

**PROPERTY**

# Tokyu shifts focus to low-rise market

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Tokyu Corporation, a major private Japanese railway firm and land developer, has shifted its Thai property investment from condo to low-rise houses through a joint venture with Sansiri Plc as demand was more robust compared to the sluggish condo market.

Takayuki Matsumoto, Tokyu Corp's senior manager and representative in Thailand, said the condo market had been weak since 2019, while low-rise house demand was more stable and strong.

"Other Japanese property investment groups like Hankyu Hanshin, Nomura Real Estate and Sumitomo Forestry that co-invest with Thai developers see the same trend of robust low-rise housing market," he said.

Tokyu Corp started a joint venture with Sansiri in 2017 in three condo projects comprising Taka Haus Ekamai 12, The Base Sukhumvit 50 and XT Ekkamai.

The first two projects were sold out in 2020 while XT had 10% of total units remaining for sale.

The Japanese firm spent a total of 2.25 billion baht which accounted for 30% of the three projects while Sansiri invested in a 70% stake.

Tokyu Corp, which will next month celebrate its 100th anniversary, shifted investment deriving from a revolving fund gained from the first three condo projects to the low-rise housing segment through a joint venture with Sansiri.

Their first low-rise project is Burasiri Krungthep Kritha worth 4.8 billion baht which will have 276 single detached houses priced between 14.99 and 40 million baht a unit.

Being launched on Aug 20, phase one with 87 units was 80% sold.

"We are studying the next projects to invest in, be it luxury, middle-end or affordable segment. Locations will remain in Greater Bangkok," said Mr Matsumoto. "We have not given up on

condo projects but will wait for their recovery which will be likely soon."

Outside Greater Bangkok, Tokyu Corp had a joint venture with Thailand's leading consumer conglomerate Saha Group.

They launched in 2016 Harmoniq Residence with 180 serviced town-houses for rent in Sri Racha.

Target tenants were Japanese executives and expatriate families working for the industrial sector in Chon Buri.

The occupancy, which was full prior to the pandemic, has now dropped to 60-70%.

Last year, they completed construction of a new phase with 32 units as demand for larger-sized units or four bedrooms was on the rise.

Occupancy of the new phase with a rental rate of 80,000-90,000 baht per month was 70%, which is higher than expected, he said.

"We plan to develop new 109 units in the future but are waiting for market recovery," said Mr Matsumoto.