Aditya GROUP

ADITYA GROUP

INDUSTRY INTELLIGENCE SERIES

Real Estate, Construction & Property Development in Thailand

Strategic Market Report

For Developers, Investors, Hospitality Groups, Real-Estate Funds, Construction Firms and Market Entrants

Thailand | 2026 Website Edition

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1. Executive Summary

Thailand's real estate and construction market is entering a more selective cycle. The broad market is not uniformly weak or uniformly strong. Residential development is constrained by household debt, mortgage caution and accumulated inventory. Office remains under pressure from oversupply and hybrid work. At the same time, industrial estates, logistics, data-centre-related land demand, hospitality assets and infrastructure-linked locations continue to create opportunity for well-capitalised investors and operators. [1] [2] [3] [4]

The residential market in Bangkok Metropolitan Region came under heavy pressure in 2025. Krungsri Research reported a 27.4% year-on-year drop in first-half 2025 residential sales to 21,322 units and a 52.9% year-on-year fall in new units launched to 14,182 properties, with expected full-year 2025 sales contraction of 30.0%. For 2026-2027, Krungsri expects only a slight improvement, with newly launched units rising 0.5-1.5% annually to around 37,000 units per year, still far below the 2017-2019 pre-pandemic average of 110,000 new units annually. [1]

Commercial property is bifurcated. Office supply is expected to remain ahead of demand in 2026, although Grade A and A+ buildings in prime locations with ESG, smart-building features and strong management should perform better. CBRE expects office net take-up in 2026 to be around 100,000 square meters, while tenants continue to benefit from favourable market conditions and flight-to-quality options. [2] [3]

Industrial and logistics property is the stronger structural story. CBRE expects 2026 to remain active for industrial land sales, with ready-built factory demand rising, industrial vacancy below 5%, and modern logistics property vacancy forecast to rise from 10% to 13% due to new supply outpacing demand. JLL also notes that data centres and high-value industries are adding new demand drivers, with power, fibre, cooling and site-selection due diligence becoming central to investment decisions. [3] [4]

Strategic theme	Implication for investors, developers and occupiers
Selective recovery	Market entry must be segmented by asset class, location, target buyer, financing access and supply pipeline rather than based on generic property-market optimism.
Residential caution	Developers need disciplined feasibility, smaller launches, clearer demand targeting and careful inventory management. Entry-level and mass-market segments remain pressured.
Office repricing and quality shift	Older buildings face pressure; modern Grade A/A+ assets with ESG, transit access, amenities and management quality remain more resilient.
Industrial and data-driven property demand	EEC, BMR logistics, data centres, factories, warehouses and power-ready land remain more structurally supported than broad speculative real estate.
Execution and compliance are decisive	Foreign ownership, land rights, permits, environmental controls, BOI conditions, contractor quality and local stakeholder alignment can make or break a project.

> Aditya Group view Thailand remains attractive, but real estate success depends on research-backed site selection, realistic feasibility, local partner quality and execution discipline. Foreign investors should avoid buying into generic narratives. Each project must be tested against demand depth, regulatory route, capital structure, exit route and operating capability. Aditya Group can support clients from market-entry diagnosis to partner shortlisting, location evaluation, project coordination, operating setup and business development.

2. Industry Overview

The real estate, construction and property development sector includes land acquisition, project feasibility, design, permitting, financing, construction, sales, leasing, asset management and exit. In Thailand, the sector is deeply connected to infrastructure policy, tourism flows, household credit, foreign direct investment, industrial expansion, urbanisation, environmental standards and family-owned land structures.

2.1 Core market segments

Segment	Representative activities	Key value drivers
Residential	Condominiums, detached houses, townhouses, low-rise communities, serviced residences and build-to-rent concepts	Mortgage access, buyer confidence, location, mass-transit connectivity, unit sizing, affordability, brand trust and after-sales service.
Office and commercial buildings	CBD office towers, Grade A/A+ assets, older office buildings, co-working, mixed-use commercial components	Tenant demand, rental rates, ESG certification, transit access, floorplate efficiency, building technology and amenity quality.
Retail and mixed-use	Shopping centres, community malls, lifestyle destinations, retail podiums, F&B precincts and transit-oriented projects	Footfall, tenant mix, catchment strength, tourism exposure, lease management and experiential design.
Hospitality real estate	Hotels, resorts, serviced apartments, branded residences and wellness properties	Tourist arrivals, room supply, operator selection, destination appeal, RevPAR, service quality and asset repositioning.

Segment	Representative activities	Key value drivers
Industrial and logistics	Industrial estates, factories, warehouses, cold chain, last-mile hubs, data centre sites and built-to-suit assets	EEC/BMR connectivity, road/port/airport access, power, utilities, lease terms, compliance and customer concentration.
Infrastructure and public works	Rail, roads, airports, ports, utilities, public facilities and PPP-linked development	Government budget, procurement, contractor capability, political continuity and long-term regional development.

2.2 Property development value chain

Strategy and feasibility: demand study, competitor mapping, zoning, land cost, construction cost, financing assumptions, price/rent benchmarking and sensitivity analysis.

Land and legal: land title verification, ownership structure, encumbrances, easements, access rights, zoning, EIA requirements and foreign ownership restrictions.

Design and approvals: concept design, architecture, engineering, permits, environmental approvals, utility coordination and local authority engagement.

Construction and delivery: contractor selection, BOQ validation, procurement, project management, cost control, quality inspection, safety and handover.

Sales, leasing and operations: channel strategy, brokerage, tenant acquisition, marketing, facility management, asset management and exit planning.

3. Thailand Market Context

Thailand's property market is shaped by a slow-growth macro environment. Krungsri Research expects Thailand's economy to grow at an average of 2.1% per year during 2026-2028, below the country's pre-pandemic average and below the ASEAN-5 average. High household debt, fragile income recovery and slower consumption continue to affect mass-market residential demand. [8]

At the same time, Thailand remains a regional base for manufacturing, tourism, logistics and digital infrastructure. These factors support industrial estates, logistics property, selected hospitality assets, data-centre locations and mixed-use projects in areas with genuine demand drivers rather than speculative land appreciation. [3] [4] [8]

Market driver	Current relevance to property development
Infrastructure and EEC	Public transport, highways, ports, airports and EEC-related investment continue to influence industrial, residential and logistics locations.
Household debt and credit caution	Elevated debt levels reduce affordability, increase mortgage rejection risk and pressure entry-level housing demand.
Foreign investment and China+1	Manufacturing diversification supports industrial estates, factories, warehouses and worker/service housing around industrial zones.
Tourism recovery	Supports hotels, serviced apartments, branded residences, retail destinations and mixed-use assets in Bangkok, Phuket and selected destinations.
Digital infrastructure	Data-centre demand is reshaping land evaluation around power availability, fibre access, environmental controls and site resilience.
ESG and building quality	Tenants and financiers increasingly value green buildings, energy efficiency, smart operations and climate-risk readiness.

4. Market Intelligence & Key Trends

4.1 Residential: inventory discipline and demand targeting

The residential cycle is characterised by weak purchasing power, high household debt, mortgage caution and developer inventory reduction. Developers are expected to prioritise smaller-scale projects, low-rise and luxury formats, high-growth infrastructure locations and specific demographics such as working-age buyers, elderly buyers, premium buyers and expatriate segments. [1]

4.2 Office: flight to quality amid oversupply

Office users are upgrading to better buildings while reducing inefficient space. Hybrid work allows some companies to downsize, while technology, finance, digital services, health and beauty, and foreign-invested companies are among the more resilient demand groups. Older buildings may require repositioning, renovation or rent strategy adjustment. [2] [3]

4.3 Industrial and logistics: the strongest property sub-sector

Industrial land, ready-built factories and logistics assets benefit from supply-chain diversification, e-commerce, export-oriented manufacturing and data-centre-related investment. However, the logistics market must be monitored carefully because new modern logistics property supply may lift vacancy, while industrial land and ready-built factory demand remain more constrained in prime locations. [3] [4]

4.4 Hospitality and branded real estate

CBRE expects more than 4,300 hotel keys to enter Bangkok in 2026, mainly in upscale and luxury segments. This will increase competition but may also support market repositioning, with occupancy projected to rise by up to 2 percentage points and RevPAR by 3%-4%. Hotel investors need operator discipline, destination-specific feasibility and clear positioning. [3]

4.5 ESG, resilience and building technology

Green certification, smart systems, energy efficiency, water management, indoor air quality, safety systems and climate-risk readiness are moving from optional features to commercial requirements, especially for office, hotel, industrial and institutional-grade assets. [2] [4]

4.6 Construction cost and execution discipline

Construction costs, labour, materials, transport and energy continue to affect feasibility. BOI's 2026 cost guide provides indicative building-cost benchmarks and office rent references, but notes that its costs are rough guides and exclude items such as land, site clearing, external works, financial/legal expenses and consultants' fees. [7]

5. Opportunity Landscape

Opportunity area	Why it matters	Aditya Group relevance
Industrial estates and factory setup	FDI, EEC, China+1 and export manufacturing support demand for land, factories, warehouses and operating setup.	Market-entry structuring, BOI coordination, site shortlisting, local partner/vendor support and execution oversight.
Data-centre enabling property	Power-ready, fibre-connected and environmentally suitable land is becoming scarce in prime locations.	Location screening, stakeholder coordination, utility due diligence support and local execution intelligence.
Hospitality and wellness assets	Tourism and wellness recovery support selective hotel, resort, serviced apartment and wellness real estate concepts.	Feasibility, operator search, destination analysis, project packaging and business development.
Office repositioning	Older buildings may need renovation, tenant-mix repositioning, flexible layouts, ESG improvements and technology upgrades.	Strategy, vendor coordination, tenant-market research and operating improvement support.
Luxury / niche residential	Mass market is pressured, but premium, low-density, expat, elderly-oriented and lifestyle-led formats may remain viable.	Demand analysis, target-segment design, international buyer positioning and project coordination.
Construction and materials partners	Contractors, materials suppliers, modular solutions, green materials and smart-building vendors need market access.	Partner identification, client introductions, sourcing, distribution and representation.

Priority opportunity filters Does the location have real demand drivers beyond speculative price appreciation? Is the buyer, tenant or occupier segment financially capable and clearly identifiable? Can land rights, permits, zoning, utilities and foreign-ownership structure be handled cleanly? Are project cost, sales/rental assumptions and exit routes stress-tested under conservative scenarios? Is there a reliable local team or partner to manage day-to-day execution?

6. Competitive & Operating Environment

Thailand's property market is competitive because major developers, family-owned landholders, industrial estate operators, hotel groups, contractors, banks, REITs, brokers and foreign investors operate with different cost bases and risk appetites. Large developers have stronger balance sheets, land banks, bank relationships and brand trust, while SMEs and new entrants face higher financing, permitting and sales risks.

Competitive layer	Market behaviour	Implication for new entrants
Large listed developers	Focus on inventory management, selective launches, premium projects, mixed-use assets and recurring income.	Competing head-on is difficult; niche, partnership or asset-light models may be more practical.
Family landowners	Often control strategic plots and may prefer joint ventures, long leases or selective development partnerships.	Relationship building, trust and transparent feasibility are critical.
Industrial estate operators	Benefit from infrastructure, utilities, permits, foreign-investor familiarity and BOI-adjacent demand.	Factory and industrial clients should compare total operating readiness, not only land price.

Competitive layer	Market behaviour	Implication for new entrants
Brokers and consultants	Provide market data, leasing, sales and transaction support, often focused on larger transactions.	Execution still requires local coordination, partner checks and post-entry operating support.
Contractors and project managers	Capability varies widely across cost control, quality, safety, schedules and documentation.	Vendor due diligence, contract controls and quality monitoring are non-negotiable.

7. Regulatory & Compliance Considerations

Real estate and construction in Thailand require careful legal and regulatory structuring. Key issues include land ownership, foreign business rules, condominium foreign quota, leases, BOI-promoted land rights, building permits, environmental impact assessment, factory regulations, hotel licensing, zoning, tax, labour, health and safety, and construction contract controls. This report is not legal advice; clients should use qualified Thai legal counsel for binding interpretation.

Area	Practical issue	Typical diligence question
Foreign ownership and land rights	Foreigners generally face restrictions on land ownership, with limited routes through BOI privileges, industrial estates, leases, condominiums and approved structures.	Can the intended structure legally hold, lease or use the land for the required business activity?
BOI and promoted activity	BOI-promoted companies may receive specific rights, but conditions must be followed. Recent rules tightened some land-ownership criteria and introduced e-Land procedures.	Are land rights directly connected to the promoted business and compliant with current BOI conditions?
Permits and EIA	Building permits, environmental approvals, factory permissions and local authority requirements vary by asset type and location.	Which permits are required before purchase, construction, operation and handover?
Construction contracts	BOQ, scope, payment milestones, retention, warranties, safety, delay damages and variations must be tightly controlled.	Is the contractor financially and technically capable, and is the contract enforceable?
Tax and transfer costs	Property transfer, lease, VAT, specific business tax, withholding tax and corporate tax issues can affect feasibility.	Has the transaction model been reviewed for total tax leakage and cash flow?
Operations and licensing	Hotels, factories, warehouses, serviced residences and medical/wellness assets may need sector-specific licenses.	Can the property legally operate as intended after construction or acquisition?

Tilleke & Gibbins reported that Thailand's BOI tightened criteria for BOI-promoted companies to own land for residential use and introduced online e-Land procedures under a notification published in the Government Gazette in January 2026, applicable to applications submitted from July 18, 2025. This illustrates why real estate structures connected with BOI promotion must be checked against current rules rather than legacy assumptions. [6]

8. Market Entry & Execution Considerations

Foreign and Thai investors should treat property entry as an operating project rather than only a transaction. A poor location, weak legal route, unrealistic feasibility, wrong contractor or untested partner can erase returns even when the macro thesis is attractive.

Entry route	Best suited for	Execution considerations
Direct investment / acquisition	Investors buying land, buildings, hotels, industrial assets or income-producing properties	Requires legal title checks, valuation, tax review, tenant review, capex assessment and exit planning.
Joint venture with landowner/developer	Foreign investors, family offices, operators and Thai landowners combining capital, land and expertise	Requires governance, contribution valuation, development obligations, profit-sharing, deadlock resolution and exit rights.
Long lease / built-to-suit	Factories, logistics users, hotels, schools, clinics and specialised operators avoiding land ownership complexity	Requires lease enforceability, renewal terms, capex responsibility, operating licenses and handback obligations.

Entry route	Best suited for	Execution considerations
BOI-linked operating project	Manufacturing, logistics, data centres, digital infrastructure and promoted activities requiring land use	Requires alignment of land, promoted activity, permits, import privileges, staffing and reporting obligations.
Asset-light representation / project sourcing	Brands, materials suppliers, contractors, technology vendors and service providers entering Thailand	Requires partner selection, client access, demonstration projects, pricing localisation and service delivery capability.

8.1 Feasibility questions before commitment

What is the exact demand source: owner-occupiers, tenants, tourists, manufacturers, data-centre operators, foreign buyers, family offices or institutional investors?

What is the conservative downside case if sales velocity, rental rates, occupancy, construction cost or financing assumptions move against the project?

Is the land legally clean, physically suitable, properly zoned and supported by access, utilities, drainage, environmental approvals and community acceptance?

Who is responsible for sales, leasing, operations, maintenance, regulatory compliance and asset management after completion?

What is the exit route: sale, lease income, REIT, refinancing, family holding, operator buyout or long-term operating income?

9. Risks, Challenges & Watchpoints

Risk area	Description	Mitigation approach
Demand risk	Weak household purchasing power, mortgage rejection, slow sales velocity or tenant hesitation can undermine feasibility.	Use segment-specific demand studies, conservative absorption assumptions and phased development.
Supply risk	Office oversupply, unsold residential inventory or new logistics supply can pressure prices and rents.	Benchmark pipeline, vacancy, competing launches and tenant/buyer alternatives before committing.
Regulatory risk	Land ownership, zoning, permits, EIA, BOI conditions and operating licenses can delay or block projects.	Conduct legal and technical due diligence before land purchase or binding JV commitment.
Cost and contractor risk	Material, labour, energy, design changes and contractor capability affect budget and completion quality.	Validate BOQ, use experienced project management, control variations and monitor quality.
Financing and liquidity risk	Interest rates, bank appetite, pre-sales conditions and investor confidence affect project viability.	Stress-test capital structure, debt service, working capital and exit scenarios.
Reputation and stakeholder risk	Community objections, environmental concerns, safety incidents or poor after-sales service can damage value.	Engage stakeholders early and maintain safety, ESG and customer-service standards.

10. Aditya Group Perspective

Aditya Group views Thailand's real estate and construction opportunity as execution-led. The market still offers attractive entry points, but the winners will not be those who only identify "growth sectors". Winners will be those who combine clear demand logic, local relationships, compliance discipline, project management and commercially realistic operating plans.

For foreign investors, the biggest mistake is to treat real estate as a passive asset purchase. Thailand requires local alignment: legal structure, land rights, permit pathway, contractor accountability, Thai-language coordination, stakeholder management, and clear connection between property and operating business.

For Thai developers and landowners, the opportunity is to move beyond traditional development logic and partner with operators, foreign investors, technology vendors, healthcare groups, hospitality brands, logistics users and family offices that can bring capital, know-how or demand. This is especially relevant for industrial, mixed-use, hospitality, wellness, elderly care and data-infrastructure-linked projects.

> Where Aditya Group can add differentiated value Bridge foreign investors and Thai operating realities through practical market research and execution support. Evaluate opportunities from both strategic and ground-level implementation perspectives. Support projects that combine property with operating businesses, such as factories, hotels, wellness, healthcare, logistics, retail and technology infrastructure. Provide independent coordination between investor, lawyer, accountant, contractor, supplier, broker and local partner.

11. How Aditya Group Can Support

Client need	Aditya Group support area	Typical output
Market entry and opportunity screening	Thailand property-sector assessment, asset-class screening, location mapping and partner search	Market-entry memo, opportunity shortlist, risk map and execution roadmap.
Site selection and feasibility	Preliminary demand study, competitor review, location comparison, operating assumptions and local intelligence	Site-comparison matrix, feasibility framework and go/no-go recommendations.
JV and partner development	Landowner/developer/operator/contractor/vendor identification and initial engagement support	Partner shortlist, discussion framework and commercial negotiation support.
Factory / industrial setup	Coordination of BOI, site search, industrial estate evaluation, local suppliers and setup requirements	Setup roadmap, timeline, cost checklist and coordination support.
Hospitality / wellness projects	Destination review, concept positioning, operator search, vendor support and market-development planning	Concept refinement, operator/partner list, project plan and pre-opening support scope.
Construction and vendor coordination	Contractor/vendor sourcing, quotation comparison, project-monitoring support and documentation control	Vendor comparison sheet, risk checklist and implementation coordination.
Business development for real-estate solutions	Market access for materials, smart-building products, green solutions, proptech and construction services	Distributor/partner pipeline, meeting support and Thailand go-to-market plan.

11.1 Practical engagement models

Strategic consultation: initial opportunity diagnosis, risk assessment and market-entry direction.

Market research assignment: asset-class, location, competitor, demand and regulatory mapping.

Partner search and business matching: identifying developers, landowners, contractors, operators, brokers or investors.

Execution support: coordinating local vendors, timelines, documentation, site visits, meetings and implementation follow-up.

Virtual CEO / local representative support: strategic oversight for foreign investors or founders without a full Thailand team.

12. Selected Relevant Experience

Aditya Group's relevance to this industry comes from more than advisory work. The group has operated across business consulting, market entry, trading, technology, travel, sourcing and execution support in Thailand since 2002. This practical exposure helps the group evaluate real estate and construction opportunities from a business-operations perspective rather than only a property-transaction perspective.

Experience area	Relevance to real estate and construction clients
Thailand market-entry advisory	Supports foreign investors and companies that need business setup, BOI understanding, local operating route and execution support.
Trading and sourcing	Relevant for construction materials, furnishing, hospitality supplies, corporate projects, packaging, products and vendor evaluation.
Technology and enterprise software	Relevant for proptech, smart building systems, digital infrastructure, data centres, IT vendors and facility-management solutions.
Travel and hospitality	Relevant for hotel, wellness, serviced apartment, destination development and tourism-linked property concepts.
Board advisory and Virtual CEO capability	Useful for investors, families and founders who need senior local guidance without hiring a full executive team from day one.
Cross-industry network	Allows linking real estate opportunities with healthcare, wellness, retail, hospitality, manufacturing, logistics and technology demand.

13. Conclusion & Call to Action

Thailand's real estate, construction and property development sector is no longer a simple rising-market story. It is a segmented opportunity landscape. Residential demand remains cautious, office supply is pressuring rents, and broad speculative development requires caution. Yet industrial land, factories, data-centre-ready locations, hospitality repositioning, wellness assets, mixed-use destinations and operating-business-linked property models continue to offer attractive possibilities.

For investors and companies entering Thailand, the priority should be disciplined screening, not speed. The right project must pass four tests: market demand, legal structure, execution capability and financial resilience. Each test requires local knowledge and independent judgement.

Aditya Group can support investors, developers, family offices, operators and international companies with research, partner search, site evaluation, project coordination and Thailand execution support. The objective is to help clients move from interest to informed action, and from opportunity to operational reality.

Recommended next step Begin with a confidential strategic consultation to define the project thesis, investment objective, asset class, location preference, regulatory route and execution requirements. Aditya Group can then prepare a focused Thailand opportunity scan, partner shortlist or market-entry roadmap based on the client's specific business case.

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Disclaimer: This report is for general market-intelligence and business-planning purposes. It is not legal, tax, valuation, engineering, architectural, environmental or investment advice. Project-specific decisions should be supported by qualified legal, tax, valuation, technical and regulatory professionals.

Build the Right Thailand Entry Strategy

Aditya Group helps clients evaluate market potential, identify partners, structure practical entry routes and coordinate local execution in Thailand.

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