

## COMMERCIAL PROPERTY

## SF says Mega Bangna still on schedule

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SF Development Co, a joint venture between SET-listed Siam Future Development and Sweden-based Ikano, is confident that construction of the 12.5-billion-baht Mega Bangna shopping complex will be completed in the first quarter of 2012 as planned.

The investment was announced last year and the company recently finished the piling work at the site.

The complex will occupy a 254-rai site near Bang Na-Trat Km 8 and Kanchanaphisek Outer Ring Road. It will include anchors such as the Ikea furniture chain from Sweden, Major Cineplex, Big

C Supercenter and Home Pro.

The total investment for the project is 12.5 billion baht, of which 6.5 billion baht consists of loans from Siam Commercial bank and Kasikornbank.

Nopporn Witoonchart, the CEO of SF Development, said that while the construction was under way, more than half of the 180,000 square metres of retail space had been booked by tenants. It believes that 80% of the space will be booked by the end of this year.

He expects that the project will take six to seven years to break even and will generate 1.5 billion baht in revenue annually by the third year after its opening.

"The shopping project will draw con-

sumers from Bangkok and nearby provinces such as Chon Buri and Saraburi," said Mr Nopporn.

SF Development also plans to launch another two shopping centres in Bangkok and vicinity under the same concept within the next five to 10 years.

Ikea, the world's largest home furnishing company, will be the highlight anchor for Mega Bangna. Ikea will offer 20 categories of home improvement products, including do-it-yourself (DIY) products.

"We believed that our good design and functional products with affordable prices will capture Thai consumers, as it was proven in Ikea stores in Malaysia and Singapore," said Tom Huzell, man-

aging director of Ikano.

In line with SF Development, Ikea aims to add two more stores in Bangkok if visitors to the first store reach 5 million.

The Ikea store is expected to open on November 2011, a few months before the full opening of Mega Bangna.

SF Development was set up with registered capital of 2.5 billion baht. SF and Ikano, which has franchise rights to operate Ikea in Singapore and Malaysia, hold 49% each. S.P.S Group, a Thai firm that has supplied furniture to Ikea for almost 20 years, holds 2%.

SF shares closed yesterday on the SET at 5.85 baht, up 25 satang, in trade worth 56.66 million baht.