

# KEEPING PACE WITH THE TOP END OF THE MARKET

## EXECUTIVE Q&A

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*Pace Development Corporation Plc, which listed on the Stock Exchange of Thailand in August this year, is a high-end property developer in Thailand that has been setting many of the trends and standards for the segment. Chief executive Sorapoj Techakraisri discussed the company's strategy and outlook.*

### **What is Pace's business model?**

Pace has been operating in the Thai real estate industry for almost a decade, developing high-end properties that consumers would want to live in. We first began with Ficus Lane and Saladaeng Residences and have now expanded further. The high-end sector has unique requirements and as a developer the two criteria of utmost importance to us are quality and location. We believe that the value of the highest-quality developments will increase substantially over time, and this belief is shared by our investors and buyers. Today our business is focused purely on the high-end market in Thailand and on developing recurring income streams via the value-added segments of our developments.

### **Why does Pace focus on the high-end sector and how do you view the market today?**

Simply put, there is a demand for this type of product in Thailand and very limited supply. Today there are only a handful of high-end developers. In fact, if someone comes to Thailand and inquires which developer is purely focused on the high-end market, most people would be unable to answer. We saw that there was a lack of a market leader in this field and we plan for Pace to fill this void.

A key quality of this segment as well is that the customer is less sensitive to economic changes because the purchases are second or third homes, and as long as the quality and location are there, the price of a high-end property rarely declines in value, unless it is for a short time, as we have noticed in major cities over the past few years.

### ***Pace is currently developing two massive projects. Could you provide an update on them and any plans for future projects?***

We are currently developing MahaNakhon, Bangkok's future landmark; and MahaSamutr in Hua Hin, featuring luxury villas and a country club set around Asia's first clear-water lagoon.

MahaNakhon is a world-class mixed-use development comprising the 159-room Bangkok Edition Hotel, 200 Ritz-Carlton Residences and a lifestyle retail centre and observation deck. MahaNakhon is located in the heart of the central business district and directly linked to the Chong Nonsi skytrain station between Silom and Sathon roads.

Construction of MahaNakhon is now well under way and is scheduled to be finished by the end of 2015. We will first launch Cube, a seven-floor lifestyle retail centre, by year-end, containing a combination of fashion outlets with very interesting food and beverage brands that we will introduce to the Bangkok market.

With anchor tenant Dean & DeLuca opening last month, MahaNakhon Cube is fast nearing completion. Tenants are already moving in, with the first ground-floor and basement zone opened on Nov 1. The upper floors will be opening early next year.

We unveiled MahaSamutr in late July, and its main contractor is the highly regarded Thai Obayashi Group. Construction has already begun and sales will start in mid-2014. MahaSamutr is located four kilometres from the Hua Hin coast and covers 72,000 square metres with its key feature the first man-made

Crystal Lagoon in Asia as well as a country club. It will have 90 modern luxury villas, all located directly on the lagoon. We plan to complete the first phase by the end of the second quarter of 2014 and the entire development by the end of 2014. Finally, we are planning to launch another residential development on Lang Suan Road by next year.

### ***What are the biggest risks facing your business?***

Pace is currently developing the largest high-end developments in both Bangkok and Hua Hin and we are mitigating the project risks by ensuring that we have the

best contractors in Thailand working with us, the necessary financing in place and a team that is committed to delivering the best quality project for our customers.

***What impact will the Asean Economic Community have upon your business?***

We are feeling the impacts of the upcoming AEC already with much more buyer interest coming from around the region. Normally, we or other Thai developers see interest coming only from



**Sorapoj: Striving for unique developments**

Singapore and Hong Kong buyers. However, over the past three years we have inquiries coming now from Malaysia, Indonesia, Vietnam and Myanmar as well; thus the continued growth and development of the entire Asean region will benefit us in Thailand. Moreover, when you compare the value that Bangkok and Thailand offer in terms of price and quality, I think Thailand presents an

attractive opportunity compared with our neighbouring countries.

***Where do you see Pace in five years?***

We have made important moves for the company in the past few years with the launch of MahaNakhon, MahaSamutr and our recent IPO, which has further strengthened our ability to develop quality high-end projects in Bangkok and Thailand. Pace will continue to strive to deliver developments that are unique, of high quality and located within prime locations in Bangkok and throughout Thailand.

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