

## What's Happening in Myanmar Market & Valuation

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### Ministry to rent out industrial sites

*Learnt from: Eleven Myanmar (March 31, 2017)*

ミャンマー建設省がヤンゴン地域のインダストリアル・ゾーン内の事業用地を賃貸する計画

### Yangon-to-Bago master plan to be prepared

*Learnt from: Eleven Myanmar April 7, 2017)*

建設省都市住宅開発部と韓国国際協力団(KOICA)が共同でヤンゴン-ハンサワディ-バゴ一回廊及びヤンゴン南西部の都市計画マスタープランを策定する。

### Kanbe Towers Aims for New 2019 Deadline after High-Rise Halt Delays

*Learnt from: Myanmar Business Today (April 24, 2017)*

インヤール湖東岸の大規模複合開発である Kanbe Towers 開発計画は、僅か 2 年での完成を目指す。

### It's a Buyer's Market as Developer Fight to Sell Condos amid Coming Supply Glut

*Learnt From: Myanmar Business Today (April 24, 2017)*

コンドミニアムの供給過剰が続いており、限られた需要をいかに魅了するか、クリエイティブな市場戦略が求められている。

### Junction City becomes Yangon's latest addition

*Learnt from: Myanmar Times (April 3, 2017)*

ダウンタウンの商業施設 Junction City の開発工事が完了し、フルオープンを迎えた。

### All's quiet for property market

*Learnt From: Myanmar Times (April 25, 2017)*

不動産市場における 2 年越しの不況は今年度も継続する可能性を示唆している。

### Construction industry in decline in early 2017

*Learnt From: Eleven Myanmar (April 26, 2017)*

ミャンマー国内の建設業者のおよそ 90%が中小企業(SMEs)であるが、業界全体の収益力の低下が 2017 年初頭より続いている。

### **Ministry to rent out industrial sites**

The Ministry of Construction is planning to hire out plots in industrial zones in Yangon region with US dollars. According to the Department of Human Settlement and Housing Development at the ministry announced 3.5 acres in Hlaingthayar industrial zone and 2.5 acres in Shwepyithar industrial zone would be hired out. It would be allowable any domestic and foreign investors, who are interested to develop their business, into new industrial zones. As the current industrial zones and special economic zones developed some years ago and they are low quality, the ministry is planning to implement new industrial zones.

*Learnt from: Eleven Myanmar (March 31, 2017)*

### **Yangon-to-Bago master plan to be prepared**

The government announced that the Department of Urban and Housing Development of the Construction Ministry and the Korea International Cooperation Agency (KOICA) will draw up a development master plan for the Yangon-Hanthawaddy-Bago corridor and Yangon's southwest. Under chairmanship of the minister for construction, a project steering committee has been formed with cabinet member of Yangon and Bago regions, ministry representatives and KOICA. The steering committee is tasked with seeking coordination with the authorities, establishing technical working groups and supervising them and assigning duties to draw the master plan. The committee is also responsible for ensuring that the activities of domestic and international organizations are in conformity with the policies and laws.

*Learnt from: Eleven Myanmar (April 7, 2017)*

### **Kanbe Towers Aims for New 2019 Deadline after High-Rise Halt Delays**

The Kanbe Towers project is a five high-rise buildings featuring condos and retail space east of Inya Lake in Yangon. The developers of the project are planning to complete construction in just over two years. The company was aiming for a July 2019 deadline. The high-end, mixed-use development was originally aimed to complete in late 2018 but was delayed because the Yangon regional government decided to temporarily suspend high-rise building projects late last year. However, the project was resumed in January.



*Kanbe Towers at Yankin Township*

The project is situated over two acres of land on Kanbe Road in Yankin township. It will include a shopping mall, swimming pools, gyms, playgrounds and a park. It will be made up of three 25-storey buildings, one 21-storey building and a fifth building with 12 floors. There will be 500 retail and residential units on the sale measuring between 438 square feet and 1,121 square feet and parking space for 600 cars. Prices start from K200, 000 per square foot depending on what floor the unit is on other factors determining the quality of the location such as the view. Residents will also be able to use their smartphones to access services such as air conditioning control and a parking management system.

*Learnt from: Myanmar Business Today (April 24, 2017)*

### **It's a Buyer's Market as Developer Fight to Sell Condos amid Coming Supply Glut**

Competition between condo developers will become heavy this year. The supply of condos is increasing faster than demand, means sellers will have to resort to creative market strategies to attract a limited number of buyers. The supply of condos has been increasing since early 2017 and some projects are at the luxury end of the scale and some are more basic. Some condos are being sold with long-term payment plans that charge no interest in a bid to attract buyers. A planned new condominium law is expected to make it legal for foreigners to own condos, it could be a change that will boost demand especially in the upper segment of the market. Allowing foreign ownership of condos has also been welcomed as a way of attracting foreign currency inflows to Myanmar, which will smooth fluctuations in the dollar exchange rate. The Myanmar Real Estate Service Association says government policy has

recognized and seeks to give the market a boost this year.

*Learnt From: Myanmar Business Today (April 24, 2017)*

### **Junction City becomes Yangon's latest addition**



*Junction City Project*

Junction City which is one of the downtown Yangon's high-end real estate projects, has been completed and is now officially opened. The project is being jointly developed by Shwe Taung Group and Singapore's Keppel Land, which has 40 percent share in the development. The phase one is located at the junction of Bogyoke Aung San road and Shwedagon Pagoda road in the city's central business district. The total project area is 260,000 square meters and features two 23-storey towers for office spaces and luxury ventures. Junction City Shopping Centre will also have the largest food court and Cineplex in Myanmar. The office towers have been developed in conjunction with Singapore Keppel Land Limited. Junction City has also opened some of the offices as part of its "Phase One" launch. The project will offer 33,400 square meters of leasable office space when complete. In 2017's fourth quarter, Pan Pacific Hotel and Resorts will make its debut in Myanmar with Pan Pacific Yangon featuring 348 rooms in Junction City.

*Learnt from: Myanmar Times (April 3, 2017)*

### **All's quiet for property market**

The last two years of lackluster performance in the property market has caused a limited potential for transactions to take place this year. According to the agents, Yangon's property market does not seem to be improving this year. The struggle faced by the market is because of the high property tax rate. The NLD-led government has not enacted a new union tax law and

has opted to use the previous legislation. The government did not enact the new 2017 union tax law in mid-February and they control property prices with high taxes. Besides, the country's economic development has been slow under NLD-led government's first year. The Yangon regional government has been instructed to halt to more than one hundred high-rise construction projects. The industry is not expected to revive its fortune in the future this year because the construction market has been inactive for seven months and this makes worsened the situation in the property sector. The property industry is in need of an effective legislation. The sector will not be able to recover if there is no suitable legislations in place and currently the situation is not ideal. Foreign investors will invest in the property market and the country if the property industry has a strong law. However, the country's economy is not growing as anticipated. Therefore, there is little hope for the situation to take a turn for the better, according to the industry expects.

*Learnt From: Myanmar Times (April 25, 2017)*

### **Construction industry in decline in early 2017**

Almost 90 percent of the construction industry of Myanmar is run by small and medium Enterprises (SMEs) and the industry's ability to make profit has been declining since early 2017. In the construction industry, 90 percent of the market is held by the SMEs and the remaining 10 percent is run by foreign investment and large constructs. Among these, 93 percent of businesses run with fewer than 50 man power, 4 percent run with 50-100 man power and 3 percent run with over 100. The former government allowed multistory buildings yet the current government prohibited it for a period. The pending period negatively affected the market and contractors although permission to build multistory buildings. Moreover, not one new project has been allowed since the new government took office.

*Learnt From: Eleven Myanmar (April 26, 2017)*

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