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Phuket's Property Market Sees Strong Condo Sales Amidst Villa Slowdowns

Despite a slower start to 2025 and the continued absence of Chinese buyers, Phuket's residential real estate market is poised for a strong second half, driven by a surge in new launches and sustained demand from foreign buyers. Property analysts anticipate that the market will enter a more active phase, with a particular focus on the upcoming high season.

In the first half of 2025, new launches for both condos and villas experienced a year-on-year decline at 25.3% for condos and 41.5% for villas. While this drop might seem significant, experts at CBRE (Thailand) note that the market is coming off a record-breaking year in 2024, and current launch volumes remain above historical averages.

The condo segment showed remarkable resilience, with sales rising 21% year-on-year in the first half of 2025. This growth was largely fueled by foreign buyers, who are attracted to the affordability of condos, which can be purchased for less than 3 million baht. New projects are primarily concentrated in the south and southwest coastal areas, where land is more available and prices are lower.

In contrast, the villa market has 21.9% decline in sales during the first half of the year. This slowdown is attributed to a combination of factors, including high prices, longer buyer decision cycles, and a substantial amount of existing supply. Despite the dip, many developers from Bangkok, including prominent names like Land & Houses and Ananda Development, have entered the Phuket villa market.

While Chinese buyers have not yet returned to pre-pandemic levels, demand from other nationalities particularly Russians, Thais, and Europeans remain strong. Phuket is increasingly seen as a desirable destination for second homes, retirement, and remote work, which attracts a diverse group of buyers, including those seeking investment properties with the potential for rental income and long-term capital gains.

Developers are responding to the competitive market by adjusting their strategies. Some are modifying existing villa projects to reduce unit sizes and offer more competitive pricing, while others are converting them into condo projects to meet demand. Established developers with a reputation for quality, location, and price continue to perform well, while newer players face more significant challenges.

As the high season approaches, property analysts are optimistic about the rest of 2025, expecting increased sales and a more dynamic market as Phuket continues to solidify its status as a leading destination for international property buyers.

Should you have any question, please do not hesitate to contact us via info@bgloballaw.com