

**PROPERTY**

# Developers dip in Q1 after 2016 tax incentives

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The top five residential developers posted a year-on-year decline in revenue in the first quarter of 2017, reflecting a drop in the number of newly transferred and registered housing units after property tax incentives expired in April 2016.

Pruksa Real Estate, a property development arm of SET-listed Pruksa Holding Plc that posted the highest revenue in the housing sector last year with 46.9 billion baht, reported 8 billion in revenue in the first quarter, down 21.5% year-on-year.

Sansiri Plc, whose revenue ranked second last year at 34.4 billion baht, had a drop of 7.3% in revenue to 7.12 billion baht. Land & Houses Plc, No.3 in 2016 with 27.4 billion baht, recorded a decline of 7.6% to 7.36 billion. Supalai Plc, No.4 in 2016 with 23.5 billion baht, reported 3.8 billion baht in revenue, down 40%, while Quality Houses Plc, No.5 with 20.9 billion, saw a dip of 33% to 3.5 billion.

Supalai president Prateep Tangmatham said revenue in the first quarter last year was helped by the property tax incentives that ran from October 2015 to April 2016.

"Revenue in the first quarter this year cannot be compared year-on-year because of the property tax incentives last year," he said. "The impact may extend to the second quarter as the incentives ended on April 28, 2016, and April usually has long holidays."

Vichai Viratkapan, acting director-general of the Real Estate Information Center (REIC), said the number of housing units

newly transferred and registered in Greater Bangkok had a sharp decline in the first quarter this year.

"Buyers of both new and resale housing units rushed to have them transferred in the first quarter last year to benefit from the incentives," he said. "The market is returning to normal now."

Newly transferred residential units in Greater Bangkok in the first quarter this year totalled 28,910 units, down 40% from 48,073 year-on-year, reported REIC. This amount is also down 27.5% from 39,892 units in the first quarter of 2015.

Transfer value totalled 78.8 billion baht for the period, down 32% from 116.3 billion year-on-year and 96 billion in the first quarter 2015.

Condos had the highest transfer value at 35.6 billion baht, some 45% of the total, followed by single houses with 19.1 billion (24%) and townhouses with 16.7 billion (21%).

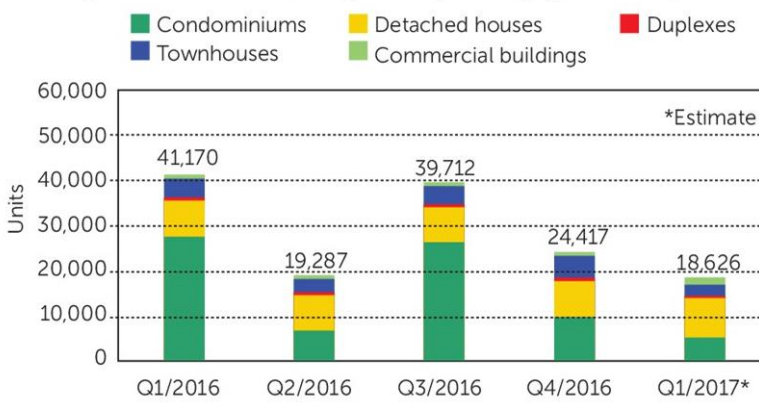
The top five districts with the largest number of new condo transfers from developers were Muang Samut Prakan, Muang Nonthaburi, Bangkok Yai and Chatuchak in Bangkok, and Thanyaburi in Pathum Thani.

The largest number of condo transfers from individual owners or resale units were in Phra Khanong, Bang Kapi, Huai Khwang, Chatuchak and Bang Khen.

Newly registered housing units in Greater Bangkok in the first quarter dropped 55% to 18,626 units from 41,170. Condos tallied the biggest dip at 81% to 5,295 units, while low-rise houses only had a slight decline.

## HOUSING MIX

Newly completed and registered housing units in Bangkok and the vicinity, showing the number of units, categorised by housing type in each quarter



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