

Headline	Sansiri striving to help "rejected" customers as banks maintain tight home-loan restrictions
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## Developers striving to help 'rejected' customers as banks maintain tight home-loan restrictions

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PROPERTY COMPANIES have been trying to find ways to boost the number of homes transferred to customers since the beginning of the year, when commercial banks started to restrict the approval of housing loans.

"We help our customers to revise their financial statements in order to meet the commercial banks' standard when they come up against the tighter restrictions on the provision of housing loans," said NC Housing CEO Somchao Tanterdtham.

The developer had a rejection rate of between 20 per cent and 30 per cent in the first half of the year, when the banks began to tighten their lending criteria. This was well above last year's average rate of 15 per cent.

Sansiri CEO Apichart Chutrakul acknowledged that the company's rejection rate in terms of failed transfers to customers had risen from 6-7 per cent last year to between 8 per cent and 10 per cent in the first half of this year.

He cited the same reason as NC Housing's chief executive.

Pruksa Real Estate, meanwhile, had

a rejection rate of 25 per cent due to the banks' tighter restrictions, forcing to find ways to help its customers revised their financial status in order to get a housing loan, said president and CEO Thongma Vijitpongpan.

Developers, for example, help unsalaried customers that have other forms of regular income, such as entrepreneurs or shop owners, to present their takings in a form that gives them a better chance of securing a bank mortgage.

Pikun Srimahunt, first executive vice president of Siam Commercial Bank, said the bank would tap buyers

of condominiums in the B-plus segment – those priced around Bt2.5 million – because potential buyers in this segment were low risk.

The bank estimates that some 70,000 condominium units worth about Bt140 billion will be transferred to customers this year. These are condos in projects that have been launched over the past one or two years and whose construction will be completed this year.

Krung Thai Bank, the second-largest mortgage provider, which faced a 25-per-cent drop in new lending in the first quarter, is less enthusiastic

about the condominium segment than Siam Commercial Bank, as it is concerned about oversupply.

However, it will grant loans to buyers in this segment if the projects are owned by leading property developers, as this would ensure there is low risk, said Weidt Nuchjaleam, first senior executive vice president of the bank.

"The Northeast is where the future growth is for our mortgage business. However, looking at the housing-loan results in the first quarter, and if the political deadlock is unresolved, we might review our new-loan target," he said.

Chatchai Payuhanaveechai, executive vice president of Kasikornbank, said his bank was focused on detached-housing projects more than condominiums, and around 70 per cent of its new mortgages would be for detached homes.

He added that the political uncertainty was having an impact on the launch of new housing projects this year, which would mean lower housing transfers next year, with a consequent large reduction in new mortgages.

The banks' business strategy may negatively impact residential transfers this year, said NC Housing's Somchao.