

PROPERTY

Sansiri ready to head back upcountry

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SET-listed developer Sansiri Plc is back to building condominiums in provincial areas this year, buoyed by recovering demand, after having frozen developments during 2014-2016.

Senior executive vice-president Uthai Uthaisangsuk said the company plans to develop two condo projects upcountry this year — one in Chiang Mai and another one in an undisclosed province — with combined investment value of 2.6 billion baht.

Two new provincial projects will be in the low-end segment with prices between 1-3 million baht a unit.

Sansiri now runs two low-end brands: The Base and dcondo.

“Provincial market sentiment is improving, and we see it’s an opportune time to make new condominium supply for the provincial market,” he said.

Sansiri currently has total inventory worth a combined 3-4 billion baht in the provincial market. About 90% are condo units which have

been complete since 2015.

Sansiri was very aggressive in the provincial property market during 2012-2013, but myriad negative factors such as political turmoil and a cloudy economy led it to temporarily hit the breaks.

Meanwhile, Mr Uthai said Sansiri’s core segment remains middle- to high-end condominiums, priced above 3 million baht and 10 million baht, respectively.

Sansiri last month said it would launch 19 projects worth a combined 41.2 billion baht this year, aiming to secure 16% growth in pre-sales to 36 billion.

Of the 19 new projects, eight will be condominiums worth 21.9 billion baht, accounting for 53% of total sales value. Nine more accounting for 45% will be single house projects worth 18.5 billion baht. Two town house sites worth 800 million baht will account for 2%.

Among the new condo projects, four worth a combined 12 billion baht will be developed via a joint venture with BTS Group Holdings Plc. During 2015-16, they launched a total of eight projects worth a combined 30 billion baht, of which 70% was sold.

Sansiri and BTS have secured 12 undeveloped land plots to launch the new projects over the next several years.

“We are also now seeking five more land plots to develop residential projects near current and future mass transit lines with a total of 25 sites worth a combined 100 billion baht throughout 2019,” he said.

SIRI shares closed on Friday on the Stock Exchange of Thailand at 1.93 baht, down 1 satang, in trade worth 145 million baht.