

## Sansiri playing catch-up, 13 projects scheduled for launch in second half

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THE NATION

SANSIRI PLANS to launch 13 projects worth Bt23.6 billion this second half of the year to boost presales to Bt30 billion this whole year after logging only Bt4 billion in the first half.

"We delayed three projects in the first half of this year out of the planned nine projects worth Bt11 billion. Only six projects worth Bt9.8 billion went ahead because we were waiting to see if the market would recover after facing the long political turmoil from the last quarter of last year up to the first five months

of this year," chief executive officer Apichart Chutrakul said yesterday.

Besides constructing the infrastructure and residential buildings to deliver to customers on time, the company has also set aside Bt4 billion to buy land for developing residences next year, of which Bt1 billion has already been used up in the first half of this year.

More than half of its capital needs this year will come from its internal cash flow and the rest from commercial-bank loans.

"Although our shareholders approved debentures worth Bt5 billion, we may not need to issue them this year," he said.

The company will manage its debt-to-equity ratio at below 2 times by year-end.

The delay in the first half directly caused its presales to fall short of target, so the company has to speed up the start of residential projects in the second half.

Eight of the 13 new projects will be condominiums and the other five will be low-rises – detached homes and townhouses. One condo project will be in Chon Buri's Sri Racha district



APICHART

and one townhouse project in Phitsanulok.

"We might consider revising our presales target up or down depending whether the third quarter reaches our estimate," he said.

Although the company might revise its presales target in the last quarter of this year, Apichart is confident that its revenue will achieve the 2014 target of Bt34 billion, thanks to its Bt53.9-billion backlog of units awaiting transfer to customers.

"Units worth Bt19 billion of the total Bt53.9 billion will be transferred to customers and booked as revenue this year, followed by Bt23

billion next year, Bt10 billion in 2016 and the remaining Bt1.9 billion in 2017," he said.

Sansiri earned Bt829.98 million on revenue of Bt5.15 billion in the first quarter.

The company also succeeded in transferring residential units worth more than Bt5.15 billion to its customers last quarter.

Construction is on schedule even though the country faced a labour crisis last month, because it was short-term – only two weeks. After that the labour supply recovered to the point that the company could construct projects according to its business plan. Sansiri now tries to help its customers

get a mortgage to reduce the rejection rate, as when commercial banks refuse to extend home loans to its customers, they cannot take delivery of their units from the developer.

The rejection rate of the company's customers has soared to 10 per cent from 7 per cent last year.

"We also raised our customers' down payment for condominiums from 10 per cent to 12 per cent this year.

"This will keep speculators at bay and also help us reduce the mortgage rejection rate, which is one of our business risks that affects our revenue and makes us miss the target," he said.