

# Listed firms eye strong growth

## RESIDENTIAL MARKET COULD EXPAND 10% AFTER IMPROVED Q1 PERFORMANCE AND ECONOMIC RECOVERY

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THE NATION

LISTED property companies are confident their financial results will reflect strong market growth over the rest of the year, thanks to the government's stimulus efforts and a pickup in the pace of the country's economic recovery.

They forecast overall residential-market growth of up to 10 per cent this year, with the market leader estimating a full-year market value of more than Bt380 billion in the greater Bangkok area.

Developers are optimistic in large part due to their first-quarter financial results, which saw strong growth following the government measure to reduce transfer and mortgage fees to 0.1 per cent.

The measure expired at the end of April.

"We estimate total market-value growth of at least 8 per cent this year, worth Bt383.18 billion in Bangkok and its suburbs, after witnessing strong demand for homes priced up to Bt5 million during the first four months," said Pruksa Real Estate's president of value business, Piya Prayong.

Sansiri also has confidence in the greater Bangkok property market showing strong growth this year, estimating expansion of between 5 per cent and 10 per cent, chief operating officer Wanchak Buranasiri said.

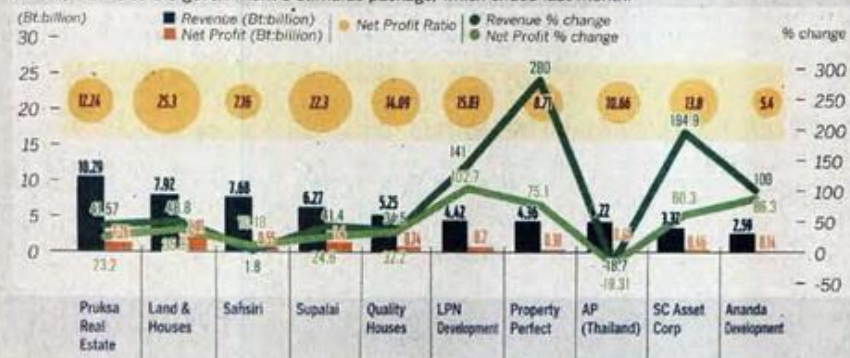
The company plans to launch five new projects worth Bt7.38 billion combined in the current quarter, which should boost presales to the target level of Bt42 billion, up 47 per cent from last year.

Full-year revenue of Bt36 billion is now predicted after Sansiri posted Bt7.68 billion for the first quarter, up 10.18 per cent from the same period last year, he said.

SC Asset Corp's chief executive officer, Nuttaphong Kunakornwong, said

### POSITIVE TRENDS

Nine of the top 10 listed property firms have announced strong growth in their first quarter financial results, thanks to the government's stimulus package, which ended last month.



Source: Stock Exchange of Thailand, The Nation

NATION GRAPHICS

the government's measure to cut transfer and mortgage fees to 0.01 per cent from October last year through April 28 had boosted overall property market growth in the first quarter.

The company benefited from the measure, as shown by its first-quarter revenue of Bt3.32 billion and net profit of Bt469 million - 60.3 per cent and 194.9 per cent higher, respectively, than the numbers reported for the same period last year.

SC Asset had presales worth Bt2.63 billion during the quarter.

The company plans to launch two residential projects worth Bt1.66 billion combined during the current quarter, focused on the middle and upper-market segments with prices of between Bt3 million and Bt10 million per unit, the CEO said.

"Up to 35 per cent of our customers buy homes for cash, as a result of which we are confident that our revenue will achieve the target of Bt15 billion by the end of the year," he added.

Of the top 10 listed property firms that have announced their first-quarter results, nine reported both revenue and net-profit growth.

Pruksa Real Estate led the market in terms of revenue by generating Bt10.29 billion during the period, up 23.21 per cent from the same period last year.

Land and Houses was market leader in terms of net profit and net profit margin, recording earnings of Bt2.01 billion - up 48.8 per cent year on year - and a margin of 25.3 per cent. (For other developers' results, see graphic.)

Meanwhile, AP (Thailand) was the only top-10 listed developer to report a decline in revenue and net profit.

The company posted income of Bt4.22 billion and net earnings of Bt454.78 million for the quarter - down 19.3 per cent and 18.7 per cent, respectively, from the same period a year ago.

According to AP (Thailand)'s report filed to the Stock Exchange of Thailand last week, the revenue decline was due to a 55-per-cent drop in condominium units transferred to customers compared with the same period last year.

"Most of our condominium projects will be delivered to customers in the last quarter of this year," the company said in the filing.

Other listed residential developers have also announced stronger first-quarter financial results than they achieved a year ago.

For example, Chewathai posted revenue of Bt541.33 million and net profit of Bt57.82 million, up 259 per

cent and 811 per cent, respectively, year on year.

Lalin Property recorded revenue of Bt1582 million and net earnings of Bt103.3 million - up 63 per cent and 125 per cent, respectively - thanks to the government's fees-reduction measure, said the company's chief executive officer, Chaiyan Chakarukul.

The developer also recorded first-quarter presales worth Bt1 billion, and a backlog worth Bt950 million that will be transferred to customers this year and next.

Lalin is confident its full-year revenue will achieve the Bt2.4-billion target, which would represent 15-per-cent growth from last year, he said.

Origin Property, meanwhile, announced an 8.6-per-cent rise in revenue to Bt531.61 million, but net profit came in at Bt88.31 million, down 16.24 per cent from the same period last year.

Chief executive officer Peerapong Jaroon-Ek said the company's net earnings had fallen due to increased sales-management costs following its business expansion.

However, the company will maintain its growth momentum with plans to launch up to 10 residential projects together worth Bt10 billion over the course of the year, he said.