

Property Sector – Underweight

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News Update

A structural impact from the earthquake

- **Among all sectors, property is hit the most.**
- **Demand shift from high-rise condos. Risk on condo backlog.**
- **Rising renovation cost and strong price promotions expected.**
- **Underweight the sector. We put our numbers under review.**
- Property sector is expected to be hit the most. The earthquake last Friday caused a collapse of the under-construction new State Audit Office. Many high-rise condominiums in Bangkok were cracked which are needed to be inspected if there are any severe damages to beams and columns. This creates fears of living in condominiums.
- While the property demand has already been weak due to low purchasing power and high household debt problem so that the government just announced to relax the loan-to-value ratio to 100% temporarily from May 1st this year to June 30th next year, this incident will impact condominium demand (more on high-rise, less impact on low-rise 8-storey condos) that we think not just the new demand but also decisions to transfer the condo units when the buildings complete the constructions. Not just the potential delays in project completions but risk from backlog cancellations.
- In Exhibit 2, we summarize top listed developers' condominium exposure and their existing debentures as we concern on developers' ability to rollover their maturing bonds. Those with high condo exposure are ASW (90%), ANAN (87%), LPN (81%), ORI (71%) and NOBLE (66%). In terms of condo inventory, ORI has the highest (Bt41bn), then SPALI, ANAN, SIRI and NOBLE.
- In Exhibit 3, we compile these 12 developers' condominium projects to be completed and started transferring in 2025F. There are 50 condos valued Bt96bn, 21 of them are planned to finish in 4Q25. This means many projects can be slipped into next year if there are some construction delays. By value, ORI has the highest condo values to be completed this year (13 projects worth Bt23bn), followed by SIRI (Bt14.5bn), ASW (Bt14.0bn), ANAN (Bt11.9bn), AP (Bt10.4bn) and PSH (Bt10.0bn). Note that we are not concern much on ASW as all 7 projects shown below are low-rise condominiums and most are in upcountry in tourist provinces ie Phuket, Chonburi (Bang Saen), Rayong with two of them under the brand "Kave" are low-rise condominiums near universities (Thammasat Rangsit, Burapha Bang Saen).
- Besides a hit to new condo demand, developers also expose to rising expense from maintenance/renovation of already completed condominium buildings and more intense pricing promotions on condos going forward.
- Nonetheless, developers with more low-rise housing exposure to total revenues and with no condo projects to be finished this year will have lower negative impact than peers, those are LH, QH and SC. AP, our top sector pick, despite low condo sales mix at 20% last year, will be impacted from its more aggressive condo launches (six projects of Bt20bn this year) and many past condo projects along the mass transit lines to be taken care of. SPALI, with its strong management and engineer team was fast in inspecting 90 condo projects in a day on Saturday. Going forward, home buyers will be more selective on

Ex 1: Stock Rating And TP

	Rating	Price Current (Bt)	Price Target (Bt)
AP	BUY	8.60	11.00
LH	SELL	4.34	4.20
QH	BUY	1.56	2.30
SIRI	SELL	1.56	0.88
SPALI	BUY	17.00	25.00

Sources: Bloomberg, Thanachart estimates

developers, their projects' contractors, project designs and after-sales services which will come with higher SG&A for developers.

Ex 2: Condo Sales Mix & Debentures

Developer	Condo sales mix (%) (2024)	Condo inventory (Bt m) (YE2024)	Debentures (Bt m) - YE2024		
			Current portion	Long-term	Total
ANAN	87 (1H24)	28,586 (as of 1H24)	5,260	2,815	8,075
AP	20 (+51% JV)	14,154	5,850	16,000	21,850
ASW	90	23,980	1,889	3,059	4,948
LH	6	13,478	15,371	23,859	39,230
LPN	81	13,285	1,498	1,493	2,991
NOBLE	66	25,565	3,974	4,584	8,558
ORI	71	41,347	6,310	12,464	18,774
PSH	24	13,803	1,000	4,500	5,500
QH	13	9,301	3,269	4,807	8,076
SC	14	7,500	6,000	10,000	16,000
SIRI	34	25,805	15,155	27,709	42,865
SPALI	33	30,330	9,417	7,895	17,312

Sources: Company data, Thanachart compilation

Note: Condo inventory includes ready-to-move-in and the unsold units of not-yet-finished projects

Ex 3: Condominiums Transfers In 2025

Developer	Condo transfers in 2025F		Projects			
	No of projects	Total value (Bt m)	1Q25	2Q25	3Q25	4Q25
ANAN	3	11,929			Ideo Ramkhamhaeng-Lamsali	Culture Chula Culture Thonglor
AP	4	10,400		Aspire Arun Prive Aspire Sukhumvit-Rama 4 Aspire Onnut Station		Aspire Vibha-Victory
ASW	7	14,050	Atmoz Season Ladkrabang Kave Coco	Atmoz Palacio Ladprao- Wanghin Atmoz Canvas	The Title Legendary-Bangtao	Maroon Ratchada 32 Kave Wonderland
LH	-	-				
LPN	1	2,100				EARN by LPN
NOBLE	4	8,500		Noble Form Thonglor	Nue Evo Ari	Nue Riverest Ratburana Noble Create
ORI	13	23,000	Origin Plug & Play Sirindhorn Station Origin Plug & Play E22 Station The Origin Campus Khon Kaen	The Hampton Suites Rayong Origin Plug & Play Srinakarin	Origin Place Bangna The Origin Bangkae The Origin Phahol 57 The Origin Centre Phuket Origin Play Bangsaen	Origin Place Khon Kaen- Kanlapaphruek The Origin Sukhumvit-Praksa The Origin Kathu-Patong
PSH	4	10,042				The Privacy Parc Taopoon Plum Condo New West Chapter One Spark Charan Chapter One More Kaset
QH	-	-				
SC	-	-				
SIRI	13	14,500	Cabanas Hua Hin Vay Pothisan II The Move Pradipat	The Base Bukit The Base Rise	The Move Sukhumvit 107 dcondo Sense	dcondo Calm The Move Paw Bangkae Flo by Sansiri Canvas Cherng Talay Mekin Haus dcondo Campus Khon Kaen
SPALI	1	1,200			Supalai Blue Whale Hua Hin	

Sources: Company data, Thanachart compilation

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