

Low Sales Rate Hits Phnom Penh Condominium Market



Condominium

With record units of residential properties available to the public in Phnom Penh, sales rates have fallen to a new low, with many empty homes in Phnom Penh which are mostly unsold or without residents. Some developers have postponed their launches indefinitely because it is difficult to estimate how long the COVID-19 outbreak will last. For some of the new launches, sales activities and campaigns have stopped. For others that remain open, sales offices have also seen fewer walk-in customers. The significant fall in demand from Chinese buyers has been caused by the travel restrictions China has imposed since the outbreak began and travel restrictions by Cambodia since, as well as the slowdown in world economic activities following the lockdown in many countries.

Learnt from: Khmer Times (31st August, 2020)

Evaluation and Immovable Service Businesses Must Obtain Certificate or License

As all businesses in Cambodia must be registered and pay taxes, businesses providing evaluation services and immovable services also require a professional certificate or business license from the Ministry of Economic and Finance. Evaluation service conducts an appraisal to determine the value of an asset and its benefits located or attached to it. Immovable services are divided into two sub-categories: the real estate agent service and the real estate management service. To open a business of evaluation service or immovable service, one must apply for a professional certificate as a valuer or a professional certificate

as a realtor depending on the type of business listed with the Ministry of Economy and Finance. For those conducting any of the aforementioned businesses without prior permission from the authorities will be fined up to 5,000,000 Riels, according to Prakas No 636 SHV. PRK on Management of Business, Services, Evaluation Services, and Immovable Services (29-06-2017).

Learnt from: Construction & Property (3rd September, 2020)

AEON Mall 3 takes a step closer to reality



Aeon Mall 1

AEON Mall 3 received approval from the Council for the Development of Cambodia (CDC) in late 2019 and it has recently been confirmed that Hyundai Engineering will develop the project. AEON Mall 3 will be another huge retail space that will be adding to the 4 percent gain in retail space this year. AEON 3 is planned to be a five-storey shopping centre with a parking facility. The site is 170,000 square meters, the largest of the three AEON Malls in Cambodia. AEON 3 is planned to be a five-storey shopping centre with a parking facility. The site is 170,000 square meters, the largest of the three AEON Malls in Cambodia with an investment of \$289.6 million. The new AEON Mall was scheduled to open in 2023 but it is unclear whether the COVID-19 pandemic will cause delays in 2020. The actual location of the biggest AEON Mall will be along Hun Sen Boulevard within Meanchey district's Chak Angre Krom commune.

Learnt from: Khmer Times (9th September, 2020)

The Process of Title Conveyance for Land with Soft and Hard Title

Title conveyance is made with legal documents referring to the contract or other legal documents confirming the transfer of title from the original

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landowner to the one. This transfer takes place in the form of:

- Land sale-purchase transaction contract
- Donation or gift (a contract in which one party provides property free of charge to the other party)
- Succession (transfer of rights or duties from one person or more by law)
- Inheritance by agreement.

The conveyance procedures are:

- 1) Land Office Approval
- 2) Commune/Sangkat Approval
- 3) Land Measurement Stage
- 4) Cadastral Authority check and tax payment
- 5) Name on the title

4% tax is levied on the transfer of rights of property both soft and hard title. After paying the tax, for a hard titleholder (registered land), the owner must bring all the documents to the Cadastral Department and the new owner will receive the title once all the procedures are completed.

For soft titleholder (unregistered land), the owner must return the tax payment receipt to the land office for the officer to review and at that time, the new owner will receive a file of title conveyance that has been properly transferred to the new owner.

Learnt from: Construction & Property (16th September, 2020)

Landlords are facing a wave of rent cuts and termination of tenancies and the number of tenants wishing to rent remains low. In addition, the current COVID-19 pandemic has also forced many dining, fashion and other businesses in the service sector, particularly businesses serving foreign tourists to close down due to falls in sales. Small and medium enterprises – the major sources of tenants in the shophouse rental market, have all scaled-down and terminated their contracts early as a result of the impacts from COVID-19. In the end, landlords should maintain their rental concessions such as rent discounts, or rent deferment until the overall situation improves, as there are still significant uncertainties about growth and the shape of recovery amid the COVID-19 pandemic.

Learnt from: Construction & Property (18th September, 2020)

Fewer Occupants Seen in Rental Shophouses



Shophouses

Shophouses in Cambodia are usually 2-3 storey buildings together with ground floor spaces, usually rented out by dental clinics, offices, travel agencies or other business occupants etc. During the past few months, many shophouses have signs looking for new tenants, as the commercial real estate market in Phnom Penh decline in investment volumes and rental prices due to covid-19.

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