

BKK as one of most favoured destinations

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Bangkok is ranked the sixth among second-tier cities in Asia Pacific that have emerged as favoured investment and development destinations.

In the report "Emerging Trends in Real Estate - Asia Pacific 2013", commissioned by PricewaterhouseCoopers, aside from Bangkok, there are Jakarta, Kuala Lumpur and secondary cities in China.

"This is probably at least partly a result of ongoing yield compression in the bigger, more developed markets.

"However, while these second-tier locations may provide more possibilities for opportunistic returns, market penetration is generally more difficult and opportunities are limited. In addition, these locations usually carry a significantly higher degree of implied risk. In practice, therefore, most investors will find opportunities in these destinations restricted."

The report also showed that previous investor favourites such as Shanghai and Singapore continue to attract attention. The industrial/distribution sector ranks highest for investment and development prospects, while retail also scores highly.

The report, completed by opinion survey of over 400 experts including those representing foreign funds, showed Bangkok has emerged from the shadows, at least partly on the back of a newly vibrant real estate investment trust (REIT) market and the opportunistic yields afforded by a growing economy.