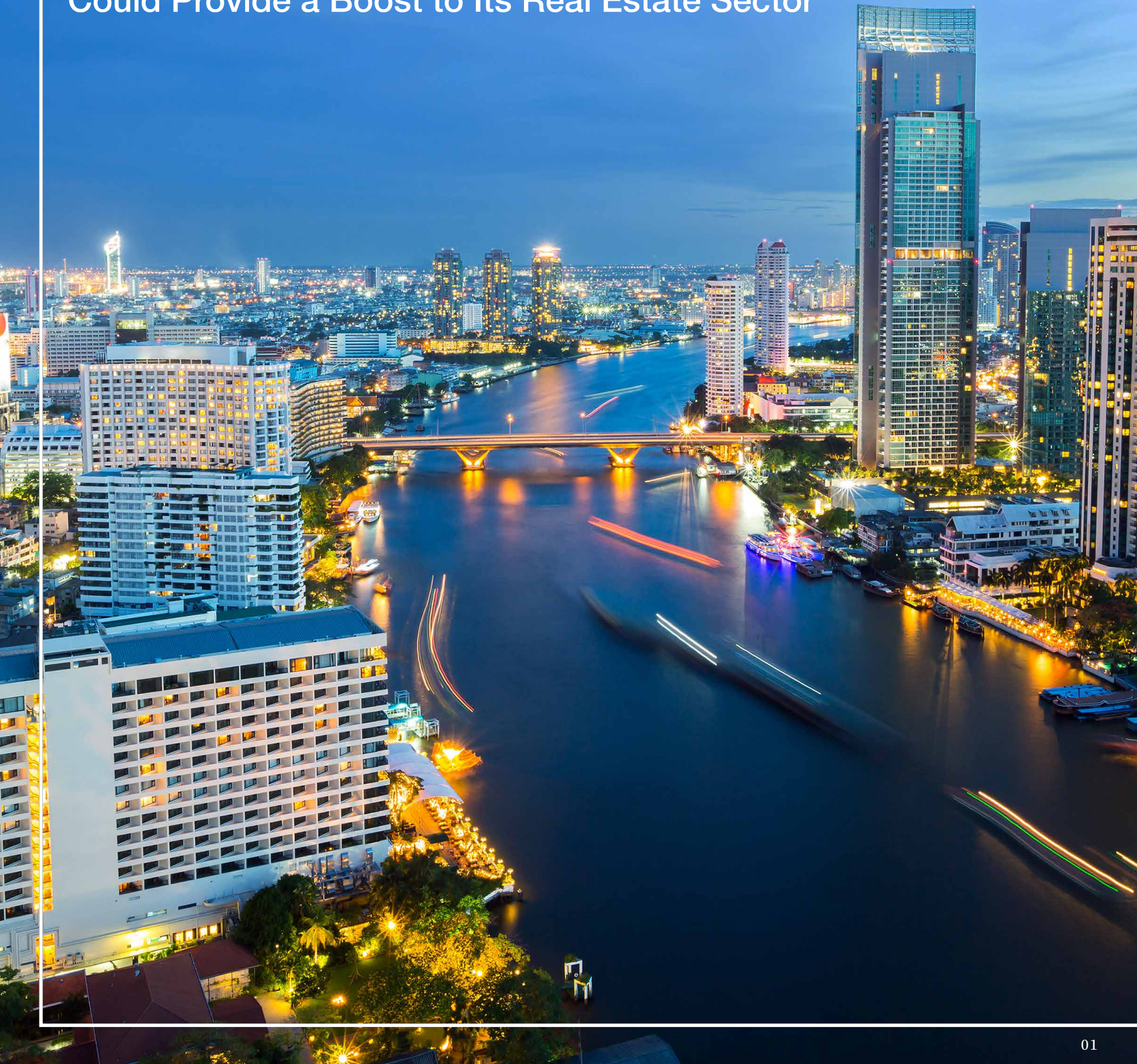


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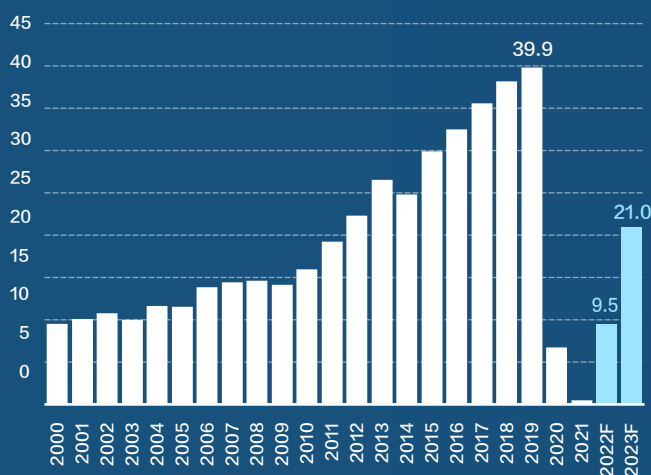
Fulcrum Global x Thai Economist Sathit Talaengsatya
Thailand's Long-Term Resident (LTR) Visa
Could Provide a Boost to Its Real Estate Sector



1 Thailand's Long-Term Resident (LTR) Visa Set to Stimulate the Property Market

Bangkok remains one of the most attractive tourist destinations for international travellers. In July 2022, Thailand's capital city was voted the world's favourite holiday destination for 2022 based on online booking data by users of Agoda, one of the largest global online travel booking platforms. This reveals promising opportunities for investment in the country's property sector. In addition, the investment climate and incentives in the post-pandemic era have become more attractive recently.

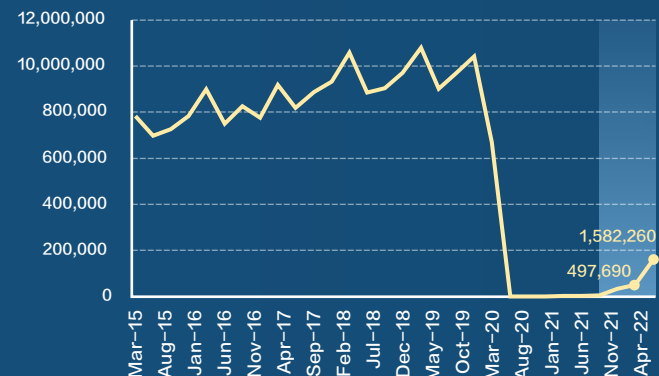
Thailand's Annual Visitor Arrivals (Person, mn)¹



In September 2022, the Long-Term Resident (LTR) visa scheme was officially opened to applications, and it has already become an effective means of attracting 'high-potential' foreigners to live and do business in Thailand. The scheme offers a wide range of tax and non-tax benefits to the targeted high-potential foreigners, according to the Board of Investment (BOI). The target categories of foreigners who are eligible for the LTR visa are as follows³:

1. Wealthy global citizens
2. Wealthy pensioners
3. Work-from-Thailand professionals
4. Highly skilled professionals
5. Spouses and dependents

Quarterly Number of International Tourists (Person)¹

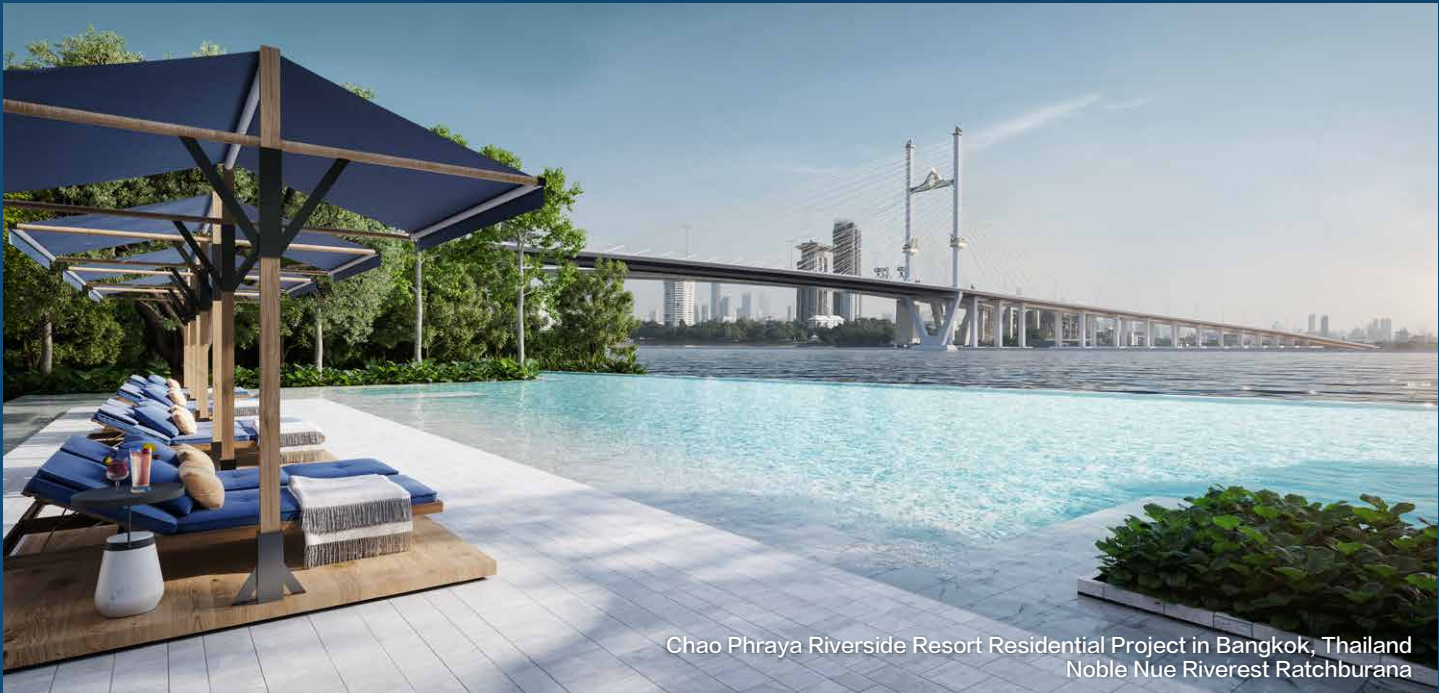


The country aims to attract 1 million qualified foreign residents in the next five years. Since the LTR visa scheme opened for applications globally on 1 September 2022, the BOI has received about 600 applications, mostly from the United States (US) and Europe. This new visa programme is expected to attract new foreign residents, technologies and talents, contributing to domestic spending and investment as well as supporting economic growth. Since the official launch of the scheme, the Thai government and the BOI have worked together to promote the scheme through the government's global network of embassies, especially in the target destinations.

The scheme has eased regulations and other difficulties pertaining to long-term living and working in Thailand, in addition to offering considerable benefits. According to the BOI, the new scheme offers privileges for LTR visa holders to easily live, work and do business in Thailand, including the following:

- a 10-year renewable visa
- exemption from the 4 Thais-to-1 foreigner employment requirement ratio
- fast-track service at international airports in Thailand
- a 1-year reporting period (rather than the usual 90-day reporting period) to the immigration office
- multiple re-entry permits and
- digital work permits granting permission to work in Thailand

According to the BOI, its target groups for the LTR visa are applicants from Japan, South Korea, China, the US and Europe. In the short run, the BOI roughly anticipated each LTR visa holder to spend about THB1 million, with total consumption and investment spending of about THB1 trillion (about USD27.6 billion).



Chao Phraya Riverside Resort Residential Project in Bangkok, Thailand
Noble Nue Riverest Ratchburana

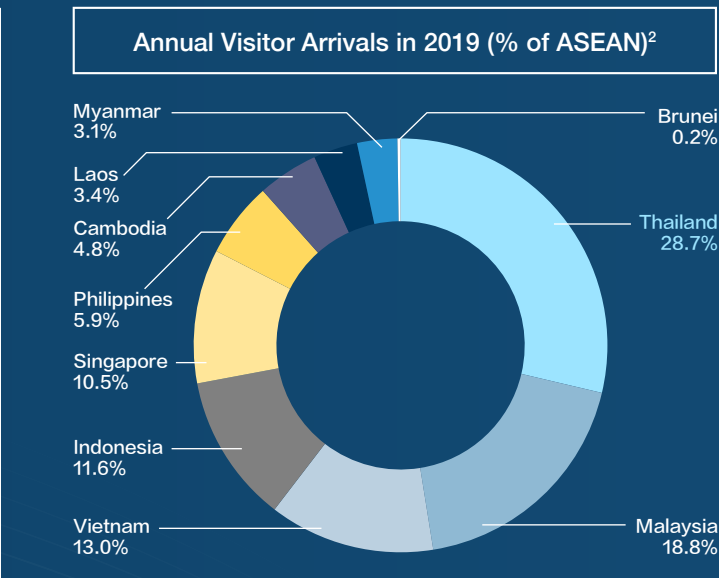
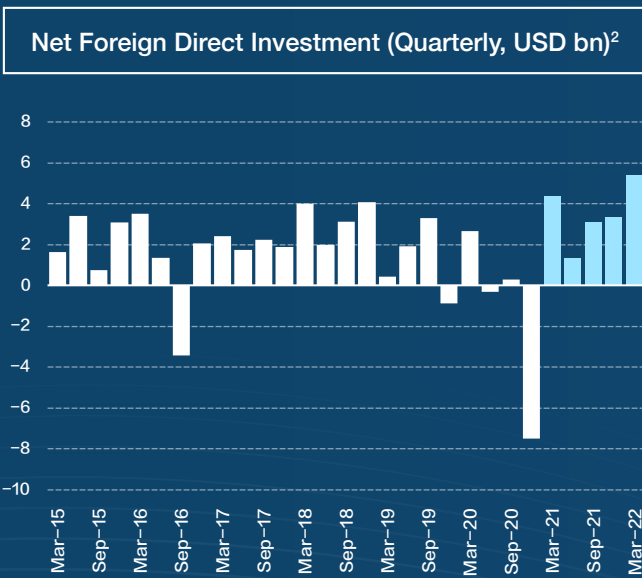
The LTR visa scheme is expected to be a key tailwind to boost the Thai real estate market in addition to the recovery of the tourism sector. Prior to the COVID-19 pandemic, Thailand was the most popular destination in the Association of Southeast Asian Nations (ASEAN) – a key factor leading to a boom in the Thai property market. In 2019, Thailand welcomed about 40 million tourists, accounting for a 28% share of total tourist arrivals in all 10 ASEAN members (Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand and Vietnam). As the end of the COVID-19 pandemic is approaching according to the World Health Organization (WHO), Thailand's tourism sector's full recovery should be on the horizon, lending support to the property sector in the medium term. Recently, the Bank of Thailand projected tourist arrivals of 9.5 million for 2022 and 21 million for 2023, while the Tourism Authority of Thailand set a target of 10 million visitors for 2022 (or 25% of that recorded in 2019). During the first eight months of 2022, the country welcomed 4.6 million tourists.

The launch of the scheme generated very positive feedback from foreign business communities and associations in Thailand as it makes it more attractive to work and buy a second home in the country. Previously, the BOI had launched a visa work permit facilitation programme and the SMART Visa programme, offering a renewable maximum four-year visa to foreigners who are start-up entrepreneurs, highly skilled professionals, and senior executives and investors. According to the BOI, over its 60-year existence, the visa work permit facilitation programme has successfully attracted about 50,000 company executives and investors from Japan, China, South Korea and other major countries. Since its launch in 2018, the SMART Visa programme has granted visas to more than 1,200 foreign investors and entrepreneurs with digital skills. The new LTR visa scheme is expected to attract more global talents and professionals to work and buy a second home in Thailand, particularly in Bangkok.

2 Perfect Timing for Purchasing Properties

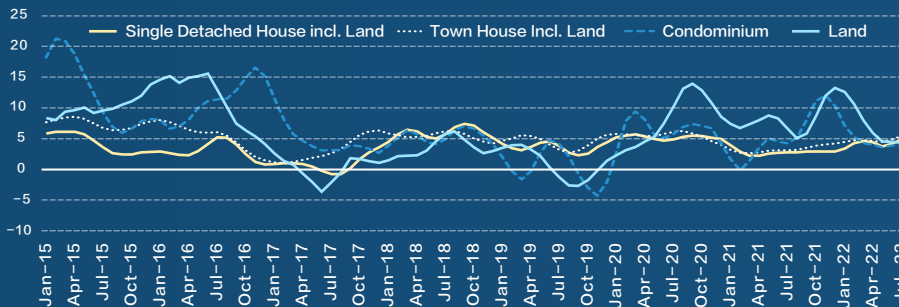


It's the perfect time to invest in Thailand's property sector as the market is in its initial phase of recovery. Based on the housing price index published by the Bank of Thailand, prices of detached houses (including land plots), condominiums and land plots have showed signs of stabilization and recovery following a decline during the COVID-19 pandemic. With a gradual recovery of the economy, prices of real estate are likely to surge in the near future. The tourism sector, which had been a key driver of the real estate sector in Thailand prior to the outbreak of COVID-19, has recently recovered, which should add upward pressure on housing prices. As a result, this could be the right opportunity to invest in Thailand's property market prior to the full recovery cycle of the market. Additionally, the depreciation of the Thai baht, which is expected to continue given the ongoing aggressive rate hikes of the US Federal Reserve, will lead to higher real returns and capital gains for foreign investors.



3 Leading Residential Areas in Bangkok

Housing Price Index (%YoY, 3mma)²



Various neighbourhoods, including Ramindra, Phrom Phong and Bangkok's riverside, have become popular choices for foreigners to live in the capital city. Ramindra in the east of Bangkok has emerged as one of the most dynamic residential areas and offers promising potential to grow as the rate of urbanization has been surging. The area is currently home to various commercial and non-commercial activities. In addition, the mass rapid transport network has been developing to swiftly connect commuters to other mass transit systems in the rest of Bangkok. Bangkok's Metropolitan Rapid Transit (MRT) Pink Line (Khae Rai–Min Buri) was 90% complete as of August 2022. The line connects with the MRT Orange Line at Ramkhamhaeng Road, the MRT Yellow Line at Ladprao Road, and the MRT Brown Line at Kaset–Nawamin Road. Therefore, Ramindra is an ideal location for foreigners looking for a second home in Bangkok. And, in the near future, once the mass transit system is fully connected, Ramindra will offer even more promising choices for investment.

Phrom Phong is already famous as one of Bangkok's central business districts, and the area has become a popular residential area for foreigners. Property projects in the area are already popular among foreign residents from Japan and Western countries. This is because the area is surrounded by all kinds of facilities, including prime offices, shopping malls, public parks, five-star hotels, international hospitals, international schools, and good restaurants and excellent dining venues. In addition, the area boasts easy access to Bangkok's BTS Skytrain system. With the gradual normalization of cross-border tourism and the growing trend of 'work from anywhere', property projects in Phrom Phong have high investment potential, as the outlook for investment is promising; based on historical market information, the gross rental yield in the area ranges from 5% to 7%.

The opportunity for investment has also been seen in projects in the Chao Phraya riverside and riverfront areas. These areas have been developed into one of the capital city's prime residential and commercial destinations. The riverside area offers exciting new opportunities and high-end development projects. In recent years, the banks of the Chao Phraya River have developed at a rapid clip and are now occupied by prime office buildings, hospitals, five-star hotels (including the Mandarin Oriental, Shangri-La, Peninsula, and Millennium Hilton), the embassies of France and Portugal, and world-class shopping venues such as ICONSIAM, Asiatique The Riverfront and River City Bangkok, as well as tourist attractions, including the Grand Palace, Wat Pho and Wat Arun (Temple of the Dawn). As a result, the riverside and the riverfront condominium projects have become a top investment choice among foreign investors. With their premium facilities, attractions and wonderful views of the river, these riverside properties offer good rental yields and returns on investment. To summarize, the LTR visa scheme will be a key tailwind to boost foreign demand for properties in Bangkok. Potential areas in the city that could earn favourable returns on investment in the near future are Ramindra, Phrom Phong and the Chao Phraya riverside and riverfront areas.



【 About Sathit Talaengsatya 】 Sathit Talaengsatya is a senior economist at the deputy director level at the Bank of Ayudhya (Krungsri), where he is responsible for conducting research and analyses on the ASEAN countries. Previously, he was employed at the Bank of Thailand in various capacities, including as a senior economist and the assistant director in the Bank's International Department, and as an economist in the Monetary Policy Department. He has a master's degree in international and development economics from University of Applied Sciences Berlin, Germany, and a master's degree in European Studies and a bachelor's degree in economics from Chulalongkorn University.

【 About Fulcrum Global 】 FULCRUM INSIGHTS is published by Fulcrum Global, a leading international real estate development and investment firm. Headquartered in Hong Kong with regional offices in Shanghai, Bangkok and Manchester, Fulcrum Global was established in 2008 and boasts an investment portfolio comprising projects in key cities across the United Kingdom, Thailand, Singapore, Japan and China. To create long-term value for investors with integrity as one of our core values, Fulcrum Global offers a comprehensive range of services, including real estate development, strategic investment and asset management, combining its global expertise and unrivalled distribution network to create added value and ensure high-quality deliverables.

Source : 1 CEIC, Bank of Thailand, Tourism Authority of Thailand 2 CEIC, Bank of Thailand
3 For more information, please refer to Thailand BOI's website: <https://ltr.boj.go.th/>.

