

Sansiri shifts focus to middle and upper-income customers

RESIDENTIAL property developer Sansiri has revised its business plan to focus on the middle and upper-income market due to a decline in purchasing power among lower-income people, president Srettha Thavisin said during an interview with *The Nation* on January 28.

Mr Srettha said household debt in Thailand had risen to the extent that purchasing power to buy a home among the lower to middle-income market had dropped since the beginning of last year, with those at low end of the scale particularly affected when it came to applying for a mortgage.

"Our low-income customers faced a [rising] number of mortgage-application rejections last year, so we have had to revise our business model to focus on the middle- to upper-income market this year," he explained.

Sansiri plans to launch 17 to 19 residential projects worth 32 billion baht combined over the course of this year, with two or three of the projects being properties such as townhouses and luxury de-



Sansiri looks to the North for project development. Photo: Bjørn Erik Pedersen

tached housing located in provinces such as Phitsanulok, Chiang Mai and elsewhere in the North.

This is in line with its business plan, in which after launching low-cost condo projects in provinces outside greater Bangkok since 2012, the company will focus its effort on launching low-rises in provinces where there is demand in segments above the lower-income market, said Mr Srettha.

The developer targets pre-sales of 30bn to 32bn baht and revenue

of 35bn baht this year, he added.

The company will also increase its residential prices by 5 per cent this year, following the rise in land prices, he said.

"Although oil prices have fallen and construction-material prices are being maintained, our land costs are still high following the limited amount of land [available in Bangkok]. As a result, our new residential launches this year will be priced 5 per cent higher than last year's level," he added.