

Property market tipped to grow 5% after strong first quarter

SOLID FOUNDATIONS

Nine of the 11 property developers that have announced their first-quarter results revealed strong gains in net profit from the first three months of 2017 – thanks to the recovery in the market amid an improving economy.

Company	Net profit Q1 2018 (Bt:million)	% change
Land and Houses Plc	2,465.67	39.02
Pruksa Real Estate Plc	862.4	26.58
Quality Houses Plc	844.73	29.39
AP (Thailand) Plc	809.03	47.46
Origin Property Plc	488.9	184
Golden Land Property Development Plc*	465.26	52.61
LPN Development Plc	298.3	-5.33
Sansiri Plc	251.99	-50.7
Singha Estate Plc	251.67	652.15
Property Perfect Plc	195.32	336.95
Ananda Development Plc	144.7	3.13

Note: * Golden Land's accounting year is from October 2017 to September 2018. Its figures are for the second quarter of its accounting year.

Source: Stock Exchange of Thailand, The Nation

NATION GRAPHICS

SOMLUCK SRIMALEE
THE NATION

THE property market is expected to expand at least 5 per cent this year, according to the consensus from the listed developers that have posted double-digit growth for the first quarter compared with the year-earlier period.

Nine of the 11 developers that have announced their first-quarter results reported strong gains in net profit from the first three months of 2017, thanks to a recovery in the market.

Most of the property companies recorded net profit increases in the double digits. Ananda Development Plc trailed the pack with earnings growth of just 3.13 per cent from the same period of last year.

However, faring worse were LPN Development Plc and Sansiri Plc, which saw their net profits drop from the year-earlier quarter.

AP (Thailand) Plc chief executive officer Anupong Asavbhokhin said that

the company announced solid growth for the first quarter of 2018, with a result of more than Bt6.5 billion. Net profit for the quarter grew 47 per cent, rising by more than Bt800 million. AP Thailand believes that this healthy performance, coupled with a business plan adjustment to be more assertive in the low-rise sector, is certain to contribute to better-than-projected presales and realised revenues.

Anupong said there are even better growth prospects in store for the market due to a variety of positive factors. He cited the strong purchasing power that the real estate industry can benefit from.

"The overall market outlook is very good, especially in the low-rise sector. We have seen better and better presales and realised revenues for AP's low-rise products over the last few quarters," Anupong said.

"So, we have readjusted our business plan by launching several new projects. In 2018, AP will launch the highest

number of new projects since its inception."

The company plans to unveil 43 projects worth Bt64.7 billion, of which 21 are townhouse projects worth Bt18.5 billion, 17 are single detached house projects worth Bt20.8 billion, and five are for condominiums worth Bt25.4 billion, Anupong said.

Origin Property Plc chief executive officer Peerapong Jaroon-Ek shares this optimistic view for the market.

The company announced net profit of Bt488.9 million in the first quarter of this year, soaring 184 per cent from the same period of last year. Most of the units in its condominium projects that had been launched over the past three years were transferred to its customers in that quarter, Peerapong said. The transfers to customers would continue throughout the rest of the year.

"Meanwhile, we also had success on the presales front, with a take of Bt5.09 billion in the first quarter - up 255 per cent from the same period of last year that," Peerapong said.

"This is thanks to the strong demand in the residential market, enjoying a recovery in line with the improving economy.

"This also will drive our presales to Bt20 billion and total revenue to Bt15 billion by the end of this year."

Pruksa Holding Plc deputy group chief executive officer Supattra Paopiamsap said the company's total revenue was Bt8.35 billion, a rise of 3.6

per cent from the year-earlier quarter. The company recorded presales for the three months of Bt12.69 billion, representing 24 per cent of its target of Bt53.74 billion for the year, Supattra said.

"This is thanks to the country's economy posting strong growth and driving the demand for residential projects, with this recovery seen in the first quarter of this year compared with the same period of last year," Supattra said.

"The momentum of growth will continue to drive the market in the rest of this year. As a result, the company has confidence the property market this year will grow by up to 5 per cent.

The company's financial results will maintain growth double-digit growth compared with last year."

Sansiri Plc reported to the Stock Exchange of Thailand (SET) yesterday that its total revenue of Bt5.27 billion and net profit of Bt252 million in the first quarter marked a drop of 26 per cent and 51 per cent, respectively, from the same period last year.

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The developer said its project transfers decreased 29 per cent as its business management revenue dropped 23 per cent for the three months. That had a direct impact on total revenue and net profit, resulting in the declines from the year-earlier period.

LPN Development Plc, in its filing with the SET, said the company's high marketing expenditure cut into its income growth for the quarter.

Total revenue came in at Bt2.49 billion, representing growth of 1.09 per cent from the same period of last year and its net profit also declined.