

PROPERTY

Sansiri reloads for condo push

Mid to high-end to drive market rebound

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SET-listed developer Sansiri Plc (SIRI) plans to launch eight projects worth a combined 21 billion baht this year, most of them postponed from last year, to cash in on the recovering condominium market.

Consumer confidence is recovering, which should drive the market this year, said senior executive vice-president Uthai Uthaisangskul.

"We project strong demand, particularly in the middle to high-end segment," said Mr Uthai. He said demand for the

low-end segment was expected to be tepid as commercial banks tighten their home loan approvals.

The company forecast condominium supply to increase by 20% to 132,296 units this year, most of them in Greater Bangkok.

Land prices and construction material costs were expected to increase at a slower pace of 3-4% this year, compared with 7% normally, thanks to falling fuel prices.

Last year overall condominium supply declined by 8% to 110,170 units, as the political turmoil, sluggish economy and delay in environmental impact assessment (EIA) approvals took a toll.

Mr Uthai said Sansiri launched only two condo projects worth nearly 4 billion baht last year after planning to open nine condo projects worth 17.6 billion.

In the first half this year, it is scheduled

to launch two condo projects — The Monument Sanampao worth 1.4 billion baht and The Line Chatuchak-Mo Chit worth 5.6 billion. The Line Chatuchak-Mo Chit will be handled by BTS Sansiri Holdings One, a joint venture with BTS Group Holdings Plc.

The Line Chatuchak-Mo Chit sits on five rai opposite Chatuchak Park and is scheduled for presales in the second quarter.

Mr Uthai said there would be only one project under the joint venture this year, as the other projects along mass transit lines are pending EIA approval.

He said Sansiri also planned to spend 7 billion baht this year to buy land plots for condo projects to be developed next year, compared with some 5-6 billion baht last year.

Sansiri expects presales and revenue for

condos of 22 billion baht this year.

In 2014, revenue from condo projects accounted for 51.7% of Sansiri's total revenue, from project sales of 27.217 billion baht. Revenue dropped 7% to 14.0 billion baht in 2014.

Last year Sansiri launched only 10 new projects worth 17 billion baht. It originally planned to develop 19 projects worth 33.3 billion baht.

The company expects its total revenue of 34 billion baht this year, launching 17 new residential projects worth 36.6 billion baht. As of last year, it had a backlog worth 36 billion, of which 16 billion is expected to be booked as revenue this year.

SIRI shares closed yesterday on the Stock Exchange of Thailand at 1.83 baht, up six satang, in trade worth 167 million baht.