Active condominium market and stable villa demand despite reduced tourist arrivals

QUARTERLY HIGHLIGHTS

- **Tourism:** Thailand's international arrivals reached 15.9 million in H1 2026, a 4.9% Y-o-Y decline. The East Asia market drove this contraction, falling 7% to 8.7 million arrivals. Phuket International Airport passenger arrivals mirrored this trend, decreasing 1.4% Y-o-Y to 4.39 million from 4.46 million passengers in H1 2025.
- **Hotel:** Phuket's hotel sector remained flat in H1 2026, with occupancy down 0.8 percentage points and ADR increasing modestly 0.9% Y-o-Y.
- **Condominium:** The number of new project launches increased 44.8% compared to H2 2025. Large, publicly listed developers continue to lead the market. Only three projects were completed in H1 2026, totaling 1,196 units. This is a 56.8% decrease compared to H2 2025, as many projects were delayed or were not ready for handover.
- **Villa:** 16 villa projects were launched in H1 2026 with a total of 224 units. 35.3% of these projects are concentrated in the West Coast (Central) area of Phuket. The Mid-range (THB 15-35 million) segment accounted for the largest proportion of new launches.

TABLE 1: Quick Statistics

Condominium	H1 2026	H-o-H	Y-o-Y
Newly Launched	4,487	44.8%	20.9%
Unit Sold (this half)	4,017	10.3%	10.6%
Villa	**H1 2026**	**H-o-H**	**Y-o-Y**
Newly Launched	224	-20.8%	-58.0%
Unit Sold (this half)	233	67.6%	-18.5%
Hotel	**H1 2026**	**H-o-H**	**Y-o-Y**
ADR	THB 5,658	21.2%	0.9%
Occupancy	67.7%	4.7pp	-0.8 pp

Phuket Condominium

▲ +5.9% H-o-H
Total Condominium Supply

▲ 4,487 units
Number of New Condominium Launches

▲ 4,017 units
Number of Condominium Units Sold

▲ 71.9%
Cumulative Condominium Sales Rate

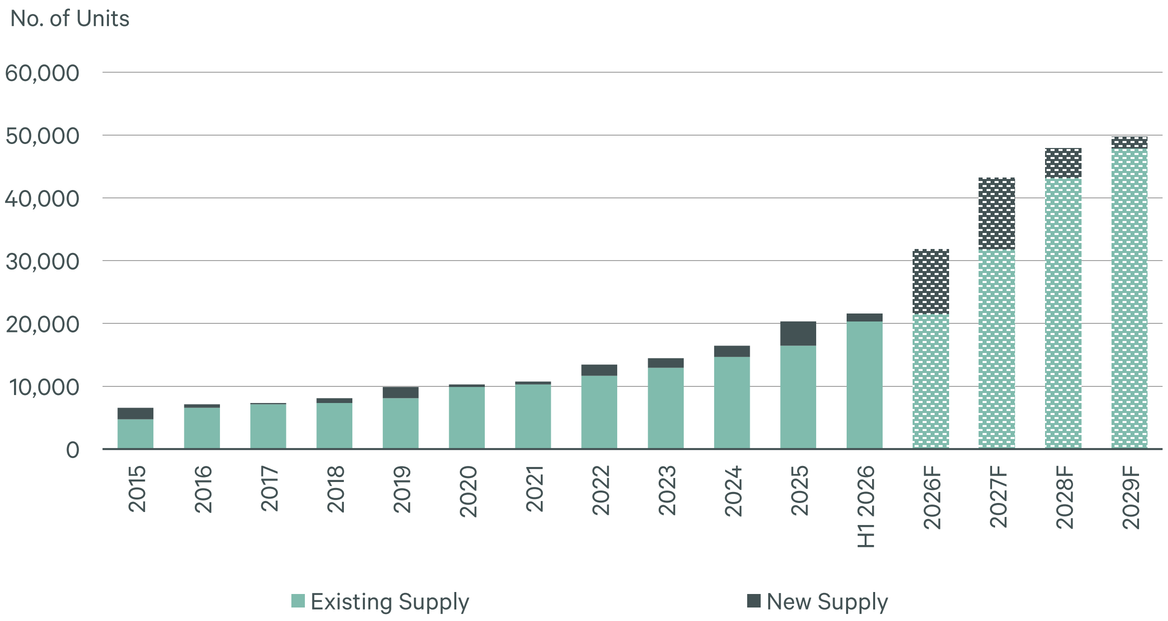
New condominium launches increased, with the majority coming from listed developers, while newly completed units decreased due to construction delays

- New project launches increased 44.8% compared to H2 2025. Publicly listed developers with established Phuket track records account for over 51% of this new supply, led by Rhom Pho, which launched four projects totaling 1,445 entry-to-mid-range units.
- Conversely, H1 2026 completions fell 56.8% from H2 2025 to 1,196 units due to project delays. However, supply will rise significantly in the near term, with 10,233 units scheduled for H2 2026, 11,438 in 2027, with a total future pipeline of 28,211 units.

Prime locations and rental programs remain key drivers of demand

- Sales increased approximately 10% both Y-o-Y and H-o-H. The overall sales rate remained stable, with the strongest performance in projects that met specific buyer needs—such as those offering rental programs, value for money or those in prime locations.
- The condominium market faces risks from global economic conditions and lower-than-expected tourist numbers. While Russian buyers have been a key source of demand, purchasing activity is beginning to slow. As a result, developers are looking to new buyer pools, including expats living in the Middle East as well as buyers from India and Europe. Many of these foreign buyers purchase properties in prime locations or projects with rental programs without visiting the site, based on projected forecast rental returns.
- Overall, the market remains active, supported by the increase in new launches and stable sales performance. However, momentum can change quickly and relying on sales based on projected rental returns will not be sustainable if these returns are not delivered. We expect the market to remain active through the rest of the year, though the large volume of future supply entering the market over the next few years warrants close attention given the risk of oversupply.

FIGURE 1: Total Condominium Supply, 2015-2029F&TBA



Source: CBRE Research, H1 2026

Phuket Villa

▲ +1.7% H-o-H
Total Villa Supply

▼ 224 units
Number of New Villa Launches

▲ 233 units
Number of Villa Units Sold

▲ 72.6%
Cumulative Villa Sales Rate

Declining New Launches and Future Supply Caution

- The Phuket villa market experienced a decline in new launches, with a decrease of 20.8% H-o-H and 58.0% Y-o-Y.
- New launches were primarily in the Mid-range segment, which accounted for two-thirds (66%) of total supply, while the Luxury segment saw no new project launches during this period.
- Established local developers have scaled back launch activity, while other developers have canceled several previously announced villa projects.
- Overall, the market remains active, supported by new launches at a similar level to sales performance. However, given the large volume of future supply being marketed, sales progress over the next few years warrants close attention, as there are signs that some projects have gained little traction in the sales market.

Phuket Villa Sales Performance Increase, Especially in Mix-used Compound

- Units sold in H1 2026 increased 67.6% H-o-H. Villas within mixed-use compounds are showing notable performance, particularly those close to key demand generators such as wellness and sports complexes, integrated retail and international schools.
- As at H1 2026, 72.6% of total villa supply have been sold.
- CBRE transaction data points to a strong Thai buyer base. However, field surveys indicate the villa market is led by Russian and Chinese buyers seeking long-term relocation, with Singaporean, Taiwanese, Hong Kong, Dubai-based and European buyers also showing an increasing presence in the market.

FIGURE 2: Total Villa Supply in Phuket, 2015-2029F

Source: CBRE Research, H1 2026

Phuket Hotel

▼ -2.5% H-o-H
Thailand international tourist arrivals

▲ +15.8% H-o-H
New hotel supply

▲ 67.7%
Occupancy Rate

▲ +21.2% H-o-H
Average Daily Rate (ADR)

Steady performance amidst softened tourism

– Phuket International Airport recorded 4.39 million passengers in H1 2026, a 1.4% Y-o-Y decrease from 4.46 million passengers in H1 2025 with a contributing headwind was the cancellation of approximately 1,000 Middle Eastern flights to Thailand.

– Russians remained the top nationality visiting the island with 583,041 arrivals, followed by Indian travelers at 326,906 and Chinese travelers at 322,315.

– Phuket's hotel sector maintained stable performance during the first half of the year. Occupancy fell by 0.8 percentage points Y-o-Y, while ADR increased by 0.9%.

– Six new hotel openings added 732 keys to the market. Following a revision of the hotel basket, the market comprises over 45,000 keys across more than 260 properties. CBRE expects 11 projects currently under construction to deliver approximately 1,800 additional keys by the end of 2026.

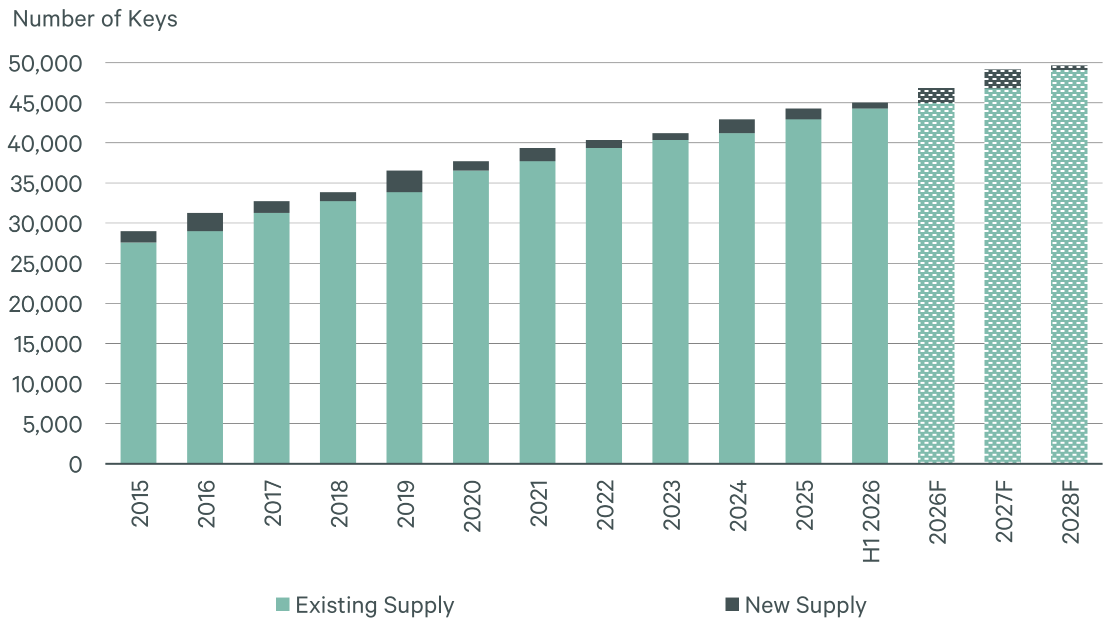
Better outlook for 2026, while competition remains

– Hotel performance is expected to soften throughout H2 2026, consistent with the seasonal low and reduced demand from Middle Eastern travelers, a demographic that has historically supported the shoulder season. Further pressure on market performance will come from the addition of new hotel inventory.

– The government's proposed "Thai Tiew Thai Plus" scheme may offer some mitigation. This co-payment subsidy, targeted for a September-October launch, is designed to stimulate domestic travel during the low-season months.

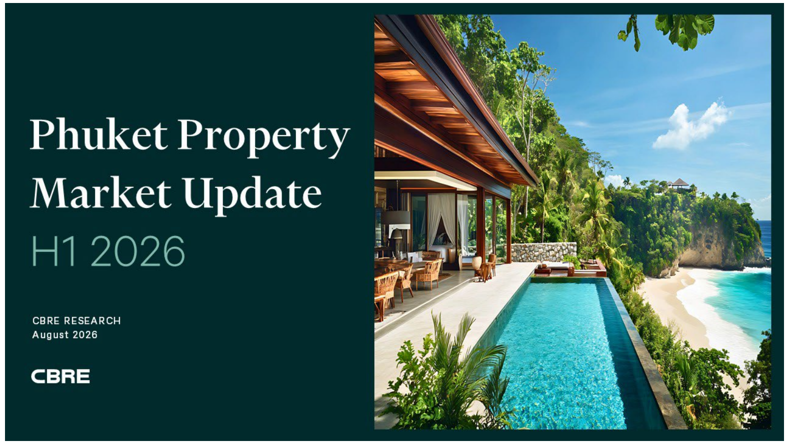
– Looking ahead, the delivery of new supply is projected to accelerate, partly due to construction delays for several projects leading to 2027 as the peak year for new openings with more than new 2,000 keys expected.

FIGURE 3: Phuket Hotel Supply by Year 2015-2028F



Source: CBRE Research, H1 2026

PHUKET PROPERTY MARKET UPDATE



Phuket Resort Report

The Phuket Property Market update, the latest half yearly subscription presentation by CBRE Consulting & Research in Thailand, is a report with data from a tried and tested database providing professional analysis and clarity to the growing Phuket property market.

The presentation provides detailed information and analysis from CBRE's 23-year experience of the Phuket resort market covering the condominium, villa and hotel markets including: existing and future supply, newly launched and completed projects, demand, tourism overview, hotel key performance indicators, trends and market outlook.

Annual Subscriptions are available. For further information email: research@cbre.co.th

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