SANSIRI
News Clippings

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PROPERTY

Sansiri ups condo deposits

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SET-listed developer Sansiri Plc (SIRI) has raised its condo down payments to 15% to curb banks' rejection rate, which doubled to 10% in the first half.

Uthai Uthaisangsuk, senior executive vice-president for business development and high-rise projects, said the higher down payment might affect the low-end segment but would help buyers to obtain a mortgage more easily by improving their financial discipline.

"We had a higher rejection rate because most of our projects in the first half were in the low-end segment, with unit prices of 50,000 to 60,000 baht a square metre," he said.

In the first half, Sansiri transferred about 1,500 condo units worth a combined 4.5 billion baht. About 10% were returned for resale due mainly to customers failing to obtain a mortgage.

Some returned units were from buyers who decided to dump them after refusing to get units transferred. One reason was down payments were as low as 7% under the 999-baht-a-month campaign Sansiri used to attract customers a few years ago.

Sansiri has 50 condo projects nationwide — 20 are sold out, while 2,000 units worth a combined 8 billion baht remain for sale.

Of the remaining units, 400 at five projects are complete and ready to transfer.

In the second half, Sansiri plans to launch eight condo projects worth a combined 15 billion baht due to better market sentiment after launching only one project worth 3 billion in the first half.

Mr Uthai said first-half demand and supply dropped by 30% and 24%, respectively, but were expected to recover in the second half.

In the sluggish first six months, Sansiri also froze spending on new plots but will pay 1 billion baht for new land in the second half.

Sansiri expects 15 billion baht in condominium sales and revenue this year.

SIRI shares closed yesterday on the Stock Exchange of Thailand at 2.34 baht, up two satang, in trade worth 352 million baht.