

Abstract

At present high-rise residential buildings or condominiums have increased significantly in Bangkok area. With the advent of strongly competitive condominium market, real estate companies should seriously take “value added” concept into consideration in order to gain higher profitability in the highly competitive market.

The research on the topic: “Value Added Approaches in Upper-Mid-Range to High-End Condominiums in Wattana-Khlong Toei District, Bangkok Metropolis” has hypothesized that value added development affects customer buying decision, and relates to customer segments. The purpose of this research is to investigate the value added items approaches in condominiums, and prioritizes the importance of each one via developer perspectives and the demands of potential buyers. The research area has covered 80,000-99,999 baht/ sqm² for upper-mid-range unit and 100,000-129,999 baht/ sqm² for high-end unit condominiums on Sukhumvit Road. Self observation, interview and questionnaires are the primary research tools in collecting data. Research samples comprise: 1) 7 condominiums consisted of 3 upper-mid-range condominiums and 4 high-end condominiums; 2) 10 real estate developers; and 3) 203 potential buyers consisted of 158 upper-mid-range potential buyers and 45 high-end potential buyers.

This study presents 3 main issues as follows:

1. The finding of value added items approaches that must fit target segment's demands could be divided into 2 categories: 1) value added items approaches for room unit; and 2) value added items approaches for common area. Value added items approaches for room unit include architectural design, room configurations, interior design, kitchen quality, and extra room accommodations. Value added items approaches for common area include extra exercise space, extra parking lot, special activities area, building technology, and special services.

2. Regarding real estate developer perspectives, the priority of value added items approaches for room unit, and common area on both segments are identically the same. Room configurations, architectural design, and interior design are the top three value added items approaches for room unit. In the same manner, extra exercise space, special

activities area, and extra parking lot are the top three value added items approaches for common area.

3. Regarding potential buyers, the priority of value added items approaches for room unit and common area on both segments are composed of both the same and different opinions. Room configurations, architectural design, and interior design are the same top three value added items approaches for room unit for both segments. Conversely, special activities area, special services, and extra exercise space are the top three value added items approaches for common area for both segments, but with different priority.

In conclusion, room configurations, architectural design, and interior design are the same top three value added items approaches for room unit proposed by both real estate developers and potential buyers. On the other hand, there is a discrepancy between real estate developers and potential buyers on value added items approaches for common area; real estate developers' top two value added items approaches are extra exercise space and special activities area, while potential buyers' top two are extra parking lot and special activities area. Consequently, target segment's demands should also be taken for developing value added concept in condominiums.