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## Property Perfect cuts 2015 forecast

SET-listed developer Property Perfect Plc (PF) has cut this year's presales forecast to 15.5 billion baht from 18 billion, blaming the country's unfavourable industry and economic prospects. Assistant chief executive Theerathat Singnarongthon said people's purchasing power remained low due to the inactive economy.

Moreover, financial institutions have been tightening their lending approval for fear of high household debt.

"Many research houses have cut their forecasts for the country's economic growth this year, which in turn affects the property market," Mr Theerathat said.

"The central bank's Monetary Policy Committee recently cut the interest rate by 25 basis points to 1.5% in late April to boost the economy, but that has yet to make a positive impact on the property market."

He said homes priced below 4 million baht were expected to be hit hard by the weak economy, while those priced above 5 million could be stable since high income buyers are not affected much by economic conditions.

Massive supply is expected to remain in the condominium market, as many developers have been competing to launch projects along the new mass transit routes in recent years. "It may take two more years to absorb all the condominium supply," Mr Theerathat said.

Property Perfect yesterday said it delayed two housing projects to next year — a 1.5 billion baht project in Khao Yai in Nakhon Ratchasima province and 1.5 billion baht project on Chaeng Watthana Road in Bangkok.

Its development plan for this year will be cut from 24 residential projects worth 29.5 billion baht to 22 projects worth 26.1 billion.

Nineteen projects worth 23 billion baht were planned for single detached houses and townhouses, while there will be three condominium projects worth 3.05 billion baht in Greater Bangkok this year.

The company has a backlog worth 6.41 billion baht, of which 3.3 billion will be recognised as revenue this year.

PF shares closed yesterday on the SET at 1.03 baht, up one satang, in trade worth 3.44 million baht.

