

Property Sector – Neutral

Phannarai Tiypittayarut | Email: Phannarai.von@thanachartsec.co.th

News Update**Cabinet approved property stimulus on Apr 9th**

- **Four key property measures targeting mid-to-low end**
 - **Cuts in transfer and mortgage fees help <Bt7m segment**
 - **A low boost to low-end segment (<Bt3m/unit)**
 - **Benefits to SPALI, AP, LH and SIRI**
- On April 9th 2024, the cabinet approved four property stimulus to help home buyers, developers and self-built houses as shown in Exhibit 1. The measures go for mid-to-low-end segment with housing price below Bt7m/unit.
 - We expect reductions in transfer fee and mortgage registration fee to boost some mid-end demand (Bt3-7m/unit) as the measure lifts the price cap from the current Bt3m to Bt7m.
 - We expect positive impact to developers with high level of inventory below Bt7m/unit, which are SPALI and AP, and developers with some Bt7m inventory and strong brands, LH and SIRI. The latter two are expected to deliver presales growth y-y in 1Q24F. See Exhibit 2 & 3.
 - We expect only little boost to low-end demand below Bt3m/unit as most measures are already provided. The cheap-rate housing loans offered by GHB and GSB are not expected to drive low-end demand that much as this segment has high-debt problem and a high loan rejection rate.
 - We rate AP, LH and SPALI a BUY. SIRI is put under review.

Ex 1: Stock Rating And TP

	Rating	Price Current (Bt)	Price Target (Bt)
AP	BUY	10.90	15.00
LH	BUY	7.65	10.20
LPN	No rating	3.58	-
PSH	No rating	11.60	-
QH	HOLD	2.26	2.50
SIRI	U.R.	1.76	U.R.
SPALI	BUY	21.50	25.00

Sources: Bloomberg, Thanachart estimates

Ex 2: Property Stimulus**Property measures****Effective**

- Cabinet meeting on **April 9th 2024** approved following measures
 1. A reduction in transfer fee (from 2.0% to 0.01%) and mortgage registration fee (from 1.0% to 0.01%) for residential purchase of up to Bt7m/unit (extended from Bt3m/unit)
 - Benefits go to both developers and home buyers.
 - Developers save transfer fee by 1% while buyers save 1% transfer fee and 1% mortgage registration fee.
 2. The personal income tax deductible on home construction expense up to Bt100,000/person. For Bt1m home construction expense will be entitled to Bt10,000 tax deductible.

9 Apr 24 - 31 Dec 25
 3. Government Housing Bank measures
 - 3.1 Unlock GHB's "One Million Home" project from the house price limit of Bt1.5m/unit to Bt3.0m/unit with Bt20bn loan budget

9 Apr 24 - 30 Dec 25

 - The mortgage rate for the first 5 years is pegged at 3% with up to 40 years of repayment period.
 - 3.2 "Happy Life" loan for home purchase, home construction, home renovation with Bt10bn loan budget

Now till reach the loan limit

 - The mortgage rate for the first 3 years averaging at 2.98% for up to Bt2.5m/person.
 - 3.3 BOI home tax exemption for developers

now - 31 Dec 25

 - Corporate income tax exemption for three years limited to home price of not over Bt1.5m/unit
 4. Government Savings Bank measures
 - 4.1 GSB home loan for home buyers with Bt10bn loan budget

17 Apr 24 - 30 Dec 24

 - The mortgage rate for the first 3 years averaging at 2.95% for up to Bt7m/person and up to 40 years loan period.
 - 4.2 GSB D-Home loan for developers with Bt10bn loan budget

17 Apr 24 - 30 Dec 24

 - The interest rate of 3.5%/year and up to 4 years loan period.

Sources: Ministry of Finance, Thanachart compilation

Ex 3: Quarterly Presales

Presales (Bt m)	1Q23	2Q23	3Q23	4Q23	1Q24F	(y-y%)	(q-q%)
AP	11,016	12,631	11,677	16,067	9,671	(12)	(40)
LH	4,800	3,995	5,572	8,646	5,600	17	(35)
LPN	2,786	2,621	2,581	1,978	1,858	(33)	(6)
PSH	4,466	4,650	5,125	4,299	3,370	(25)	(22)
QH	2,048	1,872	2,464	1,161	1,700	(17)	46
SIRI	8,088	10,030	7,581	11,889	9,548	18	(20)
SPALI	9,029	8,256	6,227	5,352	6,927	(23)	29
Total	42,233	44,055	41,227	49,392	38,674	(8)	(22)
Change (y-y)	(7%)	(8%)	(22%)	19%	(8%)		

Sources: Company data, Thanachart estimates

Ex 4: Developers' Inventory

	Total available-for-sale inventory	Inventory below Bt7m/unit	% below Bt7m/total
AP	Bt112,319m	Bt63,269m	56
LH	Bt68,354m	Bt15,232m	22
LPN	Bt28,046m	Avg selling price of Bt3m or below	
PSH	Bt62,900m	Avg selling price of Bt3.3m/unit	
QH	Bt40,117m	Bt21,214m	53
SIRI	Bt84,536m	Bt37,995m	45
SPALI	Bt108,027m	Bt88,408m	82

Sources: Company data, Thanachart estimates

Note: Inventory as of 4Q23 or 1Q24

General Disclaimers And Disclosures:

This report is prepared and issued by Thanachart Securities Public Company Limited (TNS) as a resource only for clients of TNS, Thanachart Capital Public Company Limited (TCAP) and its group companies. Copyright © Thanachart Securities Public Company Limited. All rights reserved. The report may not be reproduced in whole or in part or delivered to other persons without our written consent.

This report is prepared by analysts who are employed by the research department of TNS. While the information is from sources believed to be reliable, neither the information nor the forecasts shall be taken as a representation or warranty for which TNS or TCAP or its group companies or any of their employees incur any responsibility. This report is provided to you for informational purposes only and it is not, and is not to be construed as, an offer or an invitation to make an offer to sell or buy any securities. Neither TNS, TCAP nor its group companies accept any liability whatsoever for any direct or consequential loss arising from any use of this report or its contents.

The information and opinions contained herein have been compiled or arrived at from sources believed reliable. However, TNS, TCAP and its group companies make no representation or warranty, express or implied, as to their accuracy or completeness. Expressions of opinion herein are subject to change without notice. The use of any information, forecasts and opinions contained in this report shall be at the sole discretion and risk of the user.

TNS, TCAP and its group companies perform and seek to perform business with companies covered in this report. TNS, TCAP, its group companies, their employees and directors may have positions and financial interest in securities mentioned in this report. TNS, TCAP or its group companies may from time to time perform investment banking or other services for, or solicit investment banking or other business from, any entity mentioned in this report. Therefore, investors should be aware of conflict of interest that may affect the objectivity of this report.

Note: Thanachart Securities Public Company Limited act as a Market Maker and Derivative Warrants Issuer. At present, TNS has issued Derivative Warrants underlying securities before making investment decisions.

Note: Our major shareholder TCAP (Thanachart Capital Pcl) which holding 89.96% of Thanachart Securities and also TCAP holding 100% of Thanachart SPV1 Co. Ltd. TCAP and Thanachart SPV1 Co. Ltd has stake in THANI for 60% and being the major shareholder of THANI.

Note: Thanachart Capital Public Company Limited (TCAP), TMBThanachart Bank Public Company Limited (TTB), are related companies to Thanachart Securities Public Company Limited (TNS). Thanachart Securities Pcl is a subsidiary of Thanachart Capital Pcl (TCAP) which holds 24.31% of the shareholding in TMBThanachart Bank Pcl.

Note: Thanachart Capital Public Company Limited (TCAP), Ratchthani Leasing Public Company Limited (THANI), MBK PUBLIC COMPANY LIMITED (MBK) and PATUM RICE MILL AND GRANARY PUBLIC COMPANY LIMITED (PRG) are related companies to Thanachart Securities Public Company Limited (TNS) . Since TNS covers those securities in research report, consequently TNS incurs conflicts of interest.

Note: Thanachart Securities Public Company Limited (TNS) acts as an underwriter of “Debentures of MUANGTHAI CAPITAL PUBLIC COMPANY LIMITED No. 2/2024 (B.E. 2567) tranche 1-3 which its maturity at 2026-28 (B.E. 2569-71)”, therefore investors need to be aware that there could be conflicts of interest in this research.

Note: Thanachart Securities Public Company Limited (TNS) acts as an underwriter of “Debentures of SRISAWAD CAPITAL 1969 PUBLIC COMPANY LIMITED No. 1/2024 (B.E. 2567) tranche 1-3 which its maturity at 2026-28 (B.E. 2569-71)”, therefore investors need to be aware that there could be conflicts of interest in this research.

Disclosure of Interest of Thanachart Securities

Investment Banking Relationship

Within the preceding 12 months, Thanachart Securities has lead-managed public offerings and/or secondary offerings (excluding straight bonds) of the securities of the following companies: Moshi Moshi Retail Corporation Pcl. (MOSHI TB) and Euroasia Total Logistics Pcl (ETL TB).