Property Sector – Neutral

News Update

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Solid luxury housing presales in 3Q22F

- **Strong 3Q22F presales of Bt52.7bn, up 46% y-y & 11% q-q.**
- **High-end segment is selling well.**
- **SIRI, LH and QH are outstanding for 3Q22F presales.**
- **Maintain Neutral on sector.**

Ex 1: Stock Rating And TP

	Rating	Price Current (Bt)	Price Target (Bt)
AP	BUY	9.85	13.50
LH	BUY	8.90	11.00
LPN	SELL	4.34	3.60
PSH	SELL	12.10	10.00
QH	HOLD	2.10	2.50
SIRI	SELL	1.25	0.88
SPALI	BUY	19.40	27.00

Source: Thanachart estimates

- We estimate total presales of seven developers under our coverage to remain strong in 3Q22F at Bt52.7bn, grew by 46% y-y and 11% q-q.
- Most developers are expected to have higher presales y-y on 3Q21 low base due to country lockdown in July and August last year and particularly the impact from a one-month closure of construction sites in Bangkok and vicinity in July last year.
- For q-q basis, we project higher presales by 11% q-q, despite rainy season, driven by a 14% q-q growth in low-rise housing presales to Bt41.3bn, accounting 78% of total 3Q22F presales.
- SIRI, LH and QH are most outstanding with both y-y and q-q presales growth in 3Q22F. This is boosted by strong bookings on their new housing project launches in the luxury segment. SIRI is expected to achieve the highest presales among peers in 3Q22F due to successful launches of its Bt6bn Narasiri Krungthep Kreetha housing project (Bt50-95m/unit, sold out) and Bt4.9bn Burasiri Krungthep Kreetha (Bt15-40m/unit, 42% sold). LH is reaching a new record low-rise housing presales in 3Q22F driven by its Bt5.2bn Nantawan Rama 9-Krungthep Kreetha project (Bt40-80m/unit) and Bt6.1bn Nantawan Pinklao-Kanchana project (Bt30-80m/unit) launched in 3Q22 with a combined presales from both projects of Bt3.4bn in 3Q22F. QH is also expected to have strong housing presales from its low presales base and the launches of Bt1.7bn Laddarom New Ratchaphruek housing project (Bt7-20m/unit) and Bt1.9bn Laddarom Chatuchote project (Bt8-20m/unit).
- Condominium presales are expected at Bt11.4bn, about flat q-q, and still only at 45% of average quarterly condo presales in the peak year in 2018 (low-rise presales in 3Q22F are estimated to surpass average quarterly low-rise presales in 2018 by 29%).
- 9M22F presales are growing by 24% y-y and come to 75% of the companies' full-year targets and at 79% of our full-year forecast. While low-end developers, LPN and PSH, are pretty much behind their full-year targets, we see presales upsides for SIRI and SPALI.
- Maintain Neutral weight on the sector as recovery is not broad base. Our top picks are AP (market leader) and LH (well-diversified businesses, high dividend yield). Another BUY is SPALI.

Ex 2: 3Q22F Presales

(Bt m)	3Q22F			% y-y			% q-q		
	Low-Rise	CD	Total	Low-Rise	CD	Total	Low-Rise	CD	Total
AP	8,354	3,570	11,924	(5)	490	27	(15)	28	(5)
LH	8,450	650	9,100	34	138	38	27	(13)	23
LPN	698	1,309	2,007	8	(14)	(7)	(5)	(31)	(23)
PSH	4,500	600	5,100	(4)	(50)	(14)	(15)	(43)	(20)
QH	2,050	300	2,350	57	323	70	18	(13)	13
SIRI	12,399	3,052	15,451	190	64	152	109	121	111
SPALI	4,880	1,929	6,809	38	93	50	(20)	(41)	(27)
Total	**41,331**	**11,410**	**52,741**	**40**	**75**	**46**	**14**	**(1)**	**11**

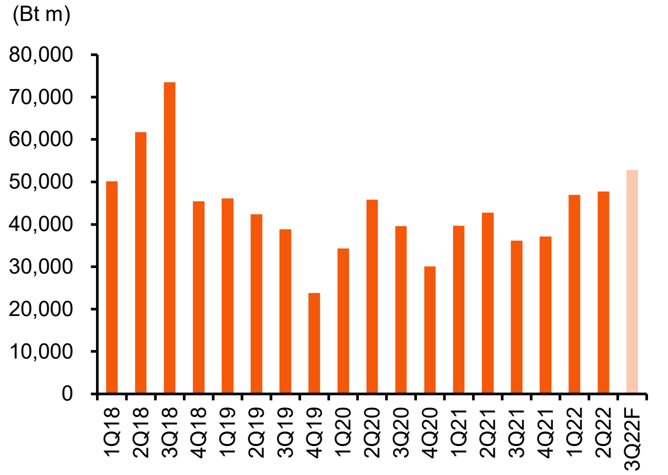
Sources: Company data, Thanachart estimates

Ex 3: 9M22F Presales

(Bt m)	9M22F			% y-y			2022F	9M22F/2022F	Our 2022F	9M22F/our
	Low-Rise	CD	Total	*Low-Rise*	*CD*	*Total*	target	target (%)		2022F (%)
AP	28,926	8,529	37,455	15	328	38	50,000	75	48,017	78
LH	22,505	2,004	24,509	8	76	11	31,000	79	33,568	73
LPN	1,999	4,765	6,764	(4)	14	8	13,000	52	8,864	76
PSH	15,358	3,024	18,382	(5)	(22)	(8)	31,000	59	27,548	67
QH	5,758	711	6,469	16	113	22	9,200	70	8,569	75
SIRI	22,277	6,472	28,749	50	22	43	35,000	82	31,261	92
SPALI	17,267	7,758	25,025	26	101	43	28,000	89	29,564	85
Total	**114,090**	**33,263**	**147,353**	**17**	**61**	**24**	**197,200**	**75**	**187,390**	**79**

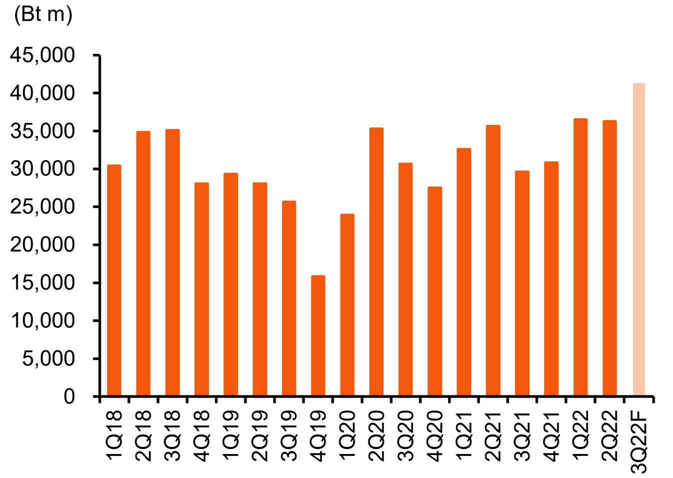
Sources: Company data, Thanachart estimates

Ex 4: Quarterly Presales



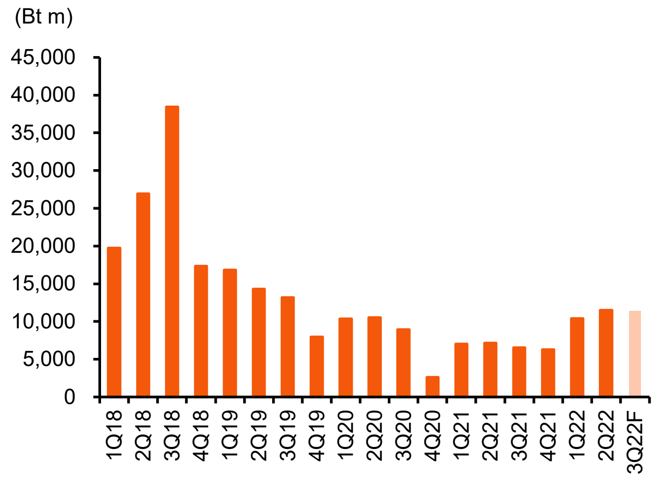
Sources: Company data; Thanachart estimates

Ex 5: Low-rise Housing Presales



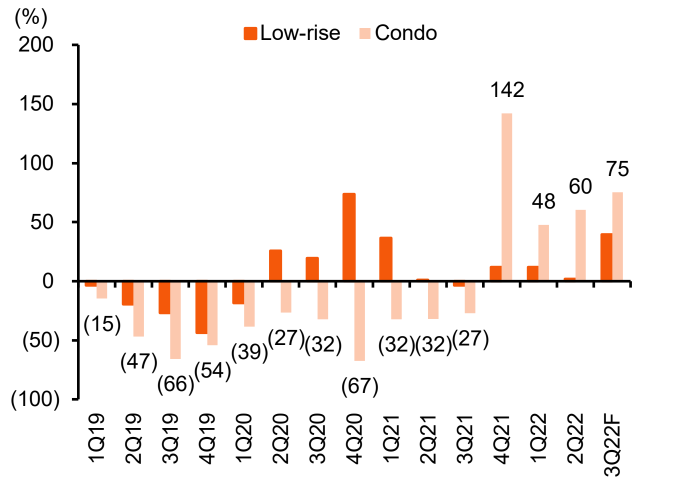
Sources: Company data; Thanachart estimates

Ex 6: Condominium Housing Presales



Sources: Company data; Thanachart estimates

Ex 7: Presales Growth



Sources: Company data; Thanachart estimates

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