

PROPERTY

# AS FLOOD FEARS EBB, HOME-BUYING RUSH EXPECTED IN FINAL TWO MONTHS

**End of first-home** incentive policy at year-end tipped to lift sales

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THE NATION

Property firms believe that demand for home purchases will rise in the last two months of the year amid confidence that some locations are safe from possible flooding and concern that prices will increase by as much as 10 per cent next year.

Three factors seen as driving up home prices are the cost of land, cost of construction materials, and expansion of the new minimum daily wage to all provinces in the new year, affecting labour costs. Meanwhile, the government's first-home incentive policy will expire at the end of this year.

"People who have waited during the first 10 months of the year will make decisions to buy homes in the last two months when they have confidence that the locations are

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safe from flooding," Associate Professor Seri Wongmontha, an adviser to Property Perfect, said.

They also have to make a decision before prices rise and the first-home policy expires, he said.

Issara Boonyoung, chief executive officer of Kanda Group and president of the Housing Business Association, said home prices were facing pressure but most property firms were maintaining their prices to drive sales in the final quarter. However, they will raise their prices by 5-10 per cent

next year in response to higher land, construction-material and labour costs, he said.

"We believe that this is the best time for people to buy a home because they will benefit from the existing prices and also will get the best deals from the banks at a time of reductions in interest rates," he said.

**TRANSFERS SPEEDING UP**

LPN Development managing director Opas Sripayak said the company would have nearly Bt7 billion worth of condo-

minium projects ready to transfer to customers in November and December. This will take the firm to its 2012 revenue target of Bt13 billion.

"Our presales have also gone beyond our estimation of Bt13 billion to Bt16 billion, which shows that demand for residential projects has been recovering since the third quarter."

He added that the main problem facing LPN would be how to manage the transfer process on time when other property firms were also speeding up transfers during the final two months.

Sansiri has also raised its presale target, to Bt40 billion from the Bt32 billion estimated early this year, after more people started making decisions to buy homes in the second half.

"We saw customers' confidence return in the third quarter, and they have also started to make purchasing decisions in the last quarter when they were confident they would be safe from floods," Sansiri president Srettha Thavisin said.