

More launches in the pipeline from S P Setia

KUALA LUMPUR: S P Setia Bhd is planning to launch projects worth up to RM3.7bil in gross development value (GDV) for the financial year 2021 ending Dec 31 (FY21), of which 94% of projects will be in Malaysia, says CGS-CIMB Research.

This is compared with planned projects worth up to RM2.8bil in GDV in FY20, added the research house.

"For FY21, notable launches will be in Setia Alam, Setia Eco Hill 1 & 2, Setia Alamsari, Bandar Kinrara, Temasya Glenmarie, Taman Pelangi, Setia Tropika, and Setia Fontaines," CGS-CIMB Research said in a report, after hosting S P Setia's management in its annual

Malaysia Virtual Corporate Day event.

According to the research house, around 54% of the total new launches would be priced below RM1mil each, with the remainder priced above RM1mil each.

In terms of product mix, it said 67% of the projects would be landed residential units, followed by condominiums and apartments (14%), commercial units (9%), serviced apartments (4%), affordable housing (4%) and industrial units (2%).

"We expect the group to set a FY21 forecast new sales target that is similar to its FY20 target and this should be mainly supported by its local projects," said CGS-CIMB Research.

The research firm said it gathered that S P Setia was on track to achieve its FY20 new sales target of RM3.8bil. As at Oct 31, 2020, the group had secured around RM2.8bil worth of new sales and a booking pipeline of RM1.7bil.

"Given the pick-up in sales momentum post-movement control order and a good product mix skewed towards landed homes, the group should be able to achieve its FY20 sales target, in our view.

"We observe that its inventory of completed properties declined to RM1bil in the third quarter (Q3) ended Sept 30, 2020 from RM1.4bil in Q4 of 2019 due to its ongoing monetisation efforts," CGS-CIMB Research said.