



ប៉ូណា រ៉េលី ក្រុម

BONNA REALTY GROUP

Trust - Experience - Professional

CAMBODIA COUNTRY REPORT 2015

Presented by Mr. Sung Bonna

September 2015



Head Office

#126, Norodom Boulevard, Sangkat Tonle Basak,
Khan Chamkarmourn, Phnom Penh.

(+855) 23 861 999

info@bonnarealty.com.kh

www.bonnarealty.com.kh

Bonna Asset Appraisal Department

#126, Norodom Boulevard, Sangkat Tonle Basak, Khan
Chamkarmourn, Phnom Penh.

(+855) 61 91 81 / 11 27 77 83

Siem Reap Branch

National Road 6, Phum Khnar Thmei, Sangkat Chreav,
Siem Reap City.

(+855) 63 96 33 99 / 12 50 63 24

Battambang Branch

#102, Street No. 3, Group 37, 20 May Village, Sangkat Svay
Por, Battambang City, Battambang Province.

(+855) 17 959 920 / (+855) 53 953 959

Sihanoukville Branch

#99, St. Ekareach, Sangkat 4, Preah Sihnouk
Province, Cambodia.

(+855) 34 934 809 / (+855) 23 993 392



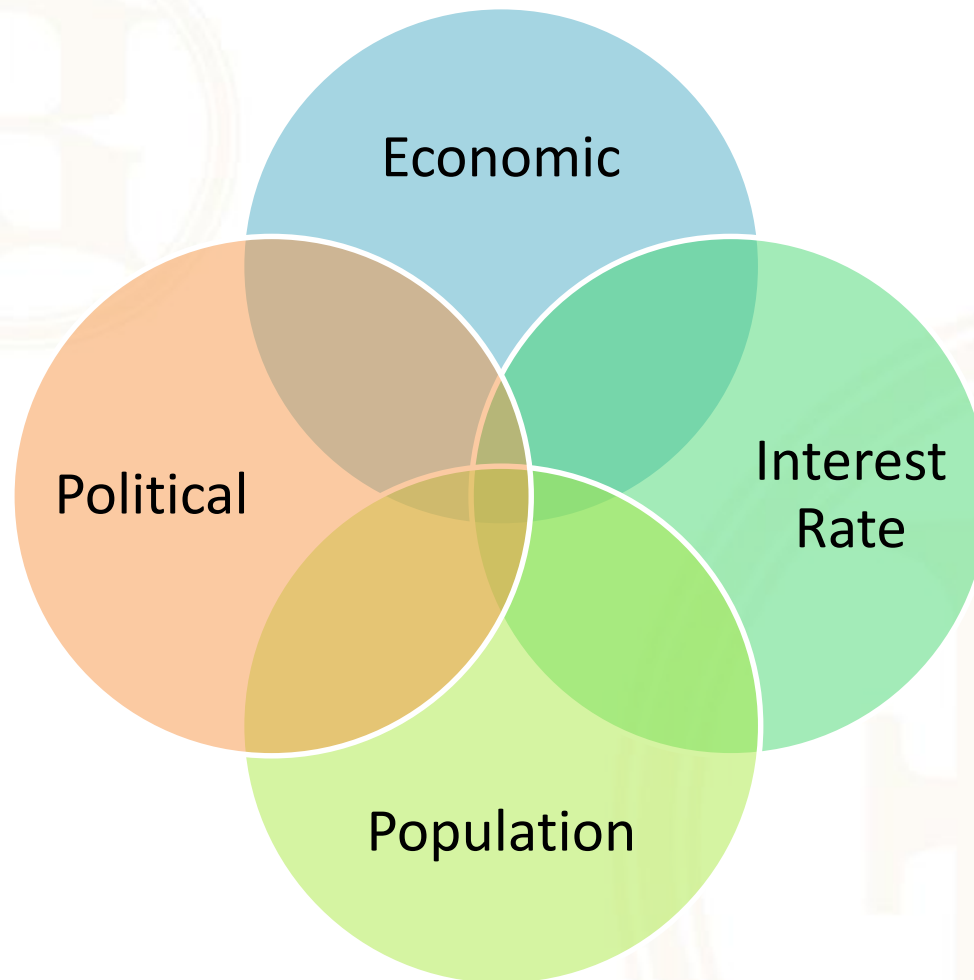
PART I: CAMBODIA ECONOMICS OVERVIEW

DEVELOPMENT PROJECT IN PHNOM PENH

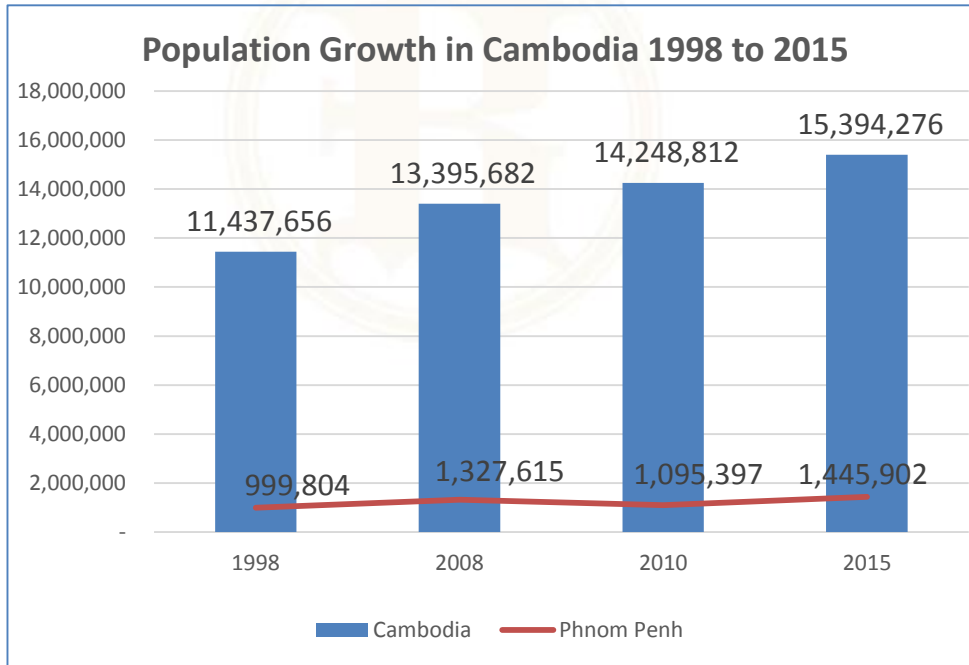


Since 1999

FACTOR EFFECT TO REAL ESTATE



I. POPULATION GROWTH



- Based on this statistic show that in average the population growth approximate 11%.
- To compare between 2015 and 2010 the population growth in Cambodia increase around 10%.
- In Phnom Penh increased around 32% in 2015 compared to 2010 and around 9% compared to 2008.

Total Population in Cambodia: 15,394,276

Phnom Penh: 1,445,902

Source: Ministry of Planning

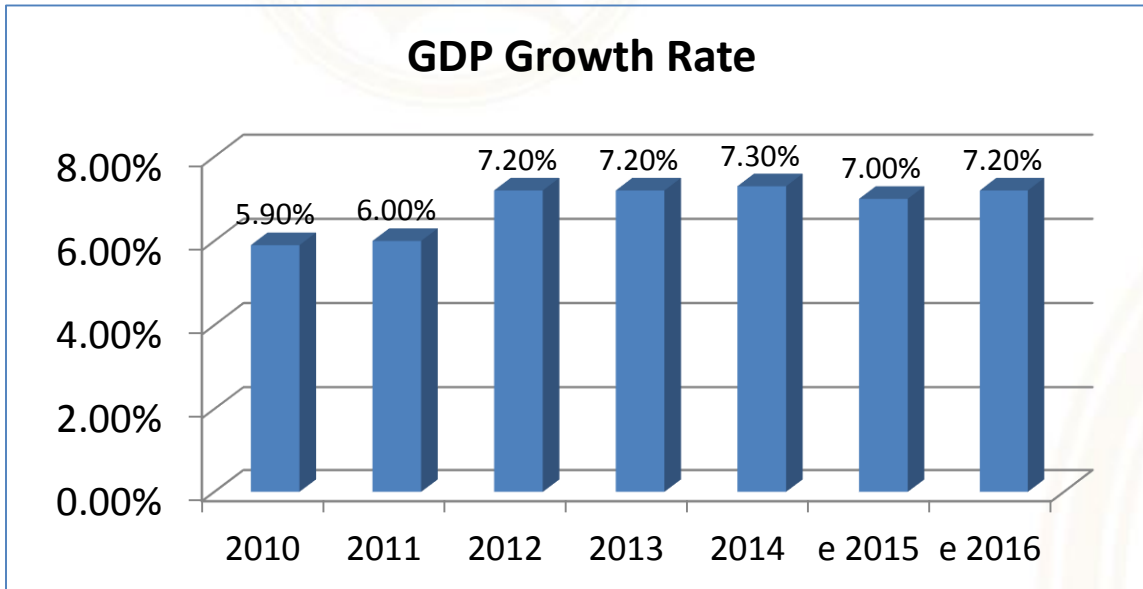
Data as of: April 2015



Since 1999

II. CAMBODIA GDP GROWTH RATE

- In 2015 as an estimation the GDP will be growth approximately 7% again due to the expansion of garment manufacturing, construction, and services in particular tourism, finance and real estate services.



Source: ADB

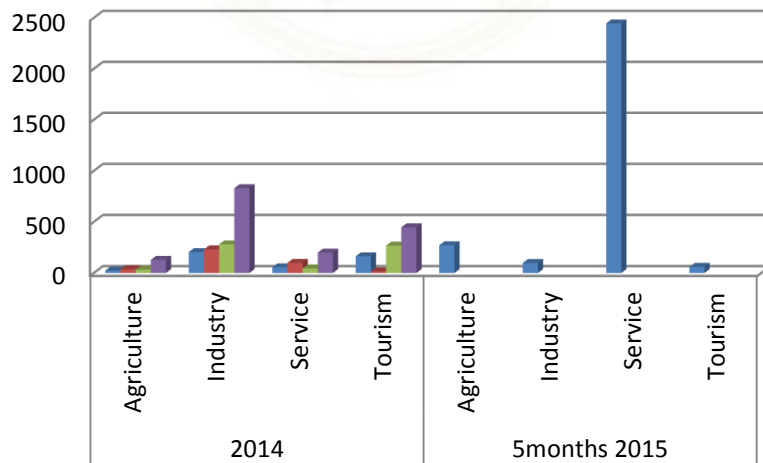
Data as of: September 2015

Since 1999

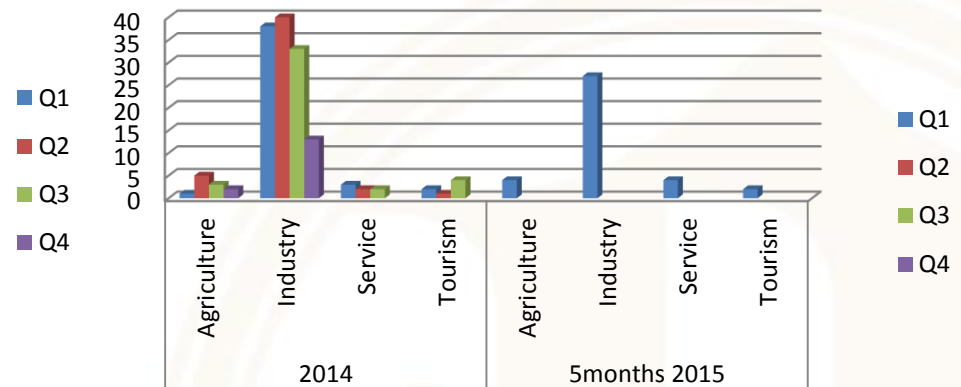
III. FOREIGN DIRECT INVESTMENT (FDI)

- Regarding to the report from the Council for Development of Cambodia found that FID of first three months 2015 (approximately 2,872.7 million USD) has increased 5 times compared to the same period of 2014 (approximately 446 million USD).

Capital Investment in Q1 2015



Number of Project Investment in Q1 2015

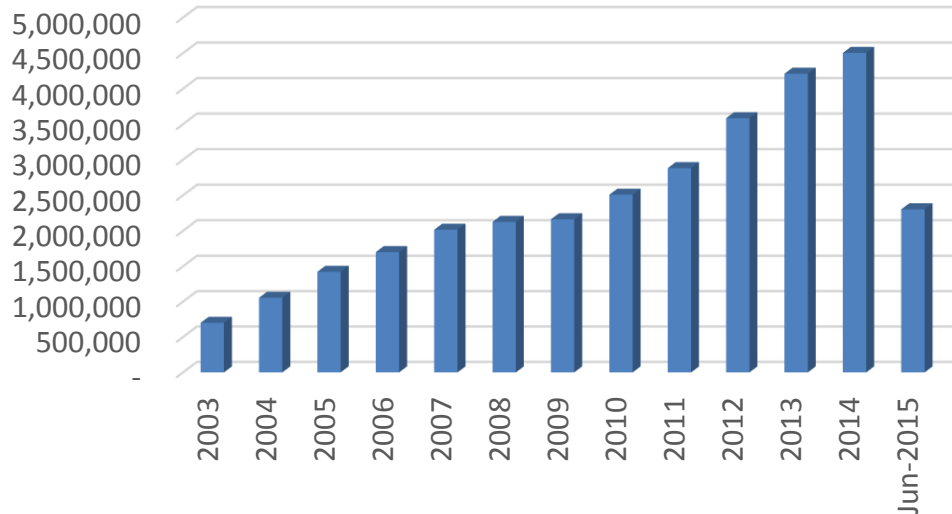


Capital Investment Q1 2015: 2,872.7 million USD
 Number of Project Investment: 37 Projects
 Source: CDC

IV. NUMBER OF TOURIST ARRIVAL

- Due to the report from Ministry of Tourism of Cambodia in 2014 number of tourist increase around 7% compare to 2013 which contribute approximate 2.7 billion USD (Increased 7%) to GDP of Cambodia.
- For six months of 2015 number of tourists have arrived Cambodia approximate 2.3 million tourists increased around 4.6% compared the same period in 2014.

Number of Tourist Visit in Cambodia



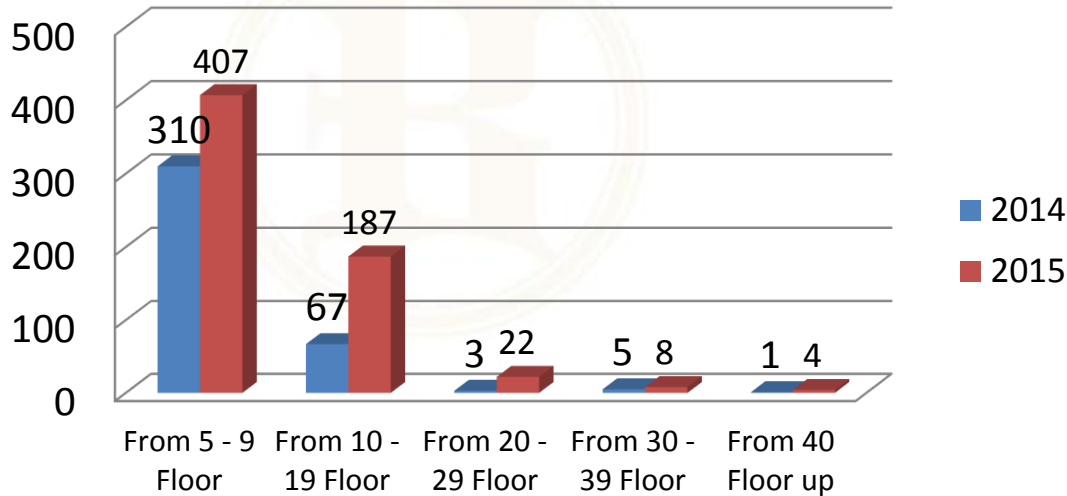
Source: Ministry of Tourism, Cambodia
Data as of June 2015



Since 1999

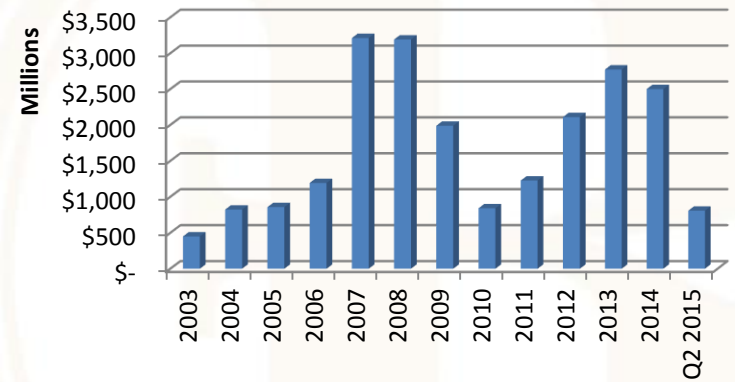
NUMBER OF BUILDING & FLOORS

Number of Building



- In 2015, the building which approve to construct from 5-9th floor increase approximate 30% while the huge amount of building construction from 20-29th floor increase approximate 600% compare to 2014.
- For 2nd Quarter 2015 the total capital investment equal 808 million USD.

Capital Investment



Since 1999

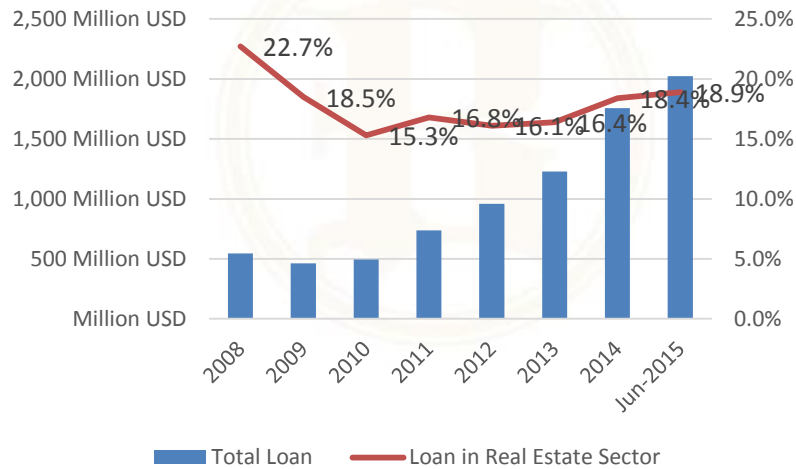
Average Percentage Changed 63%

Source: Ministry Land Management Urban Planning and Construction
Data as of Q1 2015



AVERAGE CREDIT INTEREST RATE

Loan in Real Estate Sector

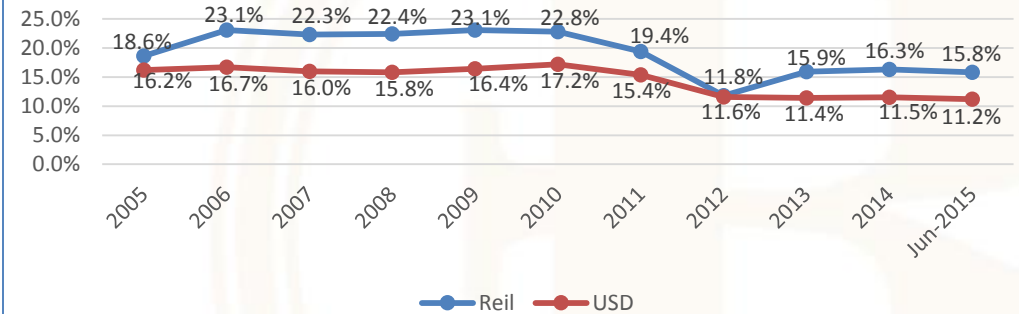


- Due to Report from NBC in Cambodia has 36 commercial banks, 11 Special Banks, 41 MFIs.
- As of June 2015 total loan for real estate sector approximately 2,021.83 million USD which consist of Housing Loan approximately 699.09 million USD, Construction Loan approximately 889.41 million USD and related to real estate activities approximately 433.33 million USD with an average interest 11.2% per annum for USD currency.




Source: National Bank of Cambodia
Data as of Jun 2015

Average Credit Interest Rate per Annum



Since 1999

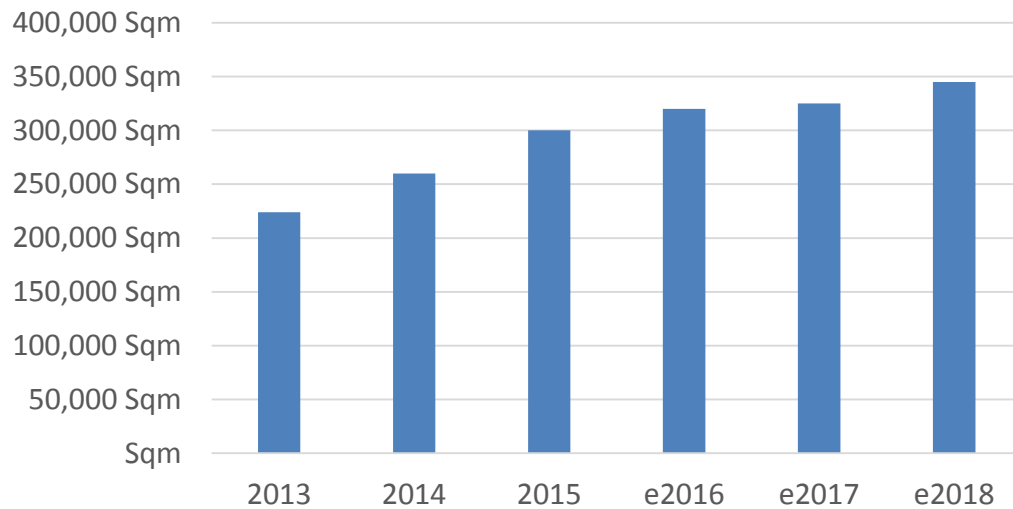


PART II: REAL ESTATE OVERVIEW IN CAMBODIA

OFFICE SPACE

- The estimation of total current supply for 2015 approximately 300,000s sqm increased approximately 15% compared to the same period 2014. If everything stability the total supply in 2018 will be increase up to 345,000 sqm.
- Average increase annually around 10%.

Total Supply Forecasting Office Supply



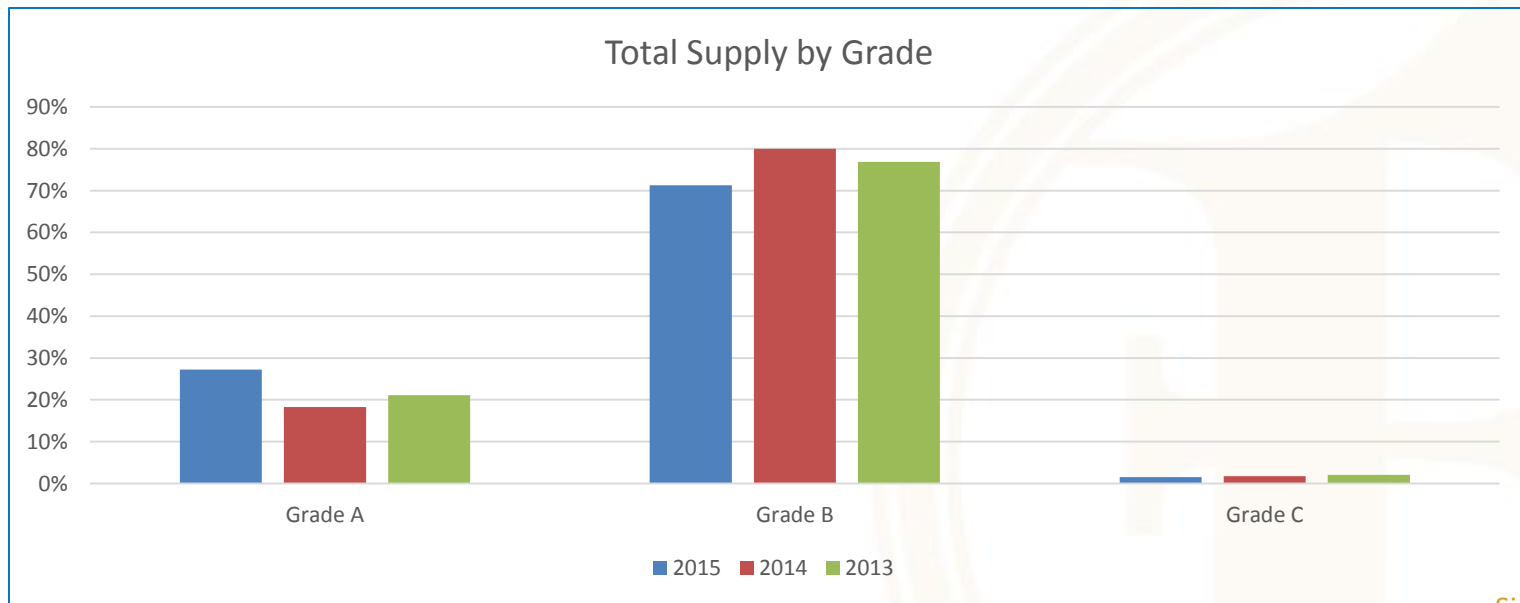
Data as of March 2015



Since 1999

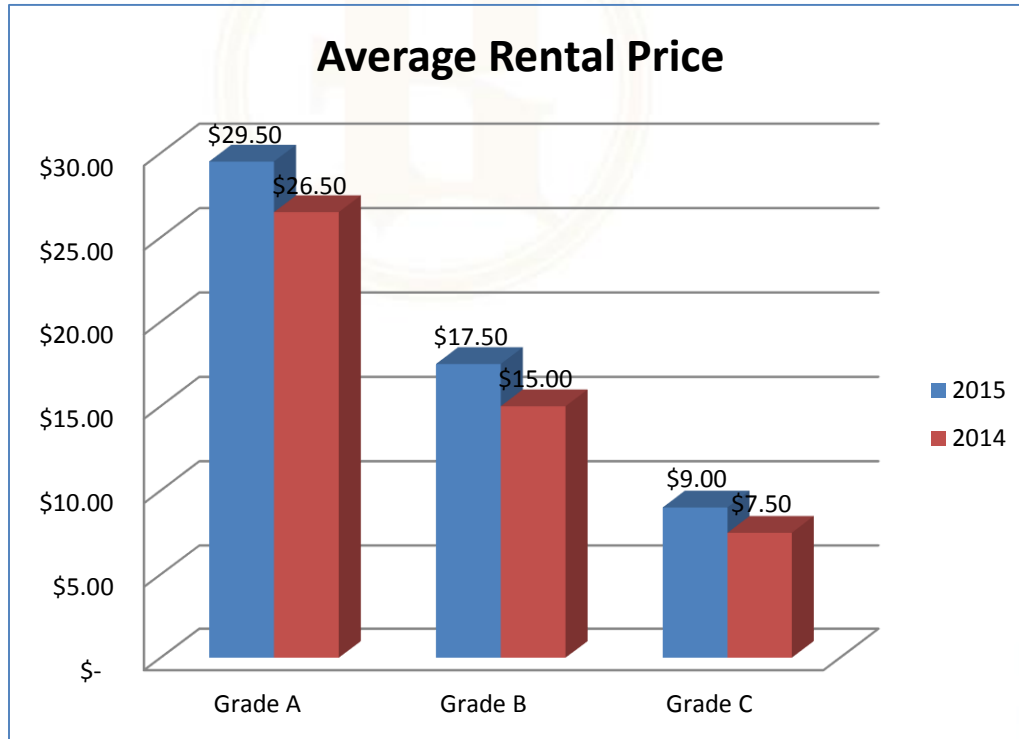
OFFICE SPACE

- In 2015, the Grade “A” office has been supply around 27% in the market while Grade “B” supply around 71% and Grade “C” around 2%.
- For 2015 the supply on Office Grade “A” increased around 10% compare to 2014 while Grade “B” declined around 10% and Grade “C” still remain unchanged.



Since 1999

OFFICE SPACE (CON'T)



Comparing Rate between Q1 2015 to Q1 2014:

Grade A: 11% increased

Grade B: 17% Increased

Grade C: 20% increased

Average Percentage Changed 48%

(The price per sqm include VAT but it is not include management fee)

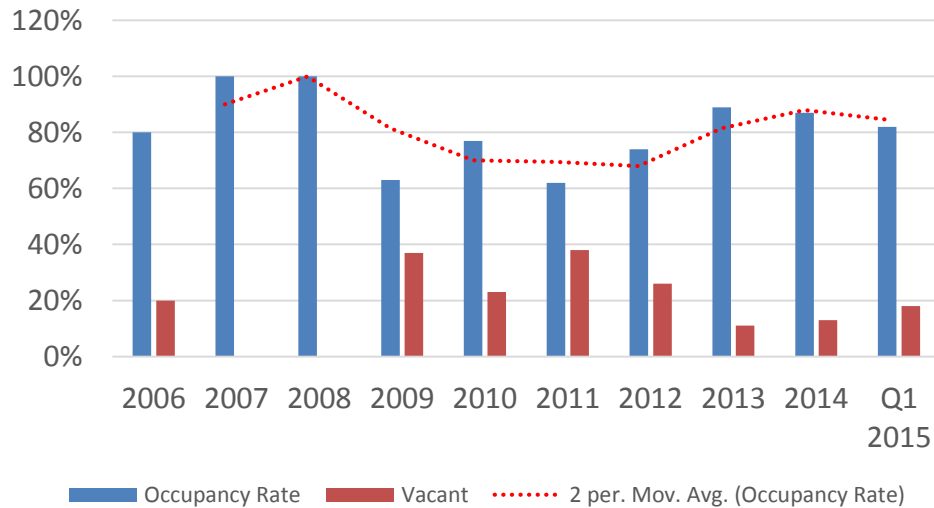
Data as of March 2015

Since 1999

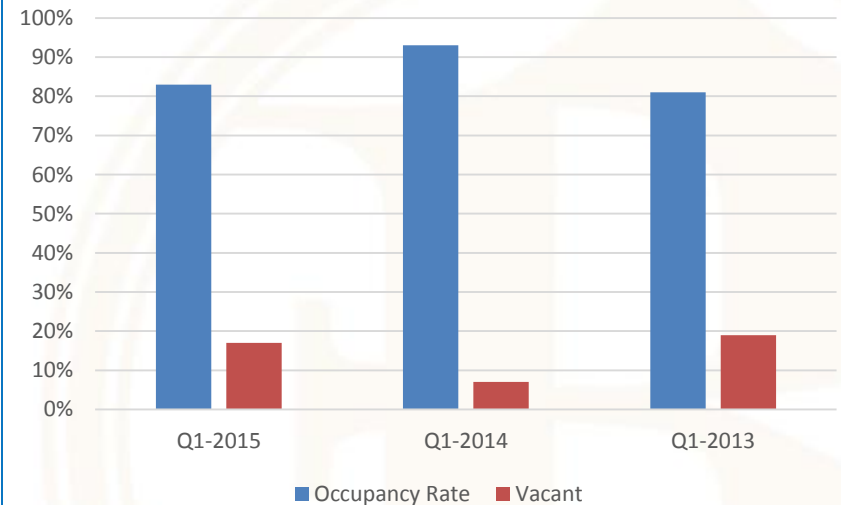
OFFICE SPACE (CON'T)

- To compare between Q1-2015 with Q1-2014 the occupancy rate has been declined about 4%.
- There some reasons for declining occupancy rate:
 - Large amount of supply
 - Move out to independent building
 - Increasing renting price

Occupancy Rate from 2006-Q1 2015



Comparing Occupancy Rate by Quarter

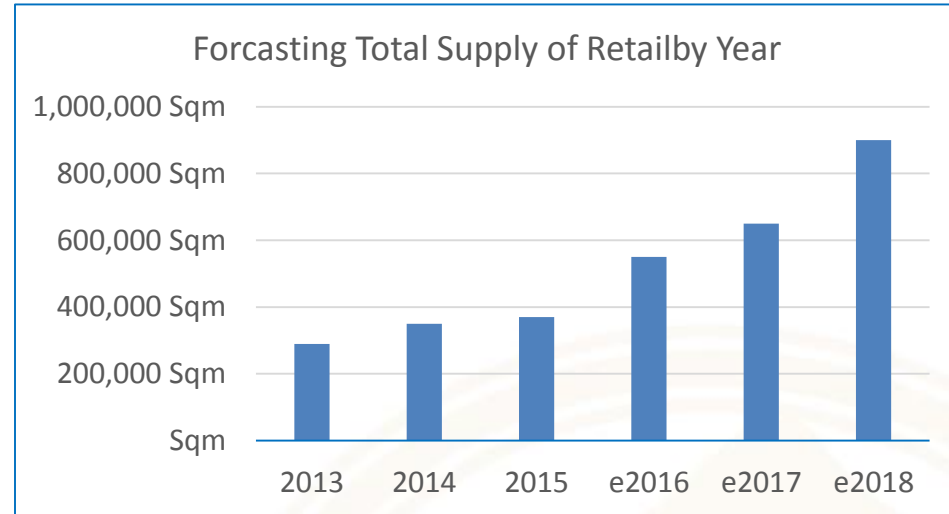


Data as of March 2015

Since 1999

RETAIL

- Total Supply 2015: Approximately 370,000 sqm
- Total Supply 2014: Approximately 350,000 sqm
- Average Percentage approximate 5% increased
- The total supply also included the Constructed building around 14 retail.
- Just an estimation in 2018 the retail will increase approximate 900,000sqm with projects 27 projects



Data as of March 2015

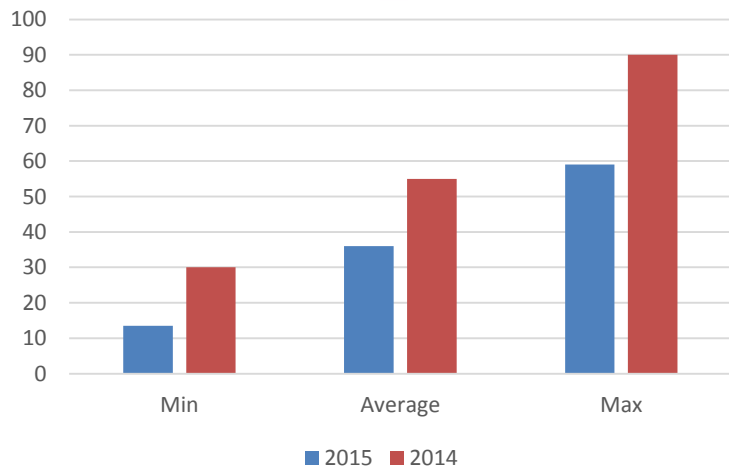


Since 1999

RETAIL (CON'T)

- Based on research study show that rental fee has been declined in average 20% due to large amount of supply as well as the price competition between new comer and existing retail on the market.
- The market price of renting has been change at the low level in order to attract more tenants.
- However, in range of rental fee still get the high gap between low price and high price in to 2015.

Rental Price for Rentail



Data as of March 2015

	Range Price 2015		Range Price 2014	
Min	\$ 7	\$ 20	\$ 16	\$ 30
Average	\$ 12	\$ 60	\$ 30	\$ 55
Max	\$ 18	\$ 100	\$ 43	\$ 90

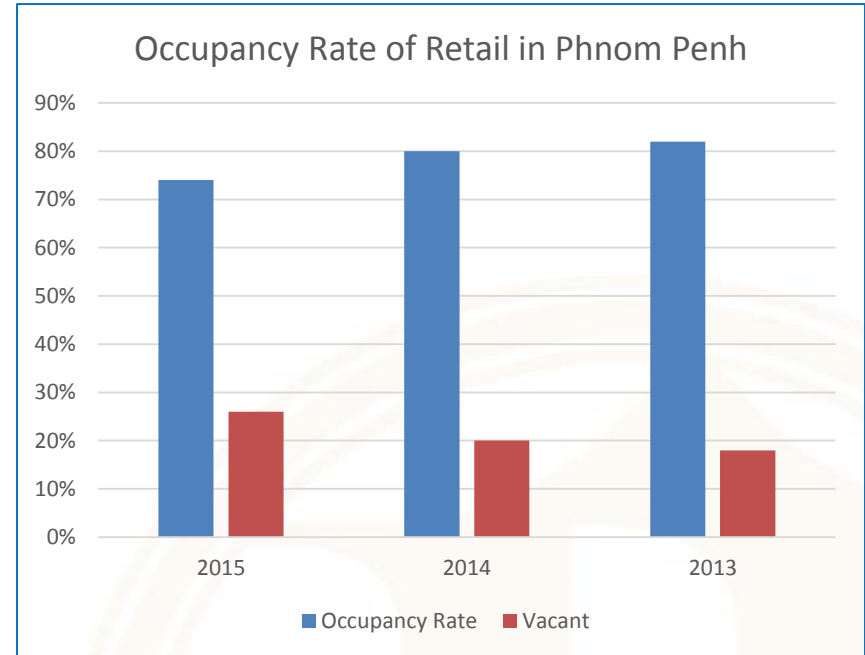
(The rental fee will be change based on the location of the store and class of retail)



Since 1999

RETAIL (CON'T)

- Occupancy rate 74% in 2015 while in 2014 Occupancy rate 80% declined around 6%
- There are some factors made occupancy rate to be declined such as:
 - Increasing Supply on the Market
 - People expected on the quality of product due to living standard growth.
 - Customers need modernization of facilities and good design.



Data as of March 2015

Since 1999

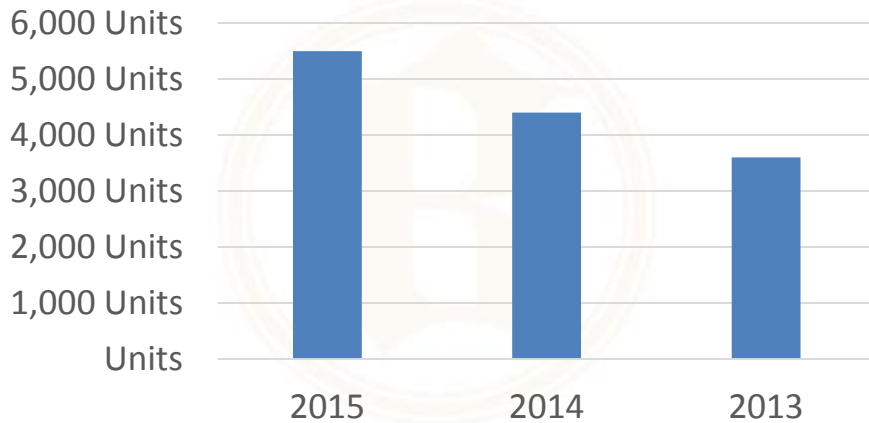
APARTMENT

- Year 2015, Total Supply 5,500 Units
- Year 2014, Total Supply 4,400 Units
- Year 2013, Total Supply 3,600 Units

Average Annually Percentage Changed 20%

- Khan Chamkarmon is a leading supply among other Khan in Phnom Penh around 50% of total supply.

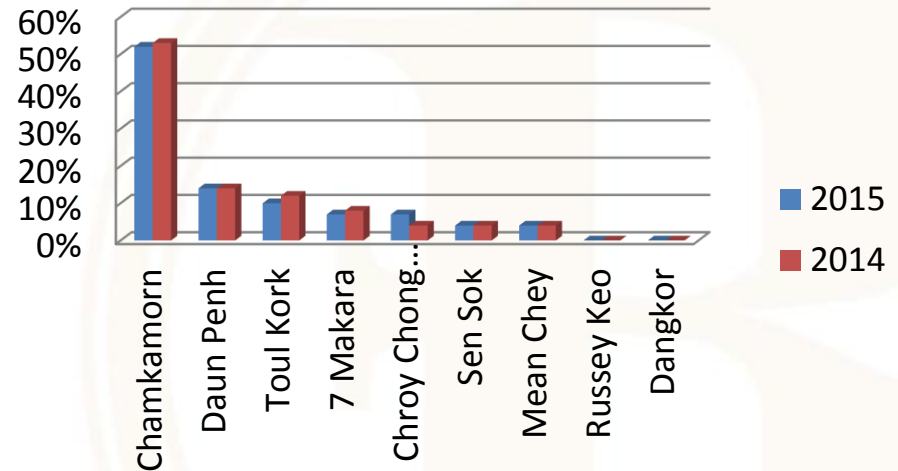
Total Supply Apartment In Phnom Penh by Year



Data as of June 2015



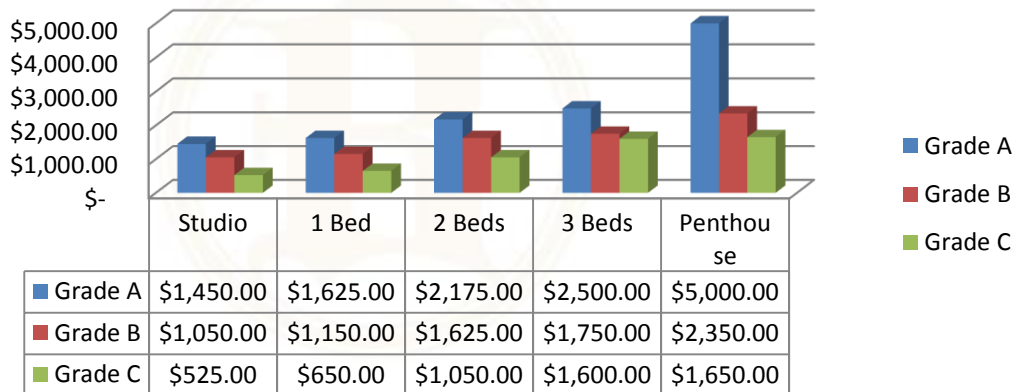
Supply by Location



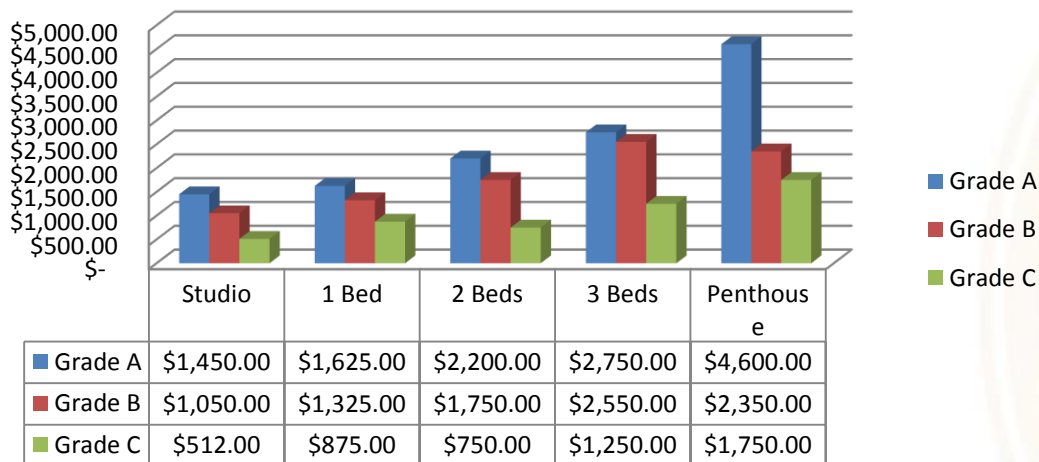
Since 1999

APARTMENT (CON'T)

Average Rental Price in 2015



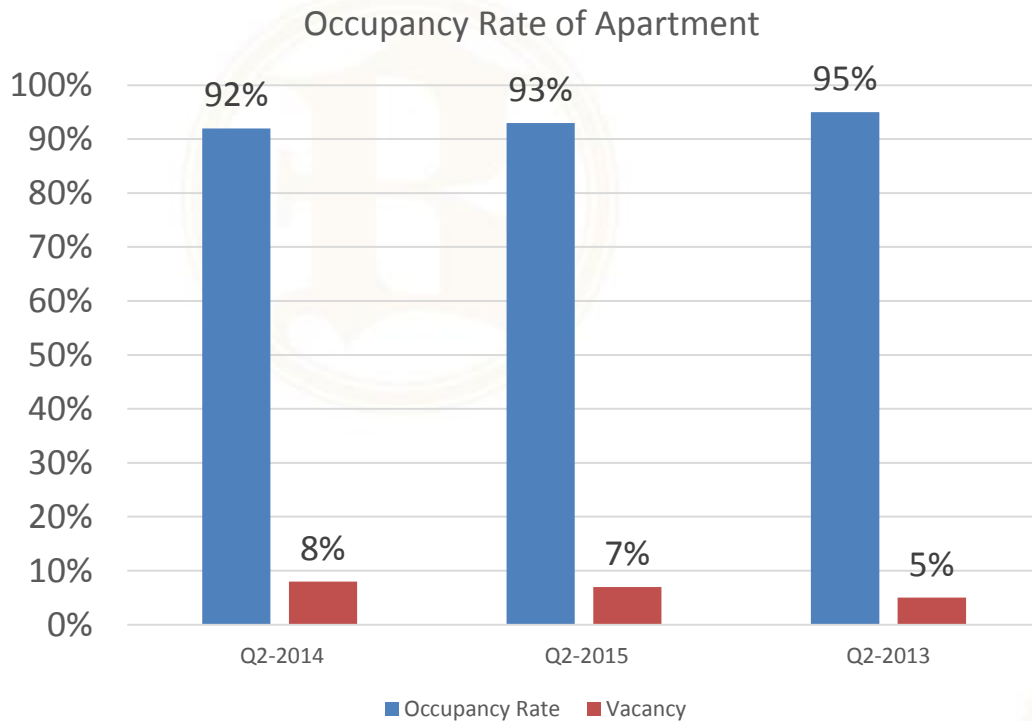
Average Rental Price in 2014



- To compared rental price between 2015 with 2014 it has been declined around 3%.
- For Grade “A” rental price still remain unchanged in average.
- For Grade “B” rental price has declined around 10% while Grade “C” increased around 8%.
- Factor to make rental fee declined:
 - Increasing amount of supply
 - More competitive with Condominium after completed construction.
 - Price competition among the market.

Since 1999

APARTMENT (CON'T)



2015 Occupancy rate 92%

2014 Occupancy rate 93%

Average Percentage Changed -1%.

Anyways for these three consecutive year

the occupancies rate of Apartment still 90%

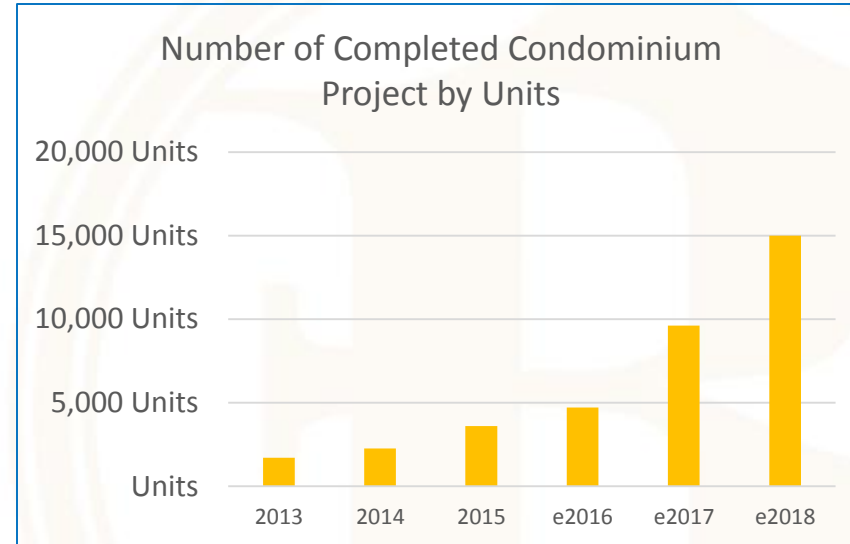
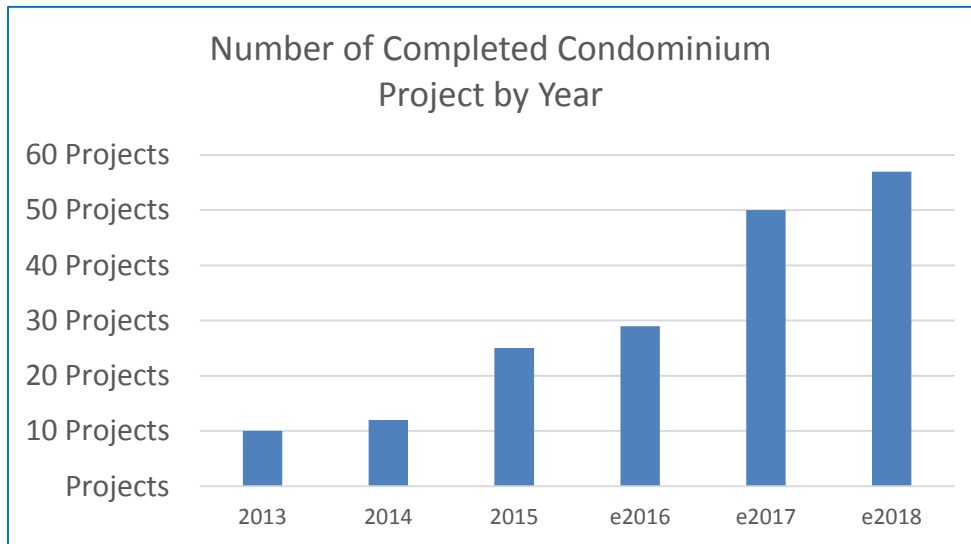
to 95%

Data as of June 2015

Since 1999

CONDOMINIUM

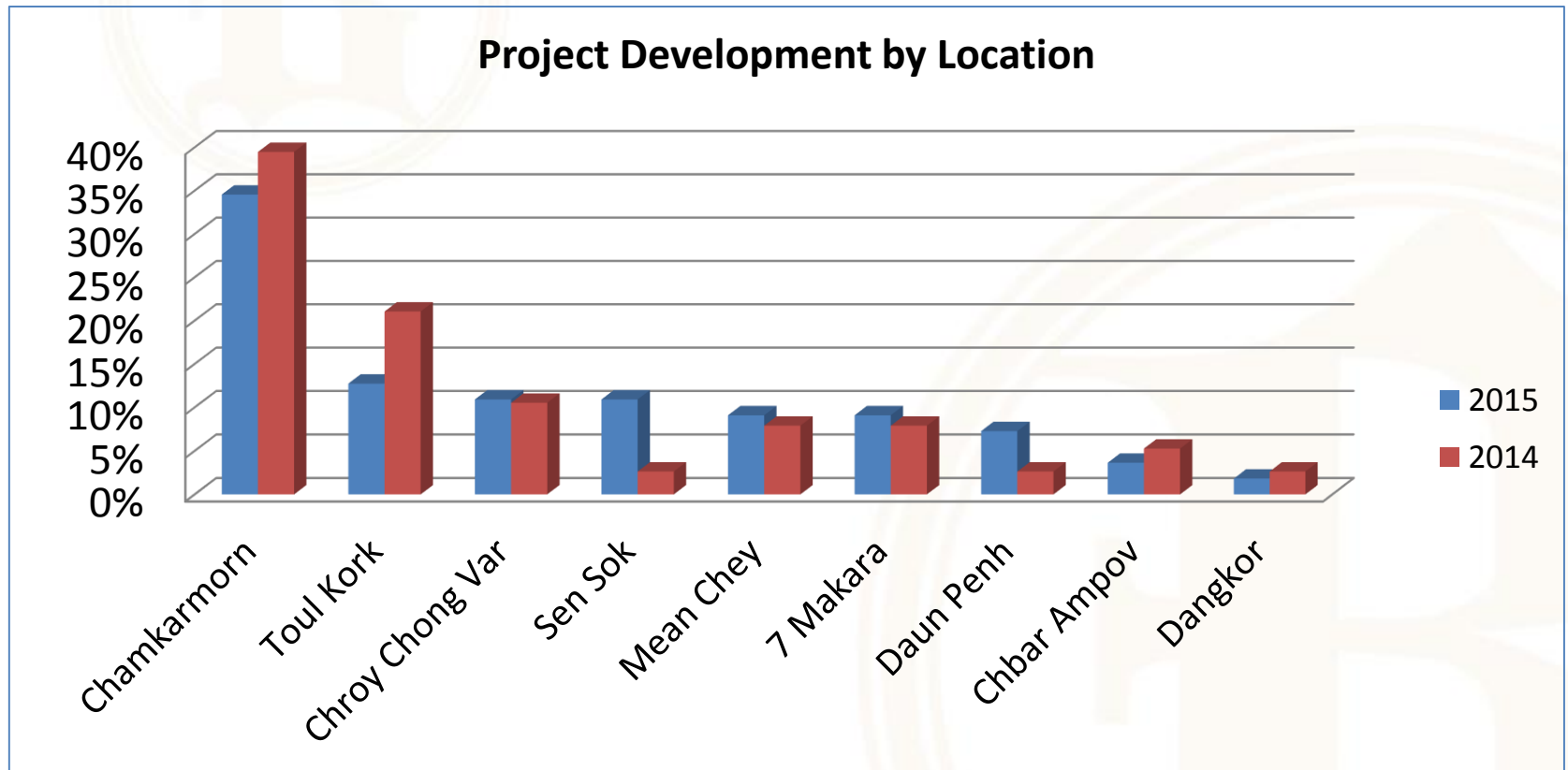
- Due to the large amount of starting construction project in 2014 approximately 14 projects, for 2015 approximate 22 projects has been launched to sale.
- Based on this starting in average for one project spent around 3 to 4years to completed. It effect to the amount of the supply in 2017 and 2018 around 3 times to compare with current amount of supply (approximate 3,600 units in 2015).
- In average increasing by year around 50% for annually. In 2018 condominium increase up to 15,000 units.



Since 1999

CONDOMINIUM

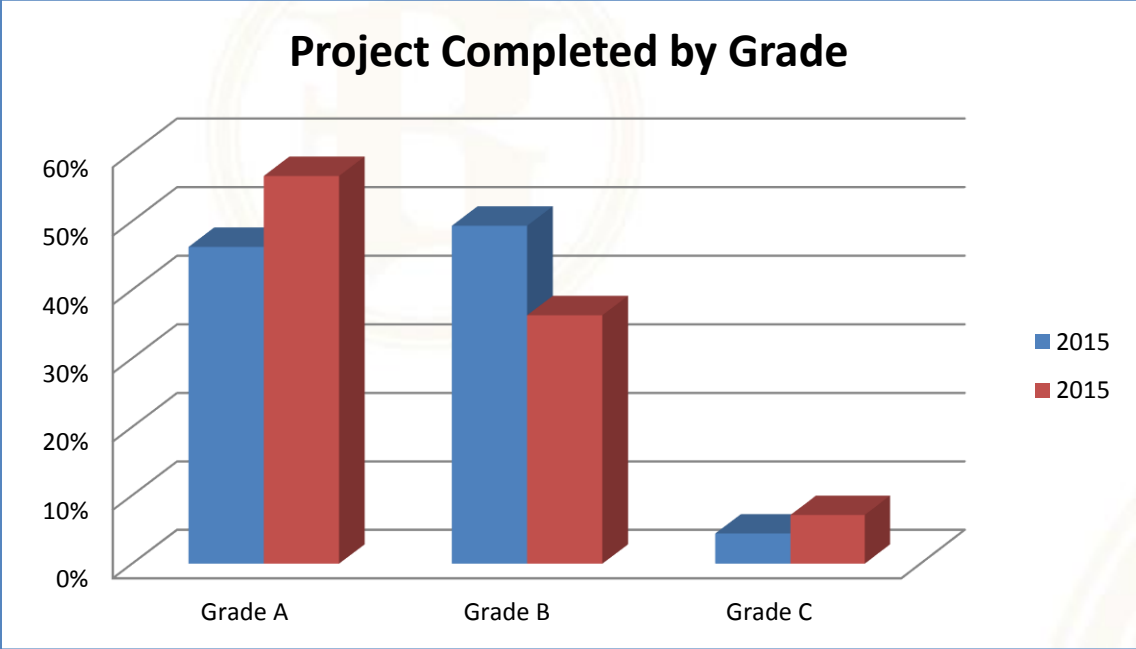
- Due to our observation found that Khan Chamkarmon and Toul Kor is the leading area in condominium development follow by Khan Chroy Chang Va and Sen Sok.



Data as of June 2015

Since 1999

CONDOMINIUM (CON'T)



Grade A: 22% Increased

Grade B: -26% Decreased

Grade C: 61% increased

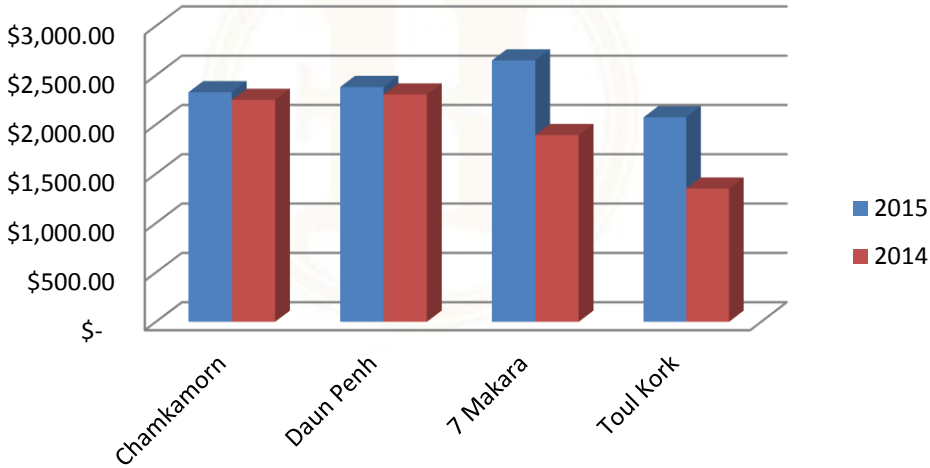
Average Percentage Changed 57%

(Compared between 2015 and 2014)

Data as of June 2015

CONDOMINIUM (CON'T)

Selling Price in Sqm for CBD Area



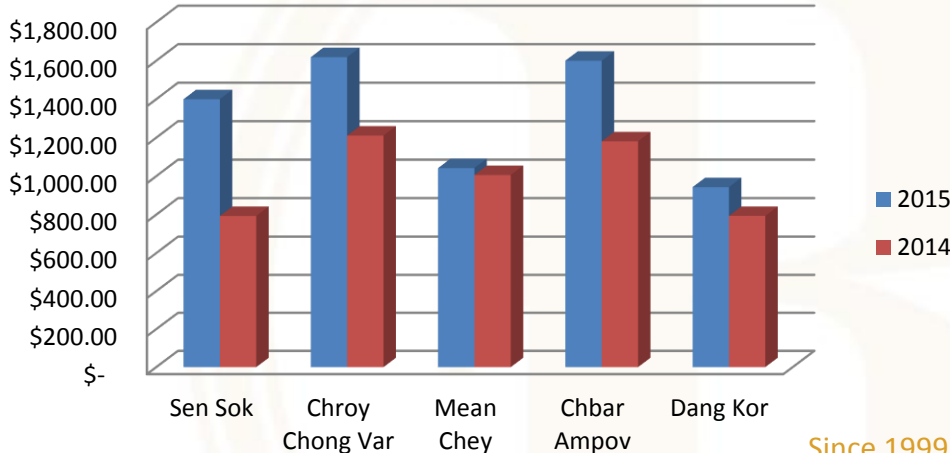
Data as of June 2015

Average Market Price for Primary Market:

- CBD: Min: \$1,200/sqm, Max: \$4,100/sqm, Average \$2,400/sqm
- Outskirt: Min \$800/sqm, Max: \$2,500/sqm, Average: \$1,300/sqm

(Compared between 2015 and 2014)

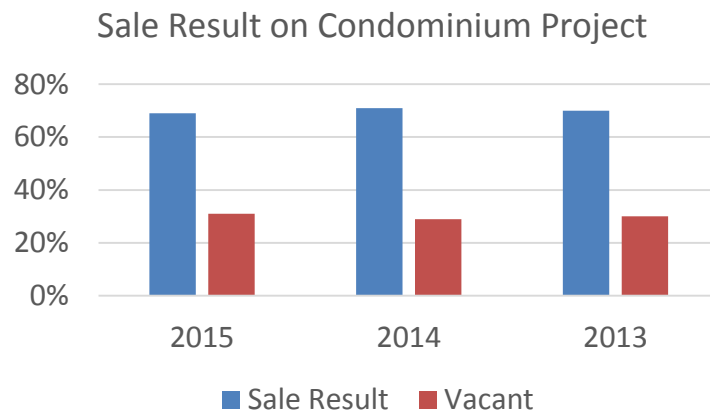
Selling Price in Sqm for Outskirt Area



Since 1999

CONDOMINIUM (CON'T)

- Based on the interview with sellers of the projects found that sale result of the project still remaining good it approximately 69% in 2015 sold out it has been declined around 3% compared to the same period 2014.
- Factor make sale result good:
 - Regulation of Cambodia allow foreigner to buy condominium from the first floor up.
 - Low interest and supporting loan from developers and some banks.
 - High expectation of advantage from ASEAN Economic Integration for Cambodia.
 - Very good on method of payment.



Average Percentage Changed -3%

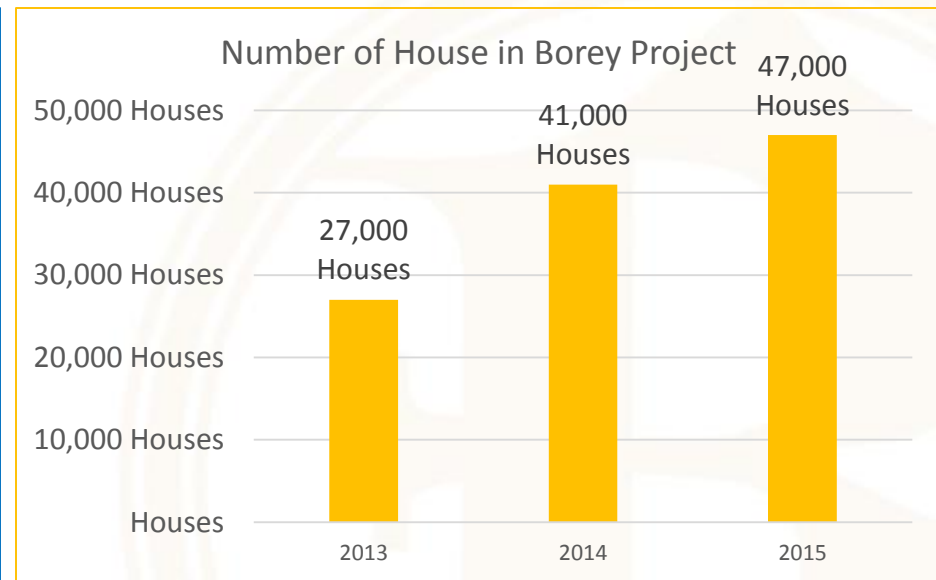
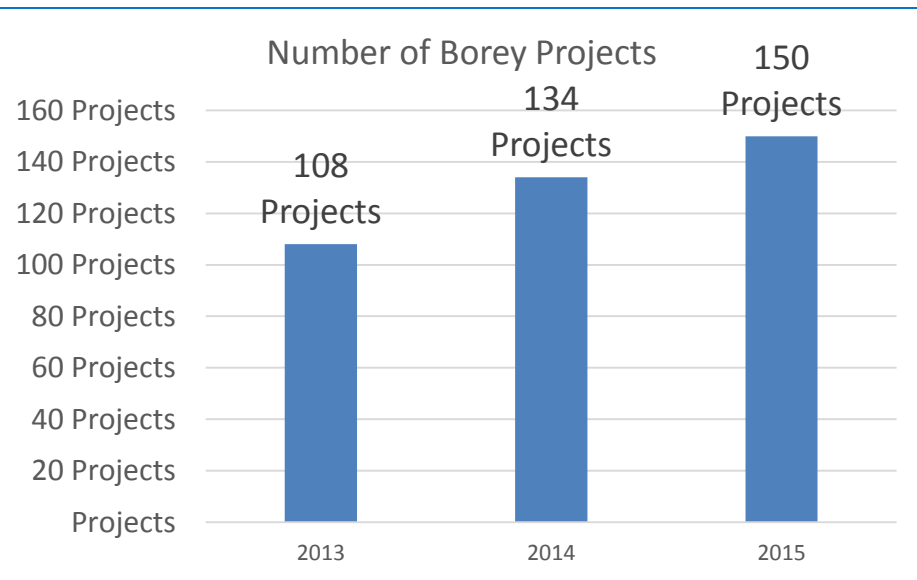
Data as of June 2015



Since 1999

BOREY

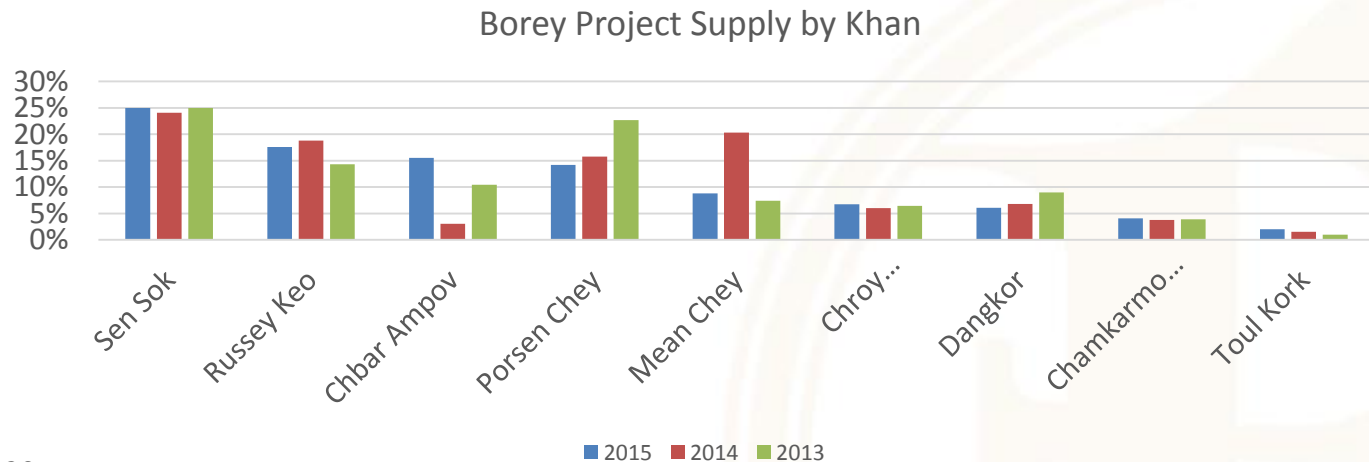
- Regarding to survey found that in average for these 2 years number of projects increase around 20% per year.
- By number of houses increased in average around 30% for these 2 years.
- The total supply of 2015 is approximately 47,000 houses increased approximate 15% compare to 2014 approximate 41,000 houses.



Since 1999

BOREY

- Outskirt city is the most popular to construct Borey.
- Khan Sen Sok and Russey Keo still the leading location for construction Borey for comparing market supply by location.
- Around 25% construct in Sen Sok and 18% in Russey Keo, 16% in Chbar Ampov in 2015.

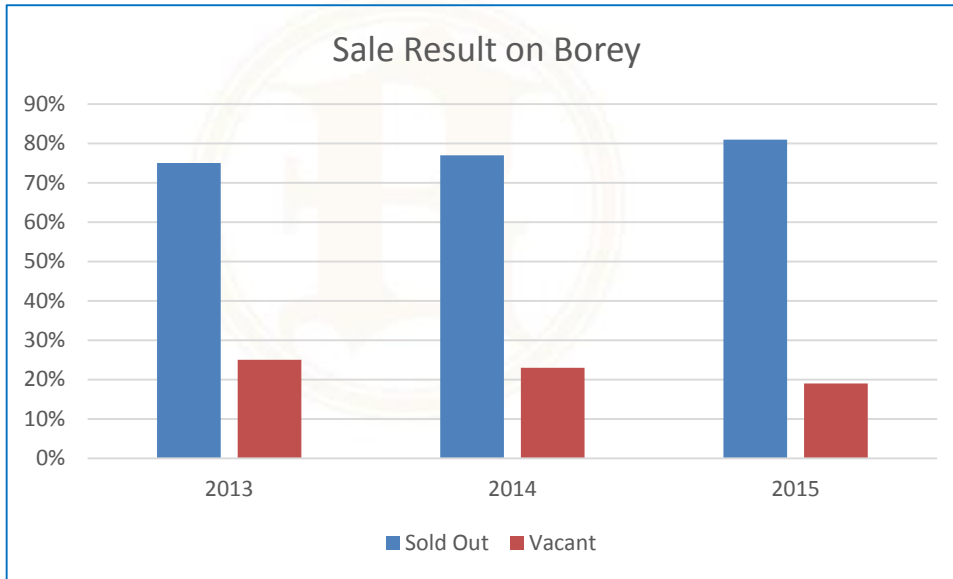


Data as of September 2015

Borey is a type of compound flat or villa which provide good securities and other infrastructures.

Since 1999

BOREY (CON'T)



2015: 81% Sold Out

2014: 77% Sold Out

2013: 75% Sold Out

Average Percentage Changed 5% Increased

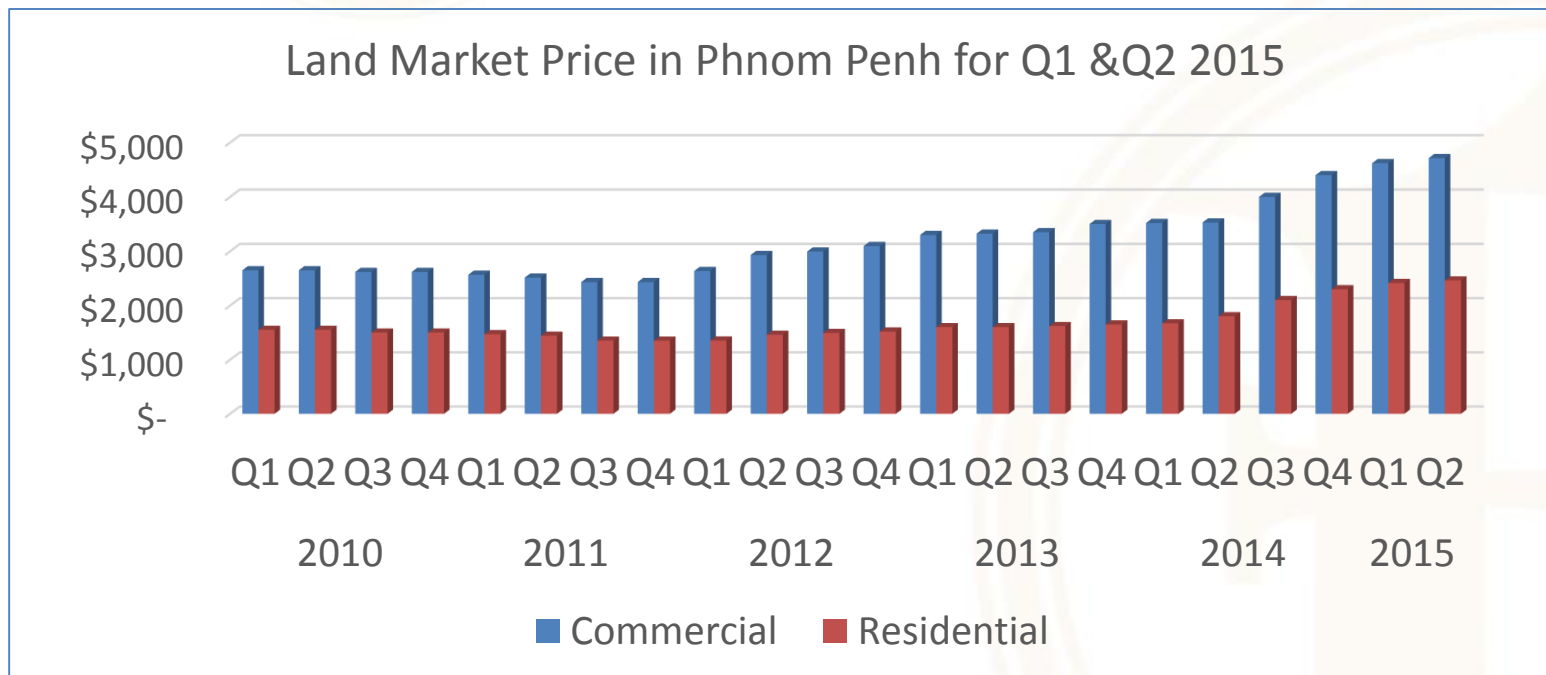
Data as of September 2015



Since 1999

LAND MARKET PRICE

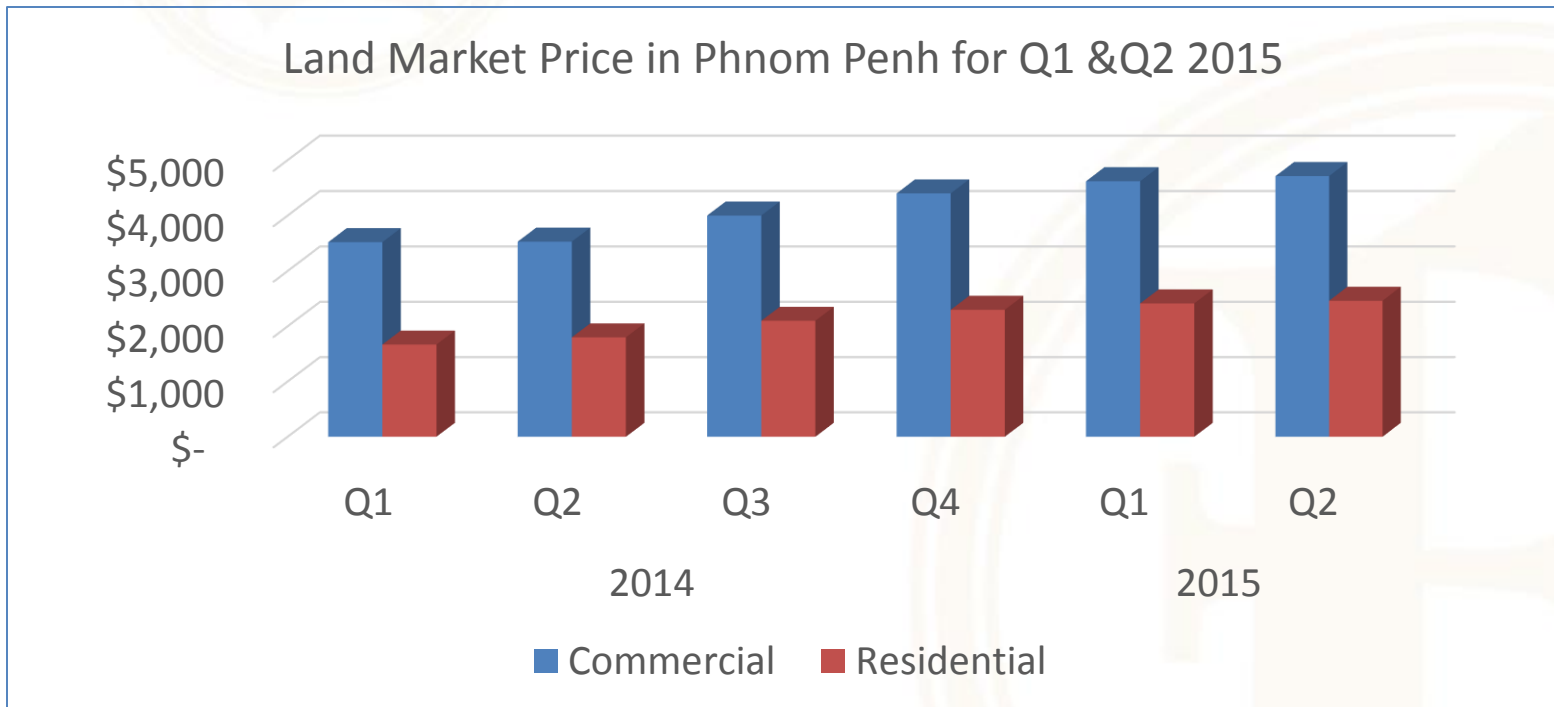
- In 2014, the land market price in average for the whole year increase approximately 5% to 10% if we compare from quarter to quarter.
- Certainly the land market price in the 1st quarter 2015 approximately increased about 30% for Commercial and 45% for Residential compared to the same period of 2014.



Since 1999

LAND MARKET PRICE (CONT')

- In the first quarter 2015 compared to the end of 2014 the land market price approximately increase in average 5% and it seem to be stable in the 2nd quarter 2015 (about 2% to 3% increased).



Land Market Price in Phnom Penh



Since 1999



ប៉ូណា រេលី ក្រុម
BONNA REALTY GROUP
Trust - Experience - Professional

ស្រុកអរគុណ!
THANK YOU

Since 1999