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PROPERTY MARKET

DEVELOPERS PREDICT 5-10 PER CENT GROWTH NEXT YEAR

Projects worth Bt200 billion planned for Bangkok and key centres

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THE NATION

Developers remain confident that the property market in 2013 will grow by 5-10 per cent based on strong growth in gross domestic product, anticipated at 4-5 per cent.

Buoyed by this confidence, they plan to launch new residential projects worth more than Bt200 billion next year both in Greater Bangkok and upcountry, especially Chon Buri, Pattaya, Hua Hin, Chiang Mai, Phuket and Khon Kaen.

The top three property firms – Pruksa Real Estate, Land & Houses and Sansiri – told *The Nation* they would each launch between 30 and 40 projects, totalling nearly 100. The estimated value of these new projects is Bt90 billion to Bt100 billion, from these three firms alone.

Another top-10 listed real-estate firm, Asian Property Development, plans at least 18 projects worth Bt20 billion. SC Asset Corporation plans at least 14 projects worth Bt20 billion, while LPN Development plans at least 10 projects worth between Bt15 billion and Bt20 billion in total (see graphic). The total investment budget for these launches next year will be between Bt100 billion and Bt130 billion.

Thongma Vijitphongpun, Pruksa Real Estate president and chief executive officer, said the company had strong confidence that demand for home purchases would grow next year by between 5 and 7 per cent. This is in line with Thailand's expected GDP growth.

He played down business risk from political unrest next year. However, homebuyers would face higher prices driven by the rising costs of labour, construction and energy. Home prices will increase by 5-7 per cent over this year's levels, he said.

Still, property firms will have to rein in overall prices through economical design and downsizing to match customers' purchasing power, he said.

SC Asset Corp chief operating officer Kree Dejchai said the company would continue to focus on the middle-to-upper-income market next year. Up to 70 per cent of its new projects would be low-rises, including detached houses and townhouses.

"We believe that demand in the market will grow when home-buyers are confident there will not be incidents such as floods as in 2011," he said.

2012 GROWTH 5 PER CENT

Most property firms said the market this year would post 5-per-cent growth over 2011.

LPN Development managing director Opas Sripayak has said the property market started to recover in the third quarter when home-buyers regained confidence that they would be safe from flooding.

With the return of demand in metropolitan Bangkok, he believes the property market in the capital and its suburbs will post at least 5-per-cent growth over 2011.

Research by the Real Estate Information Centre of Government Housing Bank showed that 96,000 residential units were registered from January to August, down 8.4 per cent from the 104,800 units in the same period last year.

However, a number of residential projects will be transferred to customers in the final quarter of this year. This would boost the total number higher than in 2011, Housing Business Association president Issara Boonyoung said.

HIGH CONFIDENCE

The top 10 listed property firms plan to launch residential projects worth more than Bt200 billion next year.

Company	number of projects	value (Bt billion)
Pruksa Real Estate	at least 34	between 25 and 30
Land & Houses	at least 15	between 20 and 25
Sansiri	at least 40	between 25 and 30
Asian Property Development	at least 18	at least 20
SC Asset Corporation	at least 14	about 20
LPN Development	at least 10	about 15-20
Supalai	26	28
Property Perfect	at least 10	about 15-20

Source: The Nation

NATION GRAPHICS