

What's Happening in Cambodia Market & Valuation

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Are 2023 Phnom Penh Land prices attractive to buyers?

カンボジア経済財政省が発表した 2023 年の最新土地価格報告によると、プノンペンで最も地価の高い地域の最高価格は 1 平方メートルあたり 13,000 米ドルに達した。最も地価の高い地域には、ダウン ペン、7 マカラ、ボン ケン カン、チャムカーモン、トゥール コークが含まれている。データは、カンボジアの経済成長と不動産部門が強固なことを示している。

Learnt from: Khmer Times (8th March, 2023)

Government okays 60k projects worth \$70B in 22 years

国土整備・都市化・建設省・建設省 (MLMUPC) は、過去 22 年間で、合計 1 億 7,400 万平方メートルの土地に総額約 700 億ドルに相当する 61,867 件の建設プロジェクトを許可してきた。

Learnt from: Khmer Times (9th March, 2023)

CDC approves two investment projects worth over \$6 million

カンボジア開発評議会 (CDC) は、総投資額 610 万ドルの縫製工場、織物工場建設プロジェクトを承認した。

Learnt from: Khmer Times (21st March, 2023)

Prey Veng Province's Investment in real estate and services nears US\$ 200M over 5 years

プレイベン州における 2018 年～ 2022 年の、不動産およびその他サービスへの投資額や約 2 億ドルに達した。その中には、17 社による 140 ヘクタールの土地に対する 1 億 4100 万ドルの建設・不動産投資が含まれている。

Learnt from: Construction and Property (23th March, 2023)

Prince International Plaza offers free retail space on lease for upcoming entrepreneurs

プノンペンのロシア連邦大通りにあるプリンス インターナショナル プラザは、カンボジアの若手起業家支援のために、未使用中の小売フロア スペースを最長 1 年間無料で貸し出す。プリンス インターナショナル プラザは 200,000 平方メートルの商業・住宅開発で、首都カンボジアの近代的都市景観を象徴するプロジェクトだ。しています。

Learnt from: Khmer Times (24th March, 2023)

Over 2km standard beach development project in Kep province officially launched

ケップ州で、長さ 2,700 メートルのビーチ建設プロジェクトが正式に開始された。このプロジェクトは、ケップ州ケップ市サンカット プレイ トムのスメイ村にあり、長さ 2,700 メートル、幅 130 メートルだ。

Learnt from: Khmer Times (27th March, 2023)

Are 2023 Phnom Penh Land prices attractive to buyers?

The latest 2023 land prices for Phnom Penh were released by the Ministry of Economy and Finance of Cambodia. The data reveals the most valuable areas in the capital. The data indicates that strong confidence remains in Cambodia's economic growth and the property sector.

Property development in Phnom Penh and rise of land prices

Between 2000- November 2022, the Cambodian government approved more than 61,000 construction investment projects with a total registered capital of nearly \$70 billion. The cumulative floor area of the combined real estate projects was 173 million square meters, with 2,500+ projects categorized as "high-rise buildings". In Phnom Penh alone, there are 1,675 high-rise properties with the second most in Preah Sihanouk (685). The January 2023 land prices from the Ministry of Economy and Finance of Cambodia for Phnom Penh indicate ranges which are considerable, but this can be due to main roads, proximity to infrastructure, and land bordering rivers or lakes which impact price valuations may contribute to a higher land price. At its peak, land per square meter reached USD13,000, while land can be as affordable as \$20per sqm.

The 2023 land prices in Phnom Penh indicate the most valuable areas are:

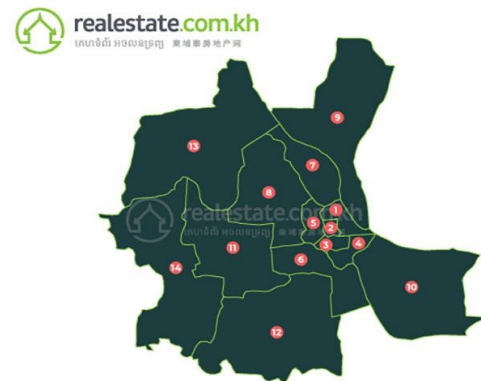
1. Daun Penh
2. 7 Makara
3. Boeung Keng Kang
4. Chamkarmon
5. Toul Kork

The most affordable three Sangkats by sqm in Phnom Penh are:

1. Kambol
2. Prek Pnouv
3. Dangkor

Towards the end of 2022, the Residential Property Index (RPPI) for Phnom Penh showed a continued

upward trend and the average house price was \$114,164. The RPPI was introduced in June 2022 by the National Bank of Cambodia (NBC) and the National Institute of Statistics (NIS) and is used to calculate the value of an asset in the real estate market. In the banking sector, the house price index is used in providing loans to customers.



Land Price Map of Phnom Penh

1 Daun Penh \$2,200/m ² - \$13,300/m ²	2 7 Makara \$2,300/m ² - \$8,000/m ²
3 Boeung Keng Kang \$2,800/m ² - \$10,000/m ²	4 Chamkarmorn \$1,600/m ² - \$7,300/m ²
5 Toul Kork \$1,900/m ² - \$6,100/m ²	6 Meanchey \$600/m ² - \$4,600/m ²
7 Russey Keo \$500/m ² - \$3,900/m ²	8 Sen Sok \$400/m ² - \$4,400/m ²
9 Chroy Changva \$20/m ² - \$3,500/m ²	10 Chbar Ampov \$40/m ² - \$3,700/m ²
11 Por Sen Chey \$100/m ² - \$3,600/m ²	12 Dangkor \$50/m ² - \$2,780/m ²
13 Prek Pnov \$20/m ² - \$1,790/m ²	14 Kambol \$30/m ² - \$1,890/m ²

Optimism in Cambodian Real Estate and Property Market

At the recently held Cambodian Great Real Estate Debate, the triple risks of financial headwinds (rising interest rates, inflation, and increase in non-performing loans in the Cambodian market) were a key talking point. Property buyer trends have changed, such as the increasing move away from buying off-plan which was a pre-pandemic preference, as well as the increased general awareness and knowledge of the property market. There remain some concerns over the possible oversupply of condos in the Kingdom with 41,000 condominiums currently available and an estimated 34,000 due to be completed over the next five years. However, the capital continues to grow in population size and new housing will meet

this demand. Developers have also, by and large, indicated the return of interest from foreign property buyers- from Hong Kong, Japan, Singapore, and now China. Cambodia's recent removal from the FATF grey list should also promote increased confidence and capital investment in the Kingdom. The soon-to-be-released Cambodia Real Estate Survey 2023 also indicates that a majority of respondents have positive views on the housing and property market for the next year.

- 61% feel property prices will increase over the next 12 months.
- 65.5% indicated they were looking for second homes or investment opportunities in Cambodia.
- A third of respondents suggested they were looking to buy in the next 18 months.

New investors in Cambodia Property

The re-opening of the Chinese market has been seen a major boom for the investment and potential of the property market in Cambodia. A real-estate firm that helps sell the international property to customers in Asia, added that the number of mainland Chinese buyer inquiries dropped 26% in 2021 and fell 11% in 2022, but has already increased 55% in 2023.

Rising investment funds in trust companies

Interest in landed properties such as Villas, Shophouse, Linkhouse etc., remains strong among Cambodian buyers but for foreigners has remained flat. However, trust companies in Cambodia can allow for foreign ownership of land and landed property and enable investment in land in Cambodia, indirectly, with the title of the property to be held by a trust. In 2019, Cambodia introduced the new Trust Law and regulations. A trust is a "legal arrangement which allows a trustee to hold a property for the benefit of another person". Four types of trust exist in Cambodia; Commercial Trust, Public Trust, Social Trust, and Individual Trust. The role of trustees with respect to the control and management of the immovable property is key topic. The Non-Banking Financial Services Authority

(NBFSA) has also issued guidelines for the recognition of appraisal companies and real estate appraisers in the field of trust investment.

How is 2023 shaping us economically?

Despite a number of challenges on the horizon, Cambodia is forecasted to have the highest GDP growth rate that the IMF predicts for 2023 but the views on growth, in general, are positive and more so from 2024 onward. Property prices have stabilized in Phnom Penh but land prices are still on the move in the most central and popular areas of the capital. Renewed local and foreign buying interest, stronger economic growth than recent pandemic impacted years, and a buoyant mood about Cambodia's future should bode well for the property sector in the long run.

Learnt from: Khmer Times (8th March, 2023)

Government okays 60k projects worth \$70B in 22 years

In the span of over twenty-two years, the Ministry of Land Management, Urban Planning and Construction (MLMUPC) has approved 61,867 construction projects worth approximately \$70 billion of investment on the total land area of 174 million square meters. The ministry approved 2,541 construction projects for buildings that comprised five floors or higher - 1,680 projects in Phnom Penh, 686 projects in Preah Sihanouk, 132 projects in Banteay Manthey and 43 projects in other provinces, while 50 projects have 40 floors or higher. According to the report issued by MLMUPC, 1,429 projects have 5-9 floors, 699 projects have 10-19 floors, 233 projects have 20-29 floors, 130 projects have 30-39 floors, 50 projects have 40 floors or higher, and 514 projects were residence and townships, and 89,894 projects and 437 projects were flats and condominiums respectively that were approved between 2019-2022. During the period from 2008-2022, there were 34,743 residential projects, 1,079 hotel projects, 3,168 commercial building projects, 10,650 factory projects and 332 multi-function building projects, adding that in 2022 alone, there were 4,276

construction projects in countrywide worth nearly \$3billion on about 7.3 million square meters. The value of the construction projects decreased 44.27 percent from over \$5.3 billion in 2021 when there were 4,303 projects on area of 12,998,072 square meters, adding that 226 projects on 5,659,006 square meters worth about \$2.36 billion were under regulation by MLMUPC and 4,050 projects under municipal-provincial authorities. It is said that the construction and real estate sectors have still been in hard times in both 2023 and 2022 even though tourism grows generally when that of Thailand and Vietnam grows, while the Southeast Asian Games would play an important role in attracting more tourists. The total value of the construction projects under MLMUPC declined 44.09 percent to \$2.36 billion in 2022 from approximately \$4.2 billion in the previous year, while the total value of those under the municipal-provincial administrations dropped slightly faster at 44.97 percent to \$613 million from \$1.1 billion. The slower pace of construction and real estate growth would continue further if the growth of foreign investment come back slowly, especially from China. Cambodia' construction and real estate sectors have been more heavily on foreign investment than domestic ones.

Learnt from: Khmer Times (9th March, 2023)

CDC approves two investment projects worth over \$6 million



Council for the Development of Cambodia (CDC) has approved two new investment projects with a total capital of \$6.1 million in Takeo and Kampong Speu. The newly approved projects belong to Sanjin (Cambodia) Knitting Technology Co., Ltd. in Prey Phdao Commune, Prey Kabas District, Takeo,

and Hao Tian Make Clothes Assist Material Co., Ltd. In roka Koh Commune, Korng Pisei District, Kampong Speu. The first company will invest \$3.8 million for the creation of a garment factory, while the second will inject \$2.3 million for a weaving factory, the CDC pointed out. The two newly-approved investment projects are expected to create some 1,400 jobs for the locals.

Learnt from: Khmer Times (21th March, 2023)

Prey Veng Province's investment in real estate and services nears US\$ 200M over 5 years

Prey Veng Province has invested almost 200 million dollars in real estate and other services from 2018 to 2022. The province had attracted national and international investors in the past five years, significantly increasing private investments in real estate and services. The total investment of nearly US\$ 196 million includes 17 companies investing in an area of 140 hectares in construction and real estate, with a total investment of US\$ 141 million. The investment in factories includes three factories with 3,541 workers, with an investment of US\$ 4.92 million, while 42 small and medium enterprises with 3,878 workers invested US\$ 9.92 million. There was also an increase of 144 handicraft bases with 432 workers and a US\$1.45 million investment, and the water sector increased to 11 bases with 134 workers and US\$ 7.54 million investment. Prey Veng province will continue to encourage national and international investors to invest in this province, especially in the real estate sector and services, to strengthen the province's economic development further and increase the job market.

Learnt from: Construction and Property (23th March, 2023)

Prince International Plaza offers free retail space on lease for upcoming entrepreneurs

Prince International Plaza on Russian Federation Boulevard in Phnom Penh to lease out available retail floor spaces for free for up to one year to support young Cambodia entrepreneurs. The plaza hosted a commercial leasing event on March 25. There are 59 shop lots/units, 29 kiosks and 10

pushcarts available for free leasing. Separate areas however will be earmarked for different businesses such as Food & Beverages, fashion/clothes etc. The project is part of the Corporate Social Responsibility (CSR) initiative of the company and hoped this could boost local entrepreneurship. Set in the heart of Phnom Penh, Prince International Plaza is a 200,000 square meter commercial and residential development and symbolizes the modernized urban landscape of Cambodia's capital. The plaza is in close proximity to logistic facilities, educational institutions, medical and healthcare centers, offices and municipal organizations.

Learnt from: Khmer Times (24th March, 2023)

Over 2km standard beach development project in Kep province officially launched

The project to build a 2,700-meter-long beach in Kep province has officially started. The project is in Thmey Village, Sangkat Prey Thom, Kep City, Kep Province, with a length of 2,700 meters and a width of 130 meters. It should be noted that the establishment of this project is divided into 6 areas, including 1) The land for private use is 50 meters wide, 2,700 meters long, and filled with additional land in accordance with the master plan in Sub-Decree No.257 dated December 08,2022, of the Royal Government. 2) The public park is 50 meters wide and 2,700 meters long. Public recreation beach, 30 meters wide, 2,700 meters long 4) Landscaping work, widening 2 roundabouts 5) Construction of 5 lanes and sub-lanes and 6) Other additional work.

Learnt from: Khmer Times (27th March, 2023)