

Cambodia's loan demand rose by 20.7% in H1, 28.8% of which from construction and property sector

According to the biannual report of the National Bank of Cambodia, Bank loan demand in Cambodia rose by 20.7% to US\$26.7 billion during the first half of 2020, of which the construction and real estate sector accounted for 28.8%. The loans have been given to key sectors and among which personal mortgages accounted for 11.6%, property loans 8%, and construction loans 9.2%. Despite this credit growth, the construction sector is likely to decline due to the decrease in demand, the completion of some construction projects, and in particular, the decline by 14% in construction material imports due to the COVID-19 pandemic. In the banking sector, the main risks arising from the prolonged COVID-19 pandemic include a decline in the incomes of people and businesses which can lead to a drop in the growth of loans and deposits, a fall in construction and real estate, and a slowdown in foreign capital inflows into the banking sector.

Learnt from: Construction & Property (9th July, 2020)

MLMUPC partners with major banks to set up online construction business registration system

According to the Ministry of Land Management, Urban Planning, and Construction, ministry is working with Canadia Bank and ABA Bank to strengthen the online construction-related business registration system and establish a new online payment system. The ministry and Canadia Bank has been discussed recently and amend some parts of the raft registration and payment system. Meanwhile, the ministry is also currently reviewing the draft MOU with ABA Bank on the use of online payment services. Regarding digitization, the ministry has recently launched an online cadastral information checking service that is accessed by scanning the QR code on the property ownership title.

Learnt from: Construction & Property (13th July, 2020)

Six office buildings completed in Q2 despite drops in rent and occupancy rate

According to CBRE Cambodia's market view report published on 07 July, six office buildings, including five centrally-owned and one strata-titled, have been completed in Q2 2020, despite a slight drop in rental prices and occupancy rates partly due to the COVID-19 crisis. The five centrally-owned office projects comprise of Amass Central, Royal K Plaza, The Link III, Terra, and The Helix. With these five projects, the supply in the market by the end of 2020 is expected to be 64,026 square metres. Meanwhile, the strata-titled office sector saw one new project completion, which is The Legacy. This will bring a total of 59,000 sqm of new supply to the market by 2020. The occupancy rate in Q2 2020 saw a 4.5% drop compared to the same period in 2019. The statistics also saw a 3.1% q-o-q drop for Grade B in central business districts (CBD) and 2.9% for non-central business districts (NCBD). However, the quoted rents for Grade C buildings surprisingly increased by 8% for CBD and 4.5% for NCBD.

Learnt from: Construction & Property (13th July, 2020)

Hong Kong firm to build satellite city in Kampong Speu

A Hong Kong investment company has announced plans to set up a new satellite city in Kampong Speu province but has yet to reveal the exact location to prevent rises in land prices. According to the Kampong Speu Governor, Hong Kong firm has been studying the project for a while, but progress has slowed due to the COVID-19 pandemic. Regarding the development, as of 2019, Kampong Speu Province Administration issued a total of 188 construction permits with a total construction area of over 700,000 square meters, worth more than US\$210 million.

Learnt from: Construction & Property (20th July, 2020)

K MALL to Open on Veng Sreng Road in 2021



Artist impression of K Mall

According to a press release from the developer Urbanland, the new K MALL being built on 6 hectares of land along Veng Sreng Road is scheduled to open by 2021. The project is the first phase of the KMS Park's master plan comprised of 40 shophouses, a three-story community market, a nine-story office building, a football stadium, and a leisure park. In the first half of this year, Phnom Penh also saw the completion of the Kalandale Mall, which added about 3.71% to the total retail stock and 24% to the existing community mall stock. Moreover, the market is expected to see 87,000 square meters of new supply by the end of 2020. Regarding the market overview during the COVID-19, the CBRE Cambodia Q2 report showed that the retail sector is still 19% below the baseline as of June, but is expected to slowly recover, in particular during the second half of 2020.

Learnt from: Construction & Property (23rd July, 2020)

More low-cost homes set to launch in 2020



low-cost homes

Amid unprecedented delays, the Arakawa Residence project, an affordable housing development project, is moving faster. The

Arakawa Residence is built on 1.36ha in Teuk Thla commune in Phnom Penh's western Sen Sok district and divided into two phases. Phase I consists of 10 21-storey buildings comprising 1,680 units, while Phase II consists of six buildings comprising 1,280 units. The units range in size starting from 23sqm, with prices ranging between \$28,500 and \$65,000. Phase I is nearly complete and its units are scheduled to be handed over to residents by the end of the year. All Phase I units have been sold, while Phase II units will be put up for sale in the fourth quarter of the year. Arakawa Residence attributed its success to being the capital's first affordable condominium projects, built in compliance with Japanese standards. In 2014, Cambodia adopted a national policy to promote the development of housing projects. Cambodia will need an additional 50,000 homes a year through 2030, the policy states. Data from the Ministry of Economy and Finance show that the Ministry of Land Management, Urban Planning and Construction issued construction permits to 1,647 projects in the first four months of the year – up 15.66 per cent from 1,424 in the year-ago period – worth \$3.049 billion, up 20.5 per cent year-on-year.

Learnt from: The Phnom Penh Post (26th July, 2020)