

# Thailand Property

## Temporary easing of LTV in 2Q25-2Q26

- BoT temporarily relaxed its LTV rules, allowing 100% home loans from 1 May 2025 to 30 June 2026 to stimulate the slowing real estate sector.
- We expect the market to see positive sentiment that could help limit downside risks to earnings forecasts. However, the impact might not be as significant as in 2022.
- Maintain our Neutral rating, as we monitor 2Q25 presales after implementation.

### Relaxed measures allow 100% LTV ratio to support slowing market

On 20 Mar 2025, the Bank of Thailand (BoT) announced a temporary relaxation of its loan-to-value (LTV) regulations for housing loan contracts from 1 May 2025 to 30 June 2026. The revised rules allow for loans of up to 100% of the collateral value for second homes and subsequent units priced below THB10m as well as for all properties over THB10m, up from an earlier cap of 70-90%. This aims to support the slowing real estate sector, which has shown no signs of recovery amid high unsold inventories.

### Benefits for developers with high condo inventories and backlogs

The measure should provide positive sentiment for the housing market. In particular, it would help ease the expense burden for second-home buyers (10% of total mortgage applicants). Condos should benefit more than low-rises since they have higher second-home demand. Hence, developers with high condo inventories on hand, especially in the mid-to-high segments as well as backlogs available for transfer in 2Q25-2Q26, could be prime beneficiaries of the LTV easing measure. They include SPALI, ORI, NOBLE, and AP. Moreover, we expect it to help limit downside risks to our sector earnings forecast.

### Lower impacts than 2022 relaxation

According to data from the earlier LTV relaxation in 4Q21-4Q22, REIC reported the value of housing transfers in 2022 grew by 13% y-y, led by an increase in condo transfers by 19% y-y. Also, aggregate 2022 presales and transfers from the 12 developers under our coverage rose by 26% y-y and 11% y-y, respectively. However, we estimate that the impact may not be as significant as in 2022 due to 1) slow economic recovery and weak purchasing power with high household debt; 2) financial institutions' tight credit underwriting, reflected in home loan growth of only 0.8% y-y in 2024, compared to 3% in 2022 amid rising NPL concerns; 3) higher housing loan rates, with an average MRR from four banks at 7.3% in 4Q24, higher than 6.2% in 2022; and 4) oversupply, especially in the low-rise market and intense competition.

### Maintain Neutral rating amid persisting challenges in property market

We maintain our Neutral rating for the sector as the industry faces challenges. Also, we must closely monitor presales after the LTV relaxation implementation in May 2025. In the short term, we expect earnings to be weak in 1Q25 as buyers delay their decisions to wait for the measure before it gradually gains momentum in 2Q25. Our top pick remains AP due to its flexible portfolio and benefits from the measure.



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**Exhibit 1: LTV easing measure effective from May 1, 2025 to June 2026**

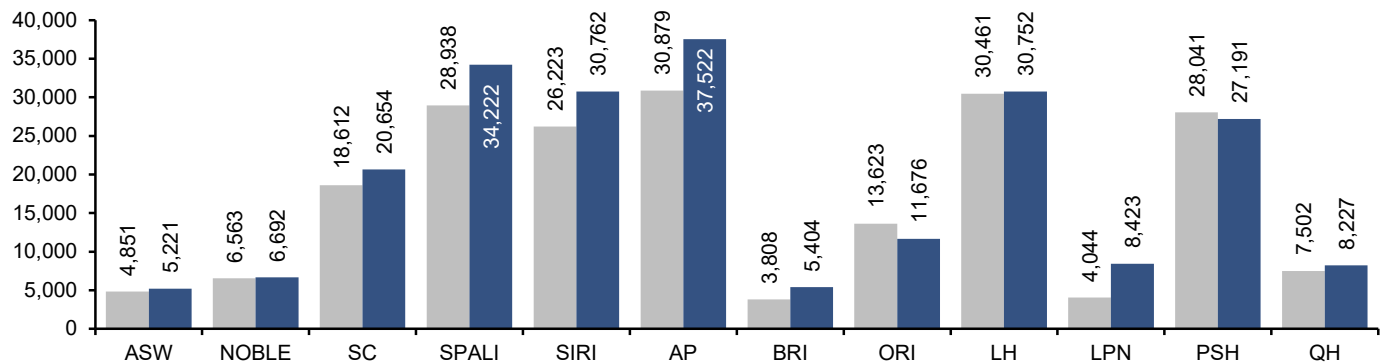
Unit price	Mortgage contract	LTV ratio (before easing)	LTV ratio (after easing)
>10 million bath	First	90%	100%
	Second	80%	100%
	Third onwards	70%	100%
<10 million bath	First	100% + 10% on top for furniture	Unchanged
	Second	90% if the first contract was paid for 2 or more years.	100%
	Third onwards	80%	100%
		70% if the first contract was paid for less than 2 years.	

Source: FSSIA's compilation

**Exhibit 2: Revenue from sales in 2021-2022**

(THB m)

■ 2021 ■ 2022

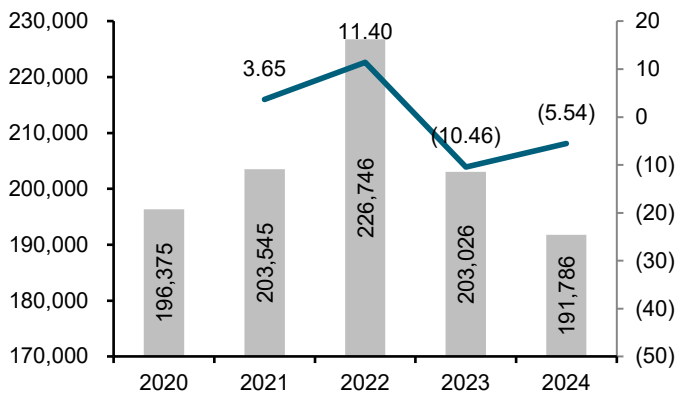


Source: FSSIA's compilation

**Exhibit 3: Yearly revenue from sales**

(THB m)

■ Revenue from sale — Growth y-y (RHS) (%)

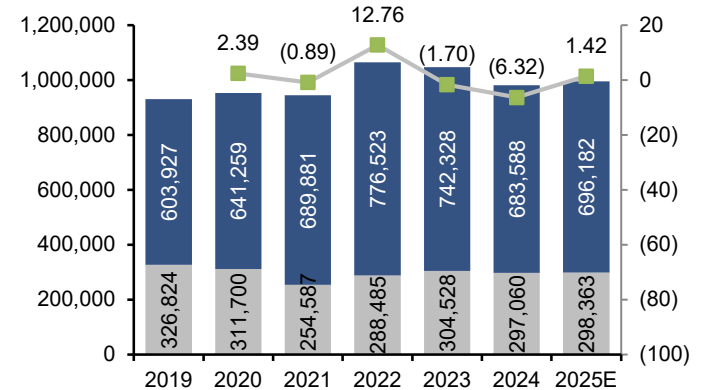


Source: FSSIA's compilation

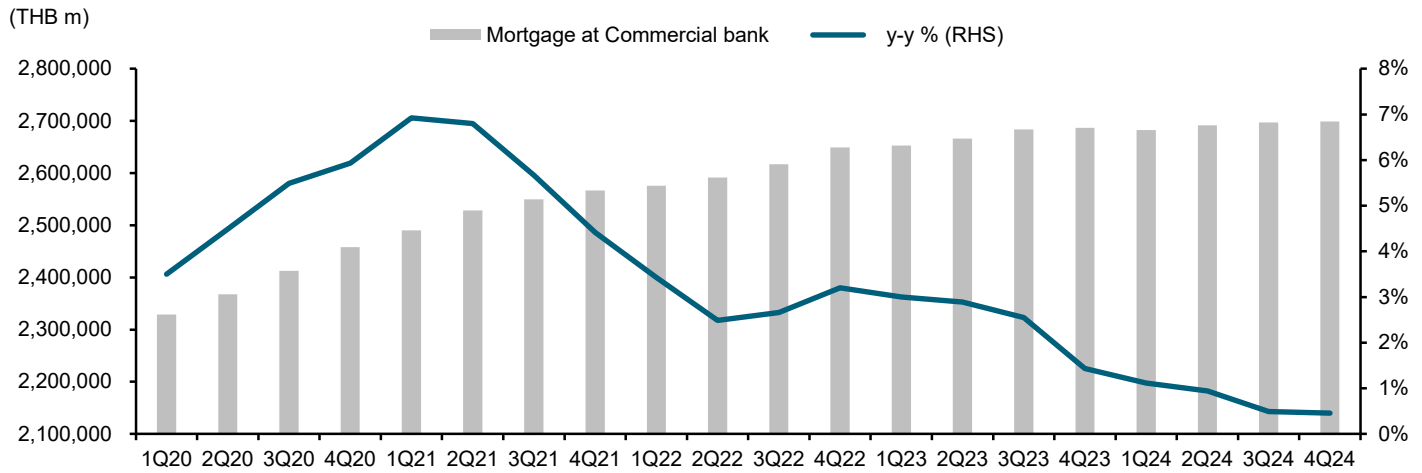
**Exhibit 4: Value of housing transfers nationwide**

(THB m)

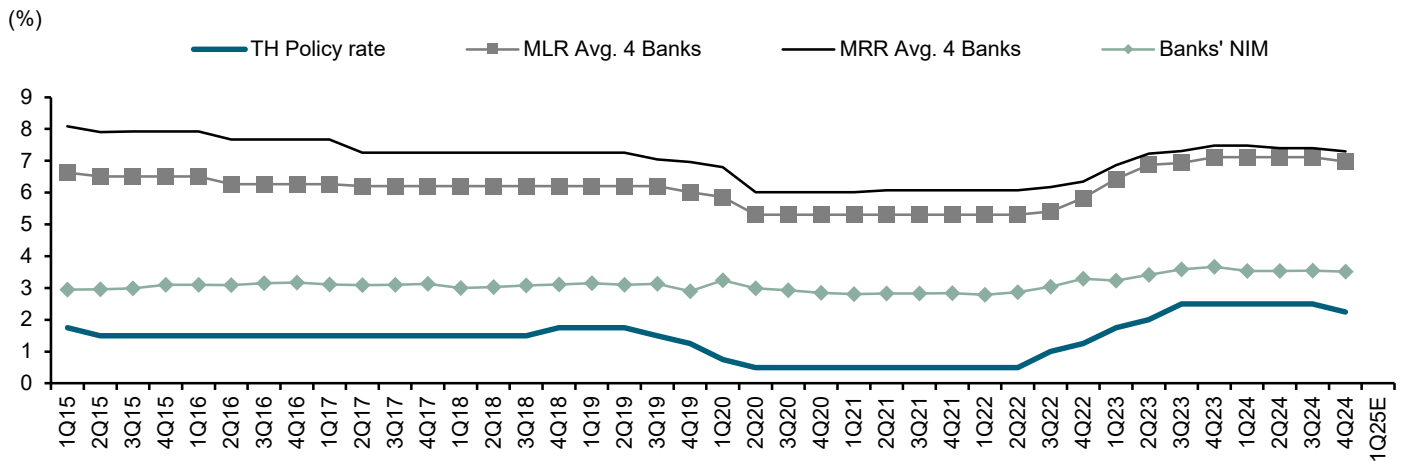
■ Condo ■ Low-rise — Growth y-y (RHS) (%)



Source: REIC

**Exhibit 5: Home loans from four commercial banks**

Sources: BoT; FSSIA's compilation

**Exhibit 6: Interest rates**

Sources: BoT; FSSIA's compilation

**Exhibit 7: Unsold inventory and Backlog at end-24**

	Condo RTM (THB m)	Backlog to realise Y25 (THB m)
ASW	9,837	11,699
AP	9,132	26,311
BRI	-	833
LH	6,131	1,529
LPN	7,999	836
NOBLE	10,305	11,894
ORI	14,133	17,833
PSH	5,359	3,677
QH	9,301	388
SC	5,720	7,988
SIRI	6,600	8,239
SPALI	19,401	7,545

Sources: Company data; FSSIA's compilation

Exhibit 8: Peer comparisons as of 20 Mar 2025

Company	Rec	--- Share price ---		Rec profit growth		----- PE -----		----- DivYld -----		----- ROE -----		----- PBV -----		PE
		Current	Target	25E	26E	25E	26E	25E	26E	25E	26E	25E	26E	5Y-avg
		(LCY)	(LCY)	(%)	(%)	(x)	(x)	(%)	(%)	(x)	(x)	(x)	(x)	(x)
ASW	HOLD	6.60	8.00	(22.6)	48.8	5.5	3.7	7.2	10.8	13.2	17.9	0.7	0.6	7.6
NOBLE	U.R	2.46	3.70	11.7	(10.4)	4.4	5.0	13.5	12.1	11.1	9.5	0.5	0.5	11.7
SC	HOLD	2.56	2.80	32.3	10.4	6.5	5.8	6.2	6.8	6.9	7.3	0.4	0.4	7.0
SPALI	HOLD	17.40	18.00	(10.8)	2.1	6.2	6.0	7.7	7.7	10.1	9.8	0.6	0.6	6.3
SIRI	BUY	1.64	1.90	4.7	2.1	5.6	5.5	9.1	9.2	10.3	10.0	0.6	0.5	5.7
AP	BUY	8.90	9.70	2.1	3.7	5.5	5.3	6.7	6.7	11.3	10.9	0.6	0.6	5.5
BRI	HOLD	2.02	4.20	12.7	5.3	3.7	3.5	16.7	17.2	7.8	7.7	0.3	0.3	10.1
ORI	HOLD	2.66	4.20	35.7	11.5	5.4	4.8	11.1	11.3	5.9	6.2	0.3	0.3	11.6
LH	n/a	4.58	n/a	27.7	9.3	10.6	9.8	7.0	7.7	9.4	10.2	1.0	1.0	13.3
LPN	n/a	2.18	n/a	96.7	9.5	12.7	12.8	4.0	4.2	1.9	2.0	0.3	0.3	18.5
PSH	n/a	5.40	n/a	200.3	24.6	10.2	9.5	7.8	8.7	2.4	2.8	0.3	0.3	16.4
QH	n/a	1.60	n/a	6.0	7.1	7.1	7.0	8.0	8.6	7.8	8.1	0.5	0.5	10.9
Average				8.0	7.1	6.9	6.6	8.8	9.3	8.2	8.5	0.5	0.5	10.4

Sources: Bloomberg; FSSIA estimates

## Disclaimer for ESG scoring

ESG score	Methodology	Rating																				
The Dow Jones Sustainability Indices (DJSI) By S&P Global	The DJSI World applies a transparent, rules-based component selection process based on the companies' Total Sustainability Scores resulting from the annual S&P Global Corporate Sustainability Assessment (CSA). Only the top-ranked companies within each industry are selected for inclusion.	Be a member and invited to the annual S&P Global Corporate Sustainability Assessment (CSA) for DJSI. Companies with an S&P Global ESG Score of less than 45% of the S&P Global ESG Score of the highest scoring company are disqualified. The constituents of the DJSI indices are selected from the Eligible Universe.																				
SET ESG Ratings List (SETESG) by The Stock Exchange of Thailand (SET)	SET ESG quantifies responsibility in Environmental and Social issues by managing business with transparency in Governance, updated annually. Candidates must pass the preemptive criteria, with two crucial conditions: 1) no irregular trading of the board members and executives; and 2) free float of >150 shareholders, and combined holding must be >15% of paid-up capital. Some key disqualifying criteria include: 1) CG score of below 70%; 2) independent directors and free float violation; 3) executives' wrongdoing related to CG, social & environmental impacts; 4) equity in negative territory; and 5) earnings in red for > 3 years in the last 5 years.	To be eligible for <b>SETESG inclusion</b> , verified data must be scored at a minimum of 50% for each indicator, unless the company is a part of DJSI during the assessment year. The scoring will be fairly weighted against the nature of the relevant industry and materiality. <b>SETESG Index</b> is extended from the SET ESG Ratings companies whose 1) market capitalization > THB5b (~USD150b); 2) free float >20%; and 3) liquidity >0.5% of paid-up capital for at least 9 out of 12 months. The SETTHSI Index is a market capitalisation-weighted index, cap 5% quarterly weight at maximum, and no cap for number of stocks.																				
CG Score by Thai Institute of Directors Association (Thai IOD)	An indicator of CG strength in sustainable development, measured annually by the Thai IOD, with support from the Stock Exchange of Thailand (SET). The results are from the perspective of a third party, not an evaluation of operations.	Scores are rated in six categories: 5 for Excellent (90-100), 4 for Very Good (80-89), 3 for Good (70-79), 2 for Fair (60-69), 1 for Pass (60-69), and not rated for scores below 50. Weightings include: 1) the rights; 2) and equitable treatment of shareholders (weight 25% combined); 3) the role of stakeholders (25%); 4) disclosure & transparency (15%); and 5) board responsibilities (35%).																				
AGM level By Thai Investors Association (TIA) with support from the SEC	It quantifies the extent to which shareholders' rights and equitable treatment are incorporated into business operations and information is transparent and sufficiently disclosed. All form important elements of two out of five the CG components to be evaluated annually. The assessment criteria cover AGM procedures before the meeting (45%), at the meeting date (45%), and after the meeting (10%). <i>(The first assesses 1) advance circulation of sufficient information for voting; and 2) facilitating how voting rights can be exercised. The second assesses 1) the ease of attending meetings; 2) transparency and verifiability; and 3) openness for Q&amp;A. The third involves the meeting minutes that should contain discussion issues, resolutions and voting results.)</i>	The scores are classified into four categories: 5 for Excellent (100), 4 for Very Good (90-99), 3 for Fair (80-89), and not rated for scores below 79.																				
Thai CAC By Thai Private Sector Collective Action Against Corruption (CAC)	The core elements of the Checklist include corruption risk assessment, establishment of key controls, and the monitoring and developing of policies. The Certification is good for three years. <i>(Companies deciding to become a CAC certified member start by submitting a Declaration of Intent to kick off an 18-month deadline to submit the CAC Checklist for Certification, including risk assessment, in place of policy and control, training of managers and employees, establishment of whistleblowing channels, and communication of policies to all stakeholders.)</i>	The document will be reviewed by a committee of nine professionals. A passed Checklist will move for granting certification by the CAC Council approvals whose members are twelve highly respected individuals in professionalism and ethical achievements.																				
Morningstar Sustainabilitycs	The Sustainabilitycs' ESG risk rating provides an overall company score based on an assessment of how much of a company's exposure to ESG risk is unmanaged. <i>Sources to be reviewed include corporate publications and regulatory filings, news and other media, NGO reports/websites, multi-sector information, company feedback, ESG controversies, issuer feedback on draft ESG reports, and quality &amp; peer reviews.</i>	A company's ESG risk rating score is the sum of unmanaged risk. The more risk is unmanaged, the higher ESG risk is scored. <table><tr><th>NEGL</th><th>Low</th><th>Medium</th><th>High</th><th>Severe</th></tr><tr><td>0-10</td><td>10-20</td><td>20-30</td><td>30-40</td><td>40+</td></tr></table>	NEGL	Low	Medium	High	Severe	0-10	10-20	20-30	30-40	40+										
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ESG Book	The ESG score identifies sustainable companies that are better positioned to outperform over the long term. The methodology considers the principle of financial materiality including information that significantly helps explain future risk-adjusted performance. Materiality is applied by over-weighting features with higher materiality and rebalancing these weights on a rolling quarterly basis.	The total ESG score is calculated as a weighted sum of the features scores using materiality-based weights. The score is scaled between 0 and 100 with higher scores indicating better performance.																				
MSCI	MSCI ESG ratings aim to measure a company's management of financially relevant ESG risks and opportunities. It uses a rules-based methodology to identify industry leaders and laggards according to their exposure to ESG risks and how well they manage those risks relative to peers. <table><tr><td>AAA</td><td>8.571-10.000</td><td rowspan="3">Leader:</td><td rowspan="3">leading its industry in managing the most significant ESG risks and opportunities</td></tr><tr><td>AA</td><td>7.143-8.570</td></tr><tr><td>A</td><td>5.714-7.142</td></tr><tr><td>BBB</td><td>4.286-5.713</td><td rowspan="3">Average:</td><td rowspan="3">a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers</td></tr><tr><td>BB</td><td>2.857-4.285</td></tr><tr><td>B</td><td>1.429-2.856</td></tr><tr><td>CCC</td><td>0.000-1.428</td><td>Laggard:</td><td>lagging its industry based on its high exposure and failure to manage significant ESG risks</td></tr></table>		AAA	8.571-10.000	Leader:	leading its industry in managing the most significant ESG risks and opportunities	AA	7.143-8.570	A	5.714-7.142	BBB	4.286-5.713	Average:	a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers	BB	2.857-4.285	B	1.429-2.856	CCC	0.000-1.428	Laggard:	lagging its industry based on its high exposure and failure to manage significant ESG risks
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Moody's ESG solutions	Moody's assesses the degree to which companies take into account ESG objectives in the definition and implementation of their strategy policies. It believes that a company integrating ESG factors into its business model and relatively outperforming its peers is better positioned to mitigate risks and create sustainable value for shareholders over the medium to long term.																					
Refinitiv ESG rating	Designed to transparently and objectively measure a company's relative ESG performance, commitment and effectiveness across 10 main themes, based on publicly available and auditable data. The score ranges from 0 to 100 on relative ESG performance and insufficient degree of transparency in reporting material ESG data publicly. <i>(Score ratings are 0 to 25 = poor; &gt;25 to 50 = satisfactory; &gt;50 to 75 = good; and &gt;75 to 100 = excellent.)</i>																					
S&P Global	The S&P Global ESG Score is a relative score measuring a company's performance on and management of ESG risks, opportunities, and impacts compared to its peers within the same industry classification. The score ranges from 0 to 100.																					
Bloomberg	ESG Score	Bloomberg score evaluating the company's aggregated Environmental, Social and Governance (ESG) performance. The score is based on Bloomberg's view of ESG financial materiality. The score is a weighted generalized mean (power mean) of Pillar Scores, where the weights are determined by the pillar priority ranking. Values range from 0 to 10; 10 is the best.																				
Bloomberg	ESG Disclosure Score	Disclosure of a company's ESG used for Bloomberg ESG score. The score ranges from 0 for none to 100 for disclosure of every data point, measuring the amount of ESG data reported publicly, and not the performance on any data point.																				

[Rating](#) regarding the sustainable development of Thai listed companies, both on the SET and MAI, are publicly available on the website of the Securities and Exchange Commission of Thailand (SEC). Currently, ratings available are 1) "**CG Score**"; 2) "**AGM Level**"; 3) "**Thai CAC**"; and 4) **THSI**. The ratings are updated on an annual basis. FSSIA does not confirm nor certify the accuracy of such ratings.

Source: FSSIA's compilation

## GENERAL DISCLAIMER

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#### Thanyatorn Songwutti FSS International Investment Advisory Securities Co., Ltd

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Company	Ticker	Price	Rating	Valuation & Risks
AP (Thailand)	AP TB	THB 8.90	BUY	Downside risks to our P/E-based TP include 1) a higher-than-expected slowdown in the low-rise market; 2) lower-than-expected new launches and take-up rates; 3) a slow economic recovery; 4) an impact from the interest rate uptrend on purchasing power; 5) a higher rejection rate and customer cancellation; 6) construction delay and labor shortages; and 7) fierce competition.
Assetwise	ASW TB	THB 6.60	HOLD	Downside risks to our P/E-based TP include 1) slower backlog realization than planned and a delay in new condo transfers, 2) lower new project launches than planned, 3) a lower-than-expected take-up rate of new projects, 4) a slowdown in the economy and purchasing power, 5) a construction delay and fierce competition, and 6) a higher rejection and cancellation rate.
Britania	BRI TB	THB 2.02	HOLD	Downside risks to our P/E-based TP include 1) lower-than-expected presales and higher contraction in the low-rise market than expected, 2) lower or slower new launches than planned, 3) lower-than-expected JV projects, 4) an economic slowdown, lower purchasing power, and fierce competition, 5) higher rejection and cancellation rates, and 6) construction delay and labor shortages.
Noble Development	NOBLE TB	THB 2.46	HOLD	Downside risks to our P/E-based TP include 1) weaker-than-expected purchasing power; 2) cancellation of presales; 3) bank loan rejections; 4) delays in construction work and transfers; and 5) fierce competition. An upside risk would be 1) a stronger-than-expected presales; and 2) a sooner-than-expected overseas buyer recovery; and 3) selling other projects to investors so that it might book extra gains from sales.
Origin Property	ORI TB	THB 2.66	HOLD	Downside and upside risks to our P/E-based TP include 1) lower or higher-than-expected presales and new launches, 2) slower or faster-than-expected realization from the backlog due to construction delays, 3) lower or higher-than-expected new JV projects, 4) slower or faster-than-expected economic recovery, 5) higher or lower-than-expected rejection and cancellation rates, and 6) weaker or stronger-than-expected performance of its subsidiaries.
SC Asset Corporation	SC TB	THB 2.56	HOLD	Downside and upside risks to our P/E-based TP include 1) a weaker or stronger-than-expected take-up rate, 2) lower or higher-than-expected new launches, 3) slower or faster-than-expected economy and purchasing power recovery, 4) higher or lower-than-expected rejection and cancellation rates, and 5) higher or lower-than-expected competition.
Supalai	SPALI TB	THB 17.40	HOLD	Downside and upside risks to our P/E-based TP include 1) a weaker or stronger-than-expected take-up rate, 2) lower or higher-than-expected new launches, 3) slower or faster-than-expected economy and purchasing power recovery, 4) higher or lower-than-expected rejection and cancellation rates, 5) higher or lower-than-expected competition, and 6) weaker or stronger operating performance from the Australian projects than expected.
Sansiri	SIRI TB	THB 1.64	BUY	Downside risks to our P/E-based TP include 1) lower-than-expected take-up rates of new launches; 2) a slowdown in the economy and purchasing power, 3) fierce competition, 4) a higher loan rejection rate and customer cancellation, 5) a construction delay and labor shortages, and 6) a higher D/E ratio than property peers.

Source: FSSIA estimates

#### Additional Disclosures

Target price history, stock price charts, valuation and risk details, and equity rating histories applicable to each company rated in this report is available in our most recently published reports. You can contact the analyst named on the front of this note or your representative at Finansia Syrus Securities Public Company Limited.

All share prices are as at market close on 20-Mar-2025 unless otherwise stated.

## RECOMMENDATION STRUCTURE

### Stock ratings

Stock ratings are based on absolute upside or downside, which we define as  $(\text{target price}^* - \text{current price}) / \text{current price}$ .

**BUY (B).** The upside is 10% or more.

**HOLD (H).** The upside or downside is less than 10%.

**REDUCE (R).** The downside is 10% or more.

Unless otherwise specified, these recommendations are set with a 12-month horizon. Thus, it is possible that future price volatility may cause a temporary mismatch between upside/downside for a stock based on market price and the formal recommendation.

\* In most cases, the target price will equal the analyst's assessment of the current fair value of the stock. However, if the analyst doesn't think the market will reassess the stock over the specified time horizon due to a lack of events or catalysts, then the target price may differ from fair value. In most cases, therefore, our recommendation is an assessment of the mismatch between current market price and our assessment of current fair value.

### Industry Recommendations

**Overweight.** The analyst expects the fundamental conditions of the sector to be positive over the next 12 months.

**Neutral.** The analyst expects the fundamental conditions of the sector to be maintained over the next 12 months.

**Underweight.** The analyst expects the fundamental conditions of the sector to be negative over the next 12 months.

### Country (Strategy) Recommendations

**Overweight (O).** Over the next 12 months, the analyst expects the market to score positively on two or more of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.

**Neutral (N).** Over the next 12 months, the analyst expects the market to score positively on one of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.

**Underweight (U).** Over the next 12 months, the analyst does not expect the market to score positively on any of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.