

# Land and Houses earmarks Bt14 bn investment

## BUDGET FOR PURCHASES OF UNDEVELOPED LAND, APARTMENT PROJECT IN US, HOTEL DEVELOPMENT IN THONGLOR AND PATTAYA

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THE NATION

PROPERTY company Land and Houses (L&H) has set aside an investment budget of Bt14 billion for this year, with around half of the sum earmarked for the purchase of undeveloped land, and the remainder for investment in an apartment project in the United States and the development of hotels in Thonglor and Pattaya.

The company will spend about Bt3.6 billion on buying the US apartments and a further Bt360 million to renovate the project, while about Bt3 billion will be spent on building the two hotels, managing director Adisorn Thananun-Narapool said yesterday at a press conference held to announce the company's business plan.

"Our investment budget will come from the company's internal cash flow and the issuance of a debenture worth Bt12 billion this year," he said.

L&H plans to issue half of the debenture during the first half of the year and the other Bt6 billion in the second half, with nearly Bt10 billion being paid back to holders of a debenture that expires this year.

The company targets an interest rate of about 2 per cent for the debenture, and its interest costs should be reduced from 3.3 per cent to below 3 per cent by the year's end, Adisorn said.

The company's debt-to-equity ratio will be lower than 0.8:1 at the end of the year, he added.

He told the press conference that L&H was currently targeting revenue of Bt30.6 billion this year, comprising Bt28 billion from residential sales and Bt2.6 billion from rental income.

It also plans to launch 14 residential projects worth Bt23.5 billion over the course of the year, nine of them low-rise homes – detached housing,

townhouses and duplexes – and five condominiums.

Five of the projects will be upcountry – three of them in Chiang Mai, and one each in Ayutthaya and Udon Thani – said the company's president, Naporn Sunthornchitcharoen.

The other nine will be situated in Bangkok and its suburbs.

Presales worth Bt28 billion and a similar figure for total sales bookings are targeted for this year.

The sales-bookings target is 13 per cent higher than last year's outcome, when Bt24.7 billion was achieved, down 21.6 per cent from the 2014 level, Naporn said.

In the first nine months of last year, the company recorded total revenue of Bt19.6 billion and net profit of Bt4.53 billion.

"Our total sales bookings last year were lower than in 2014 because of the decline in residential demand. The company also suspended the launch of nine residential projects during the year after witnessing the drop-off in purchasing demand, as some of our condominium projects were still awaiting an EIA [environmental impact assessment] permit," he explained.

He added that the residential property market this year should grow by 1-2 per cent, although it was still too early to gauge the effectiveness of the government's measures to boost the market in the final quarter of last year through to the end of April.

Meanwhile, it is still unclear whether there will be significant investment this year under the government's mega-infrastructure plan, he said.

If the investment does kick off in earnest, it could drive market growth in the provinces during the second half, the company president said.