

# What's Happening in Myanmar Market & Valuation

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## Rosewood Hotels & Resorts to open its first Rosewood Yangon Hotel in 2018

Rosewood Hotels & Resorts 社は、同社としてミャンマー初となる Rosewood Yangon ホテルを 2018 年冬にオープンする。当ホテルは、Strand Road 沿いに立地する、すばらしい歴史的建物である旧 New Law 裁判所(1927 年建築)ビルで、ヤンゴン歴史的建物保存トラストから始めて改修許可を得て全面改装されたものだ。

*Learnt from: My Travelogue (29<sup>th</sup> June, 2018)*

## Japan Aid for Bagan Airport Upgrade

日本政府は、マンダレー地域の Nyaung U 空港の改修工事についての資金援助を本年 9 月に決定する模様だ。同工事により、東南アジア初の環境に優しい飛行場になり、バガンと外国との間の路線がより多く開設されることになると期待されている。

*Learnt from: Myanmar Times (5<sup>th</sup> July, 2018)*

## Japanese firm to Upgrade Train Station along Yangon Circular Railway

日系のハローコミュニケーションズ(Hello Communications)社は、ヤンゴン環状鉄道線の 37 駅すべてのアップグレード工事(総予算 1,100 万米ドル)についてのプロポーザルを提出した。

*Learnt from: Myanmar Times (12<sup>nd</sup> July, 2018)*

## Survey on Education, Water, Housing and Electrification

ミャンマーの生活環境が、過去 10 年間で改善したと報告されたが、教育、水、衛生、住宅については地域によってはまだ遅れが見られる。公共電力供給網は、2017 年にカバー率 42%となった。地方圏における中学校就学率は 2010 年の 47%から 2017 年には 68%まで向上した。

*Learnt from: Myanmar Times (20<sup>th</sup> July, 2018)*

## Property Market at A Turning Point

過去 5 年間で、マンダレーの不動産価格は 10-30%程度下落し、地域によっては 33%近くの下落となっている。2013 年のピーク時からの下落基調は、ここにきて転機を迎えたと言える。v

*Learnt from: Eleven Myanmar (23<sup>rd</sup> July, 2018)*

## Foreigners can buy shares at YSX in August

新会社法の施行により、外国人も 8 月からヤンゴン証券取引所(YSX)上場株式を購入することが家になるようになる。また、外資比率 35%の企業について、貿易、保険サービスが可能になり、アパート・事務所ユニットの購入も可能になる。

*Learnt from: Eleven Myanmar (27<sup>th</sup> July, 2018)*

## New Apartment Law is imminent

ミャンマー許可建設行協会(MCLA)によれば、売主/買主にとっての困難性を緩和するべく、アパート法(草案)の準備が進み、立法に向けて議会に提出された。本法律の目的は、購入契約書を適切な登記事務所登録し、銀行からのローンを可能にすることにある。

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

### **Rosewood Hotels & Resorts to open its first Rosewood Yangon Hotel in 2018**



*The refurbished New Law Courts building to be the Rosewood Yangon*

Rosewood Hotels & Resorts will open Rosewood Yangon in Winter 2018 as the brand's first property in Myanmar and sixth in Asia. Rosewood Hotels & Resorts manages 24 luxury properties in 15 countries, with 17 new hotels under development. Rosewood Yangon is owned by Prime Residence, a partnership established by Kanok Furniture and Decoration of Thailand and Jewellery Luck Group of Companies. The property is the first building to receive approval from Yangon Heritage Trust housed in a stunning heritage building that was originally constructed in 1927 as the New Law Courts. Located on The Strand in the city's historic district with amidst classic colonial landmarks and central business district, guests can easily go to Bogyoke Aung San Market, cruise down to Yangon river and to the iconic Shwedagon Pagoda. The hotel's interiors have been designed to seamlessly blend the historical restoration with contemporary Burmese touches. Rosewood Yangon will feature 209 spacious guestrooms, suites, one- and two-bedroom apartment units. With high ceilings and abundant natural light, most guestrooms feature patios and balconies with views of the Yangon River or the internal courtyards. The hotel will also offer five distinct dining venues featuring local, Asian, and internationally-influenced

cuisine, including a residential-style tea lounge and patisserie, a modern Cantonese restaurant, a convivial brasserie, an intimate bar and cigar lounge, and a panoramic rooftop bar boasting sweeping views of the city and the Yangon River. Additional amenities will include several event venues and extensive leisure facilities over three floors with Sense, A Rosewood Spa, in addition to a state-of-the-art gym, yoga / Pilates studio, and a rooftop pool. The hotel will also offer Yangon's well-groomed and well-dressed residents a stylish getaway with a classic men's grooming salon, a beauty bar and an artisanal leather workshop.

*Learnt from: My Travelogue (29<sup>th</sup> June, 2018)*

### **Japan Aid for Bagan Airport Upgrade**

According to the Department of Civil Aviation, the Japanese government is expected to decide in September to provide financing for the upgrade of Nyaung U Airport in Mandalay Region. After the Japanese Cabinet approves the project, the Japanese government will grant ¥4.8 billion (K60.4 billion) to construct air facilities, including runways and aprons. A private Japanese company will invest US\$30 million (K41.8 billion) in the airport building. The project will have two phases, with the first phase focusing on work to increase the airport's capacity to handle more passengers. Phase two will involve the building of a new runway and terminal. Similar to the way Yangon, Mandalay and Nay Pyi Taw international airports are run, the Japanese company will manage the airport after the improvements are made and Myanmar will receive a portion of profits. With the consideration economic and environmental impacts in the area from vibrations, noise and exhaust emissions from the larger aircrafts and greater number of flights, Bagan airport will be the first eco-friendly airport in Southeast Asia. The Japan International Cooperation Agency and Myanmar's Civil Aviation Department started feasibility surveys for the project in 2016 which

included the distance of pagodas from the airport and the impact of vibrations and noise from the aircraft. The upgraded airport is expected to enable more direct flights between Bagan and other countries.

*Learnt from: Myanmar Times (5<sup>th</sup> July, 2018)*

### **Japanese firm to Upgrade Train Station along Yangon Circular Railway**



*An artist's impression of the new platform*

Japan's Hello Communications has submitted a proposal to upgrade train stations along the Yangon Circular Railway to Myanma Railways. It is the first time for Myanma Railways receiving proposals from the private sector for upgrading works along the railway. Through its local joint venture, Hello Communications will begin work on Thamine station in Mayangone township as an initial test project, after which the government will decide on whether to issue a permit allowing to upgrade all 37 stations. The new Thamine platform will include construction of a new platform, train station, staff quarters, a ticket office, entrance gate, shelters and public amenities. It will also come with a modern coffee shop, convenience stores and advertising space to generate revenue. Hello Communications estimates that construction of the staff quarters alone will cost around \$300,000 with the purpose for long-term maintenance of the construction. All

37 stations will require an investment of about \$11 million based on the company's estimates.

*Learnt from: Myanmar Times (12<sup>nd</sup> July, 2018)*

### **Survey on Education, Water, Housing and Electrification**

Indicators of living conditions in Myanmar have improved in the last decade but progress in education, water and sanitation and housing continue to lag in some parts of the country, according to the Key Indicators Report from the Myanmar Living Conditions Survey of the Central Statistical Organization, in collaboration with the UNDP and the World Bank. In this survey report, a total of 13,730 households were interviewed from all the districts and in 296 of the 330 townships of Myanmar. At the union level, the rise of solar technology and an expansion of the public grid have changed the way that households light their homes and allow households to use a greater array of home appliances. The public electrical grid increased from supplying 34 percent of households in 2015 to covering 42pc in 2017. In rural Myanmar, middle school enrollment rates increased from 47 to 68pc between 2010 and 2017. A rise in the ownership and use of cell phones has increased connectivity, with 82pc of households reported owning at least one mobile phone, most likely a smartphone. MLCS 2017 indicates one in ten households in Myanmar live in electrified villages or urban wards but are not themselves connected to the grid. Since these households appear to be slightly worse off according to non-monetary indicators of well-being according survey, solutions that reduce the cost of connections and also support last-mile connections would help to bring these households into the public grid and would support more inclusive access. Moreover, the survey report says consumer goods have shown substantial growth since 2015, with the rise of small home appliances partly linked to rising electrification. The growth of consumer goods over

the last decade is likely to reflect improvements in household economic conditions, the expansion of electrification, deepening goods markets and related changes in the prices of these goods and increasing access. Trade and investment liberalization have increased opportunities for consuming imported products and are also likely to have had an impact on the type of products consumed in Myanmar, according to the survey.

*Learnt from: Myanmar Times (20<sup>th</sup> July, 2018)*

### **Property Market at A Turning Point**

Over the past five years, property prices in Mandalay have dropped between 10 to 30 percent, with steeper fall in less populated residential estates. Compared to last year, the prices in 2018 have fallen by an average of 10pc more. In some areas, prices have fallen by as much as a third of the property value. After falling from its peak point in 2013, the property market is now at a turning point. According to local real estate agents, the property market sales and demand usually move in four-to-five-year cycle. The reasons for declining real estate sales include a slower economy, high property taxes and issues involving squatters in certain areas. In Myanmar, residential properties sold for up to K30 million is taxed at a rate of 15pc upon sale, properties worth between K31 million and K100 million will taxed at a rate of 20pc, and properties with more than K100 million is taxed at a rate of 30pc. Due to the high tax rates, the number of property sales registrations has fallen to just 621 in 2016-17 compared to 1,603 registrations in 2015-16, according to Mandalay Region Real Estate Development Association.

*Learnt from: Myanmar Times (23<sup>rd</sup> July, 2018)*

### **New Apartment Law is Imminent**

According to Myanmar Licensed Contractor Association (MCLA), Apartment Law (Draft) is being

prepared for the apartment market to be alive again. This drafted law will be responsible with the properties and apartments which are excluded in Condominium Law. After the Apartment Law is out, the contractors hope that the apartment properties will be officially guaranty and they easily get loan from the bank. Currently, sellers and buyers of the apartment do the trade with only trust without official certifications and contractors have difficulties to make it official. The law is now submitted to the Legislature. The purposes of the law are to be able to register the selling/buying contract at the relevant registration office and to be able to get loan from the bank.

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

### **Foreigners can buy shares at YSX in August**

From August, foreigners can start buying shares at Yangon Stock Exchange (YSX). Restrictions included in the old law have been removed along with the enactment of the new law. According to the provisions of the Myanmar Companies Act enacted in 1914, the company which has one-per-cent stake by foreigner is designated as a foreign company. The new law allows foreign investors to hold up to a 35-per-cent stake in a domestic company. The new Myanmar Companies Law will take effect on August 1. The companies with a 35-per-cent foreign investment can offer trading service, offer insurance services and buy apartments and office rooms.

*Learnt from: Eleven Myanmar (27<sup>th</sup> July, 2018)*