

L.P.N. UPBEAT ON 2010

Developer expects sales to grow 20% this year, with middle- and lower-priced condos offering most potential. **B10**

L.P.N. targets 20% sales expansion

Pin Klao and Lat Phrao projects strike gold

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The condominium developer L.P.N. Development Plc recorded sales of more than 10 billion baht after two projects in Pin Klao and Lat Phrao were sold out and expects its sales to grow by 20% in 2010.

Despite the volatile economy and politics, the company hit its sales target and recorded 8 billion baht in revenue in 2009, up 14% from the year before, said managing director Opas Sripayak.

This year L.P.N. plans to launch six to eight new condominium projects and targets sales of 13 billion baht, up 20% from 2009.

In the first quarter of 2010, the company will launch three projects — Lumpini Condo Town Bang Kae, Lumpini Place Rama IX phase two and Lumpini Place Phahon-Ratchada — worth a total of 6.1 billion baht.

Mr Opas said the middle- to lower-priced condominium segments had potential. The lower-priced segment will be spurred by the Board of Investment

Home programme while the middle-priced segment will be fuelled by the mass-transit system, he said.

“Developers should be more careful as competition will be tougher,” he said. “Last year, many developers froze their new project launches as they were not confident in the economic situation and consumer sentiment. There will be more projects set to launch this year.”

Construction costs are rising while the economic and political situation remains risky, he said.

In 2009, listed developers had a market share of 76%, as consumers had more confidence in larger developers. But only developers with strong finance and a good image had good sales, he said.

The number of newly launched condominium units in the first half of last year was down by 60% from the same period of 2008, as most developers tried to clear existing stocks, he said.

Last year, 25,000 condominium units were launched, down 24% year-on-year. About 80% of them were projects along current and future mass-transit routes.

The locations where most condominiums were opened included Sukhumvit, Phahon Yothin, Lat Phrao and Ratchadaphisek-Rama IX. About 64%

of the launched condominiums were mid-priced, at about 1 to 3 million baht a unit. L.P.N. launched 7,800 units, giving it a market share of 30%.

The company estimates that 27,000 units were registered in Greater Bangkok in 2009, close to the figure for 2008. About 67% were mid-priced condominiums.

Registrations for L.P.N. condominiums totalled 6,300 units or a market share of 23%, said Mr Opas.

LPN shares yesterday closed unchanged yesterday on the Stock Exchange of Thailand at 7 baht in trade worth 53.57 million baht.