

Sansiri confident of Q4 property revival

Developer's revenue target rises to B37bn

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SET-listed developer Sansiri Plc is feeling more upbeat about the country's overall property market in light of the government's stimulus measures.

It expects its revenue to grow to 37 billion baht this year, outstripping an earlier forecast of 35 billion.

Sansiri senior executive vice-president Uthai Uthaisangsuk said a planned reduction in housing transfer fees from 2% to 0.02% and mortgage fees from 1% to 0.01% would help revitalise consumer confidence, which has been weak since early this year.

"The overall property market will depend largely on the government's economic policy and spending on infrastructure, tourism industry promotion and export recovery," he said yesterday. "We are now bottoming out."

As of the end of September, Sansiri had housing inventory worth 11 billion baht ready to transfer and be realised as revenue. Single houses accounted for 4 billion baht while townhouses comprised 1 billion.

About 6 billion baht came from around 2,400 condo units with an average price of 2.5 million, with units worth 1 billion baht in Greater Bangkok and 5 billion in provinces.

Mr Uthai said the government should announce the tax incentives as soon as possible because some customers started delaying their transfers last month.

"The incentives should have no limit on housing prices as people who have high purchasing power are in the middle-to-high-income segment. If the government wants to boost the property sector, it should push all market segments."

With the tax incentives expected to be announced in the fourth quarter, Mr Uthai believes Sansiri's revenue should be boosted by 1-2 billion baht this year.

The developer last month increased its presales target from 30 billion to 33 billion baht.

In a move to cut marketing costs, Sansiri has revamped its brand structure for the condo, single-house and townhouse segments since August.

It has reduced its number of brands for condos from 24 to four, for single houses from seven to five and for townhouses from five to four.

With fewer brands, Sansiri aims to cut marketing costs from 3% to 2% by the end of the year. That would enable it to increase its net profit margin from 8.41% in the first half, which was down from 11.5% in 2014.

In the fourth quarter, Sansiri will launch 10 projects worth a combined 21.5 billion baht, comprising five condos worth 13.5 billion and five single-house and townhouse projects worth a total of 8 billion.

It expects to have 12.5 billion baht in presales in the fourth quarter. In the first nine months, it achieved 20.5 billion in presales. The developer targets having 33 billion by the end of the year.

SIRI shares closed on the SET yesterday at 1.77 baht, down one satang, in trade worth 64.3 million baht.