

Chiang Mai Real Estate Snapshot

Dot Property Group Report: Chiang Mai Real Estate Snapshot

The Chiang Mai real estate market saw a notable increase in demand last year with inquiries made to the Dot Property Group network of websites peaking in the third quarter. While interest decreased in line with country-wide real estate trends to close 2023, the fourth quarter of 2022 and first quarter of 2023 saw a much better year-on-year performance.

The Dot Property Group Chiang Mai Real Estate Snapshot provides an overview of the current situation using data collected from our network of leading websites. We gathered information as it related to both the rental and sales market to get a better understanding of demand for property throughout the region.

When we say demand, we are referring to inquiries made by a person through one of our sites. In our view, this captures a measurable act of interest which can be used to represent a form of demand.

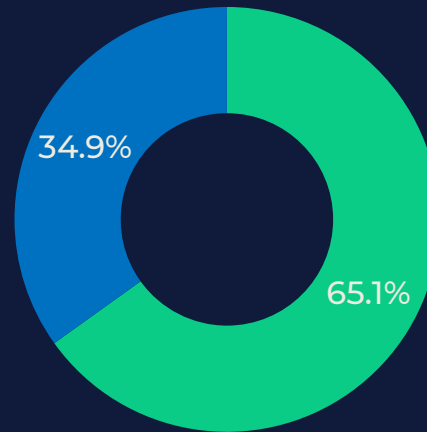
In this report, we uncover what types of Chiang Mai real estate domestic and overseas buyers are looking for when it comes to sales, rentals and land. These insights allow us to understand the current market situation and gain a better understanding of what may take place over the coming months.

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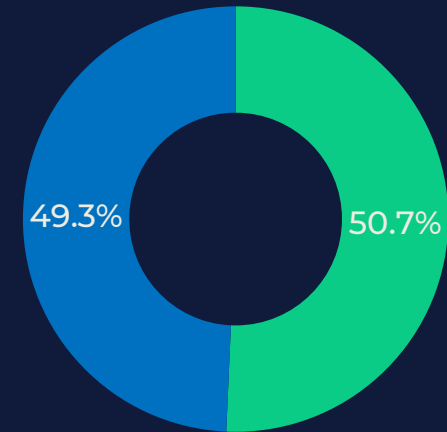
Chiang Mai Residential Demand Breakdown By Type

Q3 2022



Housing

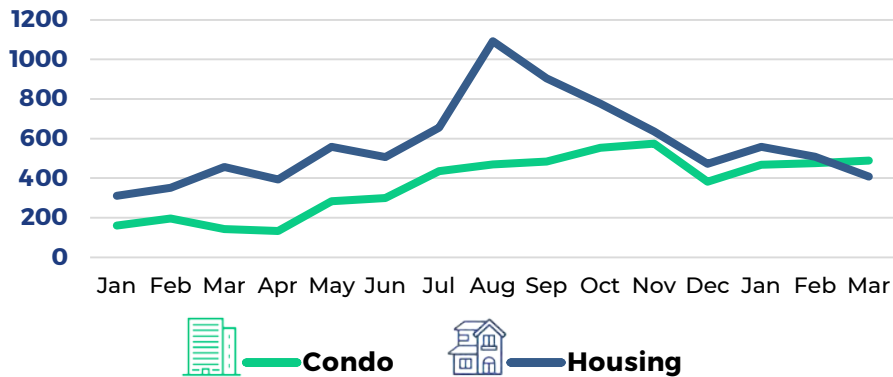
Q1 2023



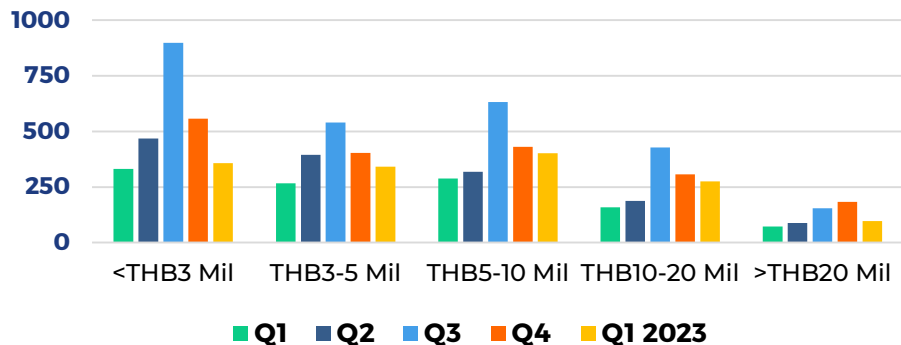
Condos

Chiang Mai residential real estate demand overview

Chiang Mai Residential Demand
 (Jan 2022 - Mar 2023)



Chiang Mai Housing Demand By Price
 (Q1 2022 - Q1 2023)



In our previous Chiang Mai Real Estate Snapshot, we noted that the market was beginning to show signs of life after a slow start to 2022. Demand for housing in the province peaked during the third quarter, although interest in condominiums continued to increase and is now well above pre-pandemic levels.

Chiang Mai has benefited greatly from the reopening of Hong Kong and mainland China with these locations accounting for a large number of tourist arrivals. And while an uptick of foreign property seekers has helped, tourism's return has arguably had a more significant impact on domestic buyers.

According to the Chiang Mai Real Estate Association, newfound confidence in the economy saw domestic home buyers more willing to make a purchase decision than in years past. This can be seen in data from Dot Property Group which found a 93.4 percent year-on-year increase in residential demand from this group in the first quarter of 2023.

Interestingly, Thai property seekers accounted for more than 70 percent of demand during the first three months of the year. That doesn't mean overseas buyers have retreated. On the contrary, interest from foreign-based individuals rose by 57.6 percent year-on-year in the first quarter of 2023.

Chiang Mai residential real estate demand overview

What A Difference A Year Makes Q1 2022 vs. Q1 2023

Domestic Demand

93.4% ↑

Overseas Demand

57.6% ↑



The most popular price point for houses remains THB3 million or less. There does appear to be growing interest in the THB5-10 million price segment with demand here surpassing the THB3-5 million segment in both the fourth quarter of 2022 and first quarter of 2023.

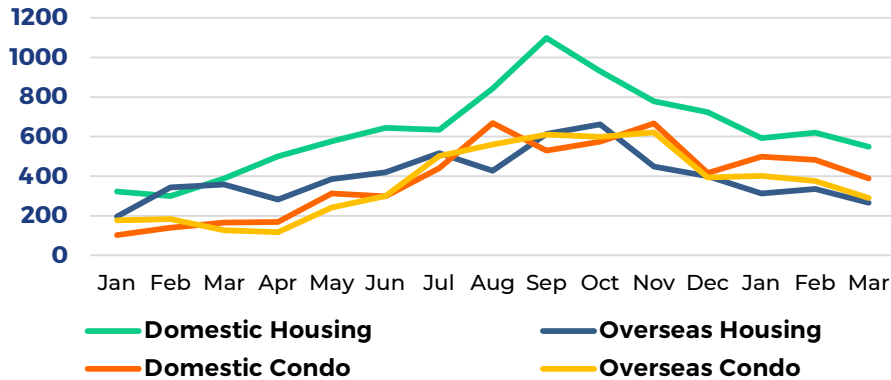
Chiang Mai condominium demand outstripped housing demand in March of this year, ending a streak of more than 18 months. One reason for that may be a lack of housing supply. Most firms were waiting to clear existing inventory before launching any new developments. With buyers returning faster than anticipated, some projects were quick to sell out.

Local developers are now preparing new project launches to meet current and future demand, especially in the housing sector.

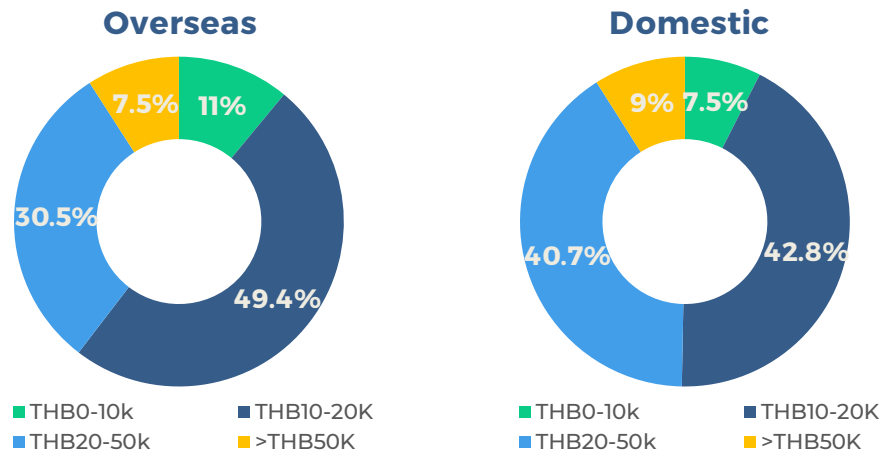
Chiang Mai

rental real estate demand

Chiang Mai Rental Demand
(Jan 2022 - Mar 2023)



Chiang Mai Housing Rental Demand By Price
Q1 2023



Chiang Mai rental real estate demand peaked in September of 2022 with interest remaining relatively strong to close the year. The market recorded a flat start to start 2023, although inquiries received during the first quarter were noticeably higher year-on-year.

Data from Dot Property Group found that domestic inquiries were up by more than 120 percent in the first quarter of 2023 when compared to the same period last year. On the overseas side, there was a 51.8 percent increase year-on-year.

While those figures are promising, competition for tenants is still high, even with increasing arrival numbers and fuller hotels. Concentrated rental demand when it comes to price still means the situation favors renters.

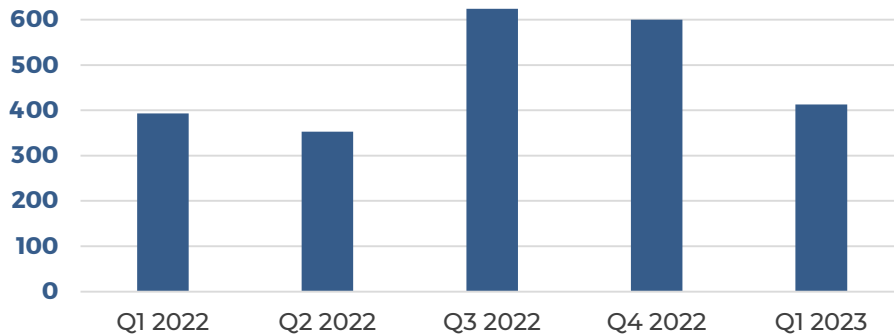
In terms of housing, almost 50 percent of demand from international tenants in the first quarter of 2023 was for residences with THB10,000-20,000 monthly rents. Another 30.5 percent were for THB20,000-50,000 monthly rentals.

It was a similar story for domestic housing renters during the first quarter of this year where 83.5 percent of inquiries made via the Dot Property Group network of websites were from rentals in the THB10,000-20,000 and THB20,000-50,000 segments.

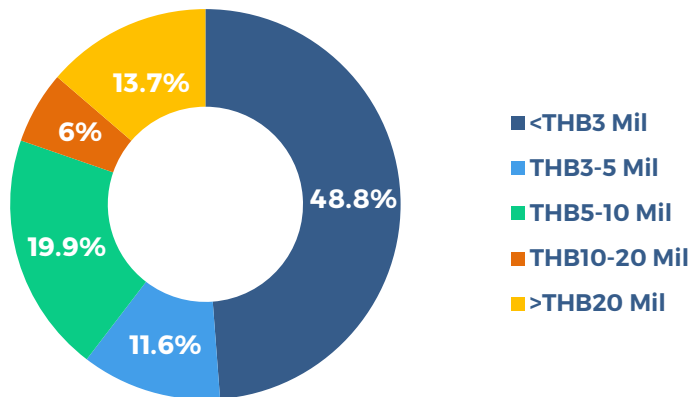
Chiang Mai

land demand overview

Chiang Mai Land Demand
 Total Inquiries



Chiang Mai Land Demand By Price Oct 2022 - Mar 2023
 % of Total Inquiries



Demand for land in Chiang Mai was robust in the third and fourth quarters of last year which is likely due to a number of factors, including the region's economic recovery. Interest declined to start 2023 but that was possibly due to buyers and sellers waiting to receive clarification in regard to taxation.

That came in March when the Royal Gazette published an announcement stating the land and building tax will be reduced by 15 percent in 2023. This covers land plots in four areas:

- Land or buildings used for agricultural purposes
- Land or buildings used for residential purposes
- Land or buildings used for other purposes
- Vacant or unused land or buildings

It remains to be seen just what type of impact this will have on the land market overall. While buyers may be more eager to acquire plots due to the tax reduction, sellers could opt to keep their holdings unless the asking price is met.

Speaking of price, Chiang Mai land plots priced at THB3 million or less made-up 48.8 percent of all inquiries received via the Dot Property Group network of websites between October 2022 and March 2023. This was followed by the THB5-10 million price segment which accounted for 19.9 percent of demand.

Dot Property Group Report: Chiang Mai Real Estate Snapshot

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