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OVERSEAS HOMES

Thailand's Sansiri eyes S'porean buyers

Developer says foreigners will be attracted to resort projects in places like Hua Hin, Phuket

CONRAD RAJ
Editor-at-Large
conrad@mediacorp.com.sg

BANGKOK – Thailand's Sansiri Group, one of the country's largest developers, is looking to sell more homes to Singaporeans and other foreigners as the Thai property market recovers from the devastating effects of last year's floods.

"Prices here are so much cheaper than in Singapore and we have a lifestyle here that you are familiar with," Sansiri founder and Chief Executive Apichart Chutrakul (picture) said in Bangkok.

While demand is booming in most parts of Thailand, foreign buying has remained muted at less than 5 per cent. "At present, only 2 per cent of our properties are bought by foreigners," said Mr Apichart.

To raise the number of foreign buyers, Sansiri is planning several roadshows overseas, including in Singapore and London, to showcase its high-end condominiums.

Foreigners cannot own land in Thailand and are advised to buy housing under the Condominium Act 1991.

One can get a 430-sq-ft shoebox



PHOTO: SANSIRI

apartment overlooking the beach in one of Pattaya's most exclusive sectors for 3.59 million baht or slightly over S\$150,000. The most expensive unit — a three-bedroom apartment measuring about 1,657 sq ft — is priced at 18.2 million baht or S\$762,000.

Properties in Bangkok, where Sansiri has several high-end projects in the pipeline, are more expensive than in Pattaya but are still much cheaper than in Singapore, said Mr Apichart.

While mortgage rates are relatively low in Thailand, with most banks willing to lend up to 90 per cent of the

valuation of a condominium unit to Thais and foreign Permanent Residents, non-resident foreigners must pay for the entire amount in funds from overseas and obtain a "foreign exchange transaction" certificate.

While there are banks that may bring in such overseas funds on behalf of their foreign borrowers and lend up to 70 per cent of the property's valuation, they are few in number.

There is also a transfer fee of 2 per cent payable by the buyer but other property taxes, such as a business tax of 3.3 per cent, stamp duty of 0.5 per

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SANSIRI FOUNDER AND CHIEF EXECUTIVE

cent and withholding tax, is payable by the seller.

Sansiri, which had revenues of 28 billion baht last year, is in all segments of the residential market, including single-storey houses, town houses and condominiums.

Mr Srettha Thavasin, company President and its largest single shareholder, was reported to have said he wanted to see foreigners buying 10 per cent of the developer's homes in the longer term.

Mr Apichart said: "We think foreigners will be attracted to our resort projects in Hua Hin, Phuket, Khao Yai, Chiang Mai and Pattaya".

Sansiri will also expand into seven new locations: Rayong, Udon Thani, Nakhon Ratchasima, Maha Sarakham, Sri Racha and Bang Saen in Chon Buri province and Hat in Songkhla. In places like Hua Hin, foreign ownership is above 5 per cent, Sansiri notes. In the Sukhumvit zone of Bangkok, 70 per cent of the renters are Japanese.

This year, Sansiri plans to embark on 45 new projects, 24 of which will be condominiums, with unit prices from 1.5 million to 20 million baht.