

## PROPERTY

# LH to make further inroads in US market

## Developer earmarks B12bn to buy plots

KANANA KATHARANGSIPORN

SET-listed developer Land & Houses Plc (LH) plans to double its investment this year, earmarking 12 billion baht to buy new plots of land and invest in rental properties both here and in the US.

President Adisorn Thananan-narapool said the company would continue investing in rental apartments in San Francisco Bay as the occupancy rate at the two apartments it invested in two years ago was as high as 95%.

The company was taking due diligence before spending 2 billion baht to acquire a newly completed apartment in San Francisco and is considering either developing or investing in new rental property in Thailand this year.

Last year, rental properties generated 10% of LH's consolidated revenue, but

the proportion is expected to fall 6% this year, as LH sold shopping mall Terminal 21 into a real estate investment trust in late December, Mr Adisorn said.

LH targets achieving consolidated revenue of at least 30 billion baht by the end of 2015, up from 27 billion baht last year.

Of the total, 2 billion baht each year will come from rental properties in the US and Thailand. These include three hotels with a total of 1,300 rooms in Phloen Chit, Ratchadamri and Asok, representing total investment of 6.1 billion baht. The occupancy rate was around 80-85% last year.

It is developing a hotel with 440 rooms in the Thong Lor area, where it invested 2.1 billion baht.

In 2015, LH plans to launch a total of 17 new residential projects worth a combined 37 billion baht, compared with 21 projects worth 41.3 billion baht launched last year. They will include a dozen single house projects, two townhouse projects and three condo projects.

Of the total, five will be in the provinces including two condo projects in Chiang Mai and a single house each in Udon

Thani, Ayutthaya and Maha Sarakham.

LH is expected to have 34 billion baht in presales, up from 31.5 billion baht and 30.2 billion baht in 2014 and 2013, respectively.

"Presales last year was lower than our target of 32 billion baht due to a weak market in the provinces," he said yesterday. "Overall, the economy will be better this year with the government spending on megaprojects."

Mr Adisorn said the property market's outlook would be clearer from February, with an estimated growth lower than 10% by the end of 2015.

"Most of our projects will be launched in the fourth quarter as the property market will improve in the second half, as boosting the sluggish economy will take time," he added.

LH had a total sales backlog of 20 billion baht at the end of 2014. Around 5 billion baht will be realised this year, while 10 billion will be booked in 2016, all from condo units.

LH shares closed yesterday on the SET at 9.15 baht, up 10 satang, in trade worth 221 million baht.