

Land & Houses cuts capex budget

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THE NATION

LAND & HOUSES is scaling down its capital-expenditure budget to Bt11 billion this year from Bt14 billion in 2016.

It is also downsizing its presales target to Bt26 billion from Bt28 billion last year.

It is aiming for total sales of Bt31 billion this year and rental income of Bt3.15 billion from its four hotels in Bangkok and four apartment complexes in the United States.

Up to Bt7 billion will be used for acquiring land nationwide and Bt4 billion for developing rental properties, including the Terminal 21 Pattaya shopping mall and hotel mixed-use project, managing director Adisorn Thananunnarapool told a press conference yesterday.

Last year 70 percent of its capex budget was for developing rental properties and the rest for land purchases.

The company has lined up 12 residential projects worth Bt14.9 billion for development this year, of which nine will be located in Greater Bangkok and the rest in the provinces.

Seven of the projects will be for detached houses, four for townhouses and three for condominiums.

To support its investment plan, the company will raise funds by issuing debentures worth at least Bt10 billion, of which the first tranche is expected early next quarter.

The company is also selling the Grande Centre Point Ratchadamri hotel to its real estate investment trust. The transaction is expected to close in this first half year.



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AP (Thailand) also plans to launch 20 residential projects worth Bt35 billion.

Eight are for detached houses worth a total of Bt8 billion, nine for townhouses worth Bt7 bil-

lion and three for condos worth Bt20 billion.

Anuphong Assavabhokhin, chief executive officer, said Thailand's real-estate fundamentals these days were not too bad despite the drop-off in project launches over the past few years.

There are clearer signs of the situation returning to normal in terms of marketing activities and consumer confidence.

This year the company expects more competition in the horizontal-product segment.

The challenge for the company will be topping up its land bank to develop projects it can offer to consumers in a package that is line with their expectations.