

**SOLUTIONS TO IMPROVE LAND ACQUISITION PROCESS**



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**PROPOSE SOLUTIONS TO IMPROVE LAND ACQUISITION PROCESS**

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**ABSTRACT**

Real estate is the one of the asset that people need. Real estate development can impact the economic system to generate a huge of employment. Land acquisition is one of initial stage, which enable the activities of trading and hiring, but land sourcing is take a lot of time and effort. The agent becomes an important role to assist the developer to match the land which they required. Even developer find the land and landowners would like to sell, there are some obstacle that leads the dealing to fail. The author develops the conceptual framework to find out what is the problem and challenge in the land acquisition process. The research will be conducted by qualitative methodology with a sample group in Thailand

The outcome of this study shows that there are many unprofessional agents involved in the process, landowner set overprice with lack of understanding the potential of that raw land, but the developers must manage their risk by buying as fast as they can if that land matches their criteria, and other issues and challenge can be found in this research.

The author gives the recommendation and propose the solutions to accelerate the process and assist the developer to make decision faster by providing the complete information and analysis with the developer centric approach.

**KEY WORDS:** Developer / Landowner / Agent / Land acquisition process

50 pages

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# CHAPTER I

## INTRODUCTION

### 1.1 Background and problem statements

#### 1.1.1 Over all real estate in Thailand

Real estate business is one of the business that create the huge of employment and increase the employment rate in the economy since the ecosystem of the real estate involve many parties including construction, furniture, decoration, infrastructure, transportation and so on. (Statistic about real estate in Thailand) From the outlook report of real estate by CBRE [1] it shows that there are many factors that lead the real estate business are continues grow up e.g. the investment from foreigner will rise since the local developer are partnered with the international company such as Japanese and Chinese; the demand of luxury condominium still strong because of the buyers are more selective; the retail landlord will become for Placemaking to build the community, food destination and so on. [2] The logistic hub of ASEAN, the real estate development of the 10 targeted industries for the Eastern Economy Corridor (EEC) including next-generation cars, smart electronics, affluent, medical and wellness, tourism, agriculture and biotechnology, food, robotics for industry, logistics and aviation, biofuels and biochemicals, digital and medical services which mean in the Chonburi, Rayong and Chachoengsoa province are developed.

The demand of searching and seeking the land to build houses, condominium and commercial building are continuously rising. Especially the policy from government to drive the economic growth, such as the extend line of BTS, MRT, high speed train to northern, eastern, southern, airport, port, motorway, Eastern Economy Corridor (EEC). All these factors drive the private sector invest and move the manufacturing, office, employment as well as the demand of the residence surround that area.

Not only for the deployment for local Thai, since the tourist business becomes more and more popular. Some of the investor from the foreigner are interested in to invest in real estate in Thailand for their own resident, rent or resell. The Chinese are one of the people who invest in real estate in Bangkok, Chonburi, Chiangmai. Japanese has also bought their or rent condo around Sukhumvit, Ayudhaya, Chonburi. Hongkong also interested in Thailand.

If compare with other country, such as Hongkong, Malaysia, Singapore. In investor perspective. Thailand has the lowest cost, but the facilities and growth trend are attractive enough to convince them to move the investment to Thailand.

Buying and selling land are the activities that occur prior the development which start from the demand of developer who seek the land for their own development and profit. The buyer has their own criteria and process to filter and screen, compare shortlist, and final decision to select the right land, right time and the right price.

In Thailand, basically, there are 3 main stakeholders in land buying and selling process including buyer, seller and agent.

Real estate agencies play the critical role to match the right land for the right developer and reduce time to seek and time to market or the real estate product.

### **1.1.2 Overall of developer and investor**

From the developer or investor its self, they need the information to take the risk with expectations of high return or some return. There are many factors that they need to gather before to decide whether it's worth to invest or not. This research will be conducted to find out that factor as well.

### **1.1.3 Overall of landowner**

There are many reasons of the landowner to sell their land, some of them need the money for another plan in the future, some of them are the investor who flip the land which mean that they buy and sell when they see the opportunity to make a profit. For the investor itself, they might know how to reach another investor and how to present. But for the landowner who didn't have the experience to sell their land, they will find the challenge to reach the developer or investor, and even don't know how to present their own land to get the right value or didn't know how much that price should be.

#### **1.1.4 Overall real estate agent**

In the report on NAR show that buyer found the home they purchased 51% on the internet, 34% from real estate agent, 8%-yard sign/ open house sign, 4% friend, relative or neighbor, 2% home builder or their agent, 1% directly from the seller or knew seller, 1% print newspaper advertisement. [3]

#### **1.1.5 Overall of real estate agency in Thailand**

Since in Thailand, there is a few of public statistical report of the real estate agency. Even the Thai Real Estate Broker Association (TREBA) is established for a long time, but the useful information and report are not free public. Each company must make their own private research. But the trend of the channel is the same as the trend in the USA which mean that the online channel is increased to reach the real estate from buyer to seller and vice versa.

Regarding the information above, we would like to know that what are the challenging of the land acquisition process and then come up with proposing the solution for improvement?

### **1.2 The Aim and purpose**

This research will focus on the topic of how to help all stakeholders, including developer, land owner and real estate agents how to run their own operation and improve more productivity, efficiency, better turnaround time.

#### **1.2.1 Pain point/ Challenge**

There are many of pain point and challenge which all stakeholders might encounter with. Here is key pain point and challenge which is 1) Sellers would like to sell their land faster 2) Sellers do not have many channels to reach out buyer 3) Seller have not much knowledge and how to present and attract the buyer and their target customer 4) Buyer would like to buy land that can allow them to make a profit as much as they can and 5) Buyer have no enough information or spend a lot of time to compare and make decisions

#### **1.2.2 Research question**

This research will propose the solutions to close the gaps of the existing land acquisition process.

### **1.2.3 Research objective**

A seller can reach out more channel of sellers and faster process to sell with the satisfaction pricing

A buyer can compare more land with enough information before deciding

### **1.2.4 Expected benefit**

There are main 3 benefits which the author expected, which is 1) Seller can convert their asset more liquidity 2) Buyer can faster make decision and faster time to market for their own real estate product and 3) Improve the standard and add value to real estate agency industry

## **1.3 Contribution of Study**

Most of the research that we found about real estate is about the criteria of land selection, regulation and development. We can have found some of the reports from the association or company about the statistic of selling a house, apartment, condominium, but for selling raw land, there are a few researches. It's not easy to find out the opinion or challenge that landowner found.

In this research, the author will interview all of them, including 1) developer, 2) landowner and 3) agent. The study will be made through the land acquisition process to find out the issue and challenge of dealing to buy and sell land. Then the author will come up with the solutions to solve that problem and streamline the process to allow all of them earn the benefit from the solutions.

## **CHAPTER II**

### **LITERATURE REVIEW**

#### **2.1 Introduction**

From the current situation of real estate agency in Thailand. There are 159 brokers found in DDproperty [4] and 779 brokers found in Dotproperty [5] which including company, group and individual agency. In Thailand, to work as the real estate agency, the licenses are not required. Anyone who can find the estate from the owner which is house, condominium, raw land, apartment and owner willing to sell, they can ask to be the agency to promote that estate to the buyer and get typically 3% commission of the selling price or depend on the negotiation. That's different from the USA which needed the real estate agency license. So, in Thailand, since anyone can be the real estate agent, no need the education of the best practice to be professional and ethical on how to sell the real estate which lead many of the estate in the public internet or billboard that they promote are not well present the value of that asset.

The trend of real estate business in the first half of 2016 [6] shows that the demand is continuing to increased 6.5% in Chiangmai, Phuket, Konkhaen, Chonburi and Songkla which mean that the trading of land is still growing in the main city of each region. Which means that the developer must find out and invest in raw land to develop housing, condominium, office building and so on to make a profit. The landowner has more opportunity to sell their land and get cash. Estate agents have high chance to act as the agent to get commission fee.

Trading to buy and sell raw land are still growing. Land sourcing and acquisition is the process to make these 3 stakeholders, including, 1) Property developer, 2) Landowner and 3) agent involve together to earn their benefit and interests.

## **2.2 Definition Term**

### **2.2.1 Property developer**

A person whose job involves buying and selling buildings land, and arranging for new buildings to be built [7]

### **2.2.2 Landowner**

Someone who owns land, especially a large amount of land [8]

### **2.2.3 Estate agent**

A person whose job is to arrange the sale, renting or management of homes, land and buildings for the owners [9]

## **2.3 Construction of Conceptual framework**

### **2.3.1 Land acquisition model and risks**

Referring the research paper [10], there are 5 of land acquisition models 1) Direct acquisition from land owner, 2) Development agreement between farmer/landowner and developer, 3) Long term lease from government/land owners, 4) Magarpatta model – Farmers’ Direct investment, 5) Redevelopment Model, and 6) Private equity funding either from local firms or through FDI. This research is the information in India market how the land can be acquired to build the building.

“the risks related to delays in land acquisition (market and regulatory risks) and actual sales of units (development potential risk) must be accounted for at the time of project financing and structuring” [10]. This statement explains that the faster and delay of land acquisition are the risks to be managed.

### **2.3.2 Land selection criteria**

According to the research [11]. There are 20 factors that the developer consider which is 1) land physics, 2) proximity apartment with urban activities center

and road, 3) availability of public transportation, 4) availability of urban utilities, 5) vacancy land, 6) population density, 7) land price, 8) land tax, 9) landowner status, 10) zoning, 11) aesthetic, 12) location in growing suburb, 13) urban and regional planning, 14) organization culture, 15) corporate planning, 16) township area, 17) ability of developer, 18) market demand, 19) local culture, and 20) security. This research is the information in Surabaya which is a port city on the Indonesia island of Java. The research gathers from the developer perspective how they weight to select the raw land.

### **2.3.3 Estate agent and online channel**

“Over 80% home buyers and sellers carry out their transactions with the assistance of licensed real estate agents” [12]

“on the popular real estate website trulia.com, home searchers can set an alert that triggers an email whenever a house with their desired characteristics comes on the market.” [13]

“We observe the search parameters in a large sample of such email alerts. Housing search occurs predominantly along three dimensions: geography, price and, to a lesser extent, house size as captured by the number of bathrooms” [13]

“In 2016, buyers worked with an agent 88 percent of the time to find their home”, “99% of Millennials search on online websites compared to 89% of Older Boomers and 77% of the Silent Generation” [14]

From the above statement, it shows that in USA, professional agent plays the important role to help the buyer and seller get what they want to buy and sell property. And Online is the most channel the people access the potential property.

### **2.3.4 Landowners decisions to sell or hold**

“Primarily, the landowner's decision to sell or hold the land depends upon his satisfaction from the pecuniary income from the land in the form of current and expected income, relative to income from alternative investments” [15]

“The pecuniary aspect of the landowner's decision to sell or to hold the land relates to the net annual holding cost of the land, the costs that would be incurred in shifting to another investment, the opportunity costs of capital, and the time period

of the investment. "Secondarily, the landowner's decision depends upon his relative satisfaction from nonpecuniary income from the land in the form of 'farming as a way of life,' the land as a residence, 'love of the land,' or privacy and status." [16]

From the above statement, the landowner also has the reason to hold or sell which depend on the income that they will sell is higher or lower than hold. The income can be formed of monetary or non-monetary. That might lead the price negotiation is fail since the land owner can set the price base on their satisfaction, not set from the market price or only set from developer perspective.

## **2.4 Conceptual framework**

Regarding the literature reviews, the author notices that there are the potential challenges of the land acquisition process and since there are at least 3 stakeholders involve in this process. Each of stakeholder has their own interests for their benefit, the communication might be shrinking or distorted, take a lot of time, mismatch between requirement and land specification, negotiation fails.

So, this research will interview all 3 stakeholders to find out the challenges through the process from the developer, landowner and agent. Then will come up with the purpose solutions to streamline the process, increase the satisfaction of all stakeholders to meet their interests.



## **CHAPTER III**

### **RESEARCH METHODOLOGY**

One of the critical success factors in real estate development is the location. Every single land has their own uniqueness and supply is limited. To find out the match land is not easy and take time.

Some landowner needs the liquidity, but the channel to reach the investor and match their requirement is not easy.

The agent is the intermediate person who can connect developer to access many varieties of land. In the same way, the agent takes the role as the distributor to promote land from the landowner to the developer.

This paper will find out the challenge through the land acquisition process with the qualitative method to understand the real issues in the process.

#### **3.1 Research Design**

We conduct the research with in-depth interview as the qualitative method to get more deep-down information base on the response from the interviewee. But we prepare the guideline and key questions to control the overall scope of information.

The main objective is to understand each different perspective in each group and which one is the share common or different experience in that group.

Based on the questions, we might find the challenge which causes of different interest, but 3 of them play the role and be one of important part in the same process.

The duration is set for 15-30 minutes based on their experience and willing to share the information.

## 3.2 Population

In this research, there are 7 interviewees from 3 groups. 2 Interviewee per groups.

The prospective of developer is the business owner or senior role in the company who in charge of land acquisition process. We didn't specifically how many of the project that they built. We didn't specifically how big of their project. We didn't specifically how many years of their experience. But we ask some of the above question for the information and we would like to know the process and challenging when they buy the raw land.

The landowner can be a landowner in the title deed or the member of the family who in charge of the selling process. We will ask about their experience and challenge when dealing with the agent and developer

The agent are the people who have the experience to sell land for landowners. We didn't specifically how many years of experience. We didn't limit how many that they close the deal. But we ask some of the above questions for the information and we would like to find out what is the challenge when they have in dealing with the developer and land owner.

## 3.3 Interview Questions

### 3.3.1 For Developer/Investor

3.3.1.1 General / screening / demographic questions, there are 4 main questions, including 1) Please introduce yourself? 2) How old are you?, please tell me about your business? and How long of your experience in real estate?

3.3.1.2 Specific questions, there are 5 main questions, including 1) Please tell me about your land sourcing/acquisition process, 2) What is your selection criteria, 3) Please tell me about your sourcing channel (internet, poster, direct, agent,..), 4) Please tell me about your experience when you deal with the agent, and 5) What is your most challenging and experience of land sourcing/acquisition

3.3.1.3 Additional questions, asking with an open-end question which is "Are there any questions that I didn't ask you or you would like to share?"

### **3.3.2 For Landowner**

3.3.2.1 General / screening / demographic question, there are 4 key questions including 1) Please introduce yourself? 2) How old are you?, please tell me about your business? and How long of your experience in real estate?

3.3.2.2 Specific question, there are 4 key questions, including 1) Please tell me about your selling channel (internet, poster, direct, agent...), 2) Please tell me about your experience with the agent and developer (buyer), 3) What is your most challenging of land selling, and 4) What is your most challenging of dealing with the agent and developer (buyer)

3.3.2.3 Additional question, asking with an open-end question which is "Are there any questions that I didn't ask you or you would like to share?"

### **3.3.3 For agent**

3.3.3.1 General / screening / demographic question, there are 4 key questions, including 1) Please introduce yourself? 2) How old are you?, 3) Please tell me about your business?, and 4) How long of your experience in real estate?

3.3.3.2 Specific questions, there are 6 key questions, including 1) Please tell me about your land sourcing and selling process, 2) Please tell me about your land selection criteria, 3) Please tell me about your sourcing and selling channel (internet, billboard, direct, ...) 4) Please tell me about your experience when dealing with developer (buyer) and land owner (seller), 5) What is your most challenging of land sourcing/selling, and 6) What is your most challenging of dealing with developer (buyer) and land owner (seller)

3.3.3.3 Additional questions, asking with an open-end question which is "Are there any questions that I didn't ask you or you would like to share?"

## CHAPTER IV

### DATA ANALYSIS

#### 4.1 Demographic

These data were collected on July 2017 from 6 interviewees. They are divided into 3 groups which are 1) developer, 2) landowner and 3) agent

**Table 4.1 List of Respondents**

	Occupation	Gender	Age
Interviewee 1	Developer	Male	27
Interviewee 2	Developer	Male	42
Interviewee 3	Land owner	Male	31
Interviewee 4	Land owner	Male	44
Interviewee 5	Agent	Female	36
Interviewee 6	Agent	Female	43
Interviewee 7	Agent	Male	36

#### 4.2 Finding

Regarding the stakeholder who involve in this process, there are 3 groups which are 1) Developer, 2) Land owner and 3) Agent. After finishing the interview, we found the interesting information as described below

##### 4.2.1 Developer

From the developer standpoint, we find out the information from end-to-end of their land acquisition process and what is the challenge that they encounter

4.2.1.1 Land sourcing and selection process, “There are 2 methods, first is joint with landowners, land owner will ask which project that they can build to sell and make profit as they want”; Interviewee 2

“Another method is we have the project to be built. We would like to build condominium near BTS or city condominium or luxury twin house, meaning that we have a product to be built, then we will find out and match land with our product”, Interviewee 2

“I sent my team to check 10 sites, they screen in to 3, then I check 3 sites. In the end, If I would like to buy, I must check every site by myself”, Interviewee 2

“We will assign them to check the location, do marketing survey, site surrounding and see there are any concern”, Interviewee 2

There are 2 main approach, first approach is the opportunist when the land owner would like to partner with developer to make more profit, the second approach is if the developer has their project in mind then find out and match land. The marketing survey and site surrounding are needed.

“Land selection, first of all, we have to answer which product from this land can be produced and the most important, we have to know what we would like to do and which business are succeeded in that area, we have to answer whether our project can be sold”, Interviewee 1

“We have to set clear objective before site visit because of every single site visit is take a lot of time, we will not meet and match land at once, we have to visit 20-30 rounds to found the potential land”, Interviewee 1

“After did cost of land, cost of construction calculation. Will we get the profit? Comparing with selling price of the competitor who sold out in same area, same specification”, Interviewee 1

“First criteria are to check the competitor with big magnet such as market, transportation station, office area or community, not always need to be located at main road”, Interviewee 1

"We study the potential of this land and see whether is product that we feel comfortable to put on. Ok, this is the usually how we do. Now, of course it's come the other ways as well where we have the target to buy the land for this particular product and see will we source for it", Interviewee 7

"It's depend on what product we want to put on right? If we want to put on let say no interference, near BTS station, the size is big enough, proper

efficiency building. If we are looking for the loft product. That is needing to be I would say that walker to the mass transit station. Its need be enough the side that we can put to be main area, proper space in the building. So, high and view it's important for us a lot. The view is very important. Hall high I can go. It's important. The access is important", Interviewee 7

Developer have to set the objective since the site survey is taking time, then do cost calculation and competitor survey. Not always need the location on the main road if that land has the big magnitude surrounding.

4.2.1.2 Sourcing channel, after they have the objective and set clear goals to buy land, here is the channel that they use to reach that land

"Most channel is the agent, agent is the specialist is this area", "Second is my personal networking who know me as the developer in this area, can be from my friend, relative, my student", "Another way is I search by myself, there are poster or search on the internet", Interviewee 2

The main sourcing channel is from the agent, the personal networking and from the poster or internet

"First, I will pinpoint zone, I confident in this zone..., I will inform the agent in my network about my requirement", Interviewee 1

"Most channel is from agent 80%", Interviewee 2

"So, whether we go direct we always try to go direct. We also go to certain broker sometimes or broker come to us. Yes, this is all ways", Interviewee 7

"Directly to social media, the best is the friend of friend, good connection", " For agent we carefully select our agent , "Interviewee 7

The developer will do zoning pinpoint and inform the agent to finding the land, the sourcing is from agent 80%. And some from social media and personal relationship.

4.2.1.3 Challenging and experience of dealing with agent, the agent is one of the most channel that the developer use to find the land. The challenge of dealing with the agent and recommendation is collected as explain below

“There are unprofessional agents, didn’t know even the size of road, cannot measure. Unprofessional cannot stand in this career, I will not use their services, some of them didn’t know landowner, this is an issue”, Interviewee 2

“Many agents who provide inaccurate information with or without intention because of would like to sell. From my 20 years’ experience, there are many case to tell about the agent. The proportion of unprofessional agent is bigger than professional agent. If I met 10 agents, professional less than a half...In other country, agent have to have license, they need to know land regulation, construction regulation, zoning, tax. In Thailand, even shopkeeper can be the agent”, Interviewee 2

“You get commission 3% of THB 100 million which is THB 3 million, why you don’t study to get enough knowledge”, Interviewee 2

“The smart developer has to have the agent as the partner”, Interviewee 2

There are many unprofessional agents more than 50% who didn’t provide the enough nor accurate information. But the developer need the agent as their partner.

“From my perspective, there are 50% of agent cannot explain us about where the land is located... When we asked where is located, how width and depth, more than 50% of agent cannot answer”, Interviewee 1

“Most of agent provide incomplete information”, Interviewee 1

“We inform our requirement, but agent find the unmatched land”, Interviewee 1

“Sometime, we give agent unclear requirement, which lead difficulty for agent to find the matched land. Agent is the occupation which easy to be complained. Most important, we have to provide them how much budget we have, objective, width”, Interviewee 1

Similar as the interviewee 2, interviewee 1 told that there are many unprofessional agents in the market around 50% who didn’t know about their products, agents didn’t understand or propose the unmatched land to the developer.

"Very very professional, but they don’t have much stock", Interviewee 7

"Sometimes they think that they are the agent. It's such quite a headache to manage all that because of people is non-exclusive here. The landowner never gives exclusive to agent. So, you know you can discuss one plot, then suddenly someone else bring the same plot and then screw up the whole deal because... easy to blame of what they do, is that not all of them but a lot of them", Interviewee 7

Interviewee 7 have work with professional agent but he raise another interesting point which the number of land plot in their stock is less.

4.2.1.4 Challenging and experience of dealing with land owners, after they screen the land that meet their requirements, the next challenge is when the dealing with the land owner

"Sometime, landowner set the price as THB 200,000 per sqm. This land is beautiful but pricing is set as for next 5 year price....the issue is price, is not the location, its not the regulation issue, the issue is overprice, no one buy", Interviewee 2

"Landowner didn't do their homework, didn't know about zoning, FAR, regulation, they know only they prefer at this price. This is the issue, its overprice", Interviewee 2

"If the actual price is THB 100, I have face with THB 400, 4 times! Landowner didn't care anything, their land is in Soi (alley) which can build only 8 floors, but they set price as same as the land located at main road. Land located at main road can build 30 floors. They didn't understand", Interviewee 2

"I am not talking when the ask me to do a letter I never do the letter. But you bring the landowner to check hand, I better check by don't do letter. I think we are big enough the landowner knows that if my company interested in to buy we are serious we are not just like,.. you know", Interviewee 7

"Willingness to sell", "Regardless the price, they don't want to sell. Then you never be able to get it", Interviewee 7

"Well, a lot of the reason all usually family matters whether it's the family can't sell, or the family of land title is different name, sibling. Then thing is complicated and they don't want", Interviewee 7

The key challenges when dealing with land owner is the overpricing. The cause from lack of information awareness and education about the



potential value how much that land can be developed. Another interesting point is willingness to sell, price is not matter in this case which might happen when dealing with the landowner who have no trouble with money or no need money immediately and some complicated of the decision process in their family.

4.2.1.5 Additional interesting point, during the interview, there are many interesting points that we got from developer experience who would like to share us the information

“Most of land is the land that even drive long distance didn’t see any land like this. There is no comparable land. I make fast decision. Some land is THB 100 million. I take only 3 days, because there is no supply. Beautiful land, if take longer than a week, how I can compete with big developer. I have to make it fast”, Interviewee 2

“I in-depth, vertical approach. I cannot diversify. I build only 2-3 projects. If I build carelessly, I cannot compete them. I must make it fast. I have to build in the area that I confident, rich of information, this is my strategy”, Interviewee 2

The developer must get enough information and buy the potential land faster than competitors.

“I think that they (agent) have to develop in 2 areas, first is improve professional standard. We have to make list which knowledge domain required e.g. land regulation, contract, construction regulation and so on. Second, ethical, agent have to have ethical. Ethical for buyer, ethical for seller”, Interview 2

“After I have experience about this (unethical). I no longer use from this agent. Even they have many list of land, I will no longer use their services. Because the developer is very concern about the ethical”, Interviewee 2

“If agent provide us complete information. Double check is easier than find out the information. You are the agent and send the complete information, and then we double check. It’s faster. We will appreciate as you are professional”, Interviewee 2

“I would like you to add into the thematic paper, developer require the agent have the professional standard.... Agent can make big impact, there

are 100 million or 1,000 billion deal size. If agent who is dealing, high reliability is needed. Agent have to have professional standard”, Interviewee 2

The agents should be the professional agents as well as the ethical.

“Our risk is high, we have no chance to fail. Homework and research is so important”, Interviewee 1

“If we found beautiful land, we will be anxious, someone else might buy it. We will try to close the deal as fast as we can. Since nobody know while we see the potential, someone else also can see that potential”, interviewee 1

“The important thing is we have to understand our land...we have to understand that property, at least once site visit before posting”, interviewee 1

“We have to invest big amount, we have to check carefully, rather than wrong buying and take risk”, Interviewee 1

"I think the knowledge that I didn't touch on is regulation. When you buy a piece of land. Usually we developer very quickly because we concern about the regulator may make it better or worst. The better is good. But as a risk of company you cannot take a risk", "So, I would say the point is the visibility of the regulations", " So, I say this is very challenge especially may be for foreigner " Interviewee 7

Developer are risk taker, they must have the complete and accurate information, but at the same time. They must buy that land as fast as they can if they found the matched land before someone else does.

Another important point is the challenge for international or foreigner developer is the visibility of the regulations which can be always change. The developer must keep close update and understand correctly. Since the might be some unclear or miscommunication from Thai wording to English.

#### **4.2.2 Landowner**

Land owner, when they would like to sell their land to turn the asset to the cash liquidity. Every single land has their own uniqueness, So, to match with the requirement of the developer is the challenge.

##### **4.2.2.1 Selling channel**

“Poster, agent, personal networking”, Interviewee 4

“Most channel is from agent”, Interviewee 4

“Typically, I use free directory website, free of charge, personal networking, agent”, Interviewee 3

There are many channels that landowner use to promote their land, including poster, mostly is the agent and personal connection

#### 4.2.2.2 Challenging and experience of dealing with agent

“Use agent for 6-7 months but cannot be sold yet”, Interviewee 4

“Disadvantage is we have to pay expensive commission fee to agent”, Interviewee 4

“I only accept non-exclusive contract”, Interviewee 4

Land is posted many months, but cannot sell. Some of the agent would like to be exclusive agent, but landowner denied.

“I think that I better than agent for presenting, agent cannot present the value of my land. Some agent didn’t know how big of land size, they just only post on the free web site. I don’t want agent to do only post on free web site, I can do that”, Interviewee 3

“Many agents ask me to sign contract, I have to check carefully. Not allow to limit my channel to sell and the effective period is no too long”, Interviewee 3

“I understand that agent is take a lot of effort, if the agent can help them to sell. I willing to pay”, Interviewee 3

The gent didn’t try to understand the product and cannot present the value of that land to the developer. But if the agent can sell, landowner willing to pay for their efforts.

#### 4.2.2.3 Challenging and experience of dealing with the developer

“I never met real developer/investor”, interviewee 4

“I am not sure they is developer/investor, but from my experience told that they will pledge, but then they disappear”

Land owner even didn't sure who claim to be developer are they claim to be. Its mean that they have a little chance and experience to reach the developer.

### 4.2.3 Agent

“My role is the intermediate person”, interviewee 5

The agent is the intermediate to communicate with the developer and landowner. Here is what we found

#### 4.2.3.1 Sourcing and selling channel

“Online, Agencydd web site. Both customer, most is seller. Buyer is less”, Interviewee 5

“Offline is poster, in the past we did but it's not work. Then we no longer use”, Interviewee 5

“Investor is come from the connection of connection of connection.”, Interviewee 5

“Currently, most of customer are contact direct to our company by both online and offline. From statistic, most of customer are from personal connection and who confident in us, they will contact us by themselves”, Interviewee 6

Online channel and personal trust and connection are the effective channel for sourcing and selling land.

#### 4.2.3.2 Challenging and experience of dealing with land owners

“Information is incomplete, we have to ask them for further information”, Interviewee 5

“Pricing issue, everyone would like to sell as high price as they can”, Interviewee 6

“They would like us to improve speed to do the marketing and selling. Money is in another person's pocket. I cannot force them...sometime its about the economy or set up price, Interviewee 6

The information is not completely from the developer site. Landowner complains that why the agent delay to close the deal.

#### 4.2.3.3 Challenging and experience of dealing with developer

“Seller would like to sell, but investor think that it’s have no potential, they don’t like to buy”, Interviewee 5

“It’s difficult. Its spent a lot of effort to get the information and pressure from investor and landowner who they have different requirement. We have to make both happy”, Interviewee 5

The developer didn’t buy into the value of that land. Did not see how much it's worth to invest.

### 4.3 Reflections of Interviewee

**4.3.1 From developer experience,** there are 4 key interesting points which we found from the interview. Firstly, there are equal or more than 50% of unprofessional agent that developer encounter in the market. Secondly, there are unethical of agent in the market, and the developer will no longer use their services anymore. Thirdly, the land owner sets the overprice and lack of land knowledge. Finally, the developer needs the complete, accurate information to manage the risk, and need to buy the land which matched their requirements as fast as they can before someone else does.

**4.3.2 From land owner experience,** there are 5 key interesting points which we found from the interview. Firstly, the agent didn’t understand their product enough. Secondly, the agent cannot present the value of their product (land). Thirdly, some of land owners understands how much the effort of the agent has to spent, so they willing to pay for the commission, but some land owner thinks that the commission fee is too expensive. Fourthly, the land owner encounter a few of whom claim to be the developer, but the land owner even not sure that they are the person

that they claim to be. Finally, the landowners must read the agent's contract carefully and most of landowners don't like to sign the exclusive contract.

**4.3.3 From agent experience,** there are 5 key interesting points which we found from the interview. Firstly, the land owner didn't give enough information on first meeting. Secondly, the land owner complains about the delay of closing the deal to sell their land. Thirdly, the developer didn't buy in the value of that land. Fourthly, sourcing and selling channel are from online and personal networking. Finally, the agent must have spent effort and show the professional capabilities before getting the agent contract from land owner.



## CHAPTER V

### CONCLUSION AND RECOMMENDATIONS

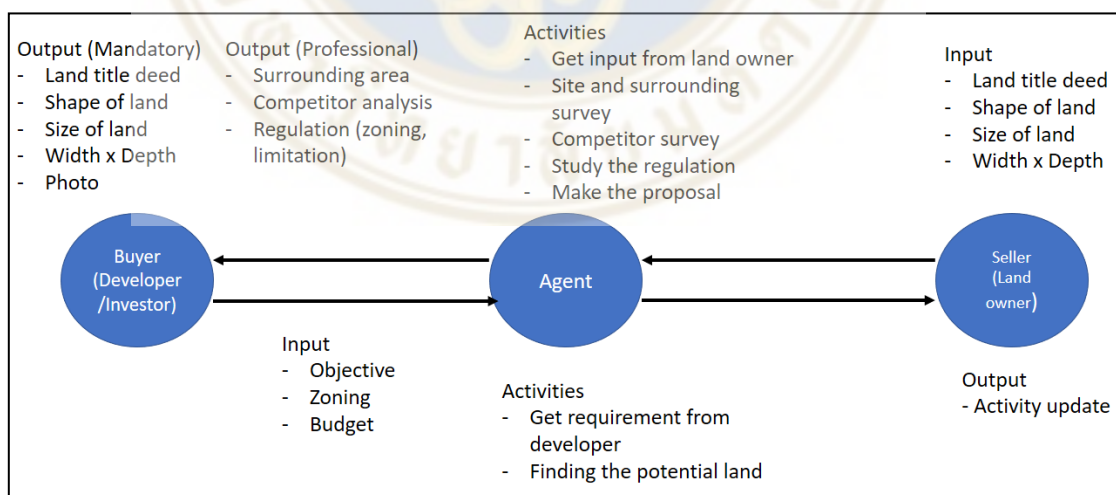
#### 5.1 Conclusion

From this research, we can conclude that every group have encountered with the challenge of dealing with each other. Each group has their own point of view. This study enables us to understand the big picture of the process as well as how they think about each other. We found the issue, lead us to find the solutions.

#### 5.2 Recommendations (Propose solutions)

For the research, we found set of activities for the agent to give the benefit of all stakeholder s

##### 5.2.1 Interaction flow



**Figure 1: Interaction flow**

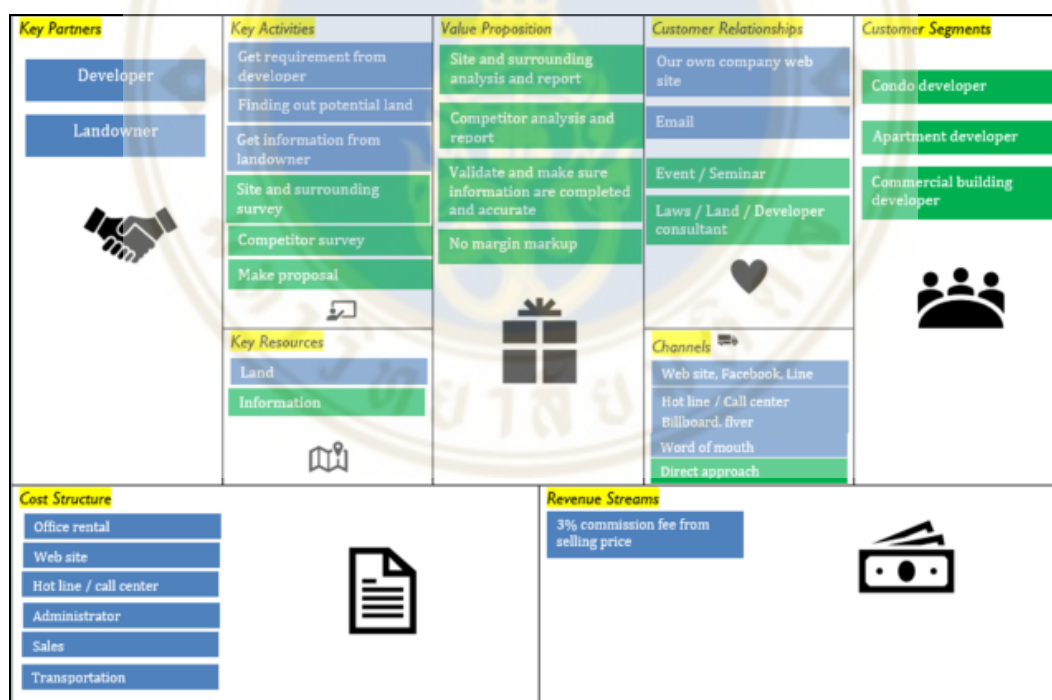
The agent is the intermediate to get the requirement from developer/investor which is objective to buy the land to build the commercial building, apartment, condo, house, etc. The activities that the agent will do is find out the

potential land and get input from land owner which is the land title deed, shape of land, size of land and width x depth which all of this information can be retrieved from the title deed that the basic information

To enhance more value of the agent to benefit for the developer, the agent have to spend more effort to do the site survey, take a photo, roam around 2-5 kilometer radius to research how far of this land from the important place such as office buildings, government office, hospital, college, department store, main road, BTS and so on. Then do competitor survey, e.g. if the developer's objective is to build, agent have to check how many of commercial building are selling in the market, how much price that they sell, they sold out or no one buy, etc..

Once the information is complete, agent have to analyze, digest the useful information for developers to make the decision faster.

### 5.2.2 Business Model Canvas



**Figure 2: Business Model Canvas**

5.2.2.1 Key Partners, the developer is the key partner who would like to buy raw land

5.2.2.2 Key Activities, there are 6 key activities. Firstly, getting land information from the land owner. Secondly, site and surrounding survey. Thirdly,



competitor survey. Fourthly, make the proposal. Fifth, getting the requirement from the developer. Finally, finding potential land

5.2.2.3 Value proposition, there are 4 keys value proposition. Firstly, site and surrounding analysis. Secondly, competitor analysis. Thirdly, completed and accuracy information. Finally, ethical.

5.2.2.4 Customer Relationships, create and maintain the relationship through website, email, CRM software on a cloud

5.2.2.5 Customer Segments, the developer/land investor, they are the buyer which we focus only developer and investor who will buy raw land

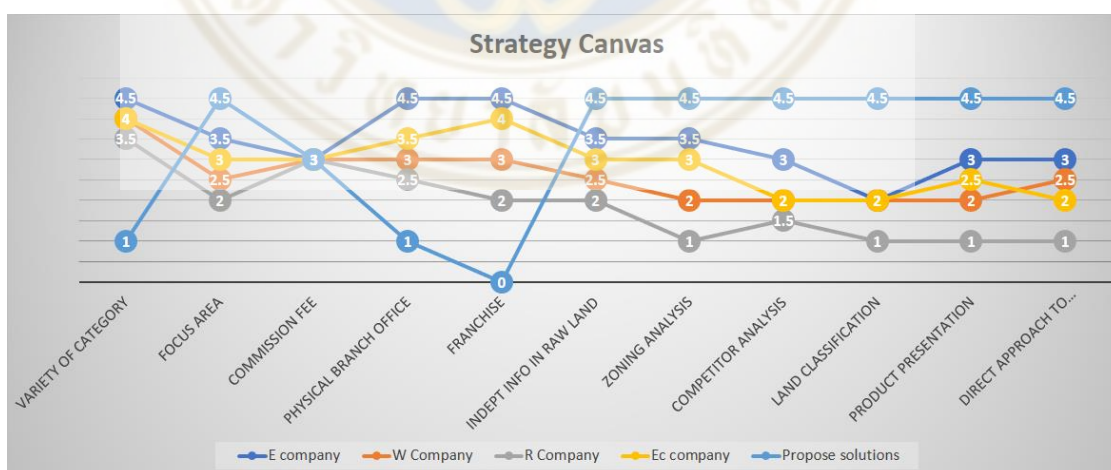
5.2.2.6 Key Resources, there are 2 key resources. Firstly, raw land. Secondly, information of land and surrounding area, regulation

5.2.2.7 Channels, we will use 3 channels. Firstly, Website, Facebook, Line application. Secondly, call centre. Thirdly, billboard, flyer

5.2.2.8 Cost structure. There are 4 keys of cost. Which is 1) office rental, 2) call center, 3) administrator and 4) Transportation

5.2.2.9 Revenue streams. The standard commission is 3% of the selling price

### 5.2.3 Strategy Canvas

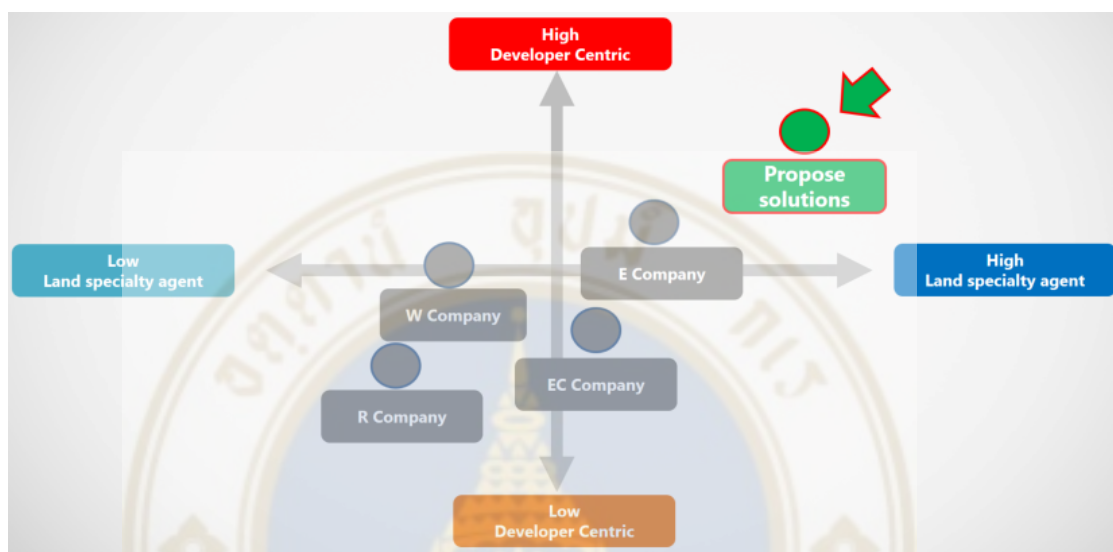


**Figure 3: Strategy Canvas**

There are 10 services and capabilities that we consider entering into the market, including 1) Variety of property category, 2) Focus area, 3) Commission fee,

- 4) Physical branch office,
- 5) Franchise,
- 6) In-depth information on land,
- 7) Zoning analysis,
- 8) Competitor analysis,
- 9) Land classification,
- 10) Product presentation and
- 11) Direct approach to the developer

### 5.2.4 Positioning Map



**Figure 4: Positioning map**

Another company will be the agent for many categories of real estate and the information is the basic information for general or any purpose.

The purpose solutions will be get and present the information for the developer which being in-depth and analysis the information of land for real estate development.

### 5.3 Limitations

Since the limitation of resource and time to get bigger sampling sizes, the information is collected from the small sampling size.

Also, there are main 3 stakeholders, the proportion of interviewees is based on the personal networking and willing to be the interviewee.

#### **5.4 Future Research**

The suggestion for the future research if the resources and time are adequate. The researcher should interview bigger sampling size and balance the proportion of developer, land owner and agent. The methodology can be mixed from both qualitative and quantities to get more insight of the number of land, time consuming, the value of land



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## APPENDIX A

### Interviewee 1 (Developer)

Interviewer	Interviewee 1
Please introduce yourself	My name is Interviewee 1, I am 27 years old. I build townhome, house for rent, inventory stock for sell
What is your land selection criteria?	Land selection, first of all, we have to answer which product from this land can be produced and the most important, we have to know what we would like to do and which business are succeeded in that area, we have to answer whether our project can be sold
Normally you will have the objective, first?	First, I will pinpoint zone, I confident in this zone..., I will inform the agent in my network about my requirement
Have you found land first and the define the objective?	We have to set clear objective before site visit because of every single site visit is take a lot of time, we will not meet and match land at once, we have to visit 20-30 rounds to found the potential land
You criteria is set the objective first, and what this land can be produce, and the competitor analysis	After did cost of land, cost of construction calculation. Will we get the profit? Comparing with selling price of the competitor who sold out in same area, same specification
Is your weight the shop, department store around that land or only competitor analysis is enough	First priority is to check the competitor with big magnet such as market, transportation station, office area or community, not always need to be located at main road  Our risk is high, we have no chance to fail. Homework and research is so important
Please tell me you experience with the agent	From my perspective, there are 50% of agent cannot explain us about where the land is

	<p>located... When we asked where is located, how width and depth, more than 50% of agent cannot answer</p> <p>If we found beautiful land, we will be anxious, someone else might buy it. We will try to close the deal as fast as we can. Since nobody know while we see the potential, someone else also can see that potential</p>
Do you check in the internet and pin pint and call the agent?	Correct We search on the internet, We inform our requirement, but agent find the unmatched land
Which skill that think agent should improve?	The important thing is we have to understand our land...we have to understand that property, at least once site visit before posting
Are there other challenge?	We have to invest big amount, we have to check carefully, rather than wrong buying and take risk

### Interviewee 2 (Developer)

Interviewer	Interviewee 2
Please introduce yourself	I am interviewee2, I work in real estate for 20 years. I used to be CFO of xxx company. Currently, I am managing director of 2 real estate developer company.
What is your land selection criteria?	<p>There are 2 methods, first is joint with landowner, landowner will ask which project that they can build to sell and make profit as they wan</p> <p>Another method is we have the project to be built. We would like to build condominium near BTS or city condominium or luxury twin house,</p>



	meaning that we have a product to be built, then we will find out and match land with our product
What is your sourcing channel?	Most channel is the agent, agent is the specialist in this area”, “Second is my personal networking who know me as the developer in this area, can be from my friend, relative, my student”, “Another way is I search by myself, there are poster or search on the internet
You check on the internet and site survey by yourself?	I send my team to check 10 sites, they screen in to 3, then I check 3 sites. In the end, If I would like to buy, I must check every site by myself
What kind of information in the report?	We will assign them to check the location, do marketing survey, site surrounding and see there are any concern
Do agent have to think like developer?	There are unprofessional agents, didn't know even the size of road, cannot measure. Unprofessional cannot stand in this career, I will not use their services, some of them didn't know landowner, this is an issue
How many land that you compare before make a decision?	Most of land is the land that even drive long distance didn't see any land like this. There are no comparable land. I make fast decision. Some land is THB 100 million. I take only 3 days, because there are no supply. Beautiful land, if take longer than a week, how I can compete with big developer. I have to make it fast
How long of the longest time that you take a decision?	Sometime, landowner set the price as THB 200,000 per sqm. This land is beautiful but pricing is set as for next 5 year price....the issue is price, is not the location, its not the regulation issue, the issue is overprice, no one buy
That's mean you know that zone quite well you make decision very fast.	Yes, I in-depth, vertical approach. I cannot diversify. I build only 2-3 projects. If I build carelessly, I cannot compete them. I must make it fast. I have to build in the area that I confident, rich of information, this is my

	strategy
What is the challenge when you dealing with agent and landowner	Many agents who provide inaccurate information with or without intention because of would like to sell. From my 20 years' experience, there are many case to tell about the agent. The proportion of unprofessional agent is bigger than professional agent. If I met 10 agents, professional less than a half...In other country, agent have to have license, they need to know land regulation, construction regulation, zoning, tax. In Thailand, even shopkeeper can be the agent
What is ethical issue that you encounter with?	I found some case when I visit site and recheck and measure the land. While we are measuring, landowner ask us what you are doing. I never tell you that I will sell my land. But the agent told me land owner would like to sell. Landowner didn't aware about this before.
What is ethical issue that you encounter with?	I found some case when I visit site and recheck and measure the land. While we are measuring, landowner ask us what you are doing. I never tell you that I will sell my land. But the agent told me land owner would like to sell. Landowner didn't aware about this before.
Without landowner consent?	After I have experience about this (unethical). I no longer use from this agent. Even they have many list of land, I will no longer use their services. Because the developer is very concern about the ethical  If agent provide us complete information. Double check is easier than find out the information. You are the agent and send the complete information, and then we double check. It's faster. We will appreciate as you are professional
Do agent have to know regulation,	You get commission 3% of THB 100 million

zoning, FAR,..?	which is THB 3 million, why you don't study to get enough knowledge
If you met the professional, you will keep for long relationship?	The smart developer has to have the agent as the partner
Do you have challenge when dealing with landowner?	Landowner didn't do their homework, didn't know about zoning, FAR, regulation, they know only they prefer at this price. This is the issue, its overprice
How much of overprice? How times?	If the actual price is THB 100. I have face with THB 400, 4 times! Landowner didn't care anything, their land is in Soi (alley) which can build only 8 floors, but they set price as same as the land located at main road. Land located at main road can build 30 floors. They didn't understand
Are there any question that I didn't ask you or you would like to share?	"I would like you to add into the thematic paper, developer require the agent have the professional standard....Agent can make big impact, there are 100 million or 1,000 billion deal size. If agent who is dealing, high reliability is needed. Agent have to have professional standard

### Interviewee 3 (Landowner)

Interviewer	Interviewee 3
Please introduce yourself	My name is interviewee 3. I am 31 years old.
What is your selling channel?	Typically, I use free real estate marketplace website, personal connection, or sometime agent walk-in.
Please tell me your experience with agent	I met many of agents

<p>How many of agent that you have met?</p>	<p>Almost 10 agents. Pros is the agent have their connection. Some of them is professional, they are in this industry, they have the channel to reach the investor, high chance for me to meet the investor.</p> <p>Cons is there are many of agent is didn't survey, they didn't know about the surrounding that land, province. How much they are selling. Around 50%, just told me that they know this guy, they will propose this guy, most of them is not success. I think that I better than agent for presenting, agent cannot present the value of my land. Some agent didn't know how big of land size, they just only post on the free web site. I don't want agent to do only post on free web site, I can do that</p>
<p>What the information that you think the agent have to prepare?</p>	<p>They have to gather information and analyses the potential of this land. I answer from the perspective of who never study on this topic. I never take course. They should analyse the potential such as this land can be suite for? And how much that other land is selling eg. this size is good for village, commercial building, department store, water park, whatever. Then take a photo, gather information, make photo, report in detail and make its simply to understand. Show the investor, they have much time, they have the assistance. If we make it concise, make it good, the deal can be closed.</p>
<p>Have you ever met the investor?</p>	<p>Investor, I am not sure they are the investor. I met someone he told me that he will pledged. And then he disappears.</p>
<p>What is the challenge of dealing with agent?</p>	<p>Many agents ask me to sign contract, I have to check carefully. Not allow to limit my channel to sell and the effective</p>

	period is no too long.
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#### **Interviewee 4 (Landowner)**

Interviewer	Interviewee 4
Please introduce yourself	My name is interviewee 4, I have my own business, my business is spa and massage
What is your sourcing channel	Poster, agent, personal connection
Which is the most channel that you use?	By agent
How long you use agent channel?	I use agent services for 6-7 months but still cannot sell yet. Almost a year.
Please share you experience with agent	Advantage is we don't need to direct deal with developer. The disadvantage is commission fee is too expensive. Our selling price, and the price that developer is expected is not match. Developer think that it's expensive. The agent suggests us to stand and insist the same price.
Please tell me your experience about exclusive and non-exclusive contract.	I only accept non-exclusive contract
Have you met developer/investor before?	I never met real developer/investor

#### **Interviewee 5 (Agent)**

Interviewer	Interviewee 5
Please introduce yourself	My experience as the agent is 2 years. I have my own website, most of my agent services is consignment and development by joint between investor and landowner
So, may I only focus on the estate agent	Actually, it is not much. The point is that we would like to sell but investor is not

role.	comfortable to buy. Investor think that it cannot moving forward, cannot add the value. They don't like to buy. But we are the intermediate which coordinate until finish. Sometime is not selling, sometimes we will source the capital but customer have to make loan to develop to increase value of their asset. Most of customer who consign because of their credit is not good. They will not make loan from bank. Most of close deal is big deal, rarely of small deal. Big deal size is around THB 100 million.
How may listed?	Counted only success case, there are 3 cases. If we count all, there are a lot.
How long to close the deal?	For the development, is take time. Because we didn't just only matching buyer and seller that so easy. But we have to add the value, we have to present, investor have to understand what we are try to present. There are many activities to do.
Please elaborate more about you presentation	It's the business plan to show that it's good to invest.
Do we have to show the potential number of return?	We didn't do by ourselves. But we have connection to do. Our role is the intermediate. Some people understand that the intermediate is easy. But actually, is not easy, need a lot of effort, we have to consolidate information and handle pressure from both investor and landowner who have different requirement. We have to make them happy
So, you jobs is the coordinator between agent of investor and agent of landowner?	We have to deal as close as we can with landowner and investor. Because the communication might be distorted. If its

	distorted, our project will fail.
Which sourcing channel that you use?	Online is the most channel, our website have both investor and landowner. Most is seller. Buyer a few.
Are there other channel?	Offline poster, in the past we used to but its not work. No longer use anymore.
Which selling channel that you use.	Investor are from connection of connection of connection. Sometimes we didn't get match the right connection at first time. But once we start the connection, there are the linkage to reach them.
What is the challenge of dealing with land owner?	It's about the information, some case we didn't get all information. We have to ask further details.
What is the challenge of dealing with investor?	We have to answer whether we can deliver to meet their requirement or not.

### Interviewee 6 (Agent)

Interviewer	Interviewee 6
Please introduce yourself	I am the owner of xxx company. My business is real estate agent which is established for 3 years. We are the agent from condominium, house, land in xxx province.
For today, may I focus only raw land. How many listed of land you have?	My company have 50-60 raw land listed.
Please tell me about success rate	For my statistic, the ratio of closing the deal is 4.2:1. We are an exclusive. Around 80-90% is the exclusive agent.
How many years' experience as the	Before I start my company 3 years, I am

agent?	the developer, and flip the land. Some big land which I cannot afford. I will be the agent.
What is your land sourcing channel?	Currently, most of customer are contact direct to our company by both online and offline. From statistic, most of customer are from personal connection and who confident in us, they will contact us by themselves
Are there an issue about signing contract?	Sign, all is exclusive contact. Around 98%-99%.
How long of that contract?	Around 1-year contract for raw land.
What is you selling channel?	Both online and offline, company's website and e-magazine, poster and connection
Which channel is most effective?	If price is not too high, online channel still effective, but if price is quite high, trust is so important.
Are there any challenge when you dealing with landowner?	As I mentioned, they we walk-in so I face a few problems. Only pricing, everybody loves their asset. They would like to sell as high as possible. That is my homework how much of price should be.
When you are selling. Are there any issue with landowner?	There is some challenge. They would like us to improve speed to do the marketing and selling. Money is in another person's pocket. I cannot force them...sometime its about the economy or set up price
Are the any problem about information is not accurate?	No, since it's the exclusive. I have to recheck.
How long to close the deal?	Most of land will be buy by cash. So, most will be closed in 1-3 month except for the big size. Most of land will be buy by cash. Rarely for bank loan which is take more time for 3 months at least.



How much for the big size of land?	Latest big size is THB 80 million. This land take time around 8-10 months.
What is the good characteristic of the agent?	I have my company slogan which is “Honest, Transparent, Sincere” Its simply. If we sell small house. We will know that this is we are helping people. Some people, their house will be sized, have debt, sell on consignment, will have no house. But we are helping to sell. For the big raw land, for sure, that mean our country are developing.
So, mind set for agent is helping people instead of make profit?	I am not make for the profit, because I use the slogan “Honest, Transparent, Sincere”. Customer told me THB 5 million, I will tell the same. No surcharge.

### Interviewee 7 (Developer)

Interviewer	Interviewee 7
Can you let me know your role, age and how long of your experience in real estate?	Ok, I am 36. I’ve been in Thai real estate for 14 years.
Could you let me know the land acquisition process?	For most time we work more uh,.. When is the land that we know the owner or most of one that know them. We study the potential of this land and see whether is product that we feel comfortable to put on. Ok, this is the usually how we do. Now, of course it’s come the other ways as well where we have the target to buy the land for this particular product and see will we source for it. So, whether we go direct we always try to go direct. We also go to certain broker sometimes or broker come to us. Yes, this is all ways.
That’s mean you have product in your	Its depend, we believe more in the, we

<p>mind and you target, this is zoning that you would like to build,. Let say Rajdamri, in Thonglor, or ...</p>	<p>more looking at specific land rather than a product, what should we do on this land. Because of you know the difficulty here is to buy the land. The better that we start on the point that we know the owner of the land already so we can work out something together rather than ok I want to rise on the CBD and let do in the same land that my competitor do. If I do that as you mentioned earlier the all issue about price, the speed, have to be quick, agent sometime misrepresent, owner sometime change is that its mine, internally we have process and take time also so, this is reason why working on non-exclusive land is difficult</p>
<p>How you weight you criteria this is land that you would like to acquire?</p>	<p>100%. Don't buy if this half of good we only buy if it very good. It's good or not good.</p>
<p>Can you elaborate more? What is very good in your definition?</p>	<p>Its depend on what product we want to put on right? If we want to put on let say no interference, near BTS station, the size is big enough, proper efficiency building. If we are looking for the loft product. That needing to be I would say that walker to the mass transit station. Its need be enough the side that we can put to be main area, proper space in the building. So, high and view it's important for us a lot. The view is very important. Hall high I can go. It's important. The access is important. Of course, of lot of these things we put on. Of course, price need to be reasonable. I mean there is a lot of factors but the end of the day if this thing not go to together. I never compromise, I never compromise on that. That's why we don't do many projects. But when we do that I think people understand that a lot of research have been done. That's why we</p>

	<p>can ask the high price. So, we focus more on the margin. You see for my philosophy is not do for 2-3 projects and make hundred million of each of them. I prefer to do make one projects and make 300 million.</p>
<p>So, focus on the quality?</p>	<p>Focus on the value ID. What you can ask to this piece of land as you see you know the only few lands for sale, ready for sales and a lot more people want to buy it. Ok, when I start 13 years ago. Only two, three developers may be potential to buy, ok. Now listed in stock exchange may be over ten, fifteen for the same plot, and not listing may be another ten. So, twenty-five people want to buy the same plot. So, I spent a lot of time try to find the plot that people don't want but I want. As this difficult, the reason why that they don't want it, but honestly this is my most spent the strategic of time is to find the product that would fit to the land that nobody wants. So, I can afford it at good price.</p>
<p>Have you been found that land before?</p>	<p>Yes, for example at xxx area. Nobody want this plot because you cannot build the high rise and its far from the BTS, land is very cheap, very very cheap, you will surprise, cheaper than Chang Wattna the road but nobody want it. Only few people want. Only people want to build the house in the CBD. Only 1 or 2 companies, So, this way you can get the good price. This is what the where that I look for it. So, ok nobody wants this land so what product that I can put on it and add value. When you are developer, adding value. If its just a piece of land and you put building on it. And other 25 peoples do the same. So, plot of land is difficult to develop or the product is not</p>

	<p>simple you need the certain category of client to be a customer then its make sense. Then we have the value.</p>
<p>How about the population and the monthly income in that area? Is it the criteria that you have to check?</p>	<p>Quite honestly no, we learned I know where you are coming from. I am having this question quite often from Singapore as well. They are the owner of this company here. Umm, see I've learned that here is not so much about the income. Its more of the wealth of your family. Um if you look at the you know the expensive car for example. Do they not selling to the people who have x thousand baht per month they study who have the x million in their bank account. Ok, usually that x million is come from the family business or It will come from specific investment in stock market. So, I don't find at least in the category that we do. The relationship between the population with such income and demand for that particular product even you tell me now to buy the River THB 20 million you need to make a minimum 300,000 per month. I don't think my client there make 300,000 per month. A lot of them are cash rich, a lot of them are not earning more than Thailand, A lot of foreign buyer. A lot of them they got to give from parents. Its many many different reason. So, we don't really look at that to be honest. To me better indicator for my business it's that rather than looking at people grow earn more than THB 100,000 per month. It's how many BMW or Mercedes Benz been sold last month. I look at indicator. I look at bank of Thailand's policy every month account of bank account, how many bank accounts more than million bath, more than 10 million bath. This is good</p>

	indicator for me.
You told me that your sourcing channel is from agent, direct. Are there other channel that you use such as internet or from poster, billboard?	We try to look like board like industry we want to buy. The land we contract it doesn't work. We try to approach by ourselves. Specific developer doesn't work. Directly to social media, the best is the friend of friend, good connection. So, when we know the particular piece of land but don't to that particular of family that you know we believe in the way that he in the LinkedIn saying that you have only 3 layers away from Barack Obama. If was in the same company, If I want to get to that particular person. If I ask both people around this company, I think I be luck to go from that person. For agent we carefully select our agent. I have very professional agent that we work with. Whether to approach or whether they bring me land bank. The other agent and professional to be honest I try not to work.
How about xxx, yyy, zzz agent company?	Very very professional, but they don't have much stock.
So, most channel is from your connection.	There are lot of freelance agent. No license. I think you already put something important here the license to be issue here. People are unethical and non-professional and the own agent the you can sign promising that I can do this, finally can ask. That nothing I can do. The student they don't have the license. This is the problem. So, you have a lot of freelance broker.
Some shop keeper can be the agent in Thailand.	Yes, they can. Sometimes they think that they are the agent. It's such actually quite a headache to manage all that because of people is non-exclusive here. The landowner never gives exclusive to

	<p>particular agent. So, you know you can discuss one plot, then suddenly someone else bring the same plot and then screw up the whole deal because... easy to blame of what they do, is that not all of them but a lot of them. Basically the approach the landowner in sense ok I can get you 1.5 million oh wow. Ok then the landowner so excited so, if you would negotiate 1.3 million with someone else they will put it on hold and trust that guys you can bring it 1.5 million. The reality is 1.5 million it doesn't exist, I just want to get deal. So, a lot of inefficiency guy that make the market very in efficient. That's what I try to avoid like maneuver like whatever the price, people gonna check to make sure in front of you. That's why I am work. I am not talking when the ask me to do a letter I never do the letter. But you bring the landowner to check hand, I better check by don't do letter. I think we are big enough the landowner knows that if my company interested in to buy we are serious we are not just like you know.</p>
<p>What is your most challenge in land acquisition process?</p>	<p>Willingness to sell. You can't force someone to sell. I mean Again come back to I want this piece of land or the agent try to get me this piece of land. At the end of the day, if the owner of the land doesn't want to sell. Regardless the price, the don't want to sell. Then you never be able to get it. and This is very challenging factor because along the way when you negotiate the man you always understand you can find the common agreement, whether on the price, the commission etc. Follow the time you go to order the process, just to find out that never willing to sell. Of course, they tell you that price is not enough at the end of the day didn't</p>

	<p>meet my point I don't know why they don't sell.</p>
<p>How do you solve that?</p>	<p>Its to fix a plot, I wasted a lot of my time on the project, we do feasibility study, we do the architect, spent of time negotiating and do contract and lawyer. And this is reason why we are not go to. I would say the number one is willingness to sell. Number two is probably broker is try to be rolling it around trying to tell them they will get something else whatever. Broker like I use. It's a mess. I would say the willingness to sell. These you can clear, the broker you can clear, price you can clear. Even sometimes the regulation you can compromise. But willingness to sell, No. They don't want to sell, what ever you gonna give them. It doesn't work. This you need to be. And that why I never start study one plot until I meet the owner. Sometimes the owner tells me like why you want to meet me you even do your study yet. I understand I cannot blame them you know. This is not land business, they have real jobs. This is just you know, but what I tell them I want to meet you because I want to make sure that if we can agree, you will sell. That you really to ready go.</p>
<p>Do you know the reason why that they don't like to sell?</p>	<p>Well, a lot of the reason all usually family matters whether it's the family can't sell, or the family of land title is different</p>

	<p>name, sibling. Then thing is complicated and they don't want. As you said they don't really more than they don't want to headache. It's quite cheap to own land here for now with no tax. So, if they don't see, they just postpone the product. So, if you have the big piece of land that you brother why won't you spend the next 6 months to fight you brother. Instead you can just let the program for letter. So, I think a lot of funny matters</p>
<p>Can you share be how long of the process that you close the deal?</p>	<p>Its depend on the owner. We are flexible people. We are the only one thing that they told me is like if you want to take your time, take your time. I am not gonna rush you. If this is not this year, next year is fine. But only one thing, if you want to sell, the day you want to sell, you call me first. That what I tell them. So, I don't try to rush. Again, come back to willingness to sell, you never convince someone to sell if they don't want to sell. But you can convince them to be the first one that the contact when they want to sell because they comfortable with you. This is what we can speak around. Its no broker to pay because I can bring more value to that land I can do on the land that the other cannot you know more flexible where we certify the plot. I can make it very smooth for them. And a lot of time, I tell you a lot of misconception in this market is that they would sell to the highest bidder. It's not true. Not all, some, but not all. A lot of them because the most important issue that for them is the family matter. For that reason, price may be not be the number one issues. May be the other. Halt the</p>



	deal that we comfortable with everyone.
Any question that I didn't ask you or you would like to share?	<p>I think the knowledge that I didn't touch on is regulation. When you buy a piece of land. Usually we developer very quickly because we concern about the regulator may make it better or worst. The better is good. But as a risk of company you cannot take a risk. So, you better not take a risk that you not you know make it worst or better. So, I would say the point is the visibility of the regulations. Even the regulation is written in book. Sometimes the interpretation may be not the same as everyone. So, there is a lot of land that I didn't buy, but when I look back, oh actually its postpone to develop. Depending how you understand the regulation. So, I say this is very challenge especially may be for foreigner. Where we get confirmation by lawyer, use the letter, no more. That's a job. Here is really doesn't work like that, when they say yes. But not put in writing. Or the would say no, but finally someone else say yes later. And then you don't have the real visibility what going to happen. City planning is supposed to change next year I think, probably it's going to be postpone 2 years, 3 years who know?</p>