

What's Happening in Cambodia Market & Valuation

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The anticipated resurgence of Cambodia's real estate in 2024

過去 10 年間で、カンボジアの GDP は観光、ビジネス、不動産が牽引することで約 7% 成長した。そうした中、カンボジア不動産市場は 2024 年中に 6,012 億米ドルに達すると予測されている。

Learnt from: IPS Cambodia (19th February, 2024)

Phnom Penh's Real Estate Market Report H2 2023

2023 年における不動産市場の特徴は、取引相場が軟調だったことだ。一方、オフィス部門は緩やかながら回復しつつあり、小売部門では裁量的支出が適度な回復をみせた。

Learnt from: Pointer Property (5th March, 2024)

Phnom Penh has been changing its face with attractive and high developments

プノンペンには、郊外の衛星都市、商業ビル、コンドミニアム、ホテル、高級コンドミニアムに見るように、魅力的に変貌し大きく成長してきている。結果として、プノンペンは活気に満ちた観光地となり、最高の投資先の一つとなってきた。

Learnt from: Khmer Times (12th March, 2024)

Cambodia ranked as one of Singaporeans' top real estate investment destinations

カンボジアは、過去 3 年間にわたり、シンガポールからのオフショア不動産投資の中で最も望ましい場所の一つとして挙げられてきている。カンボジアに対する固定資産投資は、2023 年に 49 億 2000 万ドルとなり、2022 年の 40 億 3000 万ドルから 22% 増加した。

Learnt from: Khmer Times (27th March, 2024)

The anticipated resurgence of Cambodia's real estate in 2024



Over the past decade, the GDP of Cambodia has grown by approximately 7%, driven by tourism, businesses and real estate. It is expected that 2024 is the time for real estate investments in Cambodia. As the market emerges from a long stagnant period, the further increase in tourism, rapid urbanisation, and growth of the middle class are contributing to the rising popularity of the place. The market is undergoing a resurgence as it moves to keep up with the country's economy. In 2023, Cambodia's real estate market was recovering from the aftereffects of the pandemic. While the economy was growing, the real estate sector was stagnant from 2020 to 2022, and in 2023, it was just recovering. Thus, various properties were being constructed, but it was stagnant. As growth is anticipated in the economy and business sectors, 2024 is expected to be a good time to invest in Cambodia's real estate. According to Statistics, the real estate market in Cambodia is projected to reach US\$601.20 billion by 2024. The real estate sector is expected to grow after a stagnant market in the post-pandemic era. Increasing tourism and the growth of industries in Cambodia increased demand for properties in Cambodia. The house prices across Phnom Penh is expected to eventually increase on a wide scale. Cambodia's real estate sector is also expected to witness a shift from short-term profits to long-term profits, especially for the region's overall development. Apart from residential, many commercial properties are in-line to be developed in Cambodia. Areas that are expected to witness a massive growth in Cambodia are Phnom Penh, Siem Reap

and Kampot. Demand for real estate in Phnom Penh is high ranging from commercial to residential. The growing business sector is one of the major factors for the growth of Phnom Penh real estate demand. Siem Reap also has established itself as a cultural hub. As tourism across the area increase, the local economy diversifies, and the residential properties is expected to grow. Moreover, one of the major tourist places in Cambodia is Kampot by the riverside. With a range of various tourist locations, Kampot is promoting ecotourism, driving the attention of the audience. Many developemnts are being made across this area improved roads and seaports.

Learnt from: IPS Cambodia(19th February, 2024)

Phnom Penh's Real Estate Market Report H2 2023

The real estate market in Year 2023 was characterized by soft transaction markets. Business confidence is easing – in the face of weak consumer sentiment and the general slowing of business activities. While the office sector has enjoyed a slow pick-up, with global uncertainty weighing on demand from local and international businesses taking up office spaces. The retail sector witnessed a modest recovery in discretionary spending, where cost-of-living pressures were under control. In the hospitality sector, the return of mainland Chinese tourists remain the key headwind on the demand prospects. However, Cambodia's international travel has not picked up at the same degree elsewhere such as Malaysia, Thailand, and Vietnam. The market anticipates a moderate influx of international travelers to replace the limited domestic 'staycation' business that does not suffice to support the hotel occupancy.

I. Hospitality

The additional supply entered the market – 11 projects totaling around 7,000 keys are expected to be delivered within 3 to 5 years. However, the hotel market for high-end hotels still has not reached its previous peak prior the pandemic. All

hotel classes, including high, mid, and low-end hotels, witnessed a slightly recovered occupancy level with the return of business & leisure travelers.

II. Office

Net absorption of office space for H2 2023 has improved. However, the market is experiencing an uneven recovery in office buildings, coupled with the slowdown in vacated spaces. With several new developments launched in the office market, we project a lower net take-up in the coming years due to more increased supplies of Grade A offices coming online – particularly projects along Norodom Boulevard with the under-construction buildings of National Bank of Cambodia (NBC) headquarters, Norodom Business Tower, Odom Tower, Royal Group Headquarters. These projects will bring an addition of over 65,000 sqm of new office spaces to the market.

III. Residential

Landed Property

A key feature of the landed-property housing market in Year 2023 was the increasing number of mid to mid-low end housing projects launched. We believe the impact of pandemic boosted demand for larger spaces provided with specific functions for new ways of living. It is also worth noting there is an oversupply of landed housing in the primary market (new home sales), while the majority transactions occurred in the secondary market (resale). Over 80% of new supply are located in the outskirt areas targeting the low- to mid-end products.

Condominium

Condominium market saw a healthy level of activities for the new launches in condominiums. Most newly launched condominium projects in Year 2023 focused on the areas of Boeung Keng Kang 1, Chamkarmon, primarily along Preah Monivong and Mao Tse Tong Boulevard such as Time Square 6 and J Tower 3. The affordable condominium market has proven resilient during

the pandemic, and we expected to see even more units for sale in Year 2024.

Serviced Apartment

There is one newly launched Serviced Apartment in H2 2023, Capri by Frase – Phnom Penh, an 88-key serviced apartment operated by Frasers Hospitality located in Daun Penh district. Apart from that, Frasers Hospitality developed two more projects in Phnom Penh. They are the 1) Capri by Fraser, City Centre Phnom Penh, and 2) Fraser Residence Leedon which are slated to open in the Year 2025 and Year 2027, respectively. These properties will provide an additional 300+ units of service apartments.

IV. Retail

The retail market showed signs of recovery, thanks to rising consumer confidence, driven by the return of local spending and the wider improvement in the economy. In addition, there has been positive leasing demand due to pent-up demand in major shopping centers with increased footfall. Retailers can be successfully turning challenges into opportunities. We also witnessed another form of retail development in the market, The night market concept, such as Ground Market – Koh Norea, which blends traditional markets, retail malls, and urban parks. Prince N5 Night Market, operated by Prince Real Estate Group, opened in November, attracting over 30,000 visitors and over 330 vendors. This night market installed new experiences to capture the local's preference. These included new landmarks, as well as altering F&B tenant mix in comparison to the existing night markets.

Learnt from: Pointer Property(5th March, 2024)

Phnom Penh has been changing its face with attractive and high developments

Phnom Penh has been changing its attractive appearance and growing significantly, as evidenced by the presence of satellite cities, commercial buildings, condominiums, hotels, and luxury condominiums that have been built continuously, and that Phnom Penh has become a vibrant tourist destination and one of the best investment destinations. The Phnom Penh Capital Administration has been working to build and develop physical infrastructure such as roads, canals, sewers, water supply, public electricity, telecommunications, security cameras, public park improvements, and the construction of subways, bridges, flyovers, etc., in which the Moradok Techo flyover will be completed in the first phase in April.

Learnt from: Khmer Times(12th March, 2024)

Cambodia ranked as one of Singaporeans' top real estate investment destinations



Phnom Penh's high-end condominium sector remains a focal point for Singaporean outbound real estate investors see solid annual returns, according to recent statistics.

Cambodia has remained one of the most desirable locations for offshore property investments by Singaporean nationals over the past three-year period. Landing in the top 10, Cambodia took out the ninth position in the world rankings, receiving 3.3 percent of all Singaporean outbound real estate enquiries. Cambodian investments in both property development and individual condo units remain competitive to Singaporean owners looking for stronger investment returns than domestic real estate assets are able to generate. In particular, Singaporean property developers and investors are making their presence known in the high-end condominiums development sector in

Phnom Penh, Cambodia. Australia was positioned number one in the portal's global rankings, receiving 27.5 percent of all outbound enquiries from Singaporean buyers. Placing second was Thailand with 16.5 percent of all outbound enquiries. The primary reasons that Singaporean investors purchase overseas residential real estate in locations, including Australia, Cambodia and other countries worldwide, are to diversify their investments, take advantage of Singapore's strong dollar exchange, avoid higher transaction costs at home, provide housing for their children who are studying abroad or obtain second homes for retirement and holidays. Singapore rose to become Cambodia's second-largest provider of foreign direct investment (FDI) in 2023. Cambodia attracted a fixed-asset investment of \$4.92 billion in 2023, up 22 percent from \$4.03 billion in 2022. While China remained the largest FDI driver, contributing a 66 percent share of the sum investment value last year, Singapore was the next largest contributor for the period. Outside of incoming investments, Cambodia and Singaporean business ties and trade have continued to grow significantly in recent periods. During the first half of 2023, Singapore was the third largest trade partner of Cambodia in ASEAN, with \$786.77 million worth of merchandise exchanged. Singapore was also Cambodia's third largest export destination in the period, accounting for \$415 million in total value.

Learnt from: Khmer Times (27th March, 2024)