

**Phnom Penh’s First Hyatt Regency Hotel to Open Next Year**



*Hyatt Regency Hotel*

The Managing Firm Chip Mong Group recently held a blessing ceremony on November 26 and the US\$200-million five-star hotel Hyatt Regency Phnom Penh is set to open early next year. According to the Hyatt Regency Phnom Penh General Manager, construction of the hotel is 100% complete. Hyatt Regency Phnom Penh is set to open its doors in quarter 1 of 2021, with 247 guest rooms and suites, 9 multi-functional events spaces and distinctive bars and restaurants showcasing a variety of local and international cuisines, as well as bespoke cocktails and live entertainment. The hotel is located in the heart of Phnom Penh between the Royal Palace and National Museum on St. 178, and is the first-ever Hyatt-branded business in the kingdom. Construction has been underway since March 2017 with an investment of almost US\$200 million by the Chip Mong Group.

*Learnt from: Construction & Property (27<sup>th</sup> November, 2020)*

**10% of Hotels in Siem Reap Open, yet to See Profit**

According to the president of Hotel Association of Cambodia, around 10% of hotels in Siem Reap are now open for operation, however, none of them are able to earn a profit. Those hotels focus on local tourists and are not profitable, but can withstand the monthly costs. Due to the COVID-19 crisis, the hotel business was suffering and some hotels are closing while some are selling out their business. For the first four months of 2020, foreign tourists to Cambodia dropped by more than 70%. Nearly 3,000 tourism-related businesses have been

closed; including over 1,000 hotels, guesthouses and restaurants have been shut down.

*Learnt from: Construction & Property (28<sup>th</sup> November, 2020)*

**Low-cost home project to be built by mid-2022**

Construction of the long-awaited \$70 million two-phased Arakawa Residence affordable housing development is on track to be completed by mid-2022, according to the developer of Arakawa Co Ltd. The Arakawa Residence is built on 1.36ha in Teuk Thla commune in Phnom Penh’s western Sen Sok district. Construction of Phase I is 90 per cent complete and Phase II 30 per cent. Phase I consists of 10 buildings comprising 1,680 units, while Phase II consists of six buildings comprising 1,484 units. All 16 buildings will be 21-storeys tall. With location and prices propping up sales, Phase I units were completely sold out while some 20 per cent of Phase II ones had been bought according to the Sales executive. Sales had fallen slightly after the first community transmission was detected on November 28. The units fall into two categories, 23sqm studio and 46sqm two-bedroom, which sell for \$30,500 and \$62,000. As of the end of last year, Cambodia had five affordable housing projects – two in the capital, two in Kandal province and one in Banteay Meanchey province – comprising 8,331 landed units and 7,256 strata units, the Ministry of Land Management, Urban Planning and Construction reported.

*Learnt from: Construction & Property (9<sup>th</sup> December, 2020)*

**Meanchey, Chbar Ampov as new shopping hotspots in 2021-2023**



*Upcoming Boeung Snor Food Village in Chbar Ampov*

While the year 2020 has dampened an otherwise lively shopping sector, the next few years (2021-2023) should give Cambodian consumers a lot to look forward to. The Mall Company, a retail specialist in Cambodia, recently released a report providing insight and analysis into the current and future retail landscape in Meanchey and Chbar Ampov. According to the report, the Chip Mong MegaMall, AEON Mall 3, Diamond Plaza, and Eco Mall are the largest projects rising in Meanchey and Chbar Ampov – expected from Q4 2021 to 2023. The urban areas of Khan Meanchey, especially along main roads, reveals a gap in the market for well-positioned, modern community malls. This presents an opportunity to capitalize on the convenience offered by modern community mall formats, made more attractive by easy access for the large demographic. The report suggests that the large scale retail developments within Boueng Tumpun and Chak Angre will drive further residential and population growth in the district. But with COVID-19 currently dampening demand, supply may outstrip demand resulting in a tenant-led market creating an opportunity for retail occupiers to negotiate favorable lease conditions. For mall developers, flexible leasing strategies are required as well as creative trade zone use, clearly identifiable mall concepts, and looking beyond Cambodia to attract new brands with particular attention to attracting key anchor tenants. Despite the current struggles of the retail market, the Mall Company's report cites Sen Sok's boom as an example of the growth a district may see following a massive commercial project (such as AEON Mall 2). With AEON Mall 3 right around the corner, Meanchey's property market will likely have its own development boom.

*Learnt from: Khmer Times (16<sup>th</sup> December, 2020)*

### **Capital's Third Ring Road lifts land prices in nearby areas**

With construction on Phnom Penh's keenly-awaited Third Ring Road coming along, land prices along the project have managed to defy the Covid-19 real estate downturn evident across the capital, according to industry insiders. In counter-clockwise direction from the northeast, blueprints show that

the road is to connect National Road 6 to Win-Win Street, National Road 5, Kob Srov Road, national roads 4, 3, 2 and 21 before crossing the Bassac River through to National Road 1. Two bridges across the Bassac River will be also constructed to link Koh Anlong Chin Island on both sides at a total length of 996m. It will then connect to Phnom Penh Autonomous Port's new container terminal in Kandal province's Kien Svay district and back onto National Road 6 with an aggregate length of 52.98km. At 27m wide in the capital and 25m outside, the road will be divided into two lanes in each direction, with a 3.5m wide garden serving as a median. The road will also include a motorbike lane and a pedestrian sidewalk on both sides. The project will cost \$273 million, which will come from concessional financing by China, with a contribution from the Cambodian government. The project broke ground on January 14, 2019 and is slated to be completed by the end of next year. The road is widely expected to help decongest the streets of the capital and enable better connectivity within the ASEAN region and the Greater Mekong Subregion (GMS), injecting significant impetus to the national economic growth. According to the Ministry of Public Works and Transport spokesman, construction on the road is more than 40 per cent complete and still on schedule. Land prices along the project had ticked up 15-20 per cent compared to the end of last year. The most prevalent areas for land transactions along the road could be divided into four main regions. Topping the list is the area near the segment between Prek Pnov Bridge and National Road 4 where land is valued at an average of \$200-250 per sqm, he said. The environs of the section linking national roads 3 and 4 ranks second at \$150-200 per sqm, followed by the surroundings of the segment connecting national roads 3 and 21 at \$100-150 per sqm and the partition linking national roads 21 and 1 at \$50-100 per sqm.

*Learnt from: Phnom Penh Post (16<sup>th</sup> December, 2020)*

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