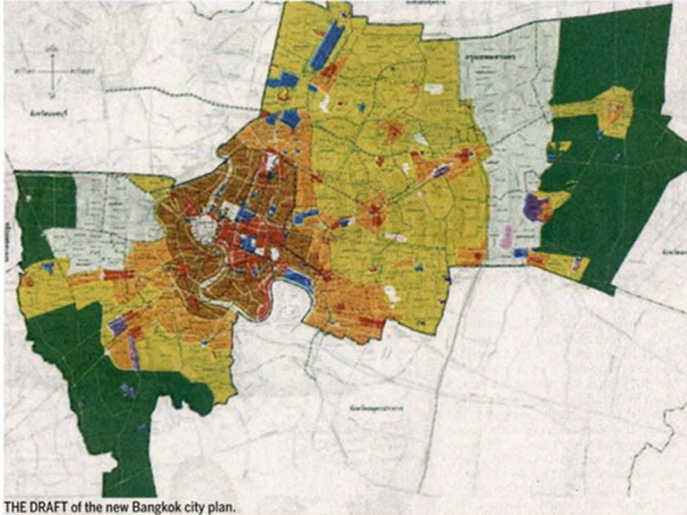


NEW CITY PLAN

# FIRMS PUT LAND PURCHASE ON HOLD



THE DRAFT of the new Bangkok city plan.

## Uncertainty over stipulations puts developers on wait and watch mode

SOMLUCK SRIMALLEE  
The Nation

Property firms are delaying purchasing land for developing residential projects in Bangkok till May 16, 2013 amid concern that the new city plan, which will come into effect at the end of May, will impact their project designs.

"We will not buy new land in the first five months of this year in Bangkok because we don't know whether we'll be allowed to build condominiums at the location where we buy the land," LPN Development managing director Opas Sripayak said.

However, that delay would did not affect its investment plan for this year when the company bought 13 land plots to develop residential projects since last year.

"All our new projects launched this year have already secured environmental impact assessment, to ensure our projects will not be in conflict with the new city plan, because the definition of the area also will change," he said.

For example, some locations are marked as red area meaning a high-density location but the draft will change the definition. As a result the company has to wait and see because the new draft will affect land price, which will rise in some locations and might drop in some areas, he said.

Sansiri's Srettha Thavisin accepted that the new city plan, which will be launched on May 16, 2013, would have an impact on the company's decision to buy land in Bangkok in the first five months of this year.

However, the new city plan will impact all property firms developing residential projects in Bangkok. As a result, all property firms would



PRUKSA Real Estate president and CEO Thongma Vijtpongpun



SANSIRI president Srettha Thavisin



LPN Development managing director Opas Sripayak

delay their decision to buy land in the first five months of this year, he said.

However, that will not impact its business plan to launch 45 new projects worth Bt61 billion this year as the company has land in Bangkok and the provinces to develop resi-

dential projects this year.

"We still buy land in the suburbs and provinces to develop residential projects in 2014 and we're still buying land for developing single detached houses and townhouses in Bangkok. For condominium proj-

ects in Bangkok, which will be developed in 2014, that will start when the new city plan is launched in May," he said.

Thongma Vijtpongpun, president and chief executive officer of Pruksa Real Estate, said that the new city plan affected the company's business outlook to buy land for developing condominium projects. The company has delayed buying land since the last quarter of last year until now as the company cannot apply for environment impact assessment (EIA) permit for developing condominium projects.

However, the company will start to buy land in the second half of this year to develop residential projects in 2014, setting aside an investment budget of Bt9.2 billion. Currently the company has enough land for all of its 78 new residential projects worth Bt55 billion this year, he said.

### NEW CITY PLAN DRAFT

Meanwhile, the director of the Department of City Planning at the Bangkok Metropolitan Administration, Kliangpol Pattanarak, said the new Bangkok city plan will become effective in May this year after the department revised for the third time its new draft following the approval by the city plan committee.

The new Bangkok city plan will link the capital with the suburbs, especially the locations close to the mass-transit system.

According to the draft of the new Bangkok City Plan, which will be effective from May 16, 2013 to May 15, 2018, it will provide bonus to add floor area following the floor area ratio. This will depend on the building design having more facilities to serve the community. They include green space, or an energy-saving building, or having catchments for water.

Meanwhile, five areas - Bang Na, Bang Khen, Ram-Indra, Min Buri and Taling Chan - will be designed to become commercial suburban areas.

The draft also will add conditions for the construction of residential buildings. It further regulates the size and floor-area ratio of residential properties in relation to the width of the road - such as 6 metres to a maximum of 30 metres. This will make it more difficult for property firms to develop homes at their present cost levels.

However, the idea of the new Bangkok city plan will focus on how to develop the capital into a sustainable green city in cooperation with agencies such as the Transport Ministry, which develops the country's infrastructure, and the city planning departments of suburban provinces such as Nonthaburi, Pathum Thani, Samut Prakan and Nakhon Pathom.

The philosophy behind the new draft is to reduce population density in Bangkok by enabling more people to live in the suburbs and take public transportation to their places of work in Bangkok.