

## What's Happening in Cambodia Market & Valuation

Vol. 3 - July 2018 -



### Luxury Hotel Group sees Growth Potential in South East Asia

ツーリズム業界の経済成長性に対する政府の認識の高まりと、より多くの観光地開発の進展を踏まえ、Small Luxury Hotels of the World (SLH) 社では、東南アジアにおける同社のラグジュアリーホテルブランドに成長性があると見ている。なお、SLH 社が運営する世界の 528 ホテルのうち、東南アジアにあるのは、43 ホテルだ。

*Learnt from: The Phnom Penh Post (28<sup>th</sup> June 2018)*

### Local developers eye overseas investment

カンボジアは、東南アジアで最も成長著しい国の一つとなっており、経済は年平均 7% で成長している。そうした中、カンボジア人による海外不動産投資が重要なトレンドになってきている。最も人気のある投資先は、オーストラリア、ニュージーランド、と隣国タイとのことだ。

*Learnt from: The Phnom Penh Post (5<sup>th</sup> July, 2018)*

### Cambodia Real Estate Awards 2018

経済財務省とカンボジア不動産鑑定士/不動産エージェント協会が後援するカンボジア初の不動産 awards が実施され、CBRE カンボジアが 2018 年の第一位となり受賞した。授賞式には 200 名以上が参加した。

*Learnt from: Khmer Times (11<sup>st</sup> July, 2018)*

### 2018 Economic Growth Forecast to 7%

カンボジア中央銀行 (NBC) の 2018 年半期報告書によれば、カンボジア経済は成長率 7% を達成するとされている。その中で、建設業界 11.5%、輸出 11.6%、観光 12.5%、それぞれ貢献するとされている。

*Learnt from: Construction & Property (17<sup>th</sup> July, 2018)*

### Experts Predict Real Estate Sector Growth After July Election

不動産専門家によれば、過去 6 ヶ月間待った 7 月 29 日の総選挙結果を踏まえ、不動産セクターは大きく上昇すると予測されている。

*Learnt from: Construction & Property (18<sup>th</sup> July, 2018)*

### Land prices in central Phnom Penh stay level amid rise in the suburbs

首都の中心部における土地価格が横ばいとなっている一方、郊外部では年前半で昨年に比べ上昇を見せた。Chamkarmon 地区の価格は 1 平方メートル当たり \$1,500 から \$9,500、Daun Penh 地区では \$2,000 から \$12,000、Prampi Makara では \$2,200 から \$7,500、Tuol Kork では \$1,700 から \$5,000 となっている。

*Learnt from: Khmer Times (20<sup>th</sup> June, 2018)*

### Oakwood's Premier to Debut in Phnom Penh Next Year

企業向けハウジング、サービスアパートの世界的ブランドである Oakwood 社が Oakwood Premier Phnom Penh と Oakwood Hotel & Residence Phnom Penh を計画しており、2019 年半ばのオープンを目指しているとのことだ。場所は、プノンペン中心部の複合開発、One Park に立地している。

*Learnt from: Khmer Times (25<sup>th</sup> July, 2018)*

### Over 1,000 Construction Projects Approved in First Half of 2018

土地管理都市計画省 (MLMUP) によれば、2018 年前半、5,352,422 平方メートルの土地において 1,643 プロジェクトが動いており、総投資額は 20 億ドルとされる

*Learnt from: Construction & Property (26<sup>th</sup> July, 2018)*

### Market for Capital Office Space at Saturation

市場は、そろそろ飽和点に近づいている可能性がある。2018 年第二四半期に 293,000 平方メートルに達したオフィスビル面積は第一四半期の 277,000 平方メートルから若干増加したに過ぎないのだ。

*Learnt from: The Phnom Penh Post (26<sup>th</sup> July, 2018)*

### **Luxury Hotel Group sees Growth Potential in South East Asia**

Small Luxury Hotels of the World (SLH) sees growth potential for its luxury hotel brands in Southeast Asia. Southeast Asia is an emerging region for luxury boutique hotel operators as governments are starting to recognize the economic potential of the tourism industry and more destinations are getting developed for tourism. There are luxury boutique hotels opening recently in the Southeast Asia region including 7 Secrets Resort and Wellness Retreat Lombok, Akyra Sukhumvit Bangkok, Cape Fahn Koh Samui, the Seminyak Beach Resort & Spa in Bali and Mangala Resort & Spa in Kuantan. They are also looking forward for suitable hotels to join the brand in some of the top Southeast Asia cities such as Hanoi, Langkawi, Yangon, Manila and Ho Chi Min. SLH was started in London in 1991 to provide a distribution platform with sales and marketing solutions that enable independent hoteliers to compete in a global market against branded hotels. Over the past 27 years, SLH has grown from a collection of 70 hotels in 11 countries to 500 hotels in more than 80 countries around the world, including hotels with cutting-edge design and city-center sanctuaries, along with historic country mansions and remote private islands. Thailand, with 21 SLH hotels, has the largest cluster of the 43 hotels in Southeast Asia. Southeast Asia's growing middle class has been experiencing stable income growth as rising economies, they are demanding more personalized experiences when they travel and choosing luxury boutique accommodations over branded conventional alternatives. SLH now has 528 hotels under its portfolio, with 43 in Southeast Asia and they hope to grow to 600 hotels by 2020.

*Learnt from: The Phnom Penh Post (28<sup>th</sup> June, 2018)*

### **Local developers eye overseas investment**

In the last half decade, Cambodia real estate industry has its best year from a strong economy and massive flow of cash from abroad. Cambodia has become one of the fastest-growing economies in Southeast Asia and the economy has grown by

an average of 7 percent. Between 2005 and 2015, the number of Cambodians with net assets approaching \$30 million has increased by more than 170 percent. Cambodians investing in real estate abroad has become significant trend as economy has grown. The most popular destinations of outbound Cambodian property investments include Australia, New Zealand, and neighboring Thailand. Others have invested in property in the United States, Malaysia, Singapore, and Cyprus. The prospect of higher return, anxieties regarding political and economic stability, and strong competition are the main considerations behind this capital flight. The prospect of permanent residency or citizenship is tempting to these investors who look for the benefits they would gain which include the ability to travel to most countries in the world visa-free and have their children educated in top schools abroad, which are hard to come by with only a Cambodian passport. The latest (2018) Henley Passport Index puts the Cambodian passport in 86th place, with visa-free access to only 49 countries. The cities of Melbourne, Sydney, Brisbane and New Zealand are where most of the Cambodian property investments are located of which the city of Auckland has proven to be the top drawer for Cambodian investors and Thailand with the rich variety of properties on offer at relatively cheap prices. Meanwhile, Cyprus is popular because a minimum property investment of 2 million Euro (\$2.3 million) provides a straightforward path to EU citizenship.

*Learnt from: The Phnom Penh Post (5th July, 2018)*

### **Cambodia Real Estate Awards 2018**



CAMBODIA  
REAL ESTATE  
AWARDS

*Cambodia Real Estate Awards 2018*

The Kingdom's first ever real estate awards took place recently and ten companies were given honors at the Cambodia Real Estate Awards 2018 with CBRE Cambodia being awarded the top prize. The event was organized by Realestate.com.kh, with support from both the Ministry of Economy and Finance and the Association of Cambodian Valuers and Real Estate Agencies (CVEA) which over 200 people attended. CBRE took home the most awards on the night, winning for excellence as both a property management firm, a commercial agency and the agency choice award. Since real estate sector in Cambodia had been successful with the rising economy, the event helps pushing towards more professionalism and competition and recognizing the progress of the real estate industry internationally, hoped by the Real Estate Agents.

*Learnt from: Khmer Times (11<sup>st</sup> July, 2018)*

### **2018 Economic Growth Forecast to 7%**

According to the National Bank of Cambodia (NBC) semi-annual report, Cambodia's economy is forecast to grow at 7 %, with the construction sector alone contributing 11.5%, exports at 11.6% whereas tourism at 12.5%. Cambodia's economy continued to grow steadily, especially in the fields of exports and tourism, with robust growth in construction and continued growth of the agricultural sector. At the same time, loan portfolios for the construction and real estate sectors have also increased. In the first six months of 2018, loan portfolios from both commercial banks and microfinance institutions (MFIs) reached US\$22.5 billion, an increase of 18.8%. Among the business sectors, the construction and real estate sectors took out 16.5% of the total loan portfolio from commercial banks and 4% from microfinance institutions (MFIs). As with the country's booming economy, a total of 586 projects with an investment value of US\$356 million have been approved during the first two months of 2018, according to the Ministry of Land Management, Urban Planning, and Construction (MLMUPC).

*Learnt from: Construction & Property (17<sup>th</sup> July, 2018)*

### **Experts Predict Real Estate Sector Growth After July Election**

Real estate experts predict a significant rise in the property sector after the 29 July National Election. Land prices in Phnom Penh saw a slight increase in 2018 compared to 2017. Daun Penh, 7 Makara, Chamkarmorn, and Touk Kork districts are the top highest land price districts in Phnom Penh, in which Psar Thmey lists at the top. For the past six months prior to the vote many investors prefer to await the outcome, the market is predicted to be a rapid growth afterward. Since the Cambodia property market is getting mature, property prices, especially land prices may not see a big jump like the past 5 to 10 years but still there will be a big growth after the election.

*Learnt from: Construction & Property (18<sup>th</sup> July, 2018)*

### **Land prices in central Phnom Penh stay level amid rise in the suburbs**

Land prices in the central neighborhoods of the capital remained unchanged in the first half of the year compared to the same period last year, a research report from Phnom Penh's Key Real Estate Co Ltd said. Prices in Chamkarmon district ranged from \$1,500 to \$9,500 per square metre, while in Daun Penh district, most rates were between \$2,000 and \$12,000, prices level with last year's figures. However, land prices in Prampi Makara and Tuol Kork districts increased between five and 10 percent over the past six months with between \$2,200 and \$7,500 per square metre in Prampi Makara and is between \$1,700 and \$5,000 in Tuol Kork. The land prices in the city centre saw the smallest increase as trading activity is slow but properties in the suburbs are active now. Currently, demand for land in the center of Phnom Penh is for large construction projects such as condominiums, apartments, offices buildings, hotels and commercial centers. Unlike 2013 national elections, property trading activities are still normal despite the impending elections.

*Learnt from: Khmer Times (20<sup>th</sup> June, 2018)*

## **Oakwood's Premier to Debut in Phnom Penh Next Year**



*Service Apartment*

Oakwood Worldwide, a premier global corporate housing and serviced apartment provider, is planning to open three properties in Indochina, Vietnam and Cambodia. Based in California, USA, the company has a presence in the United States and 55 other countries. Noting the strong performance in China and Japan, the company planned to have a bigger presence in Southeast Asia. The economies of Vietnam and Cambodia are among the fastest-growing in Southeast Asia in recent times. The two properties that Oakwood plans to have in Cambodia are Oakwood Premier Phnom Penh and Oakwood Hotel & Residence Phnom Penh both slated to open in the middle of 2019. The two developments will bring a combined 388 units (220 for Oakwood Premier Phnom Penh and 168 for Oakwood Hotel & Residence Phnom Penh) of hotel rooms, penthouses, studio-type, and one-, two-, and three-bedroom apartments to the market, also featuring luxury amenities like swimming pool, restaurants, meeting places, lounges, and children's playroom. Both developments will be located in One Park which is a new mixed-use development in the heart of Phnom Penh, which boasts of residential towers (with condos, serviced apartments, etc.), office and retail spaces, medical facility, and an international school. Oakwood Worldwide was acquired last year by Mapletree Investments, a leading Singaporean real estate, investment, and capital management company.

*Learnt from: Khmer Times (25<sup>th</sup> July, 2018)*

## **Over 1,000 Construction Projects Approved in First Half of 2018**

1,643 projects covering an area of 5,352,422 square meters worth around US\$2 billion were approved in the first six months of 2018, according to a report from the Ministry of Land Management and Urban Planning (MLMUP). Among these construction projects, private investments from foreign countries accounted for 21 projects covering an area of 928,267 square meters with an estimated investment capital of US\$394 million. The report highlighted the fact that the projects generated around 180,000 jobs everyday across the country. Workers earn between US\$400 to US\$2,500 every month. The construction sector continues to significantly contribute to national economic growth.

*Learnt from: Construction & Property (26<sup>th</sup> July, 2018)*

## **Market for Capital Office Space at Saturation**

Office space occupancy in the capital in the second quarter of this year rose slower than the first according to the report from real estate firm CBRE Cambodia. The report showed that office rentals as of the second quarter have topped 293,000 square meters – up five per cent from 277,000 in the first quarter. The market could be reaching the saturation point since in the second quarter there was no new office space for lease while in the first, a new 14,350 square meter space was added to the market. At the financial year's midpoint, total office space in Phnom Penh stood at just over 335,000 square meters. Sixteen per cent of that figure are grade A space, 20 per cent grade B and 64 per cent grade C. Rental fees for grade A office buildings usually range from \$28 to \$38 per square meters, grade B from \$18 to \$28 while grade C ranges from \$10 to \$18. CBRE expects five new office buildings by year-end, which will bring the total amount of office space to nearly 400,000 square meters. By the report of Ministry of Land Management, 1,643 construction projects were approved with a total estimated value of \$2.15 billion in the first six months of this year.

*Learnt from: The Phnom Penh Post (26<sup>th</sup> July, 2018)*