FEARLESS FORECAST 2019

WHAT DOES THE FUTURE HOLD?

PRESENTED BY MARC TOWNSEND
CHAIRMAN, CBRE CAMBODIA

13 FEBRUARY 2019
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OVERVIEW

INFRASTRUCTURE
LAND
RETAIL
OFFICE
RESIDENTIAL
TOURISM & HOSPITALITY
### Economic Indicators

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</tr>
</thead>
<tbody>
<tr>
<td>GDP (Bn USD)</td>
<td>14.1</td>
<td>15.3</td>
<td>16.7</td>
<td>18.2</td>
<td>20.2</td>
<td>22.06</td>
<td>23.68</td>
<td>25.88</td>
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<tr>
<td>GDP Growth (%)</td>
<td>7.3</td>
<td>7.4</td>
<td>7.1</td>
<td>7.0</td>
<td>6.9</td>
<td>7.0</td>
<td>7.1</td>
<td>6.8</td>
</tr>
<tr>
<td>GDP Per Capita (USD)</td>
<td>973</td>
<td>1,042</td>
<td>1,135</td>
<td>1,171</td>
<td>1,265</td>
<td>1,372</td>
<td>1,451</td>
<td>1,563</td>
</tr>
<tr>
<td>Inflation (%)</td>
<td>2.9</td>
<td>2.9</td>
<td>3.9</td>
<td>1.7</td>
<td>3.5</td>
<td>3.1</td>
<td>3.2</td>
<td>3.3</td>
</tr>
<tr>
<td>No. of Foreign Tourist Arrivals (Million)</td>
<td>3.6</td>
<td>4.2</td>
<td>4.5</td>
<td>4.8</td>
<td>5.0</td>
<td>5.6</td>
<td>6.2</td>
<td>N/A</td>
</tr>
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</table>


### Banking and Finance

<table>
<thead>
<tr>
<th></th>
<th>2016 H1</th>
<th>2016 H2</th>
<th>2017 H1</th>
<th>2017 H2</th>
<th>2018 H1</th>
<th>2018 H2</th>
</tr>
</thead>
<tbody>
<tr>
<td>KHR/USD (Official)</td>
<td>4,084</td>
<td>4,037</td>
<td>4,086</td>
<td>4,039</td>
<td>4,032</td>
<td>N/A</td>
</tr>
<tr>
<td>1-Year USD Lending rate (%)*</td>
<td>11.50</td>
<td>11.50</td>
<td>11.50</td>
<td>11.50</td>
<td>11.42</td>
<td>N/A</td>
</tr>
<tr>
<td>1-Year USD Deposit rate (%)*</td>
<td>4.25</td>
<td>4.25</td>
<td>4.25</td>
<td>4.35</td>
<td>4.41</td>
<td>N/A</td>
</tr>
</tbody>
</table>

* Average rate of ACLEDA, UCB, Canadia, Vattanac, Maybank, Bank of China, CIMB & ABA

Source: National Bank of Cambodia & CBRE Research

### Real Estate Indicators

<table>
<thead>
<tr>
<th></th>
<th>2017 Q1</th>
<th>2017 Q2</th>
<th>2017 Q3</th>
<th>2017 Q4</th>
<th>2018 Q1</th>
<th>2018 Q2</th>
<th>2018 Q3</th>
<th>2018 Q4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prime Office Rent (USD/SQM/Month)</td>
<td>22.2</td>
<td>25.4</td>
<td>25.4</td>
<td>25.4</td>
<td>25.4</td>
<td>25.5</td>
<td>25.3</td>
<td>25.6</td>
</tr>
</tbody>
</table>

Source: CBRE Research, Q1 2019
FEARLESS FORECAST 2019
ECONOMIC GROWTH: CAMBODIA VS. ASEAN-5 VS. WORLD

Source: National Bank of Cambodia & World Bank

Cambodian national bank predicts 7% growth for 2019
FEARLESS FORECAST 2019
CREDIT AND CONSTRUCTION SECTOR

CONSTRUCTION SECTOR TO MAINTAIN STRONG GROWTH DESPITE CREDIT SLOWDOWN.

GROWTH IN CONSTRUCTION SECTOR

GROWTH OF CREDIT TO CONSTRUCTION SECTOR (JAN-OCT)


Source: National Bank of Cambodia and Ministry of Economic and Finance

Kingdom to ‘handle cement need in 2yrs

Rising cement production
FEARLESS FORECAST 2019
CAMBODIA’S MINIMUM WAGE VS. THE REGION

MINIMUM WAGES – REGIONAL COMPARISONS (USD/MONTH)

*The lowest minimum wage rate in the country
Source: ASEAN Briefing, The ASEAN Post, The Diplomat
### Cambodia Mortgage Market

**Source:** CBRE Research

<table>
<thead>
<tr>
<th></th>
<th>Annual Interest Rate</th>
<th>Loan-to-Value</th>
<th>Payment Term</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>COMMERCIAL BANKS</strong></td>
<td>6.88% - 14%</td>
<td>60% - 80%</td>
<td>Up to 25 years</td>
</tr>
<tr>
<td><strong>MFIs</strong></td>
<td>9.6% - 18%</td>
<td>70% - 80%</td>
<td>Up to 15 years</td>
</tr>
<tr>
<td><strong>DEVELOPERS</strong></td>
<td>12%</td>
<td>90% - 100%</td>
<td>Up to 17 years</td>
</tr>
</tbody>
</table>
FEARLESS FORECAST 2019
CAMBODIA CONSUMER LOANS

CONSUMER LOAN BALANCE

- Personal Finance: 51.7%
- Mortgage: 47.6%
- Credit Card: 0.8%

Source: Credit Bureau Cambodia 2019

NPL

- Credit Card: 2.07%
- Personal Finance: 1.66%
- Mortgage: 0.64%

Source: Credit Bureau Cambodia 2019
FEARLESS FORECAST 2019
CLIMATE CHANGE IMPACTS CAMBODIA’S MOST VULNERABLE

National Road 4 flooded and closed – again
FEARLESS FORECAST 2019
CLIMATE CHANGE IMPACTS CAMBODIA’S MOST VULNERABLE

Thousands of Cambodians evacuated as floods hit

Laos dam collapse sends floods into Cambodia, forcing thousands to flee

Serious flooding across country

Cambodia – 1,700 Homes Damaged by Floods
FEARLESS FORECAST 2019
LOCATIONS OF FLOODED AREAS IN CAMBODIA

FLOODED AREAS AS OF JULY 2018

Battambang
- Flooding Areas
- 105 inundated
- 1100ha affected

Koh Kong
- Flooding Areas
- 350 inundated
- Rainning

Kampong Speu
- Flooding Areas
- 57 inundated

Preah Sihanouk
- Flooding Areas

- Water level 7.30mm
- Rain continues until 21 July
- Weather forecast: 32°C/25°C

Source: Phnom Penh Post
FEARLESS FORECAST 2019
RAPID TRANSFORMATION OF SIHANOUKVILLE

Photo: John Dough
FEARLESS FORECAST 2019
RAPID TRANSFORMATION OF SIHANOUKVILLE

Photo from EARTHRISE

Source: EARTHRISE

CBRE CAMBODIA
FEARLESS FORECAST 2019
CAMBODIA’S CASINOS ON THE RISE

TOTAL CASINO LICENCES

△53% INCREASE

2017
2018

SIHANOUKVILLE’S SHARE OF CASINOS

Source: asianews.it

In Cambodia’s 'New Macau', Chinese cash in
Chinese gambling boom looms over Cambodia's Kampot

Vietnam prepares to open up casino gambling to locals

Ministry: Vietnam casino no threat

Donaco has high hopes for upcoming gaming law
Japanese fleet to dock at Sihanoukville port this month

Cambodian PM says won't allow any foreign military base in his country

Photo: Khmer Times
Cambodia shielded by EBA as US-China trade war escalates, Moody’s says

‘Made in Cambodia’ May Become New Fashion Label With Tariffs Hitting China

US-China trade war will divert trade and investment to ASEAN: analyst
Chinese producers expected to beat US tariffs by rerouting goods

Trump hits China with $200bn of new tariffs as trade war escalates

Singapore Braces for Slower Growth in 2019 as Trade War Hits

Indonesia has benefited from the US-China trade war, minister says

IMF flags trade war threat and warns of global economic slowdown
FEARLESS FORECAST 2019
CAMBODIA AND “EVERYTHING BUT ARMS”

PREFERENTIAL IMPORTS FROM EBA BENEFICIARIES IN 2016

- Bangladesh 66%
- Cambodia 18%
- Mozambique 4%
- Myanmar 4%
- All other 8%

Source: European Commission 2018

VALUE OF PREFERENTIAL IMPORTS FROM CAMBODIA TO EU
(IN BILLION EUROS)

<table>
<thead>
<tr>
<th>Year</th>
<th>Value (Billion Euros)</th>
</tr>
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<tbody>
<tr>
<td>2012</td>
<td>€2.0</td>
</tr>
<tr>
<td>2013</td>
<td>€2.5</td>
</tr>
<tr>
<td>2014</td>
<td>€3.0</td>
</tr>
<tr>
<td>2015</td>
<td>€4.1</td>
</tr>
<tr>
<td>2016</td>
<td>€4.6</td>
</tr>
<tr>
<td>2017</td>
<td>€5.0</td>
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</tbody>
</table>

Source: European Commission 2018

KHMERTIMES
Doors open for EBA talks, EU says

REUTERS
Cambodia's garment workers fear EU trade threat but producers optimistic

NIKKEI ASIAN REVIEW
Brexit and EU sanctions threaten to push Cambodia into economic crisis

FEBRUARY 11, 2019 14:30 JST
Vietnam becomes seventh country to ratify Trans-Pacific trade pact

How Vietnam Will Ship Tariff-Free This Year to Countries Covering 45% of World GDP

TPP kicks off without US, opening business doors across Asia

VN entering TPP ‘may bring challenges for the Kingdom’
Impact of Brexit on Cambodia and other EBA Countries

-1.7% Exports
-1% Real GDP
-1.4% Consumption

Source: German Development Institute
FEARLESS FORECAST 2019
CHINA ECONOMIC SLOWDOWN

CHINA ANNUAL GDP GROWTH RATE (1990-2021F)

Source: The World Bank

THE WALL STREET JOURNAL
China’s Annual Economic Growth Rate Is Slowest Since 1990

Bloomberg Opinion
China Has a Dangerous Dollar Debt Addiction
FEARLESS FORECAST 2019

THE LONG-AWAITED BUILDING SAVED BY CHINESE DEVELOPERS

BEGAN IN 2008 BY
YON WOO CAMBODIA

COMPLETION SCHEDULED BY END OF 2019

WORKS RESUMED IN 2018
BY CHINESE DEVELOPERS
WAIMAN CONSTRUCTION & ENGINEERING AND
SHENZHEN HONGTAO DECORATION

Construction resumes at Gold Tower 42

Chinese to help finish Gold Tower 42 by 2019
OVERVIEW

INFRASTRUCTURE

LAND

RETAIL

OFFICE

RESIDENTIAL

TOURISM & HOSPITALITY
Belt and Road Initiative set to bring opportunity, but comes with risks
China's Belt And Road Initiative Faces Obstacles in 2019

FINANCIAL TIMES
Maldives seeks to renegotiate with China over Belt and Road debt

NIKKEI ASIAN REVIEW
China runs into Belt and Road barriers in South Asia

Malaysia, China to Carry on With Talks on $20 Billion Rail Project
PHNOM PENH-SIHANOUKVILLE EXPRESSWAY PLAN

CURRENT STAGE OF THE PLAN

- Construction to start within Q1 2019
- The Ministry is resolving potential impact to the people living within close proximity
- 200 Chinese construction experts present in Cambodia.

190KM IN LENGTH
25M IN WIDTH
4 LANES
89 BRIDGES

3 REST STATIONS
7 INTERSECTIONS

48 MONTHS TO BE COMPLETED

Source: Ministry of Public Works and Transport/ Property Area
**1. Phnom Penh - Sihanoukville Expressway**
- 190 km complete in 48 months

**2. NR. 3 Expansion**
- Started in April 2018, expected completion in 2021
- Expand to 24.5 m width (82 km) & 12 m width (70 km)

**3. Phnom Penh - Ho Chi Minh Tollway**
- Connected via Bavet, expected completion in 2033

Source: CBRE Research, Q1 2019
5. CHOAM CHAO FLYOVER & UNDERPASS
6. NATIONAL RING ROAD 3
7. ANLONG CHEN BRIDGE

Source: Google Maps, CBRE Research, Q1 2019
5 CHOAM CHAO
FLYOVER & UNDERPASS

- Broke ground in June 2018
- Estimated completion time - 30 months

6 RING ROAD 3

- Broke ground January 14th 2019
- 53KM long
7. **ANLONG CHEN BRIDGE**

- Part of Ring Road 3 development
- Expected completion 2021

**Completed and opened in 2018**

*Railway Gazette International*

*Cambodia opens Thai border rail link*  
05 Apr 2018
MAJOR MIXED-USED PROJECTS

1. CHROY CHANGVAR SATELLITE CITY

- DEVELOPER: OCIC
- LOCATION: EAST OF CBD
- OVER 200 HECTARES OF LAND UNDER DEVELOPMENT
- DEVELOPMENT FOCUS CURRENTLY ON LOW-RISE

COMMERCIAL ZONE | BUSINESS ZONE | RESIDENTIAL ZONE
RECREATIONAL PARK | CONVENTION CENTER

Photo: CBRE Cambodia & OCIC
FEARLESS FORECAST 2019
MAJOR MIXED-USED PROJECTS

2 PHNOM PENH CITY CENTER

- **DEVELOPER:** SHUKAKU INC.
- **SITE AREA:** 111.6 HECTARES

RESIDENTIAL ZONE | RETAIL | OFFICE
INTERNATIONAL SCHOOL | RECREATIONAL PARK
3 YUETAI’S PHNOM PENH HARBOUR

OFFICE TOWERS   |   RESIDENTIAL TOWERS
HOTEL   |   URBAN PARK   |   CULTURAL CENTER

GROUND-BREAKING EXPECTED WITHIN Q1 2019

Photo: Phnom Penh Post & Yuetai Group
4 DIAMOND ISLAND

- MASTER DEVELOPER: OCIC
- SITE AREA: MORE THAN 100 HECTARES

RESIDENTIAL ZONES | OFFICE | HOTEL | PARK | CONVENTION CENTER
**FEARLESS FORECAST 2019**

**MAJOR MIXED-USED PROJECTS**

---

**5 ING CITY**

- **DEVELOPER:** ING HOLDINGS
- **LOCATION:** SOUTH OF PHNOM PENH
- **SITE AREA:** 2,572 HECTARES
- **CURRENTLY ON PHASE 1, COVERING 623 HECTARES**

**COMMERCIAL ZONE | BUSINESS ZONE | RESIDENTIAL ZONE**

**INTERNATIONAL SCHOOL | RECREATIONAL PARK**

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Photo: ING Holdings

CBRE CAMBODIA
FEARLESS FORECAST 2019

GREEN-NET STATISTICS: UPCOMING LESSER-KNOWN PROJECTS

Source: CBRE Research
Land prices in Kandal’s Steung district soar after new airport announced.

Land prices in central Phnom Penh stay level amid rise in the suburbs.

Land prices soar on capital’s airport announcement.
LAND | FEARLESS FORECAST 2019
INDICATIVE LAND PRICES 2010-2020F

Source: CBRE Research, Q1 2019

CENTRAL DISTRICTS
REDUCTION IN GROWTH RATE DUE TO COMMERCIAL SUPPLY TRENDS

TOUL KORK DISTRICT
VALUE UPLIFT DUE TO SHIFT FROM RESIDENTIAL TO COMMERCIAL LAND USE

SUBURBAN DISTRICTS
LAND VALUE APPRECIATION FOCUSED AROUND IMPROVING INFRASTRUCTURE NETWORK
The land prices indicated are representative of sites from 0.3 ha to 3.0 ha in site area.
REGIONAL AVERAGE LAND VALUE COMPARISON

Source: CBRE Research
REGIONAL AVERAGE LAND VALUE COMPARISON

Source: CBRE Research
DIVERSIFICATION OF DEVELOPMENT TYPES, WITH BRANDED HOTELS, HOSPITALS AND EDUCATION LEADING THE CHARGE

SUSTAINABILITY AGENDA GAINS MOMENTUM, DRIVEN BY THE NEED FOR DIVERSIFICATION & OCCUPIER DEMANDS

BEYOND LAND, HOTELS DOMINATE INVESTMENT SALES

REAL ESTATE DEVELOPMENT FUNDING BECOMES MORE COMPLEX, WITH IPOS AND BONDS ENTERING THE FINANCE MIX
OVERVIEW
INFRASTRUCTURE
LAND
RETAIL
OFFICE
RESIDENTIAL
TOURISM & HOSPITALITY
INFLUX IN SUPPLY ACROSS ALL SUB-SECTORS

ANTICPATED COMMUNITY MALL STOCK 32,858 SQM

COMPLETION DELAYS EXPECTED IN RETAIL PODIUM SEGMENT

MANAGEMENT & OPERATION A GROWING ISSUE AS A RESULT OF CHANGING FORMATS & SCALE

Source: CBRE Research, Q1 2019
RECENT ENTRANTS

SOARING NUMBER OF NEW RETAIL ENTRANTS IN 2018

**2017**

29 NEW ENTRANTS

**2018**

65 NEW ENTRANTS
NEW RETAIL ENTRANTS TO PHNOM PENH IN 2018

AND MANY MORE...
RETAIL VACANCY 2008-2020F

Source: CBRE Research, Q1 2019

2019F VACANCY

RETAIL PODIUM
ESTIMATED 4% INCREASE IN TOTAL VACANCY

COMMUNITY MALL
ESTIMATED 1.5% INCREASE IN TOTAL VACANCY

SHOPPING MALL
ESTIMATED 2% INCREASE IN TOTAL VACANCY

INFLUX OF COMMUNITY MALL SUPPLY EXPECTED TO BE LARGELY ABSORBED BY Q3/Q4 2019
RETAIL | FEARLESS FORECAST 2019
CURRENT RETAIL RENTAL RATES

RENTAL RATES FORECAST TO FALL DUE TO:

116.6% GROWTH IN RETAIL PODIUM SUPPLY
126.3% GROWTH IN COMMUNITY MALL SUPPLY
26.4% GROWTH IN SHOPPING MALL SUPPLY

COMMUNITY MALL RENTS FORECAST TO STABILIZE BEFORE YEAR END DUE TO ANTICIPATED HIGH NET ABSORPTION

Source: CBRE Research, Q1 2019
RECENTLY COMPLETED RETAIL SUPPLY IN 2018

THE PARK COMMUNITY MALL
OPERATION COMMENCED EARLY 2018 | 85% OCCUPIED BY 2018
RECENTLY COMPLETED RETAIL SUPPLY IN 2018

AEON MALL SEN SOK CITY

OPERATION COMMENCED MID 2018 | FULLY OCCUPIED
1. The Olympia Mall
2. The Park
3. The Bridge
4. Phnom Penh Megamall
5. MiDTOWN Mall
6. Noro Mall
7. WB Arena
8. Chip Mong Baktouk
9. The Point
THE POINT
LAUNCHED IN Q4 2018  |  EXPECTED COMPLETION IN 2019
LOCATED ALONG MAO TSE TONG BLVD, NEAR RUSSIAN MARKET
MiDTOWN MALL
EXPECTED FULL OPENING IN JULY 2019 | 4,881 SQM OF NLA
2019: 5 COMMUNITY MALLS ANTICIPATED

NORO MALL
EXPECTED OPENING IN Q3 2019 | 7,400 SQM OF NLA
2019: 5 COMMUNITY MALLS ANTICIPATED

DOWNTOWN 93
EXPECTED OPENING IN 2019 | 4,000 SQM OF NLA
2019: 5 COMMUNITY MALLS ANTICIPATED

WB ARENA

EXPECTED OPENING IN 2019 | 6,000 SQM OF NLA
2019: 2 SHOPPING MALLS EXPECTED TO COMPLETE

PHNOM PENH MEGAMALL
EXPECTED OPENING: Q1 2020 | 40,000 SQM OF NLA
2019: 2 SHOPPING MALLS EXPECTED TO COMPLETE

THE OLYMPIA MALL
EXPECTED OPENING IN MARCH 2019 | 15,000 SQM OF NLA (PHASE 1)
F&B franchises continue active expansion, targeting the community mall segment.

Anticipated community malls in 2019 to put more pressure on old shopping centers.

Aeon to remain the king of the shopping malls but new players have opportunity.

2018 – the year of new launches.

2019 - the year of the mall operator?
OVERVIEW
INFRASTRUCTURE
RETAIL
OFFICE
RESIDENTIAL
TOURISM & HOSPITALITY
LAND
OFFICE | FEARLESS FORECAST 2019
CENTRALLY OWNED OFFICE SUPPLY 2008-2020F

Grade C - 190,565 SQM
Grade B - 150,775 SQM
Grade A - 53,265 SQM

OCCUPANCY RATES FALL DUE TO 56.6% GRADE B STOCK INFLUX

Source: CBRE Research, Q1 2019

OCCUPANCY RATE BY Q4 2019

2019F
78.50%
GRADE A OFFICE
53,265 SQM
GRADE B OFFICE
150,775 SQM
GRADE C OFFICE
190,565 SQM
INFLUX IN NON-CBD GRADE B OFFICE COMPLETIONS COMPRESS RENTAL RATES DUE TO PRE-LEASING THROUGHOUT 2019. LITTLE REMAINING CBD GRADE C SUPPLY IN DEMAND.

Source: CBRE Research, Q1 2019
ADDITIONAL 87,000 SQM OF SUPPLY IN 2019 TO MARK THE ‘REAL’ START OF A WAVE OF STRATA-TITLE OFFICE SUPPLY

Source: CBRE Research.Q1 2019
1. Elysee Tower
2. Downtown 93
3. One Park
4. TK Central
5. Fortune Tower
6. C5 Olympia City
7. Diamond Twin Tower
8. Soma Group HQ
9. Star City
10. Chip Mong Baktouk Commercial Center
11. The Gateway
12. The Commune
13. The Point

MAP OF EXPECTED OFFICE COMPLETIONS IN 2019
THE GATEWAY
GRADE A STRATA-TITLE OFFICE
28,600 SQM
MORE ANTICIPATED STRATA-TITLE OFFICE IN 2019

DIAMOND TWIN TOWERS
GRADE B STRATA-TITLE OFFICE

16,000 SQM
MORE ANTICIPATED STRATA-TITLE OFFICE IN 2019

STAR CITY
GRADE B STRATA-TITLE OFFICE
20,200 SQM
MORE ANTICIPATED STRATA-TITLE OFFICE IN 2019

FORTUNE TOWER
OF THE OLYMPIA CITY
GRADE B STRATA-TITLE OFFICE

22,000 SQM
THE COMMUNE
GRADE B CENTRALLY-OWNED OFFICE
5,570 SQM
TK CENTRAL
GRADE B CENTRALLY-OWNED OFFICE
20-STOREY TOWER
14,366 SQM
OFFICE FORECAST

GRADE B OFFICE IN CBD STILL IN HIGH DEMAND
GRADE C ALSO A TARGET, BUT IN SCARCE SUPPLY

QUOTING RENTS TO FACE SLIGHT UPWARD ADJUSTMENT FOR
GRADE B CENTRALLY-OWNED OFFICES WITHIN CBD

WEAK OCCUPANCY RATE FOR STRATA-TITLE OFFICE TO CONTINUE
DUE TO STRONG SUPPLY IN 2019

FLEXIBLE-WORKING OPTIONS BECOME A BIGGER THEME FOR
CORPORATE TENANTS AND LANDLORDS
CONDOMINIUM SUPPLY IN 2018

ACCUMULATIVE SUPPLY 2018:
- 14,173 UNITS

- AFFORDABLE SEGMENT: 3,530 UNITS (22%)
- MID-RANGE SEGMENT: 7,550 UNITS (53%)
- HIGH-END SEGMENT: 3,093 UNITS (25%)

Source: CBRE Research, Q1 2019
PROJECT DELAYS RESULT IN INCREASED PIPELINE OF NEW SUPPLY IN 2019

100% INCREASE
AFFORDABLE SEGMENT

78% INCREASE
MID-RANGE SEGMENT

243% INCREASE
HIGH-END SEGMENT

Source: CBRE Research, Q1 2019
CONDOMINIUM SALE PRICE 2016 – 2020F

Source: CBRE Research, Q1 2019

RISK OF OVER-SATURATION WITHIN MID-RANGE AND HIGH-END CONDOMINIUM SEGMENTS CAUSE DOWNWARD PRICE ADJUSTMENT
KEY CONDOMINIUM PROJECTS EXPECTED TO COMPLETE IN 2019

1. THE GATEWAY
2. THE PENTHOUSE RESIDENCE
3. ONE PARK
4. EMBASSY CENTRAL
5. AXIS RESIDENCE
6. DIAMOND TWIN TOWER
7. URBAN LOFT
8. STAR CITY
9. SKY TREE
10. GOLDEN ONE
11. THE SKYLINE
and more…
RESIDENTIAL | FEARLESS FORECAST 2019
EXPECTED COMPLETION OF KEY PROJECTS

THE SKYLINE
792 UNITS | MID-RANGE | EXPECTED MOVE-IN READY: Q1 2019
THE PENTHOUSE RESIDENCE

458 UNITS  |  HIGH-END  |  EXPECTED MOVE-IN READY: Q3 2019
ONE PARK
1,636 UNITS | HIGH-END | 400 UNITS EXPECTED TO BE MOVE-IN READY BY 2019
RESIDENTIAL FORECAST

CONDOMINIUM

THE AFFORDABLE SECTOR CONTINUES TO PERFORM WELL, WHILST SUPPLY WORRIES IN MID-RANGE SECTOR REGULATE PRICES

SERVICED APARTMENTS DIFFERENTIATE FURTHER, MORE INTERNATIONAL OPERATORS ENTER THE MARKET

THE SECONDARY MARKET REMAINS STAGNANT WHILST SUPPLY GLUT LOOMS

RENTS WILL CONTINUE TO FACE DOWNWARD PRESSURE, ESPECIALLY THOSE IN SECONDARY LOCATIONS
SERVICE APARTMENT SUPPLY 2019-2020 FORECAST

GRADE A
1,135 UNITS
CURRENT SUPPLY

GRADE A
1,790 UNITS
SUPPLY BY 2020F

GRADE B
908 UNITS
CURRENT SUPPLY

GRADE B
946 UNITS
SUPPLY BY 2020F
RESIDENTIAL | FEARLESS FORECAST 2019
EXPECTED COMPLETION OF KEY PROJECTS

**ALPHA RESIDENCES NORODOM**

38 UNITS | GRADE B | EXPECTED TO BE MOVE-IN READY IN APRIL 2019
RESIDENTIAL | FEARLESS FORECAST 2019
INTERNATIONAL OPERATORS ON THE RISE

Source: somerset.com & khmertimeskh.com
CBRE CAMBODIA

SOMERSET NORODOM

30 COUNTRIES
111 CITIES
WORLDWIDE

SOMERSET NORODOM - COMPLETED
&
SOMERSET MERIDIAN SQUARE - PENDING

OPENED IN 2018
OAKWOOD PREMIER and OAKWOOD HOTEL & RESIDENCE PHNOM PENH will be located in ONE PARK.

OAKWOOD PREMIER PHNOM PENH
OAKWOOD HOTEL & RESIDENCE PHNOM PENH

950+ PROPERTIES ACROSS THE REGION
162 APARTMENTS IN AUSTRALIA
6 CITIES IN CHINA

Oakwood’s premier serviced apartments to debut in Phnom Penh next year.
RESIDENTIAL | FEARLESS FORECAST 2019

UNSOLD CONDOS TO BE CONVERTED INTO SERVICED APARTMENTS

After several years of rapid growth, experts warn that a period of oversupply is imminent.

Condo Oversupply Concerns: What Investors need to know...

Condo supply sees modest increase

Condo market continues to grow despite over-supply.
INCREASE IN RENOVATION OF OLD SUPPLY TO COMPETE WITH ANTICIPATED STOCK

INCREASE IN SUB-LETTING BY CHINESE LANDLORDS

MORE NEW APARTMENT OWNERS SEEKING INTERNATIONAL PROPERTY MANAGEMENT COMPANIES TO RUN OPERATIONS

INFLUX IN INTERNATIONAL OPERATORS ENTERING THE MARKET
NUMBER OF TOURIST ARRIVALS BY ORIGIN

Source: Ministry of Tourism
SIHANOUKVILLE’S CHINESE TOURISTS

72% INCREASE

CHINESE TOURIST VISITS TO SIHANOUKVILLE

DECLINING RATE OF WESTERN TOURISTS

Source: South China Morning Post

’S THEY ONLY GO TO CHINESE SHOPS’: WHY CAMBODIA’S INFLUX OF MAINLAND TOURISTS IS CAUSING TENSIONS
NUMBER OF TOURIST ARRIVALS BY YEAR

Source: Ministry of Tourism
IS THE INFLUX OF TOURISTS A POTENTIAL PROBLEM?

Angkor hosts 2.6M visitors

Thailand’s Phi Phi Islands face drinking water crisis, and too many tourists are to blame

Boracay closure offers chance to clean up and rethink tourism

Thailand bay made popular by 'The Beach' closes indefinitely
MORE FLIGHT CONNECTIONS, MORE TOURISTS, AND OF COURSE MORE HOTELS

Hospitality establishments continue to increase

Cambodia needs 100,000 new rooms in the next ten years to meet rising demand: Ministry

Cambodia, Myanmar direct flight on the table

Tourist arrivals up by 12%

Cambodia seeks more flights from Vietnam to lift tourism
HYATT REGENCY

EXPECTED COMPLETION 2020 | 250 KEYS

Photo: Chip Mong
BRANDED HOTELS CONTINUE TO RAISE THE BAR

**SHANGRI-LA HOTEL**

*Expected Completion 2020 | 148 Keys*

*Photo: Oxley Worldbridge*
CAMBODIA PREPARES TO HOST 2023 SEA GAMES

THE MORODOK DECHO NATIONAL SPORT COMPLEX

Photo: Phnom Penh Post
FEARLESS FORECAST 2019
SKY TRAIN PLANS TO REVOLUTIONIZE PUBLIC TRANSPORT

Photo: Phnom Penh Post
1. **CBD LAND VALUES WILL DOUBLE AGAIN IN THE NEXT 24 MONTHS**

2. **LOCAL TECH START-UPS WILL TAKE MORE SPACE THAN FORTUNE 500 COMPANIES**

3. **ANGKOR WAT ARCHEALOGICAL PARK WILL CLOSE FOR 6 MONTHS**
THANK YOU!

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