

Headline Sansiri meets targets despite slowdown in the economy

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## Sansiri meets targets despite slowdown in the economy



DEVELOPER EYES FULL-YEAR PRESALES OF BT48 BN AND REVENUE OF BT34 BN  
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THE NATION

ALTHOUGH THE economy seems likely to expand only slightly in the second half of the year, Sansiri continues to target its 2013 business growing to Bt48 billion in terms of presales, and to Bt34 billion in overall revenue.

Srettha Thavisin, president of the listed developer, said in an interview with *The Nation* that the company was maintaining its growth targets, due partly to a healthy backlog worth Bt63 billion of units that have been sold and are awaiting transfer to customers.

Some Bt34 billion worth of transfers are expected to be completed in total this year, with customers having been delivered housing worth Bt8 billion during the first five months, he said.

“Our rejection rate averages 10 per cent, which is normal when compared with last year,” he added.

The company chief said most customers buying condominiums costing up to Bt2 million tended to be office workers, while others were students whose parents bought a condo for them to be close to their university.

As a result, the company has not been negatively affected by commercial banks restricting the approval of mortgages for customers shouldering a debt burden, he said.

“Our business strategy is to launch projects for homes priced between Bt2 million and Bt3 million with a focus on the location, which has to be close to places of work or a campus. This will guarantee that our customers have enough income to buy a home, and to have their mortgage application approved by the bank.

“The projects include those sit-

uated near to Siriraj Hospital, Chaeng Wattana Road close to the government office complex, and Phaholyothin Road close to Kasetsart University,” he said.

### Second-quarter profit

Meanwhile, Sansiri's financial results for the second quarter will show a net profit, compared to the net loss posted for the first three months, he said, explaining that the bulk of the company's first-half transfers of condominiums, detached housing and townhouses were made between April and June.

In total, some 7,500 units from 69 residential projects will be delivered to customers this year,

generating revenue of Bt34 billion.

“We recorded a net loss of Bt86.47 million in the first quarter, when we had high expenditure after launching more condominium and detached-housing projects in the period, but our revenue was lower than our total costs. However, the second quarter will be different, as we succeeded in transferring homes to meet our target,” he said.

The company reported revenue of Bt5.21 billion in the first quarter.

Over the remainder of the year, Sansiri will focus on the middle- to upper-income market, where there is still sufficient purchasing power to buy homes.

“If interest rates show no sign of increasing, we believe the property market will continue to grow in the second half. Even though the economy is growing more slowly, it is still expanding from last year's level. As a result, we are confident that our business in the second half will still grow in line with the target we set earlier,” Srettha said.