

## What's Happening in Cambodia Market & Valuation

### Vol. 2 - June 2018 -

#### **Modern Skyscrapers Dominating the Capital**

*Learnt from: The Phnom Penh Post (7<sup>th</sup> June, 2018)*

現代的なツインタワー・スタイルの複合開発が新しいトレンドとなる中、Boon Roong Group は、東南アジア最高層となる 133 階建 TBR Twin Tower World Trade Center 開発計画を公表した。

#### **UNDP and Government supports PPSEZ's housing project**

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

プノンペン経済特区(PPSEZ)内 7 ヘクタールの土地で計画されている 3,136 戸の低所得者向け住宅(各住戸面積 36 m<sup>2</sup>)が、国連開発計画(UNDP)とカンボジア政府の支援を受けることとなった

#### **Aeon Mall 2 Is Officially Launched**

*Learnt from: The Phnom Penh Post (21<sup>st</sup> June, 2018)*

プノンペン市内 Sen Sok 地区で、総事業費 1 億 2 千万ドルの Aeon Mall 2 が 6 月 20 日にオープンした。Aeon Mall は、アセアン内においてカンボジア、インドネシア、マレーシア、ベトナムに進出しているが、本件 Aeon Mall 2 はその中で最大の規模を誇る。

#### **New Local Real Estate Group Established to Focus on Small Companies**

*Learnt from: The Phnom Penh Post (21<sup>st</sup> April, 2018)*

中小不動産会社を中心としたカンボジア不動産協会(CREA)が、2018 年第三四半期にスタートする。同協会は、大手企業中心だった既存の協会とは一線を画していくとのことだ。

#### **Office Spaces Upswinging with Higher Demands**

*Learnt from: Khmer Times (21<sup>st</sup> June, 2018)*

2018 年中に、約 10 万 m<sup>2</sup>のオフィススペースの新規供給が見込まれているが、内訳を見ると B グレード 20%、A グレード 16%、従来ビルの多くに見られる C グレードが 64%となっている。外資系企業や中小の先進企業などによる需要の増加から、2018 年はオフィスマーケットが大いに拡大していくと予測されている。

#### **Retail Space Market Set for a Banner Year**

*Learnt from: The Phnom Penh Post (25<sup>th</sup> June, 2018)*

2018 年の商業用不動産マーケットは、トータル 37 万 m<sup>2</sup>の新規供給を受け、飛躍の年になりそうだ。なお、CBRE カンボジア社の 2018 年レポートによれば、プノンペンの商業スペースの地区別比率は、Sen Sok 地区 29%、Chamkarmon 地区 26%、Tuol Kork 地区 19%、Chbar Ampov 地区 13%、Daun Penh/ Mean Chey それぞれ 6%、7 Makara 地区 1%となっている。

#### **The building boom continues in Sihanoukville**

*Learnt from: Khmer Times (27<sup>th</sup> June, 2018)*

シアヌークビルでは、過去 3 年の間に、地域内各所で都市開発が急速に進展してきており、住宅、商業、複合開発などその数は 200 プロジェクト以上となっている。また、2018 年末までに、約 10 件のホテル(部屋数合計 1,000 室以上)がシアヌークビルで完成する予定だ。



### **Growing Demand for Low-cost Housing**

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

首都圏への継続的な人口集中と経済成長を背景に住宅購買層が増加しつつある。そうした中、金融機関は購入者をサポートするローン商品を開発し、政府も、低価格住宅プロジェクトを協力して支援してきている。

## Modern Skyscrapers Dominating the Capital



### ***Vattanac Capital Tower***

Phnom Penh's construction sector is booming with an increasing number of modern skyscrapers replacing Khmer-style architecture that long dominated the capital. More modern and twin-tower style complexes are becoming the trend in the country. The Bridge and The Skyline, which were completed this year, stand as two of the capital's tallest twin-tower complexes at 45 and 39 storeys respectively. Though they are still dwarfed by Vattanac Capital Tower, the Kingdom's tallest building at over 180 metres. High-rise buildings in the capital now include the 42-storey Golden Tower which will be completed by early 2020, the 45-storey The Bridge, the 32-storey Canadia Tower and the 39-storey Vattanac Capital Tower. The Thai Boon Roong Group has plans to build the 133-storey TBR Twin Tower World Trade Center Complex which will become Southeast Asia's tallest structure. Similarly, a \$150 million project from OTK Royal One and Kith Meng's Royal Group, promises to site a 62-storey mixed-use twin-tower complex on 4,000 square metres which will be located at the intersection of Russian Federation Boulevard and Monivong Boulevard in Phnom Penh. An annual report from the Ministry of Land Management, Urban Planning and Construction showed that 3,052 construction projects were approved last year, with a total value of \$6.42 billion.

*Learnt from: The Phnom Penh Post (7<sup>th</sup> June, 2018)*

## UNDP and Government supports PPSEZ's housing project

The Phnom Penh Special Economic Zone (PPSEZ) housing project that will build several thousand affordable housing units for low-income workers in and nearby the zone is supported by the United Nations Development Programme (UNDP). The project, which is on the architectural design stage, will see the construction of 3,136 housing units on a 7-hectare lot within the PPSEZ. The PPSEZ has an area of 357 hectares, located on the outskirts of Phnom Penh along National Road (NR) 4 and there are more than 80 factories within that employ 17,000 people. The project will also include stores, cafes, park other amenities in addition to the houses. Each unit, which will have an area of 36 sqm, will sell from \$17,000. Currently, there are 33 SEZs all over Cambodia. In addition to UNDP, the Cambodian government is also helping the project by way of incentives which are believed to include tax inducements.

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

## Aeon Mall 2 Is Officially Launched



### ***Aeon Mall 2 Front Side***

The \$120 million Aeon Mall 2, located in the capital's Sen Sok district, was officially launched on June 20. In the future with the Kingdom's strong economic growth, the company expects to expand with another mall. Aeon Mall 2 offers a range of amenities, including entertainment services, public service providers and financial centres. Aeon Mall 2 has received about 30,000 visitors per day, while that figure increased to 80,000 on Saturdays and Sundays. The mall is expected to receive 14 million visitors a year. There are eight Aeon malls, located in Cambodia,

Indonesia, Malaysia and Vietnam, while Aeon Mall 2 is the largest. The company has plan to expend its investment to Myanmar in the future as well.

*Learnt from: The Phnom Penh Post (21<sup>st</sup> June, 2018)*

### **New Local Real Estate Group Established to Focus on Small Companies**

Being as a growth of diversity in the real estate industry, Cambodia Real Estate Association (CREA), which is set to launch in the third quarter of 2018 has been created to focus on the situation of small real estate companies. While the existing real estate association is mostly focused on big companies, the new association will focus on smaller outfits. An annual report from the Ministry of Land Management, Urban Planning and Construction this year showed 3,052 development projects were approved last year, with a total value of \$6.42 billion. Cambodian Valuers Estate Agents Association (CVEA), which is already cooperating well with real estate associations in Asean, Korea, China and the US, currently has 92 members, or nearly 70 percent of all licensed real estate companies in Cambodia.

*Learnt from: The Phnom Penh Post (21<sup>st</sup> April, 2018)*

### **Office Spaces Upswinging with Higher Demands**



#### ***Strata-titled Office Space***

The office space market is also in an upswing this year as retail space market, with demand and supply of office spaces continuing to grow. Approximately, 100,000 sqm of new supply is set to reach the market in 2018, with over 55 percent being strata-titled. 60,000 sqm of office space was added to the market in the first quarter of 2018 alone. TK Royal One in Russian Boulevard, which is one of the first buildings in Cambodia to offer strata-titled office space, add another 7,900 sqm

of office. Keystone and Oval Office Tower, meanwhile, will add a combined 21,500 sqm. The 2018 supply is largely focused in the Grade B sector. Grade B, which is often newer, well-located office space, accounts for 20 percent, while Grade A office space, which is limited to Vattanac Capital Tower (34,000 sqm) and Exchange Square (15,000 sqm), represents 16 percent of the capital's total supply. Grade C office space, which is mostly found in older buildings and less desirable locations, accounts for the biggest slice of the total supply at 64 percent. More foreign business operators demand for office space and the demands also driven by more small and medium enterprises (SMEs).

*Learnt from: Khmer Times (21<sup>st</sup> June, 2018)*

### **Retail Space Market Set for a Banner Year**

Phnom Penh's retail space market is set for a banner year, bringing the total area of 370,000 square meters welcome 11 additional retail outlets this year. The retail spaces to be opened this year include Midtown Community Mall, The Bridge Commercial, Downtown 93, The Park, Noro Mall, Prince Central Plaza and Olympia Plaza Mall. Currently there are many commercial spaces in the construction phase, such as PH Eco Mall and Diamond of Borey Peng Huoth Development Co.'s project. The popular Japanese-backed Aeon Mall 2 which opened recently is reportedly about to break ground south of Phnom Penh. The Sorya Mall, which was the first in Phnom Penh when it opened in 2003, last Sorya Centre Point, the eight-storey retail complex, was also rebranded having more options than when it first opened 15 years ago. According to 2018 CBRE Cambodia's report, 29 percent of Phnom Penh's retail space would be in Sen Sok district, Chamkarmon (26), Tuol Kork (19 percent), Chbar Ampov (13 percent), Daun Penh and Mean Chey (6 percent) and 7 Makara District (1 percent).

*Learnt from: The Phnom Penh Post (25<sup>th</sup> June, 2018)*

### **The building boom continues in Sihanoukville**

Sihanoukville is a fast-developing urban area that hosts Cambodia's sole deep-water seaport. More

than 200 residential, commercial, and mixed-use development projects went up in different parts of Sihanoukville in the last 3 years. The newly-completed D'Seaview in Sokha Beach, developed by a Singaporean firm, HLH Group, is composed of 737 residential and 67 commercial units. Ongoing projects include the SeaGate Suite, a \$200 million mixed-use development by KHCN International Investment & Development on Victory Beach and the \$200 million, 38-storey Blue Bay Resort by Shu Jian Tian Yu Development on Independence Beach. Sky View Investment also began construction of the \$109 million Sky Mountain Business Centre and Sky Mountain View Hotel in the city. InterContinental, a major international hotel developer, is building a \$77 million, 17-storey, hotel in Mitapheap District. The globally-renowned Marriott Group is also developing a 58-storey hotel with 888 rooms in Treasure Island Beach. In Otres Beach, local developer Tang Kung Group broke the ground for its \$25 million Jing Nan Hotel. The groundbreaking \$1 billion Wisney World resort project, a joint undertaking of China's AMC International and Malaysia's SV International, which include water parks, hotels, and malls built over a 65-hectare lot in Sihanoukville is recently opened. Prince Real Estate (Cambodia) Group, one of the most successful property developers in Cambodia, is set to build the Prince Cullinan Bay, a recreational complex along Victory Beach and Prince City Centre, an international-standard, mixed-use development. Before the end of 2018, around 10 hotel projects, with more than 1,000 rooms, are expected to be completed in Sihanoukville. Sihanoukville is becoming a more popular tourist destination and attracting international investment.

*Learnt from: Khmer Times (27<sup>th</sup> June, 2018)*

### **Growing Demand for Low-cost Housing**

Low-cost housing developments are growing fast as people continue pouring to the capital, with eight million people predicted to be living in the Kingdom's cities by 2030. Homes in Cambodia are divided into three categories – affordable housing

at below \$40,000; mid-range residences of between around \$48,800 and \$70,000; and higher-end houses for \$80,000 and upwards. The Kingdom's economic growth has provided more people to buy houses, while the banking sector has also developed to assist purchasers. The government has cooperated with three investment companies to offer affordable housing projects. They are the Worldbridge Land's project, located south of Takhmao City in Kandal province; The Bun Chhay Bo project, along National Road 5 in Prek Pnov district and the Japanese-developed residential project Arakawa, located in Sen Sok which are still in the construction state. According to the Ministry of Land Management, the investment value of residential construction was over \$2.2 billion last year.

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