



Headline	Leading developers increase investment as market recovers		
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Leading developers **increase investment** as market recovers

FIRMS SET ASIDE BT100 BILLION TO BUY LAND, LAUNCH PROJECTS IN GREATER BANGKOK

SOMLUCK SRIMALEE
THE NATION

LEADING PROPERTY firms have set aside a combined investment budget of more than Bt100 billion this year to buy undeveloped land and construct the infrastructure for developing residential projects both this year and next, according to a survey conducted by The Nation early this week.

The funds will come from their cash flow, the issuance of debentures, and real estate investment trusts (REITs).

For example, Land & Houses has earmarked Bt12 billion, some Bt8 billion of which is allocated to buying undeveloped land and the remainder to acquire assets generating recurring income.

Some of the developer's investment budget will come from issuing a debenture as well as an REIT.

Sansiri has set aside Bt7 billion to buy undeveloped land and another Bt24 billion for developing the infrastructure for its projects.

The investment budget will be funded by the company's cash flow.

Quality Houses, meanwhile, has put aside a budget to purchase undeveloped land worth Bt8 billion this year.

For other developers' investment budgets, see the accompanying graphic.

"We have expanded our investment to buy undeveloped land this year from last year's level, when we invested only Bt7 billion, after seeing business opportunity both for developing resi-



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AGGRESSIVE INVESTMENT

Property firms have set aside investment budgets of more than Bt100 billion for buying undeveloped land and construction of residential infrastructure for 2015 and 2016.

Company	Investment Budget (Bt:billion)	New projects Launch	Total projects value (Bt:billion)
Land & Houses	12	17	37
Pruksa Real Estate	10	80	80
Sansiri	7	17-19	32
Quality Houses	8	30	40
Supalai	6	36	33
AP (Thailand)	6	20	30
LPN Development	4	12	20
Property Perfect	3	28	30
Golden Land Property Development	2.7	13	12.28
NC Housing	1	3	3

Source: The Nation

NATION GRAPHICS

dential projects and investing in assets that generate recurring income for the long term," said Land & Houses president Naporn Sunthornchitharoen.

Sansiri president Srettha Thavisin said the company's Bt7-billion investment budget would be for the purchase of land in both Bangkok and the provinces, as the company believed the property market this year would recover from last year's level thanks to an economic recovery driven by the government's expenditure plans.

Meanwhile, new residential project launches by listed property firms will recover to more than 200 projects worth over Bt350 billion this year, with half of them being condominium projects, *The Nation* survey found.

Demand for condominium projects continues to grow in greater Bangkok, given the limited amount of land available for the development of high rises and the demand to buy homes located close to the mass-transit system, said

LPN Development managing director Opas Sripayak.

Although a total of about 86,000 condo units in projects launched in 2013 will be completed and transferred to customers by developers this year, this is not expected to impact on newly launched projects over the course of the year, he said.

"We believe there is new demand for condominiums, especially those priced at not more than Bt3 million per unit," he added.

The most popular locations for new condominium projects are areas situated close to the mass-transit system, with both new and extend rail routes leading the way. These include the Purple Line from Bang Sue to Bang Yai and the extended Blue Line from Hua Lam Pong to Bang Khae, he said.

Confident that there is strong demand, LPN Development plans to launch 12 condominium projects worth Bt20 billion this year, with a

focus on Bangkok and suburban areas.

"We have only one [provincial] project in Cha-am that is still in demand, compared with those in other provinces that now face oversupply," Opas said.

Provincial condo oversupply

Some provinces are facing an oversupply problem due to the fact that listed property companies began to strongly expand their investment outside greater Bangkok in 2012, Opas added, citing oversupply issues in Udon Thani, Chiang Mai, Khon Kaen and Hua Hin.

"Our 1,300-unit condominium project in Udon Thani has been completed, with only 1,000 units transferred to customers so far. The remaining units are still at the selling stage," he said.

Sansiri's The Base Central-Udon, meanwhile, has recorded sales of only 30 per cent of the project value since its launch in 2013.

"We are still to open for sales at this project," said a source at the company.

AP (Thailand) recorded sales of only 50 per cent of the project value of Bt700 million, or 413 units, at its Aspire Udonthani condominium.

The company's condo project in Phitsanulok - the Coo - has recorded sales of 58 per cent of the project value of Bt740 million, with units set to be delivered to customers in the third quarter of this year. Both AP (Thailand) projects were launched in 2013.

"Our projects have still sold despite the market slowdown," said a company source.

With limited provincial demand, listed developers have revised their business plans this year to launch residential projects in Bangkok and surrounding areas rather than in the provinces, *The Nation* survey found.

GIST(ENGLISH)

N/A