

TAMC NEAR FULL-YEAR TARGET

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Asset manager recorded B7 billion baht in sales of non-performing property assets in the first half alone against full-year target of B7.4 billion.

The Thai Asset Management Corporation (TAMC) recorded 7 billion baht in sales of non-performing property assets in the first half of this year, close to its full-year target of 7.4 billion. While investor sentiment and consumer purchasing power in the residential market could be weak in the second half, opportunities remained for asset purchases for medium-to long-term investment, particularly in land, said Chaovarat Chaochavanil, the TAMC executive vice-president.

“Land is a safe place for investors to park their money during an uncertain economy,” Mr Chaovarat said yesterday.

More than half of the NPAs sold in the first half were empty land plots.

The TAMC sees a bright outlook for agricultural land plots with big companies including the Charoen Pokphand Group and the owners of Red Bull considering investments.

“There is a growing need for investment in agricultural land plots as prices of agricultural products in the next 20 years are expected to rise by three to four times,” he said.

Attractive agricultural land plots are located in the eastern and northeastern parts of Thailand, in locations including Rayong, Prachin Buri, Udon Thani and Nong Khai.

The TAMC has agricultural land plots ranging in value from 30,000 to 200,000 baht per rai depending on locations.

However, the prospects for tourism and service industries still appear gloomy because of political tensions that have reduced visitor numbers, and the slow pace of the economic recovery.

Once-popular destinations for TAMC property sales including Phuket, Phi Phi and Pattaya, have yet to return to favour among prospective buyers, said Mr Chaovarat.

The company sold eight properties worth a combined 913 million baht from its first auction on June 18 as part of its Shock Price Festival campaign. Among them were 3,000 rai of agricultural land in Prachin Buri to the paper maker Double A, and a 15-rai plot in Theparak district of Bangkok to a mid-sized developer.

The TAMC hopes to sell another 40 properties worth about 7.5 billion baht in a second auction scheduled for July 30. Bidder registration is open from today until July 25.

Assets in prime locations offered include 300-400 rai at Muang Thong Thani, 400 rai in Patanankarn 32 and agricultural land of 3,000 to 5,000 rai in Prachin Buri, Nakhon Ratchasima and Chachoengsao.

The company's target clients are those with cash in hand and large businesses, as the company requires bidders to pay the whole amount within 90 days.

The TAMC will try to accelerate the sales of its remaining NPAs over the next 11 months before the organisation's scheduled winding up on June 8 next year.

Established after the 1997 crisis to handle sales of distressed assets from banks and finance companies, the TAMC currently has about 78 billion baht in assets under management.