain are Silom zone and Asoke-Ratchada zone with the average growth of resales (Capital Gain) of all projects at 7% per year because these two locations are suitable for living and surrounded by department stores with convenient transportation connecting with all city and suburb zones.

For the situation of condominium renting compared in each location, it is found that “Asoke-Ratchada” zone and “Ratchada-Huai Khwang” zone provides the highest level of return obtained from renting with the rate of 5.1-5.5% per year. It can be said that all areas of Ratchadapisek zone are interesting for investment in condominium renting due to rental fee rate per square meter that is quite similar to that of Silom-Sathorn zone, i.e., around 500-600 baht/sq.m./month but with cheaper sale price with newer condition. When comparing with condominiums in Silom zone or Asoke zone, the interesting fact of Ratchadapisek zone is new condominium projects that are consecutively opened and each project has good sale volume, i.e., around 30-40% per year. Some projects are already sold out in the first week of launching indicating high demands in this location. In addition, Ratchadapisek is also the location which highly invested by the powerful country like “China” by purchasing several condominiums in Ratchada zone, for example, Belle Grand Rama 9 Project that has been reserved by the Chinese since it was not completed as the residences for the Chinese to live near business areas and Chinese Embassy in Bangkok because most Chinese people live in Ratchadapisek zone are investors and business men working for large organizations.

When conducting deep analysis on “Ratchadapisek” zone in order to figure out which area is interesting for investment, it can be divided into 4 sub-areas along MRT line starting from Petchaburi MRT Station to Huai Khwang MRT Station with different resale prices, rental fees, rate of return, and price increasing. Condominiums in Rama 9 MRT Station zone are considered to have the highest level of rental fee and price increasing followed by Petchaburi MRT Station zone, Huai Khwang MRT Station zone, and Cultural Center MRT Station zone, respectively. Details are as follows:

Station/Type	Resale Price	Rental Rate	Room size	Rental Yied	Capital Gain
	Average per Sqm.	(Baht/month)	(Sq.m)	Average per year	Average per year
MRT Rama 9	93,000 - 155,000	15,000 - 30,000	32 - 58		
Studio	135,000 - 160,000	10,000 - 15,000	22 - 25	5.0 - 6.3%	4.6 - 11.0%
1 Bedroom	90,000 - 160,000	15,000 - 20,000	32 - 39		
2 Bedroom	92,000 - 135,000	28,000 - 40,000	54 - 77		
3 Bedroom	100,000 - 123,000	50,000 - 55,000	100 - 106		
MRT Phetchaburi	122,000 - 155,000	28,000 - 45,000	45 - 70		
Studio	145,000 - 165,000	28,000 - 45,000	24 - 31	5.2 - 5.7%	4.3 - 9.9%
1 Bedroom	130,000 - 152,000	18,000 - 26,000	45 - 70		
2 Bedroom	118,000 - 160,000	35,000 - 50,000	66 - 86		
3 Bedroom	90,000 - 120,000	50,000 - 60,000	118 - 157		
MRT Huai Khwang	100,000 - 150,000	17,000 - 25,000	35 - 47		
1 Bedroom	100,000 - 150,000	16,500 - 20,000	35 - 45	5.1 - 5.5%	3.3 - 8.2%
2 Bedroom	98,000 - 150,000	25,000 - 30,000	46 - 60		
MRT Thailand Cultural Center	137,000 - 172,000	30,000 - 42,000	42 - 84		
Studio	150,000 - 177,000	21,000 - 27,000	31 - 33	5.0 - 5.3%	4.2 - 6.1%
1 Bedroom	143,000 - 172,000	30,000 - 34,000	42 - 44		
2 Bedroom	102,000 - 170,000	38,000 - 60,000	81 - 85		

Source : www.TerraBKK.com , The Information were collected as of 2016

Fourth Rank : Thailand Cultural Center MRT Zone – In the future, this zone will become the connection between Metropolitan Rapid Transit Orange Line and current Metropolitan Rapid Transit Blue Line as well as the location of offices of The Capital Market Center (SET) and AIA Capital. The prices of condominiums in this zone increase by 4.2-6.1% per year approximately.

Currently, the prices of second-hand condominiums are ranged from 137,000 – 172,000 baht per square meter with the rental fee ranged from 30,000 – 42,000 baht per month approximately with the capacity to generate average return from renting at 5.0 - 5.3% per year.

The interesting project in this zone that is still available is “Noble Revolve 2 by Noble Development” that was launched in 2013 with the price of 120,000 baht per square meter. Currently, the resale price is around 169,000 baht per square meter that is approximately increased by 6% per year.

Third Rank : Huai Khwang MRT Station zone – This zone is considered as the major shopping center of Ratchadapisek zone that is full with several markets and shops along the road. Consequently, this zone is considered as crowded residential zone. In addition, there is also Ratchada International Hospital that is under construction. The Capital Gain of condominiums in this zone is around 3.3% -8.2% per year.

Currently, the prices of second-hand condominiums are ranged from 100,000 – 150,000 baht per square meter with the rental fee ranged from 17,000 – 25,000 baht per month approximately with the capacity to generate average return from renting at 5.1% - 5.5% per year.

The interesting project in this zone that is still available is “Metro Luxe Ratchada” of Property Perfect that was launched in 2015 with the approximate price of 100,000 baht per square meter. Currently, the approximate resale price is 138,000 baht per square meter that is approximately increased by 8% per year.

Rental Fee Rate of Metro Luxe Ratchada

The rental fee of **1 bedroom** with the area of 28-30 sq.m. is around **14,000 – 15,000 baht**.

The rental fee of **1 bedroom** with the area of 35 sq.m. is around **18,000 baht**.

The rental fee of **2 bedroom** with the area of 45 sq.m. is around **23,000 - 20,000 baht**.

The average rental fee is around **500 baht per sq.m**.

Second Rank : Petchaburi MRT Station zone – This zone is connected with Sukhumvit that is convenient for transportation. In addition, there will be Makkasan Complex Project in the future with the area on 497 rai that will upgrade quality of life and generate works and value of real estate in such zone. Consequently, The Capital Gain of condominiums in this zone is around 4.3% - 9.9% per year.

Currently, the prices of second-hand condominiums are ranged from 122,000 – 155,000 baht per square meter with the rental fee ranged from 25,000 – 45,000 baht per month approximately with the capacity to generate average return from renting at 5.2% - 5.7% per year.

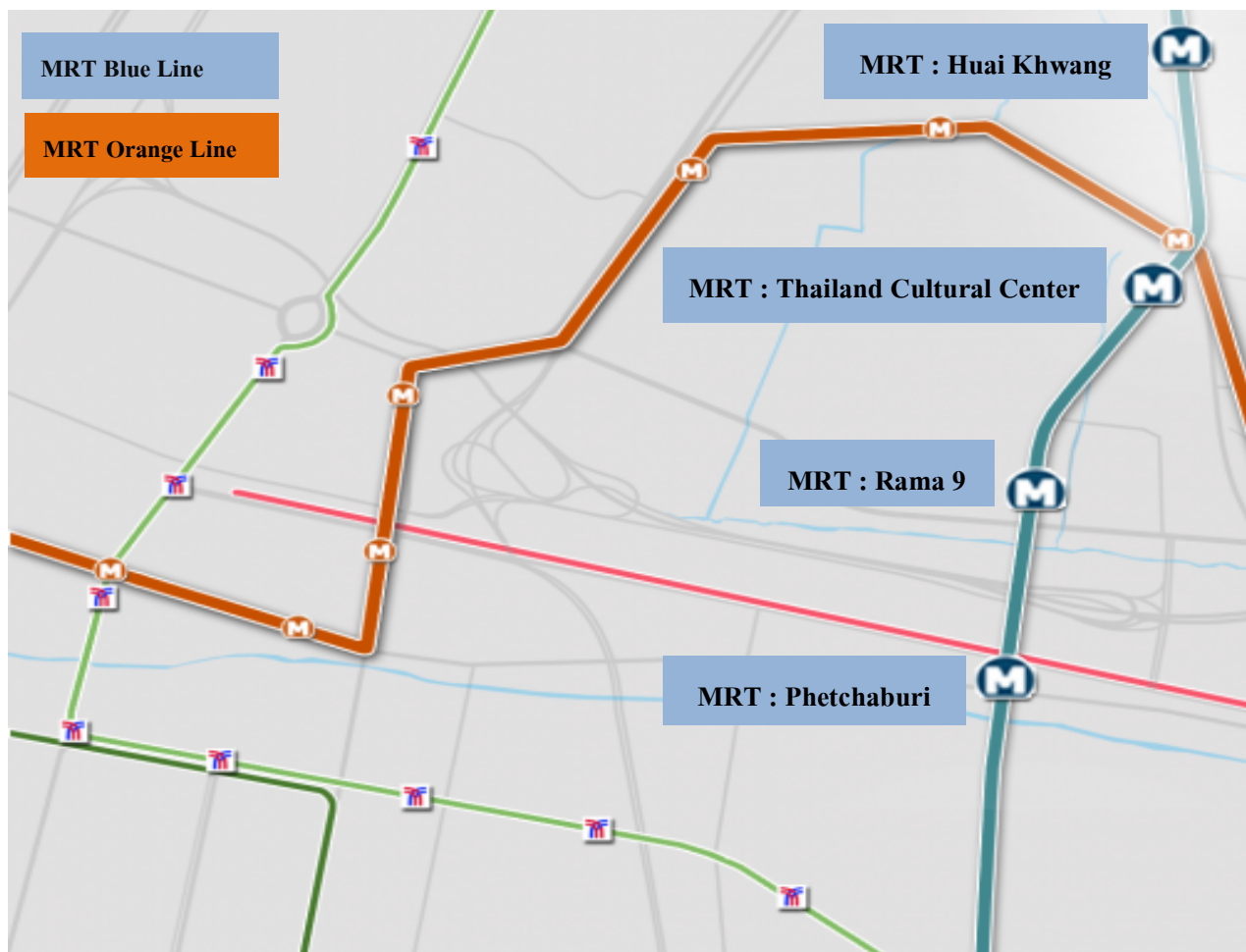
The interesting project in this zone that is still available is “Life Asoke” of AP Thai that was launched in 2015 with the approximate price of 115,000 baht per square meter. Currently, the approximate resale price is 149,000 baht per square meter that is approximately increased by 7% per year. In addition, there are also other 2 hi-end projects including: “The Esse Asoke” Project of Singha Estate with the approximate price of 220,000 baht per square meter; and “The Loft Asoke” Project of Raimond Land with the price of 200,000 baht per square meter.

First Rank : Rama 9 MRT Station zone – It is distinctive with Central Grand Rama 9 Department Store therefore the prices of condominiums and lands in this zone are also high. Especially, expansion of the heart of the city to Rama 9 zone also generates new investment area consisted of many offices and department stores therefore this Rama 9 zone is called as “New Central Business District (New CBD)”. Consequently, The Capital Gain of condominiums in this zone is in the highest level at 11% per year.

Currently, the prices of second-hand condominiums are ranged from 93,000 – 155,000 baht per square meter with the rental fee ranged from 15,000 – 30,000 baht per month approximately with the capacity to generate average return from renting at 5.0% - 6.3% per year.

The interesting project in this zone that is still available is “The Line Asoke Ratchada” that was launched in 2016 with the price of 150,000 baht per square meter. Currently, the approximate resale price is 182,000 baht per square meter that is approximately increased by 7% per year.

As a result, it can be said that “Ratchadapisek-Rama 9” zone is New CBD or New Central Business District with tendency of the growth of the condominium’s price that is similar to that of Silom plus with its environment that is surrounded with several facilities and convenient in-bound and out-bound transportation. Moreover, many real estate projects and mega projects that will be happened soon are also considered as the factors to increase the value of lands and real estates in this zone.



Source : www.TerraBKK.com

Mega projects in Ratchadapisek zone leads to value increasing of real estates in Asoke-Ratchadapisek zone, New CBD & New Central Park zone. It can be seen that Ratchadapisek zone has been changed from the past increasingly by noticing on many new offices and new lifestyle malls for responding to all demands of people living in this zone.

There are the following projects in Asoke-Ratchada-Rama 9 zone causing this zone as New CBD and hangout area including AIA Capital Center (Office Building), The Stock Exchange of Thailand (SET) (Office Building), Uniliver Tower (Office Building), The Ninth Tower (Office Building), Singha Complex (Office Building and Shopping Mall), G Tower (Office Building), Show DC (Shopping Mall), The Street Ratchada (Shopping Mall), Esplanade Ratchada (Shopping Mall), Railway Night Market, Bumrungrad International at Petchaburi Branch, Ratchada International Hospital.

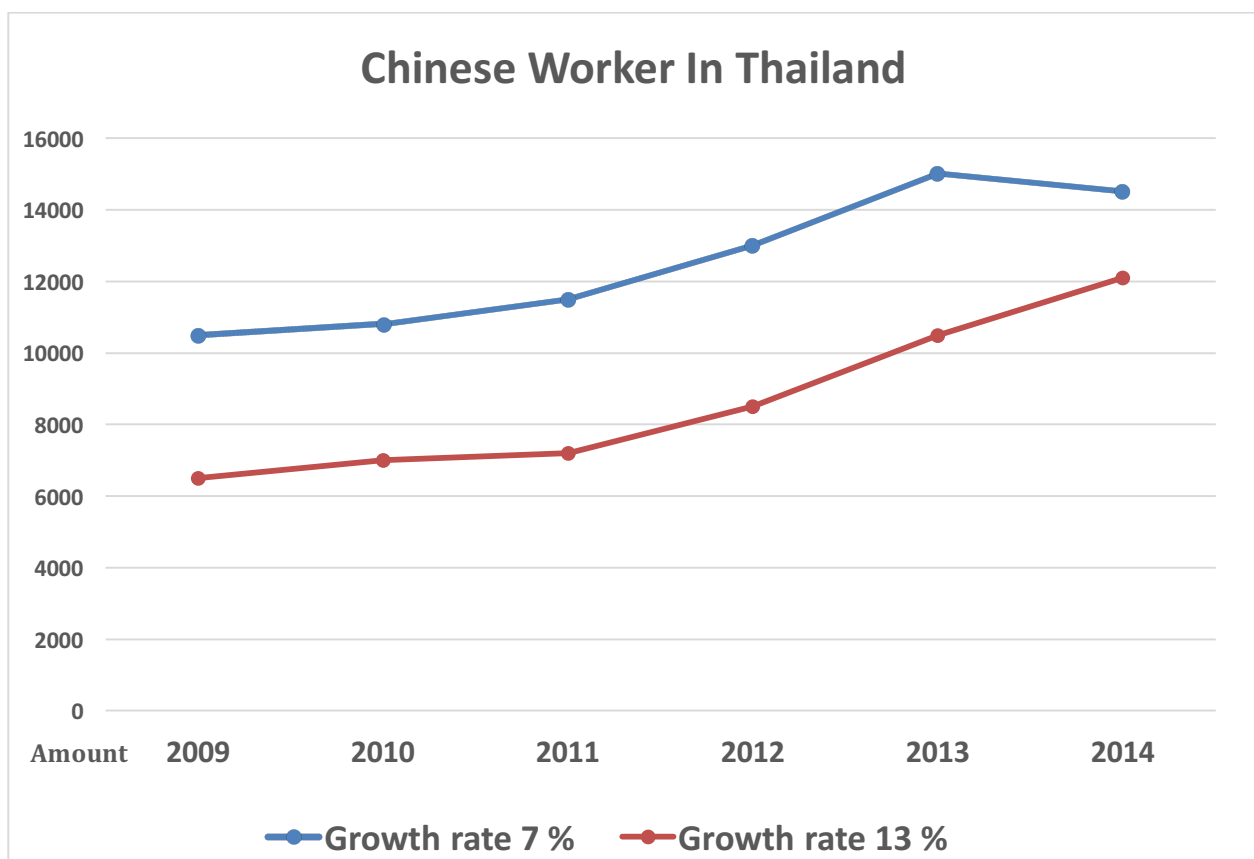
These projects are considered as a part of the major development guidelines of private sector. Moreover, there are also many projects that are planned but waiting for further development.

For major future mega projects of government sector, there are 3 large projects that are planned as follows:

- 1) Makkasan Complex – This project is located in a land with the area of 497 rai and it is currently one of urgent projects of Thai government with General Prayuth Chan-ocha, the Prime Minister, as the President.
- 2) Metropolitan Rapid Transit Orange Line – This project is under PPP East Track Plan of Bangkok Metropolitan Administration and it is currently under construction. It covers 2 major areas including Cultural Center MRT Station and Rama 9 Road (that is approximately 700 meters away from Rama 9 MRT Station).
- 3) Maintenance Center's Land Development Plan of MRT in Huai Khwang and Rama 9 Road – Since the size of the land of maintenance Center for Metropolitan Rapid Transit Orange Line and Metropolitan Rapid Transit Blue Line located on Tien Ruam Mit Road is 1,000 rai divided into 500 rai per each line with the approximate value of 300,000 million baht but there are many remaining spaces, MRT

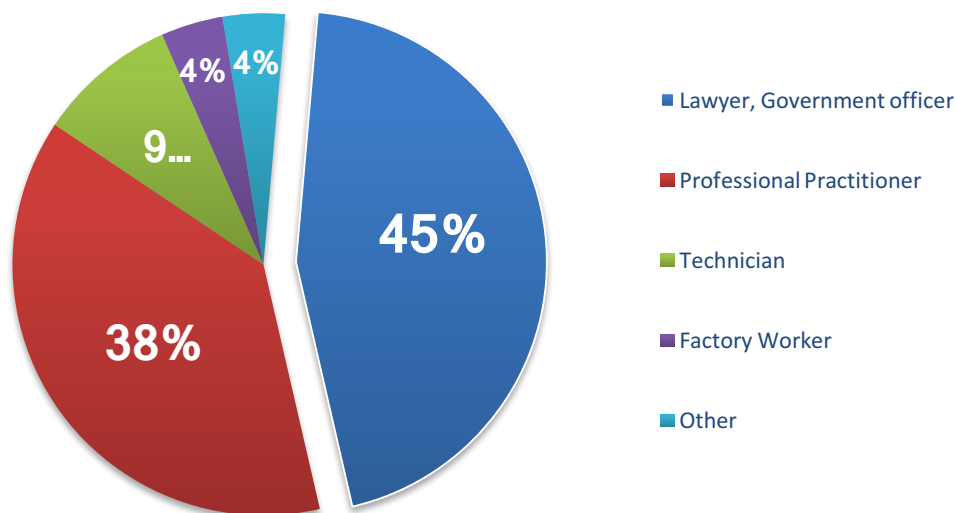
has a plan to allocate such land for private sector in order to develop such land commercially. From estimation of MRT, this land will be able to generate income over than 100,000 million baht by giving the opportunity to private sectors to mutually develop the following projects: 1) national convention center; 2) hotel; 3) rental offices; 4) department store; 5) exhibition center or vertical hi-tech industrial estate, etc.

According from The Foreign Workers Administration Office that the Chinese worker is growing average of 13% per year. Predicted that in the next few years the Chinese worker will come into Thailand more. Details are as follows:



Source : www.doe.go.th (The Foreign Workers Administration Office)

Career of chinese Worker In Thailand



Source : www.doe.go.th (The Foreign Workers Administration Office)

From overall picture of the recent progress of all projects that are already completed or under construction or under development in Asoke-Ratchada-Rama 9 zone, it can be seen that this location still has the potential to grow due to over thousand rai of empty spaces of private sector, MRT, and State Railway of Thailand (SRT) that will be allocated for co-development with private sector as well as all Metropolitan Rapid Transit lines covering the areas from Rama 9 – Ratcahda zone, they will become the factors making this zone to have sufficient spaces to develop and increase the value of real estates in this zone.