

PROPERTY

SF eyes profit surge, rent hikes in 2012



Crowds flock the food court during the recent grand opening of the Megabangna shopping complex. Siam Future Development expects to earn 1 billion baht from an asset revaluation of the property. TAWEECHAI TAWATPAKORN

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Siam Future Development (SF), creator of the Megabangna complex, expects net operating profit this year to rise by almost 80% to 150 million baht.

Last year's net operating profit was 84 million baht.

Kittinanth Sumruatruamphol, the chief financial officer, said the increase in operating net profit will come from expansion of commercial rental income, as the firm plans to increase rental rates by 15% this year.

The average monthly rental rate is 800 baht per square metre. SF's rental revenue contributes 80-90% of its total, with the rest coming from utilities.

Net profit is expected at 1.5 billion baht as a new accounting standard is applied this year, allowing SF to revalue its assets.

"About 1 billion of expected net profit will be earned from Megabangna's asset revaluation and the rest from other projects," said Mr Kittinanth.

The company also plans to spend 860 million baht over the next 15 months to invest in three new retail projects.

Mr Kittinanth said all are in Greater Bangkok. The company has no plans to spread upcountry.

"No need to increase equity for these projects, as we will finance these projects by internal cash, bank loans and leasing income," he said.

The three projects comprise new rental space of 30,000 sq m. Overall rental space will exceed 400,000 sq m by next year.

SF also plans another Megabangna-type project, beginning some time in the next three years.

The company recently signed a contract with Bangkok University to manage Imaging Valley, the new community mall at the university.

The company will start managing the project in October.

SF shares closed at 8.30 baht, down 10 satang, in trade worth 87.3 million baht.