

PROPERTY**Land and Houses to roll out 12 new projects**

The Bangkok Thonglor Condo on Soi Sukhumvit 55, is one of Land and Houses' luxury condominium projects. The company expects 26 billion baht in presales and 34.2 billion in revenue by the end of the year.

Company says lack of risk to push revenue

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SET-listed developer Land and Houses Plc (LH) plans to launch 12 new projects worth a combined 14.9 billion baht, aiming for 26 billion in presales and 34.2 billion in revenue by the end of the year.

Managing director Adisorn Thananarapool said the company expected to have housing transfers worth 31 billion baht, up from 28 billion in 2016, as the overall situation this year would be better than last.

"This year there will be no risk factors, unlike last year," he said. "The political situation is improving as there will be a general election soon, while

spending on infrastructure projects is moving ahead."

Out of the target income, 3.15 billion baht is projected to come from rental properties, including four hotels in Bangkok and four apartments in the US. Recurring income is forecast to increase from 2.8 billion baht last year and will account for 10% of total revenue annually.

Land and Houses will spend 11 billion baht this year, 7 billion of which is slated for land acquisition and 4 billion for rental properties mainly in Thailand, including Terminal 21 Pattaya, for which construction began last year.

"There may be no new investment this year in the US as we spent heavily last year, dolling out 8 billion baht to acquire two apartments," said Mr Adisorn. "We are looking for investment opportunities in rental properties at home."

The company's four apartments in the

US with a total of 900 rooms are located at three sites in the San Francisco Bay Area and one in Portland, Oregon, which was acquired in December last year at a cost of 4.5 billion baht.

He said the rental apartment business in the US would be more attractive as US President-elect Donald Trump intended to boost employment in the country. The unemployment rate last year also dropped to lower than 5% from over 10% seven years ago.

As of the end of 2016, Land and Houses had total liabilities of 41 billion baht, with its debt to equity ratio standing at 0.85. The financial cost was about 2.85%. It plans to issue bonds of more than 10 billion baht from the second quarter until the end of the year.

It will also place Grande Centre Point Ratchadamri, worth 3-4 billion baht,

into a real estate investment trust during the first half of the year. By year-end, its debt to equity ratio will drop to lower than 0.8.

Of the total new projects it plans to launch this year, nine will be located in Greater Bangkok and three in the provinces, including five single detached house projects and three condo projects.

The company's president Naporn Sunthornchitcharoen said a majority of new projects would be in the middle to higher-end segment, with unit prices of between 4-10 million baht accounting for 46%.

"The lower-end market still has a problem with the mortgage loan rejection rate. Even in the middle-end segment, some buyers who are SMEs were also rejected as financial institutions were concerned about those with irregular income which might cause bad loans," he said.

He said the housing market last year was sluggish, with an estimated drop of 4.2% in the number of newly-registered residential units in Greater Bangkok, which totalled around 97,200 units, compared with 101,455 units in 2015.

The largest decline was in the duplex house segment, with an estimated drop of 24% to 1,800 units, followed by townhouses and shophouses, which fell 10% to 17,600 units. Condos were down 4% to 65,000 units.

Only the single detached house segment saw a rise in the number of newly registered units — 8.1%.

By unit, the company last year had a market share of 15.1% in the single house segment, 4% in the townhouse segment and 1.3% for condos.

LH shares closed yesterday on the Stock Exchange of Thailand at 9.85 baht, unchanged, in trade worth 123 million baht.