

## FIRMS TO RAISE BT20 BN THROUGH BONDS, FUNDS

SOMLUCK SRIMALÉE  
THE NATION

To finance expansion plans, listed property firms will issue debentures and launch property funds worth more than Bt20 billion in the second half of this year, according to a survey by The Nation.

Listed residential and commercial developers such as Sansiri, Land & Houses, Pruksa Real Estate, Property Perfect, SC Asset Corporation, Asian Property Development and Central Pattana plan to use debentures or property funds to reduce their interest expenses.

"When we can manage our cost of funds, we will hold our residential prices or increase them less than our construction costs are rising," Phumipat Sinacharoen, senior vice president for finance and accounting at Asian Property Development, said last week.

The company plans to issue debentures worth Bt1.2 billion this year with a coupon rate of 4.49 per cent, or lower than the minimum lending rate, which is quoted now at 7.25-7.75 per cent.

Wanchak Buranasiri, chief operating officer at Sansiri, said

the company had succeeded in selling debentures worth Bt1 billion this quarter. This cut its cost of funds from an average of 5.4 per cent to 5.2 per cent.

Prasert Taedullayasatit, chief business officer of Pruksa Real Estate, said the company plans to offer debentures worth Bt5 billion this year to redeem debentures maturing this year and to expand its investment.

"This will help us to maintain our residential prices and maintain our net profit margin at not less than last year, or 15-16 per cent," he said.

Tongchai Peyasantiwong, assistant chief business development officer at Property Perfect, said the company plans to mobilise Bt2 billion-Bt3 billion this year through debentures that will save interest expenses as well as Bt1 billion via a property fund for its dormitory in Chiang Mai when it is completed. These are two ways to reduce its financing costs and ensure that it has enough liquidity to

support more projects. In the second half of this year, it plans to roll out five projects worth Bt10 billion.

Rather than seek bank loans, Land & Houses raised Bt4 billion in the bond market last quarter. It pays interest of only 3.89 per cent-3.99 per cent on the new debentures, so its cost of funds will still be below 5 per cent.

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