

FEARLESS FORECAST 2019

WHAT DOES THE FUTURE HOLD?

PRESENTED BY MARC TOWNSEND
CHAIRMAN, CBRE CAMBODIA

13 FEBRUARY 2019

CBRE | Cambodia

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FEARLESS FORECAST 2019

CAMBODIA DASHBOARD

Economic Indicators	2012	2013	2014	2015	2016	2017	2018E	2019F
GDP (Bn USD)	14.1	15.3	16.7	18.2	20.2	22.06	23.68	25.88
GDP Growth (%)	7.3	7.4	7.1	7.0	6.9	7.0	7.1	6.8
GDP Per Capita (USD)	973	1,042	1,135	1,171	1,265	1,372	1,451	1,563
Inflation (%)	2.9	2.9	3.9	1.7	3.5	3.1	3.2	3.3
No. of Foreign Tourist Arrivals (Million)	3.6	4.2	4.5	4.8	5.0	5.6	6.2	N/A

Source: National Bank of Cambodia, Ministry of Economy and Finance, Asian Development Bank, World Bank & IMF

Banking and Finance	2016 H1	2016 H2	2017 H1	2017 H2	2018 H1	2018 H2
KHR/USD (Official)	4,084	4,037	4,086	4,039	4,032	N/A
1-Year USD Lending rate (%)*	11.50	11.50	11.50	11.50	11.42	N/A
1-Year USD Deposit rate (%)*	4.25	4.25	4.25	4.35	4.41	N/A

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

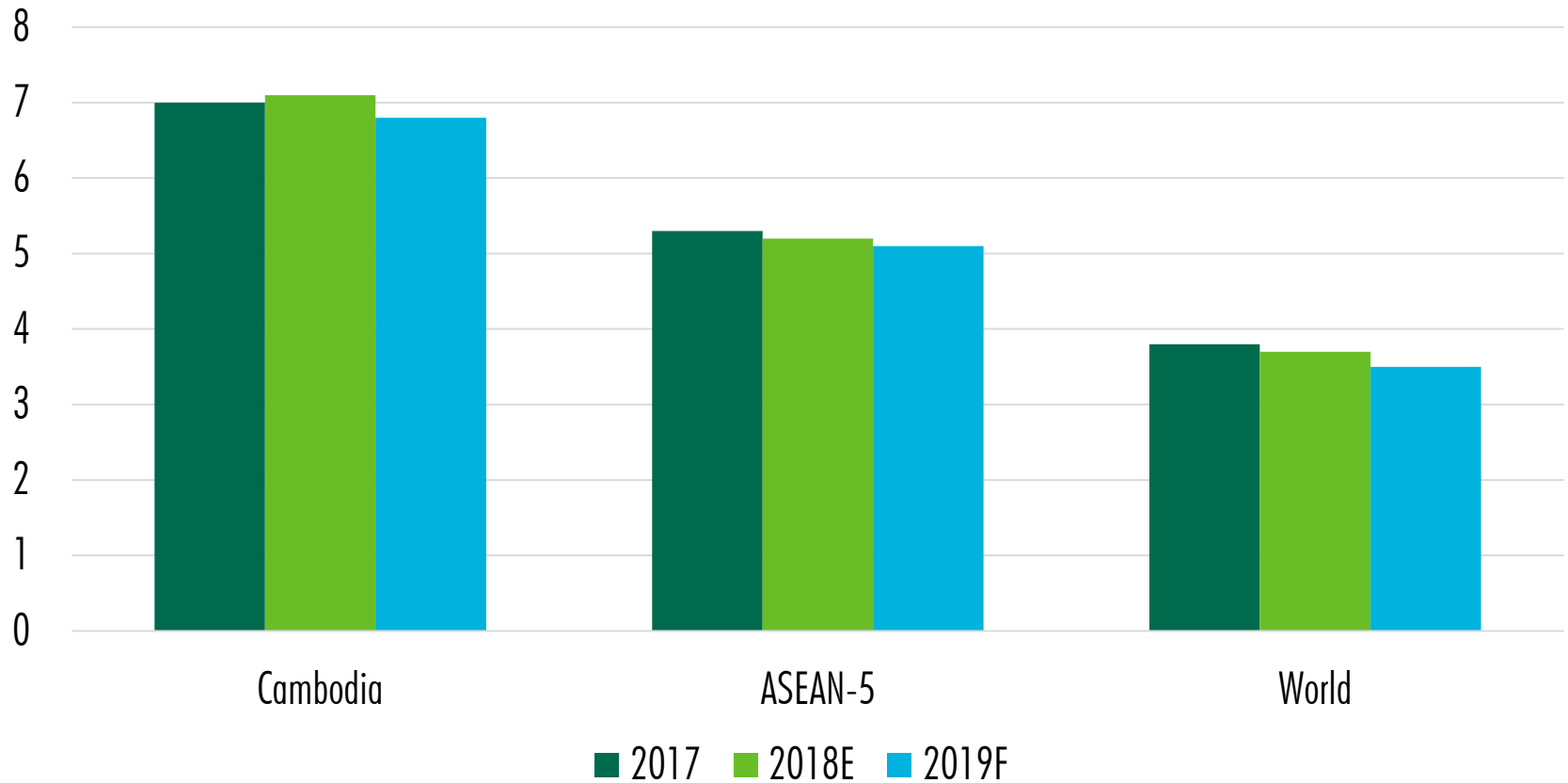
Source: National Bank of Cambodia & CBRE Research

Real Estate Indicators	2017 Q1	2017 Q2	2017 Q3	2017 Q4	2018 Q1	2018 Q2	2018 Q3	2018 Q4
Prime Condo Price (USD/SQM)	3,108	3,126	3,168	3,212	3,147	3,211	3,226	3,260
Prime Office Rent (USD/SQM/Month)	22.2	25.4	25.4	25.4	25.4	25.5	25.3	25.6

Source: CBRE Research, Q1 2019

FEARLESS FORECAST 2019

ECONOMIC GROWTH: CAMBODIA VS. ASEAN-5 VS. WORLD



Source: National Bank of Cambodia & World Bank



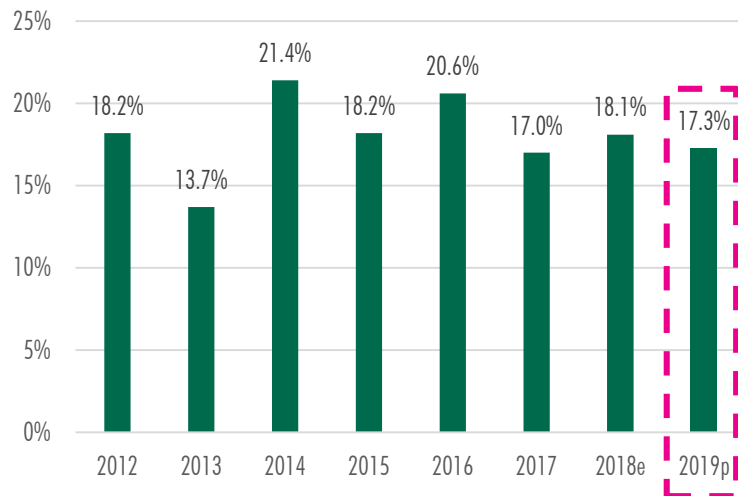
Cambodian national bank predicts 7% growth for 2019

FEARLESS FORECAST 2019

CREDIT AND CONSTRUCTION SECTOR

CONSTRUCTION SECTOR TO MAINTAIN STRONG GROWTH DESPITE CREDIT SLOWDOWN.

GROWTH IN CONSTRUCTION SECTOR

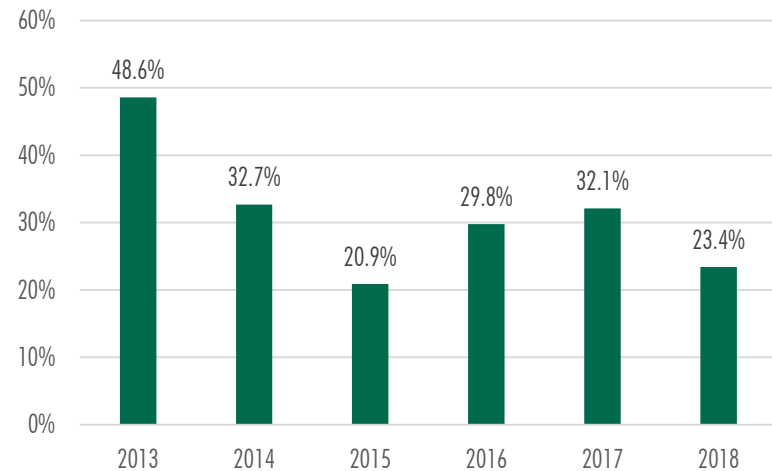


Source: National Institute of Statistic 2012-2017,
Ministry of Economic and Finance (2018-2019)



Kingdom to 'handle cement need in 2yrs

GROWTH OF CREDIT TO CONSTRUCTION SECTOR (JAN-OCT)



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

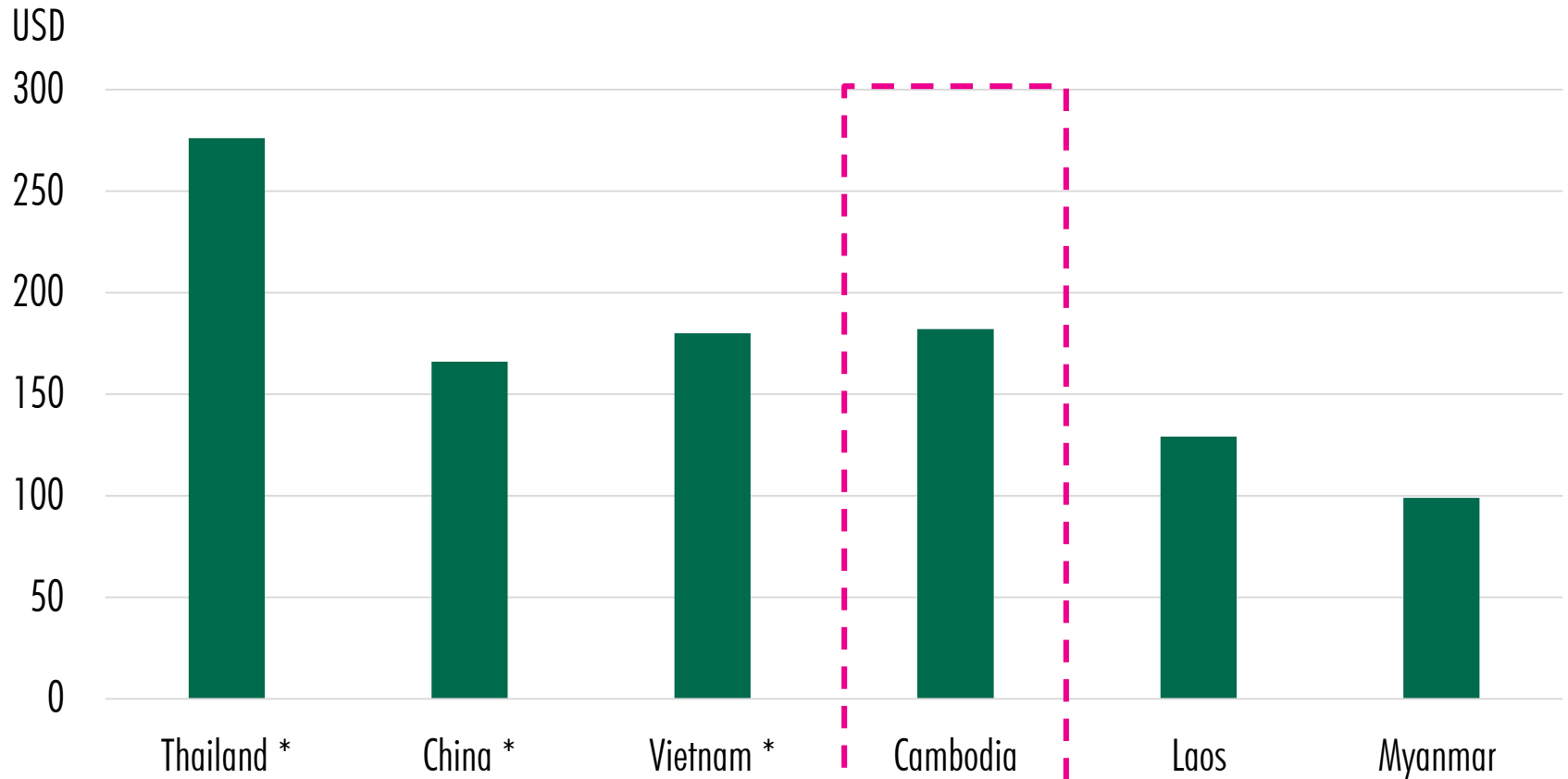


Rising cement production

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*

FEARLESS FORECAST 2019 CAMBODIA MORTGAGE MARKET



COMMERCIAL BANKS



MFIs



DEVELOPERS

Annual Interest Rate

6.88% - 14%

9.6% - 18%

12%

Loan-to-Value

60% - 80%

70% - 80%

90% - 100%

Payment Term

Up to 25 years

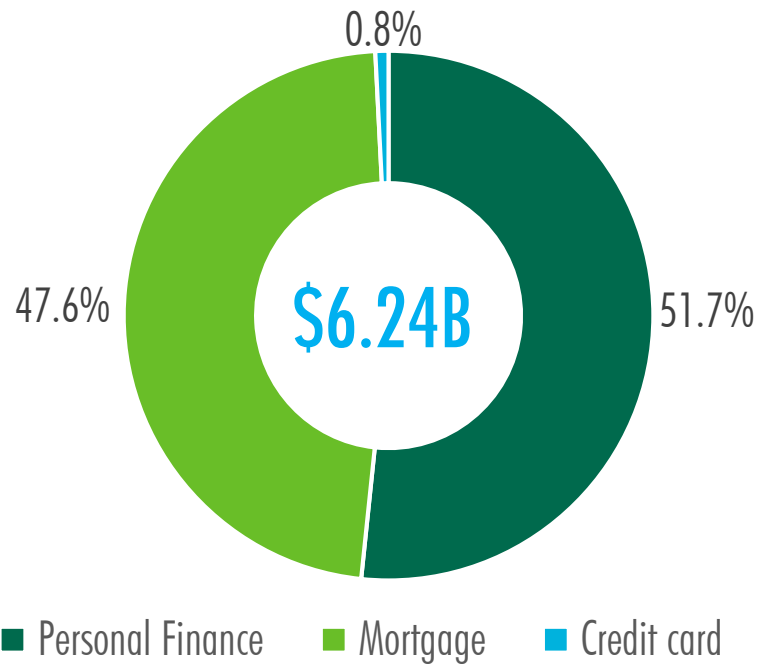
Up to 15 years

Up to 17 years

Source: CBRE Research

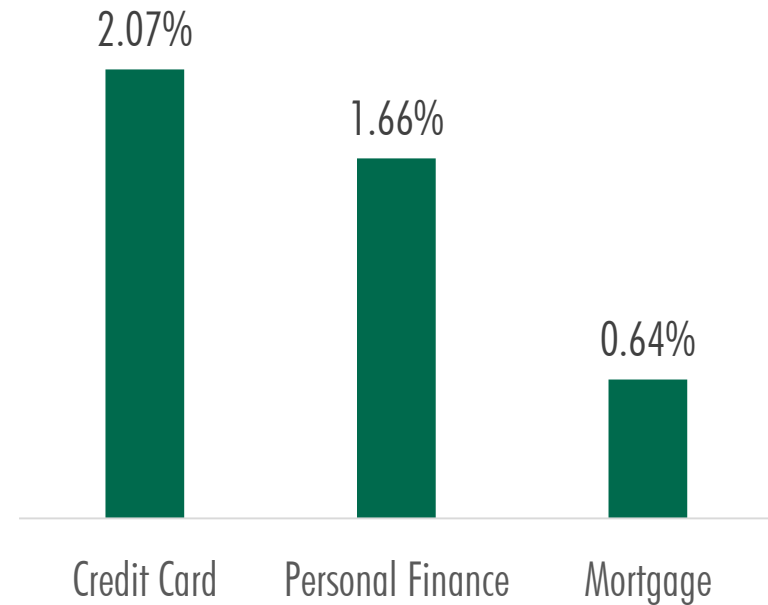
FEARLESS FORECAST 2019 CAMBODIA CONSUMER LOANS

CONSUMER LOAN BALANCE



Source: Credit Bureau Cambodia 2019

NPL



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

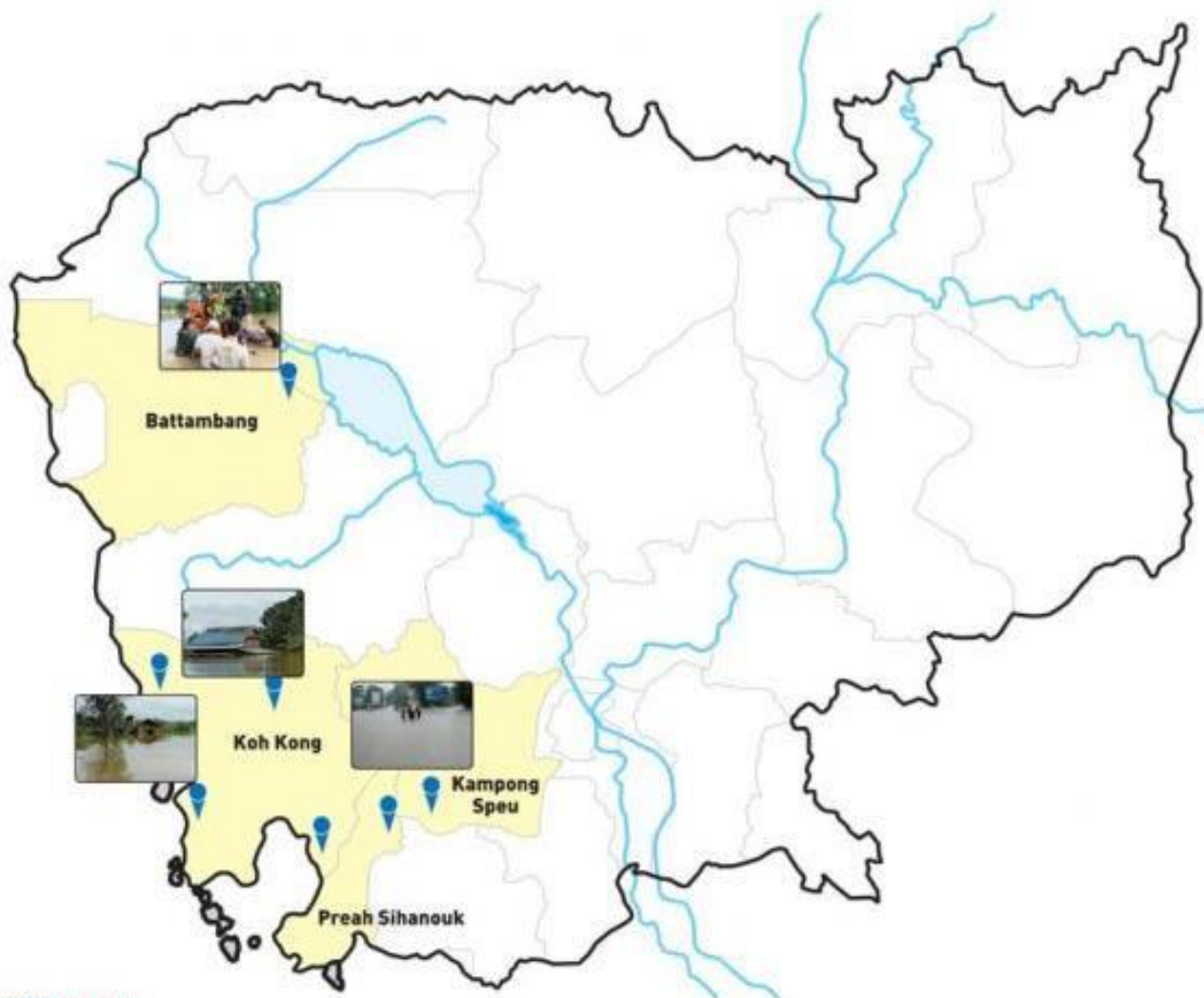


Cambodia – 1,700 Homes Damaged by Floods

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
- Raining

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

FEARLESS FORECAST 2019

RAPID TRANSFORMATION OF SIHANOUKVILLE



FEARLESS FORECAST 2019

RAPID TRANSFORMATION OF SIHANOUKVILLE



JAN 2017

MAY 2018

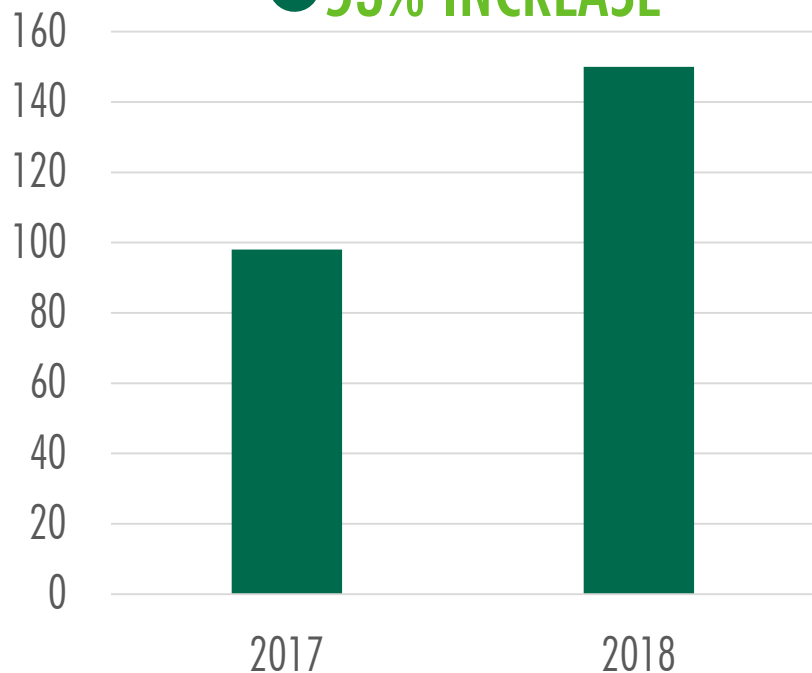
Source: EARTHRISE

FEARLESS FORECAST 2019

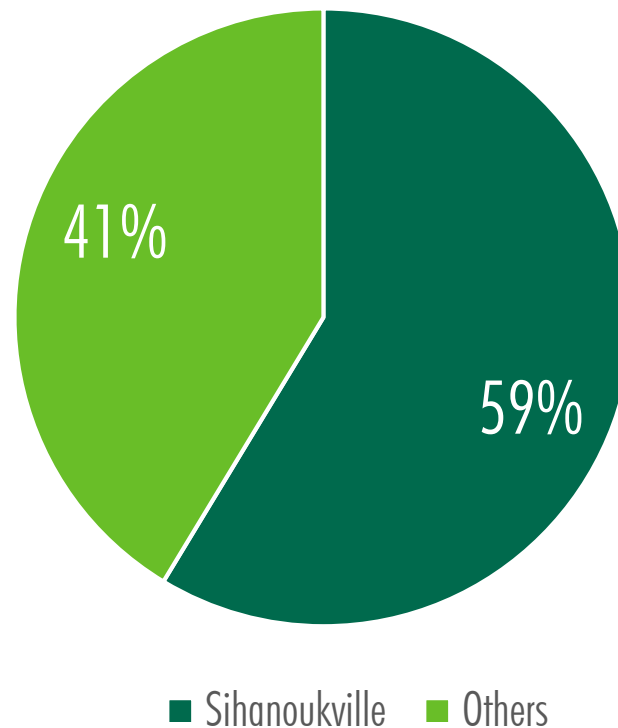
CAMBODIA'S CASINOS ON THE RISE

TOTAL CASINO LICENCES

▲ 53% INCREASE



SIHANOUKVILLE'S SHARE OF CASINOS



Source: asianews.it

Bangkok Post

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



Photo: Khmer Times



REUTERS

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



Cambodia shielded by EBA as US-China trade war escalates, Moody's says

Bloomberg

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



US-China trade war will divert trade and investment to ASEAN: analyst

FEARLESS FORECAST 2019 THE US-CHINA TRADE WAR

**NIKKEI
ASIAN REVIEW**

Chinese producers expected to beat US tariffs by rerouting goods

**The
Guardian**

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

Bloomberg

Singapore Braces for Slower Growth in 2019 as Trade War Hits



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

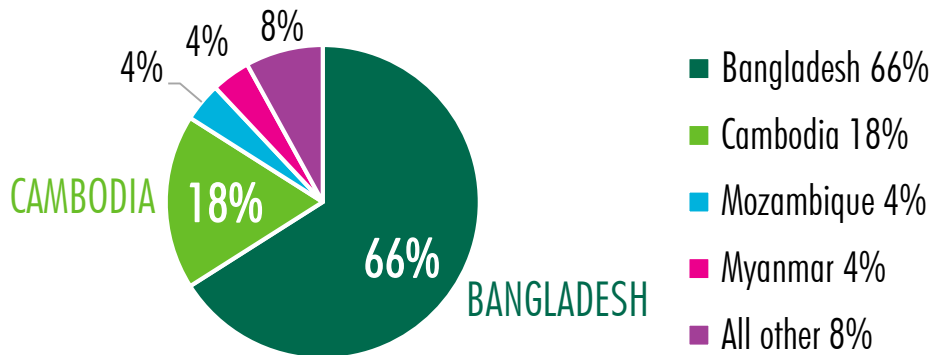
FINANCIAL TIMES

IMF flags trade war threat and warns of global economic slowdown

FEARLESS FORECAST 2019

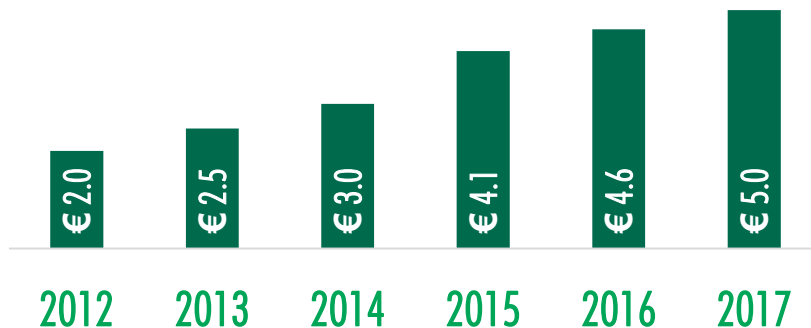
CAMBODIA AND “EVERYTHING BUT ARMS”

PREFERENTIAL IMPORTS FROM EBA BENEFICIARIES IN 2016



Source: European Commission 2018

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



Source: European Commission 2018



Doors open for EBA talks, EU says



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



Brexit and EU sanctions threaten to push Cambodia into economic crisis

FEBRUARY 11, 2019 14:30 JST



REUTERS

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

**NIKKEI
ASIAN REVIEW**

TPP kicks off without US, opening business doors across Asia



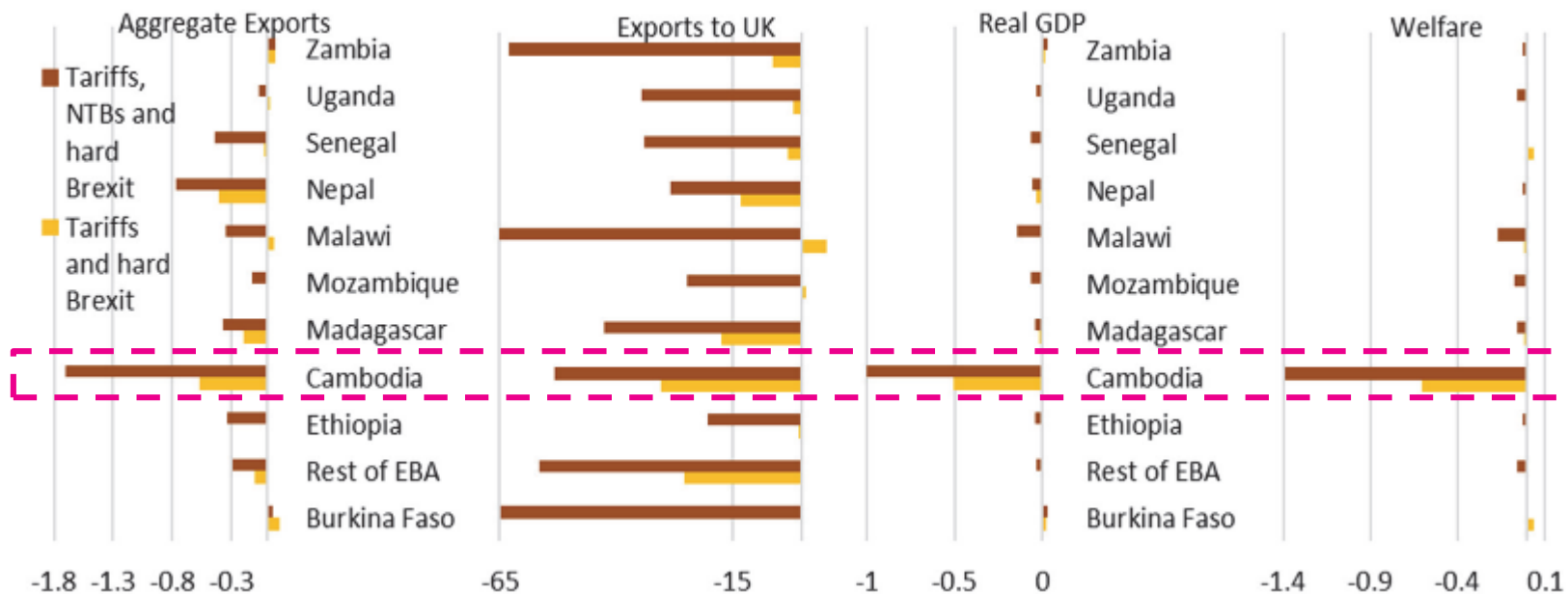
VN entering TPP 'may bring challenges for the Kingdom'

Impact of Brexit on Cambodia and other EBA Countries

-1.7%
Exports

-1%
Real GDP

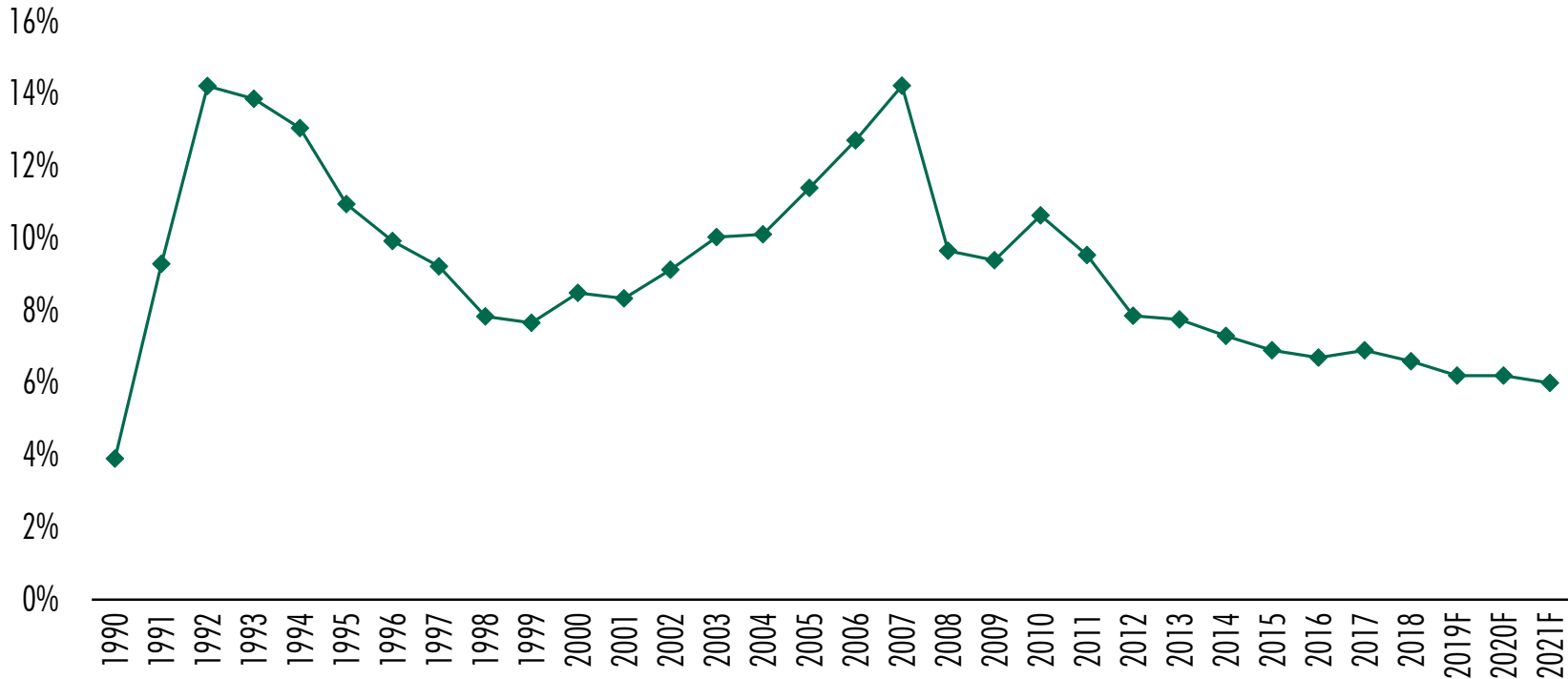
-1.4%
Consumption



Source: German Development Institute

SOUTHEAST ASIA GLOBE THE PULSE OF THE REGION
Brexit fallout / Cambodia's GDP to suffer 'highest losses by far', report states

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

KHMER TIMES

Construction resumes at Gold Tower 42

The Phnom Penh Post

Chinese to help finish Gold Tower 42 by 2019

OVERVIEW

| **INFRASTRUCTURE**

LAND

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INFRASTRUCTURE | FEARLESS FORECAST 2019

INFRASTRUCTURE DEVELOPMENT



The Phnom Penh Post

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



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



190KM
IN LENGTH

25M
IN WIDTH

4
LANES

89
BRIDGES

3 REST STATIONS

7 INTERSECTIONS

Source: Ministry of Public Works and Transport/ Property Area

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.

48 MONTHS
TO BE COMPLETED

INFRASTRUCTURE | FEARLESS FORECAST 2019

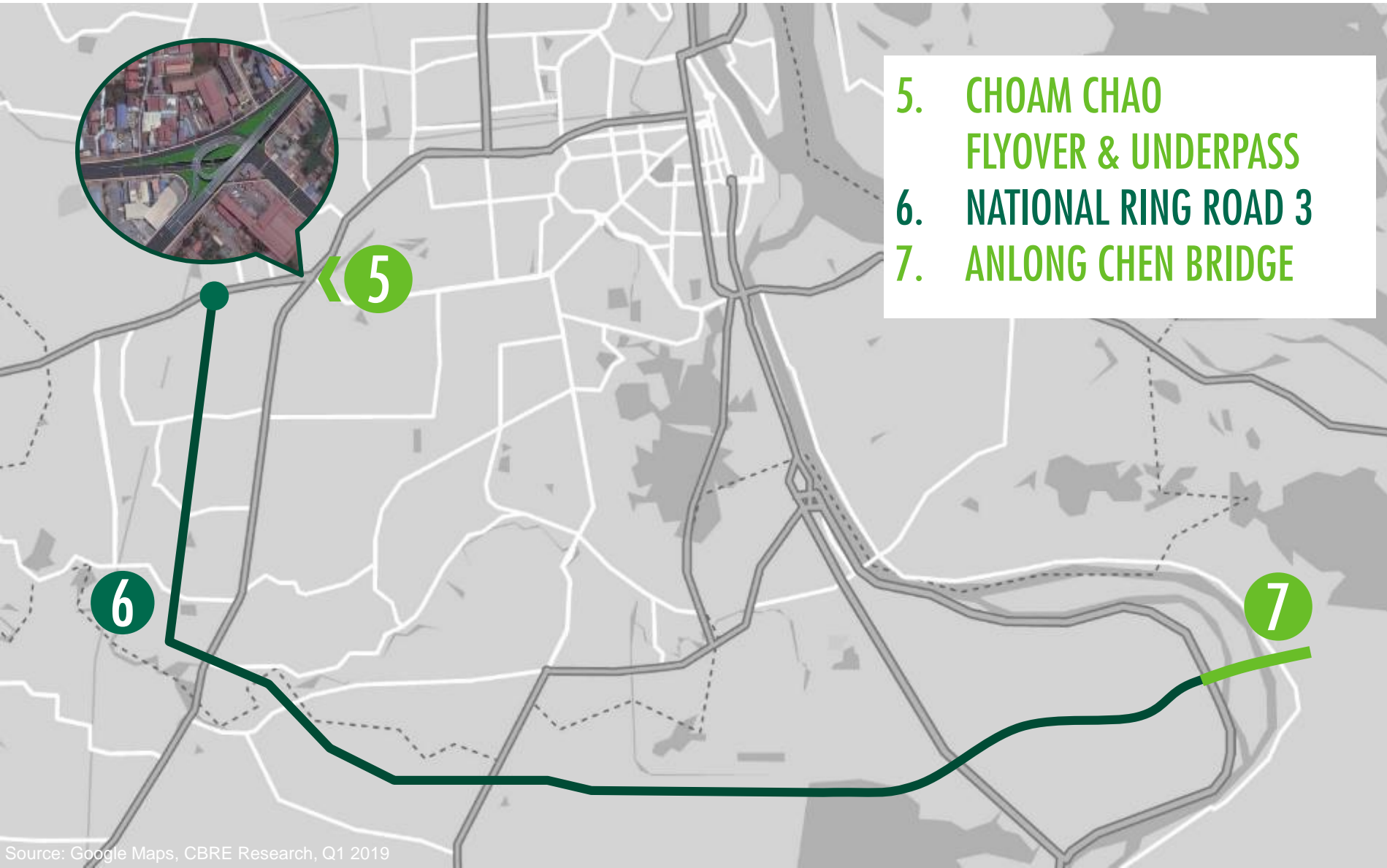
UPDATES ON INFRASTRUCTURE DEVELOPMENT FROM 2018



Source: CBRE Research, Q1 2019

INFRASTRUCTURE | FEARLESS FORECAST 2019

UPDATES ON INFRASTRUCTURE DEVELOPMENT 2018 - 2019



INFRASTRUCTURE | FEARLESS FORECAST 2019

UPDATES ON INFRASTRUCTURE DEVELOPMENT FROM 2018

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

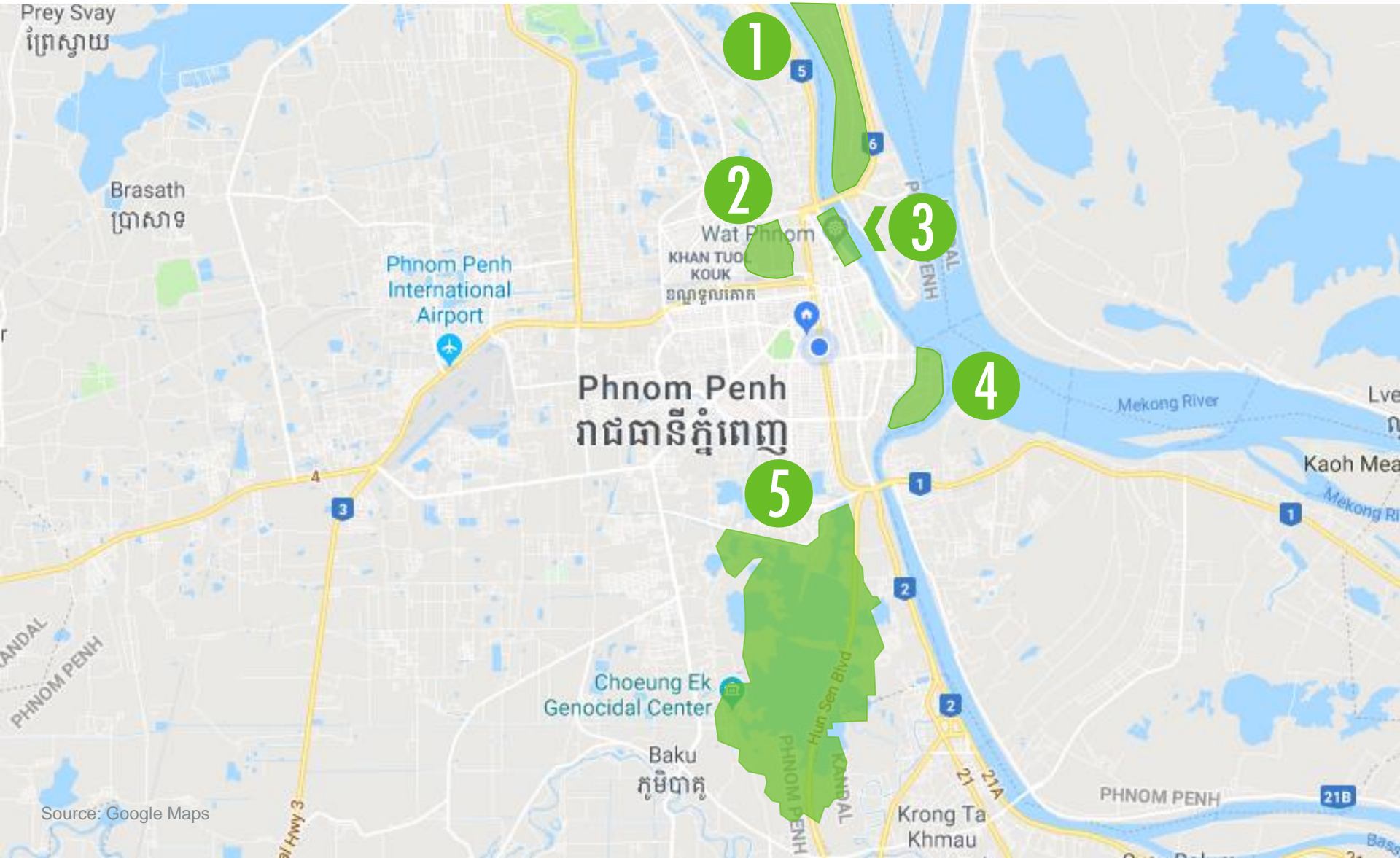
Cambodia opens Thai border rail link

05 Apr 2018



INFRASTRUCTURE | FEARLESS FORECAST 2019

MAJOR MIXED-USE 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

2 PHNOM PENH CITY CENTER

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

RESIDENTIAL ZONE | RETAIL | OFFICE
INTERNATIONAL SCHOOL | RECREATIONAL PARK



Photo: Phnom Penh City Center



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

FEARLESS FORECAST 2019

MAJOR MIXED-USED PROJECTS

4 DIAMOND ISLAND

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

RESIDENTIAL ZONES | OFFICE | HOTEL | PARK | CONVENTION CENTER



Photo: Khmer Times

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

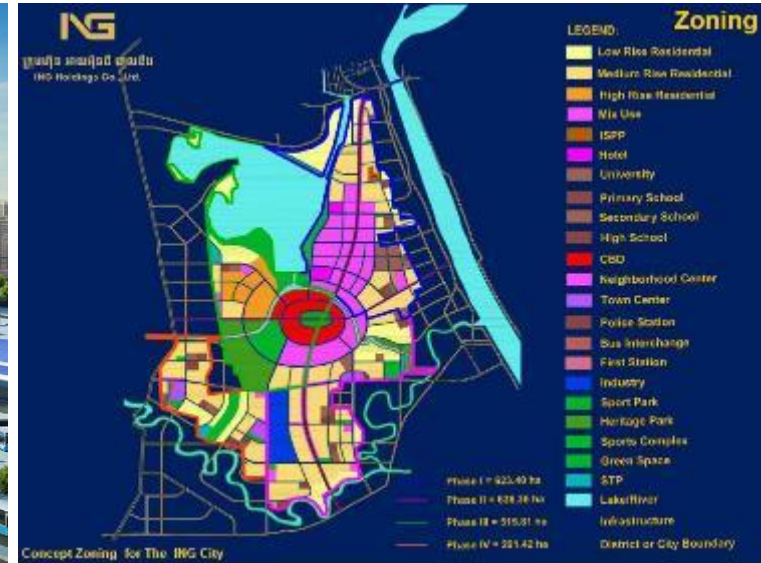
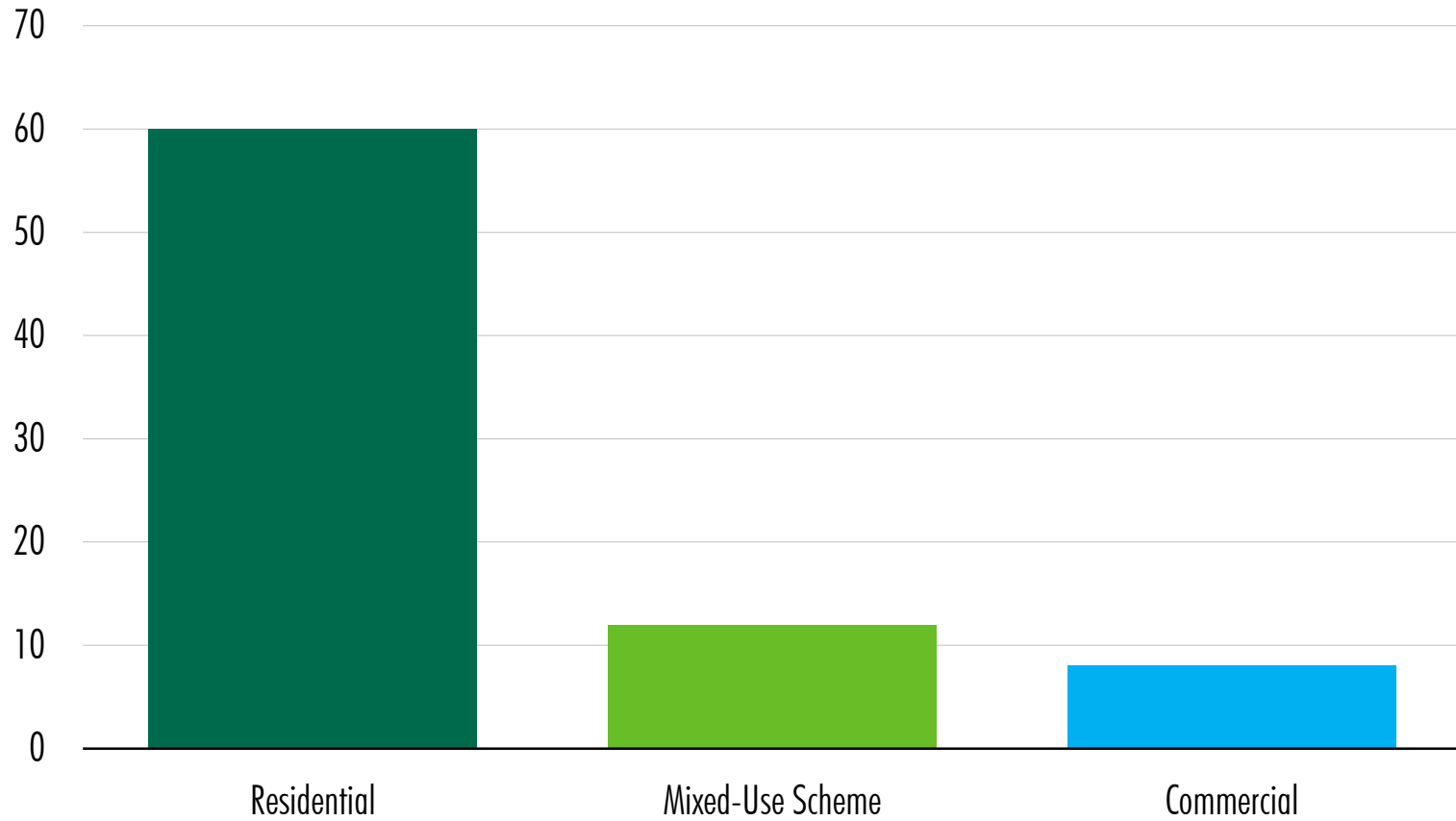


Photo: ING Holdings

FEARLESS FORECAST 2019

GREEN-NET STATISTICS: UPCOMING LESSER-KNOWN PROJECTS



Source: CBRE Research

OVERVIEW

INFRASTRUCTURE

LAND

RETAIL

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TOURISM & HOSPITALITY



Land prices in Kandal's Steung district soar after new airport announced



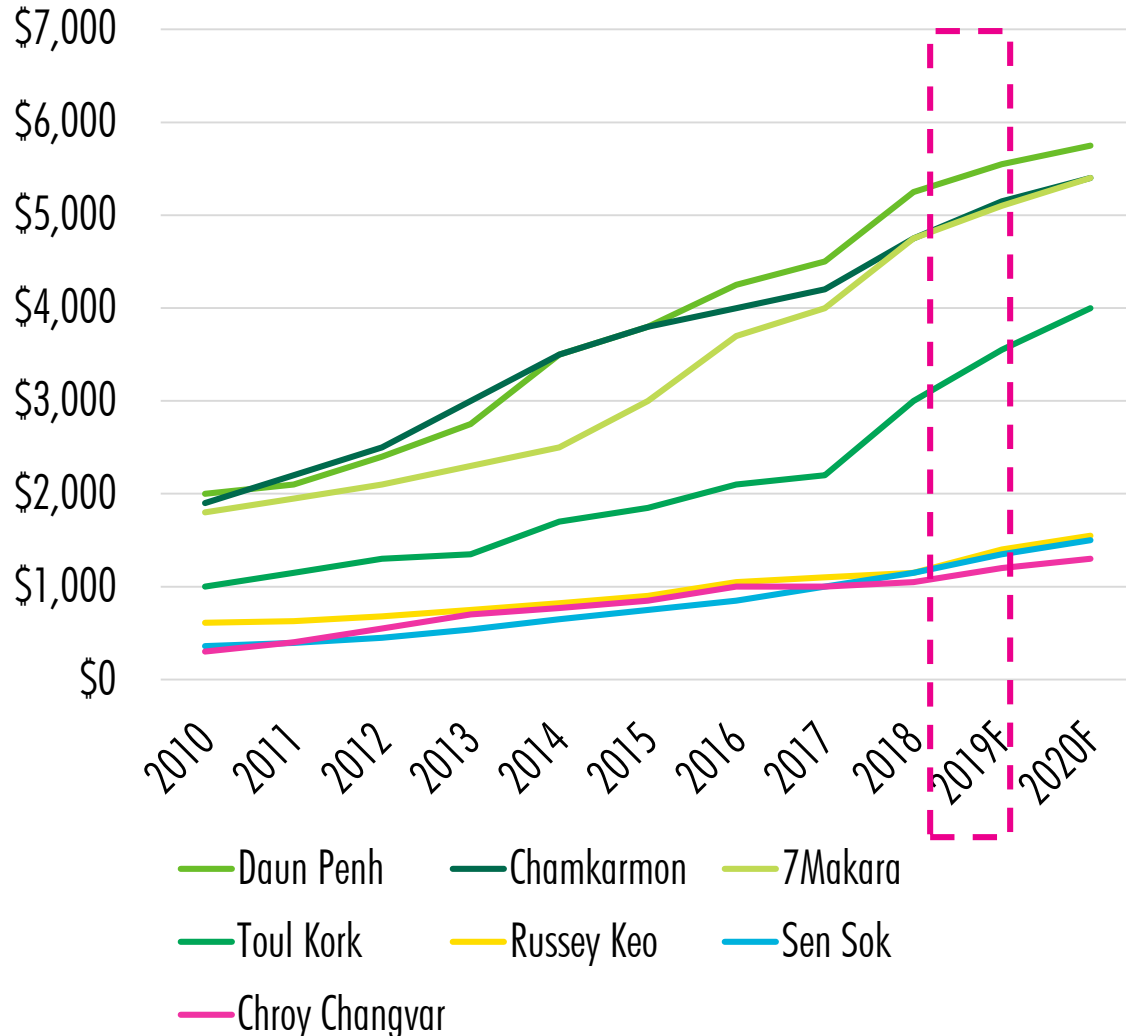
Land prices in central Phnom Penh stay level amid rise in the suburbs



Land prices soar on capital's airport announcement

LAND | FEARLESS FORECAST 2019

INDICATIVE LAND PRICES 2010-2020F



2019F

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

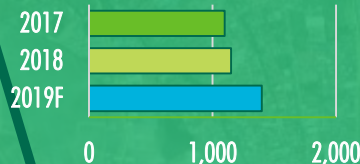
Source: CBRE Research, Q1 2019

2019F INDICATIVE LAND VALUE (USD/SQM)

SEN SOK



RUSSEY KEO



CHROY CHANGVAR



TOUL KORK



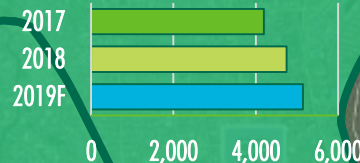
DAUN PENH



7 MAKARA



CHAMKARMON



POR SEN CHEY

MEANCHEY

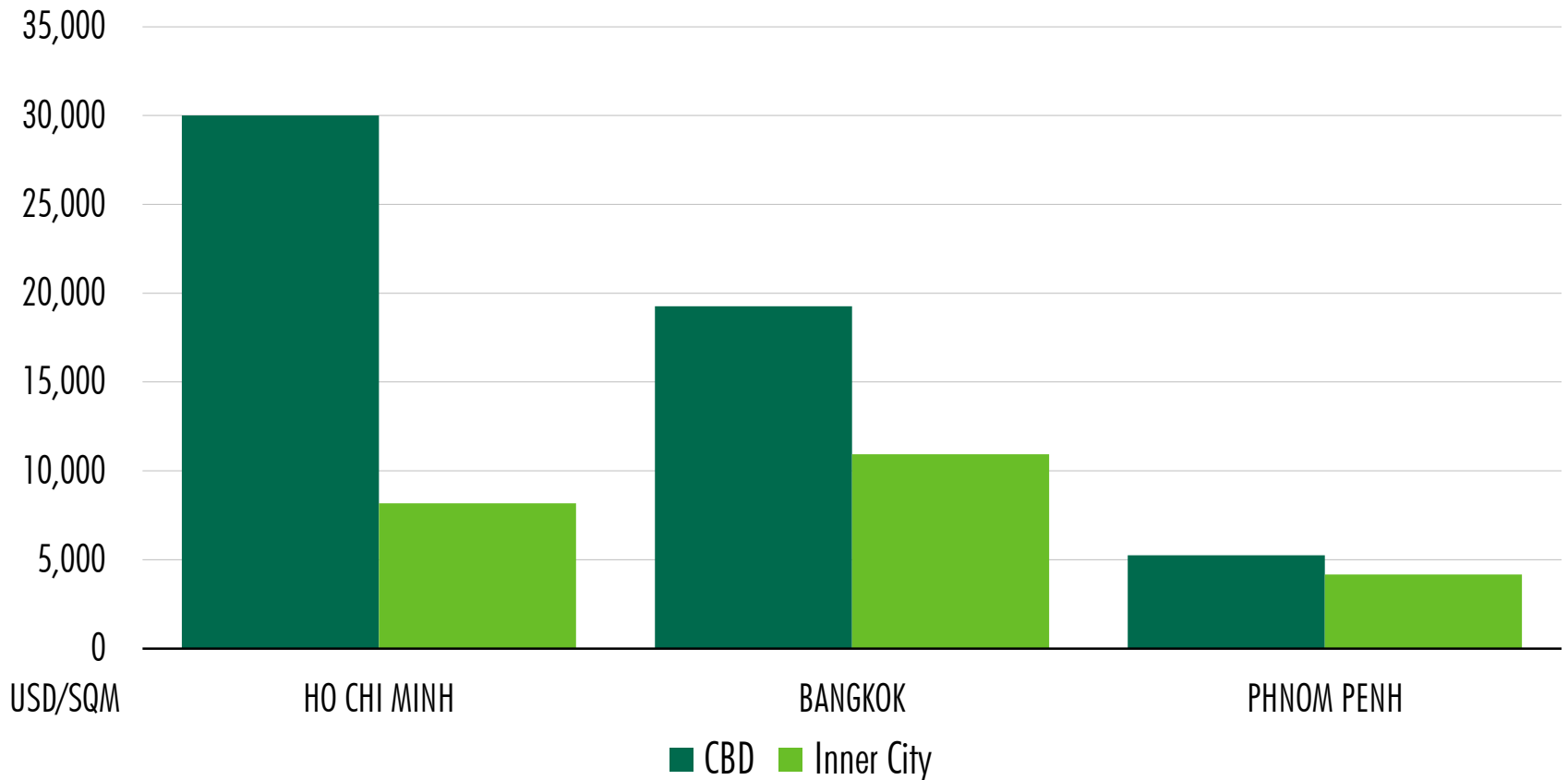
CHBAR AMPOV

DANGKAO

*The land prices indicated are representative of sites from 0.3 ha to 3.0 ha in site area

LAND | FEARLESS FORECAST 2019

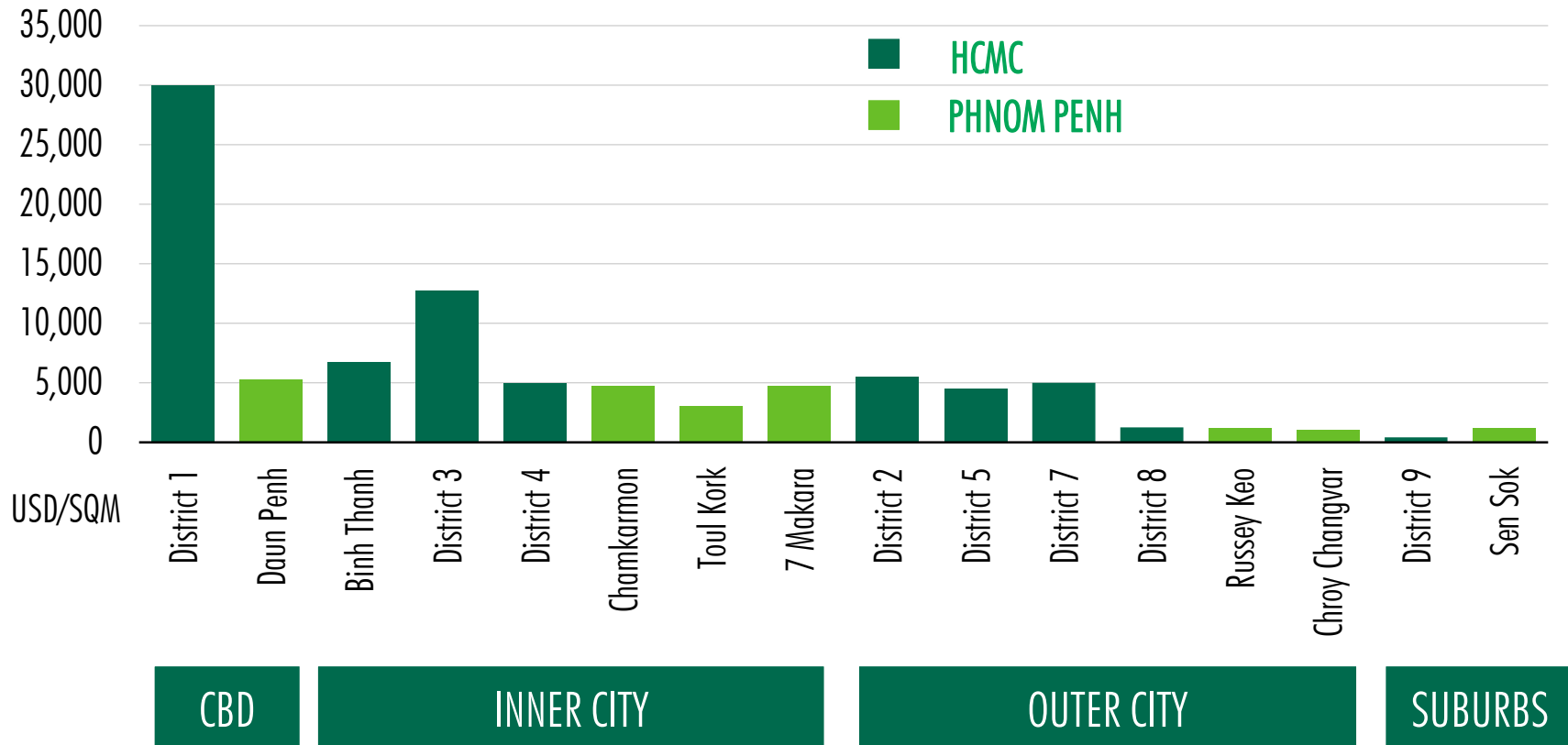
REGIONAL AVERAGE LAND VALUE COMPARISON



Source: CBRE Research

LAND | FEARLESS FORECAST 2019

REGIONAL AVERAGE LAND VALUE COMPARISON



Source: CBRE Research

LAND & INVESTMENT FORECAST



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**

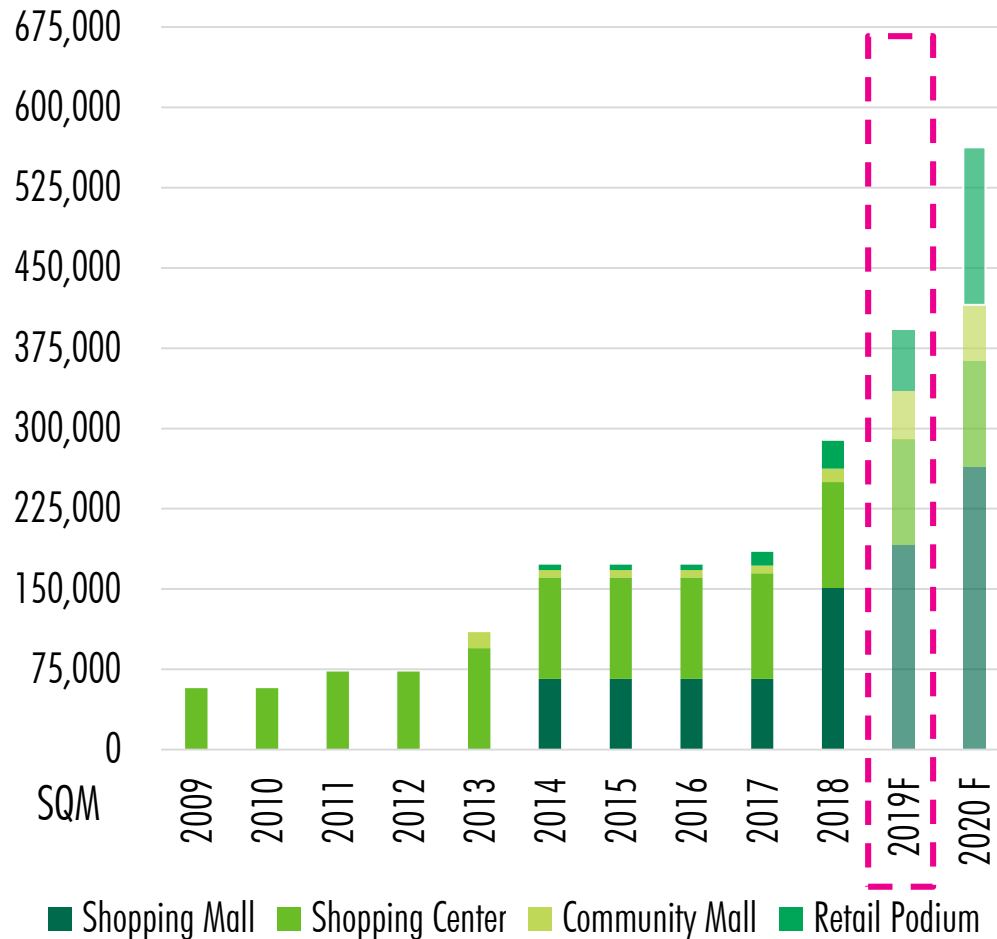
OFFICE

RESIDENTIAL

TOURISM & HOSPITALITY

RETAIL | FEARLESS FORECAST 2019

RETAIL SUPPLY 2009-2020F



2019F

INFLUX IN SUPPLY
ACROSS ALL SUB-SECTORS

ANTICIPATED 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

SOARING NUMBER OF NEW RETAIL ENTRANTS IN 2018



RETAIL | FEARLESS FORECAST 2019

NEW RETAIL ENTRANTS TO PHNOM PENH IN 2018

WELCOME TO THE KINGDOM!



ALDO OSMOSE CONVERSE ★➔

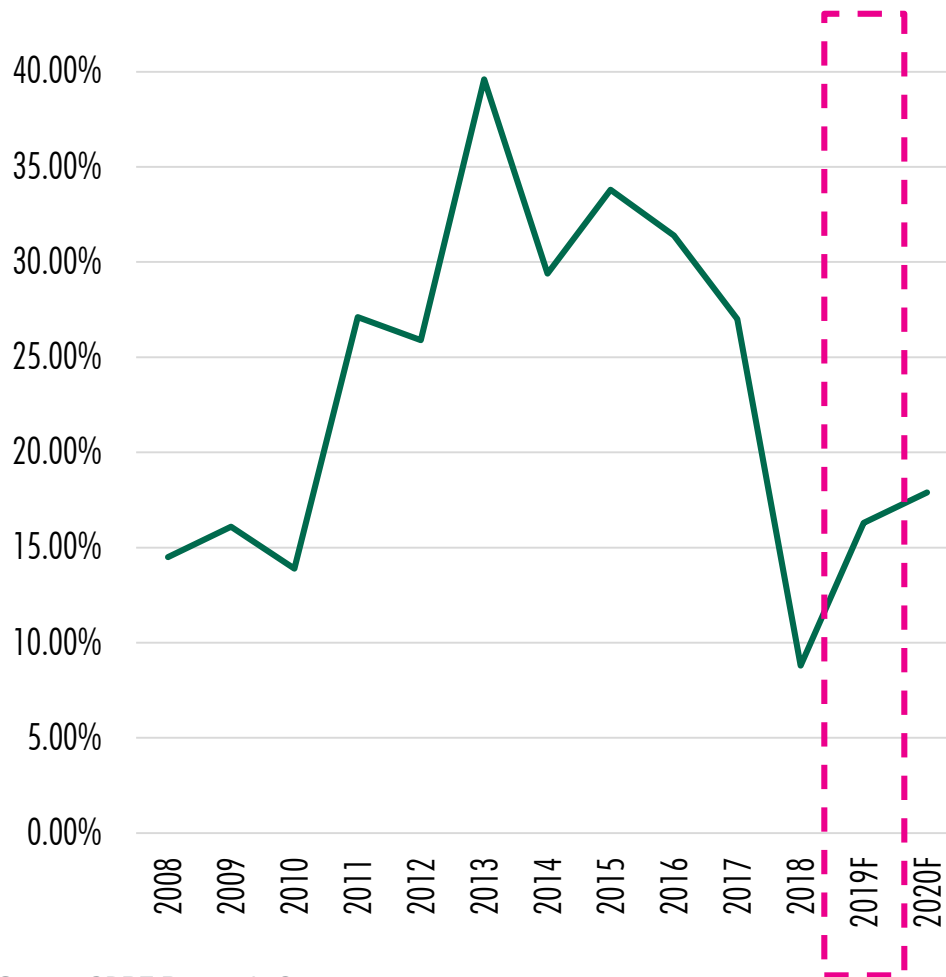


Ipanema

AND MANY MORE...

RETAIL | FEARLESS FORECAST 2019

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

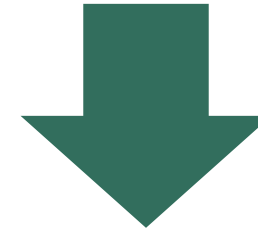
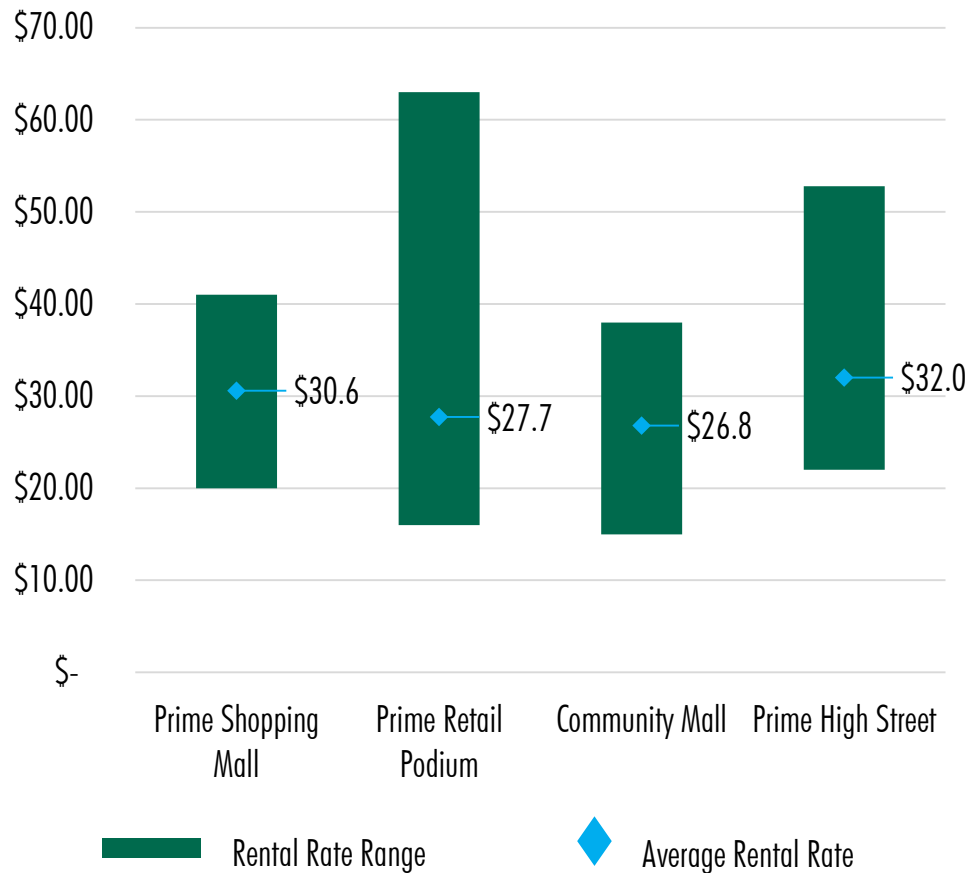
SHOPPING MALL

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

RETAIL | FEARLESS FORECAST 2019

RECENTLY COMPLETED RETAIL SUPPLY IN 2018

THE PARK COMMUNITY MALL

OPERATION COMMENCED EARLY 2018 | 85% OCCUPIED BY 2018

THE BREATH OF THE CITY
OUTDOOR MALL // PHNOM PENH

THE PARK

BROWN
COFFEE AND BAKERY

World Dining
"Cambodia's World Kitchen - Value for Everyone"

TOUS les JOURS
AUTHENTIC BAKERY



CONVERSE →

koondak
PREMIUM CHILDREN PUB



RETAIL | FEARLESS FORECAST 2019
RECENTLY COMPLETED RETAIL SUPPLY IN 2018

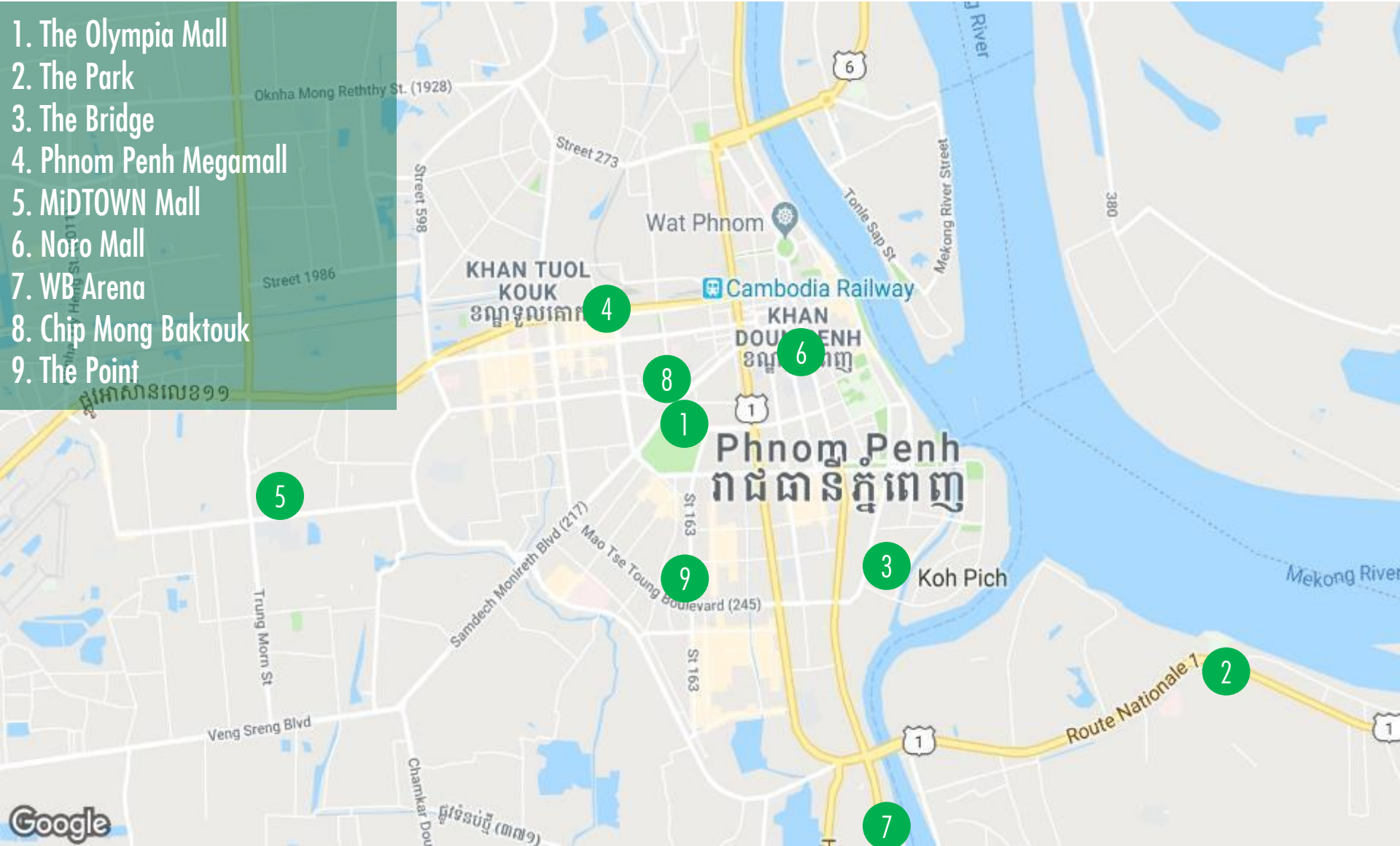
AEON MALL SEN SOK CITY

OPERATION COMMENCED MID 2018 | FULLY OCCUPIED



RETAIL | FEARLESS FORECAST 2019: MAP OF EXPECTED RETAIL SUPPLY IN 2019

- 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



RETAIL | FEARLESS FORECAST 2019
2019: 5 COMMUNITY MALLS ANTICIPATED

MiDTOWN MALL

EXPECTED FULL OPENING IN JULY 2019 | 4,881 SQM OF NLA



RETAIL | FEARLESS FORECAST 2019
2019: 5 COMMUNITY MALLS ANTICIPATED

NORO MALL

EXPECTED OPENING IN Q3 2019 | 7,400 SQM OF NLA



RETAIL | FEARLESS FORECAST 2019
2019: 5 COMMUNITY MALLS ANTICIPATED

DOWNTOWN 93

EXPECTED OPENING IN 2019 | 4,000 SQM OF NLA



RETAIL | FEARLESS FORECAST 2019
2019: 5 COMMUNITY MALLS ANTICIPATED

WB ARENA

EXPECTED OPENING IN 2019 | 6,000 SQM OF NLA



RETAIL | FEARLESS FORECAST 2019
2019: 2 SHOPPING MALLS EXPECTED TO COMPLETE

PHNOM PENH MEGAMALL

EXPECTED OPENING: Q1 2020 | 40,000 SQM OF NLA



RETAIL | FEARLESS FORECAST 2019

2019: 2 SHOPPING MALLS EXPECTED TO COMPLETE

THE OLYMPIA MALL

EXPECTED OPENING IN MARCH 2019 | 15,000 SQM OF NLA (PHASE 1)



RETAIL FORECAST



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**

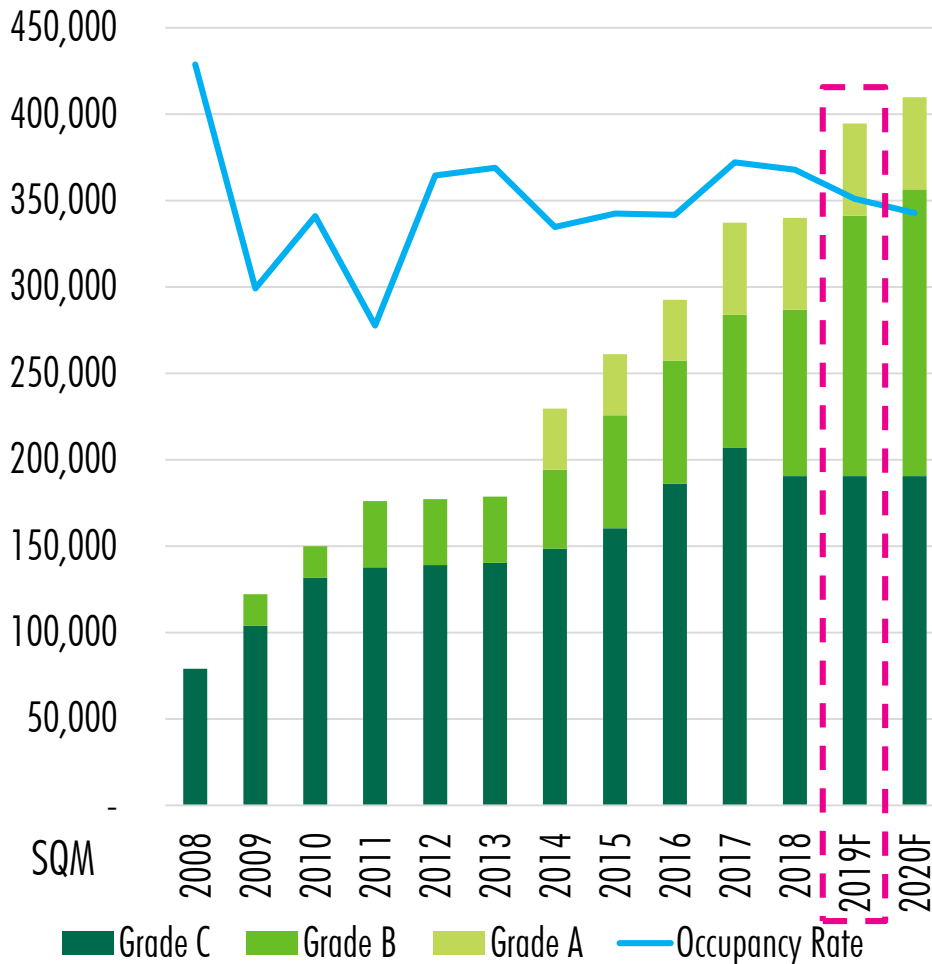
RESIDENTIAL

TOURISM & HOSPITALITY

LAND

OFFICE | FEARLESS FORECAST 2019

CENTRALLY OWNED OFFICE SUPPLY 2008-2020F



Source: CBRE Research, Q1 2019

2019F

78.50%
OCCUPANCY RATE BY Q4 2019

GRADE A OFFICE
53,265 SQM

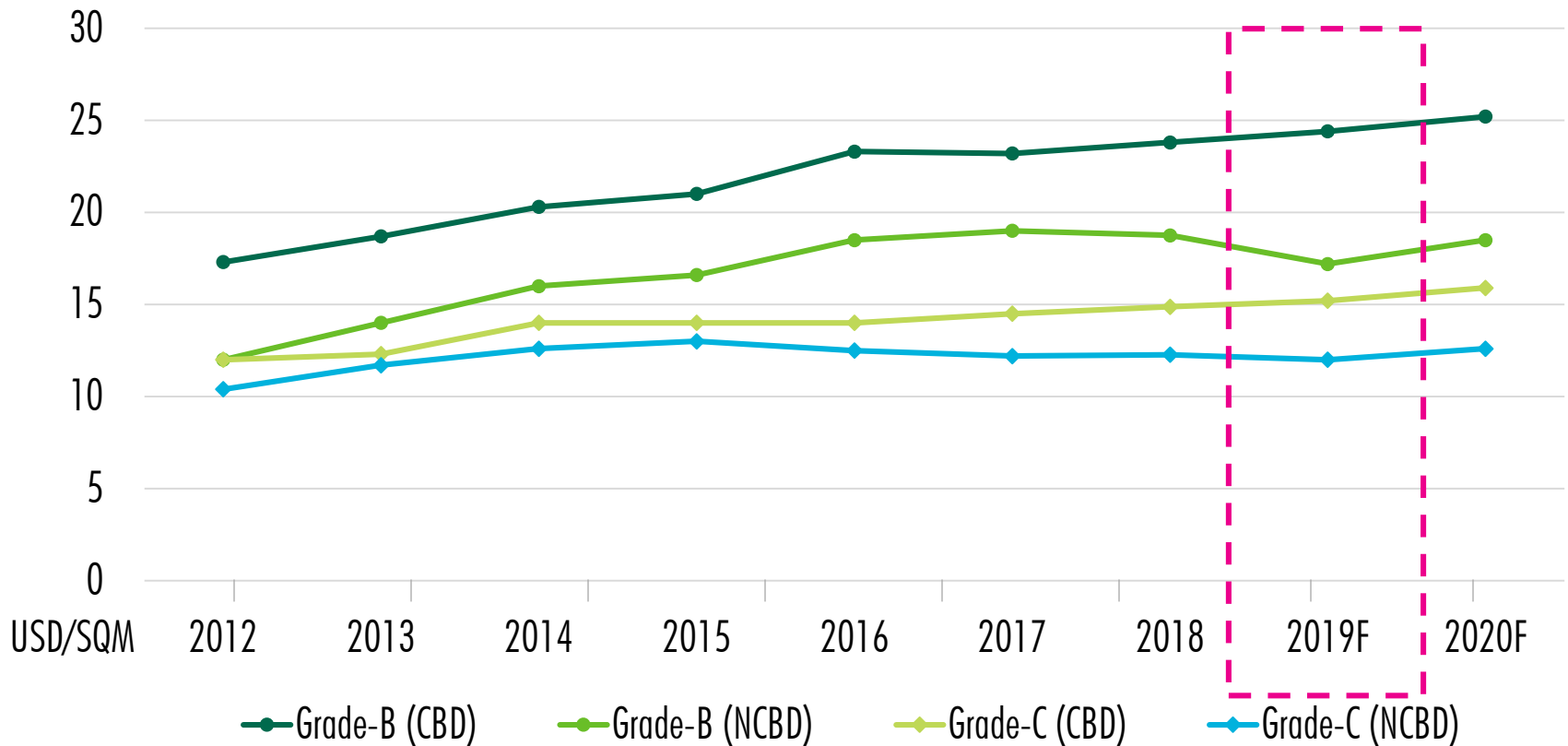
GRADE B OFFICE
150,775 SQM

GRADE C OFFICE
190,565 SQM

**OCCUPANCY RATES FALL DUE TO
56.6% GRADE B STOCK INFLUX**

OFFICE | FEARLESS FORECAST 2019

OFFICE RENTAL RATES 2012-2020F

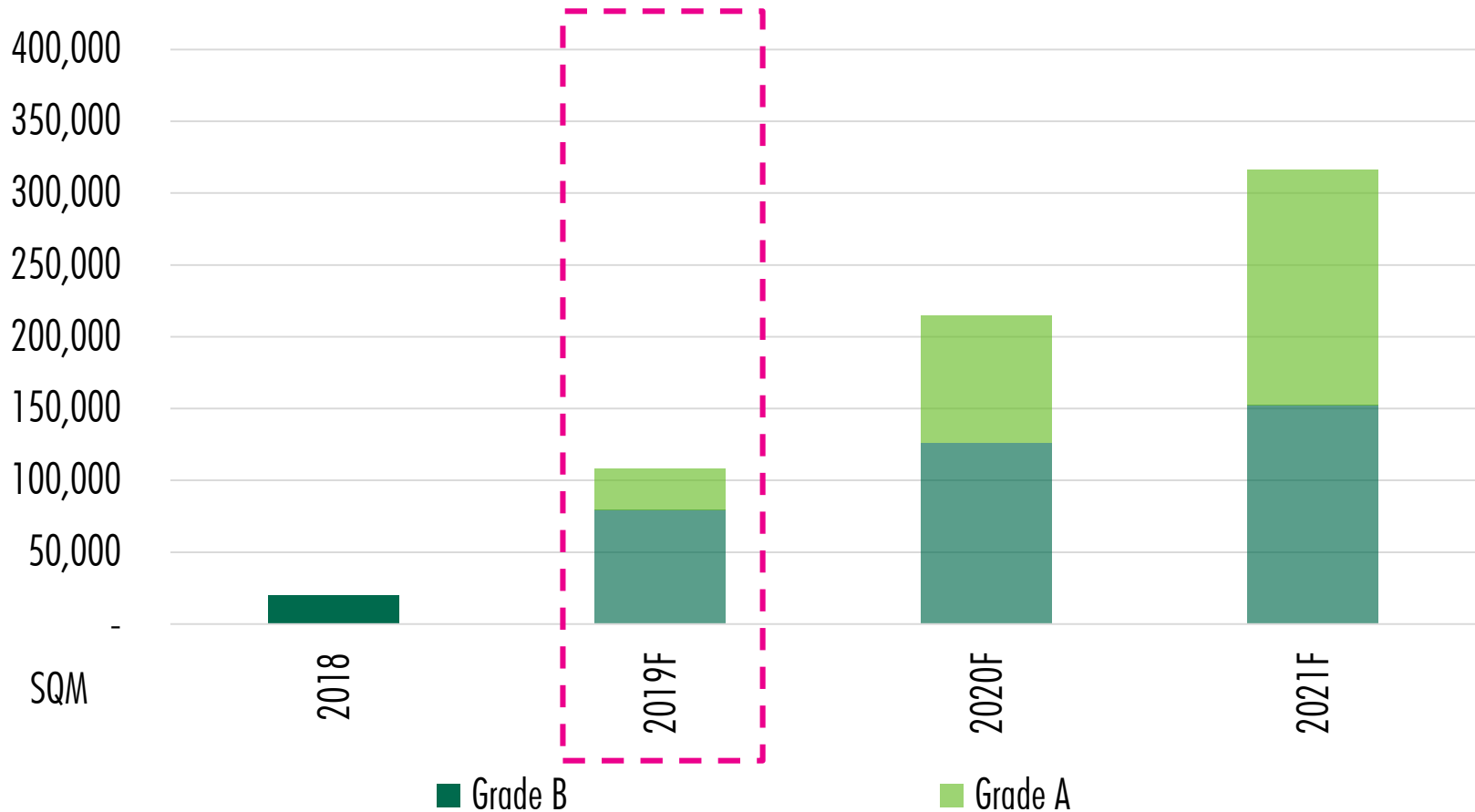


INFLUX IN NON-CBD GRADE B OFFICE COMPLETIONS COMPRESS RENTAL RATES DUE TO PRE-LEASING THROUGHOUT 2019. LITTLE REMAINING CBD GRADE C SUPPLY IN DEMAND.

Source: CBRE Research, Q1 2019

OFFICE | FEARLESS FORECAST 2019

MORE STRATA-TITLE OFFICE IN 2019

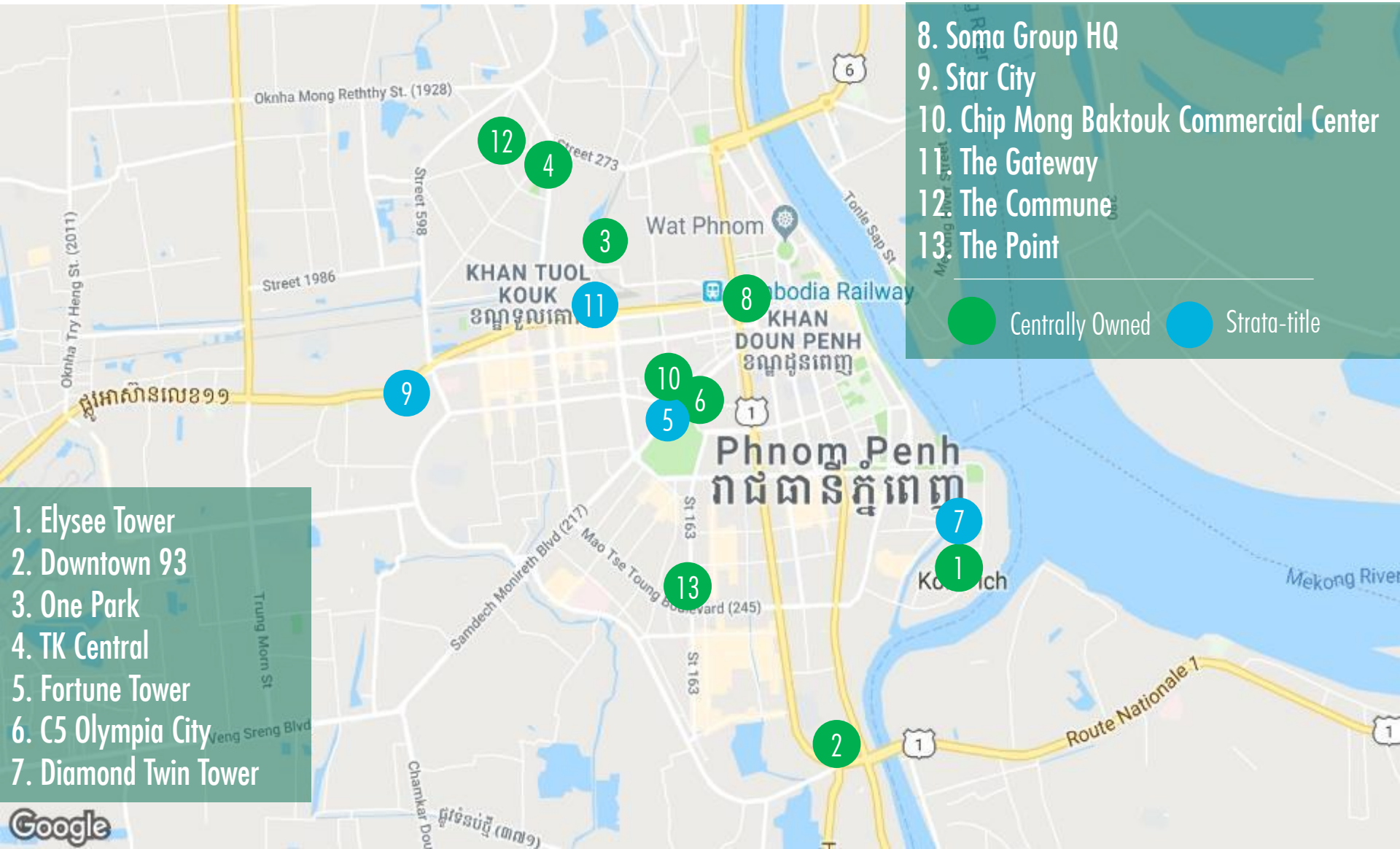


Source: CBRE Research, Q1 2019

ADDITIONAL 87,000 SQM OF SUPPLY IN 2019 TO MARK THE 'REAL' START OF A WAVE OF STRATA-TITLE OFFICE SUPPLY

OFFICE | FEARLESS FORECAST 2019

MAP OF EXPECTED OFFICE COMPLETIONS IN 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
- Centrally Owned ● Strata-title

OFFICE | FEARLESS FORECAST 2019
MORE ANTICIPATED STRATA-TITLE OFFICE IN 2019

THE GATEWAY

GRADE A STRATA-TITLE OFFICE

28,600 SQM



OFFICE | FEARLESS FORECAST 2019
MORE ANTICIPATED STRATA-TITLE OFFICE IN 2019



DIAMOND TWIN TOWERS

GRADE B STRATA-TITLE OFFICE

16,000 SQM

OFFICE | FEARLESS FORECAST 2019
MORE ANTICIPATED STRATA-TITLE OFFICE IN 2019

STAR CITY

GRADE B STRATA-TITLE OFFICE

20,200 SQM



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

OVERVIEW

INFRASTRUCTURE

LAND

RETAIL

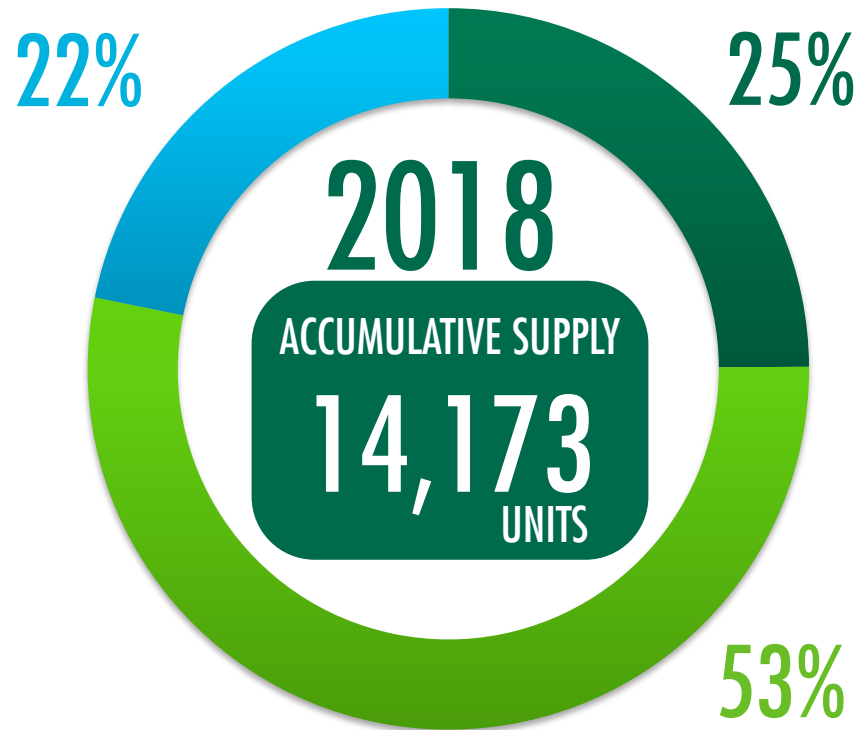
OFFICE

| **RESIDENTIAL**

TOURISM & HOSPITALITY

RESIDENTIAL | FEARLESS FORECAST 2019

CONDOMINIUM SUPPLY IN 2018



Source: CBRE Research, Q1 2019

3,530 UNITS

AFFORDABLE SEGMENT

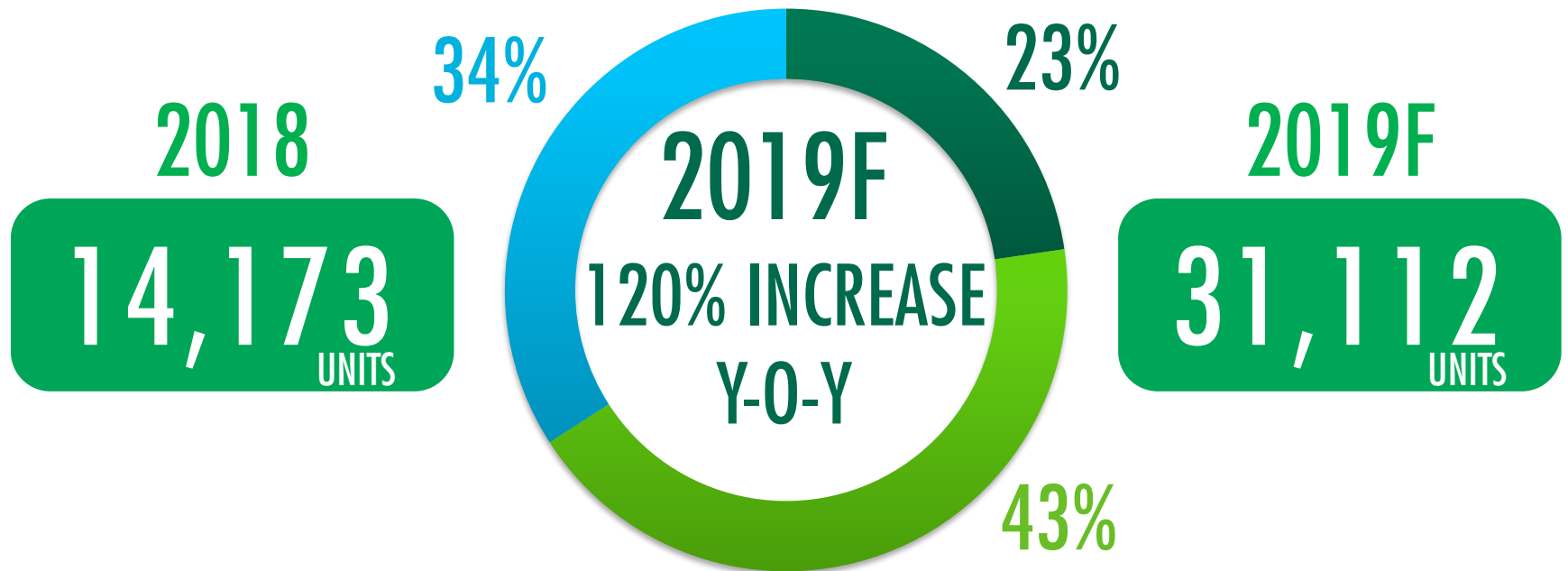
7,550 UNITS

MID-RANGE SEGMENT

3,093 UNITS

HIGH-END SEGMENT

PROJECT DELAYS RESULT IN INCREASED PIPELINE OF NEW SUPPLY IN 2019



Source: CBRE Research, Q1 2019

100% INCREASE

AFFORDABLE SEGMENT

78% INCREASE

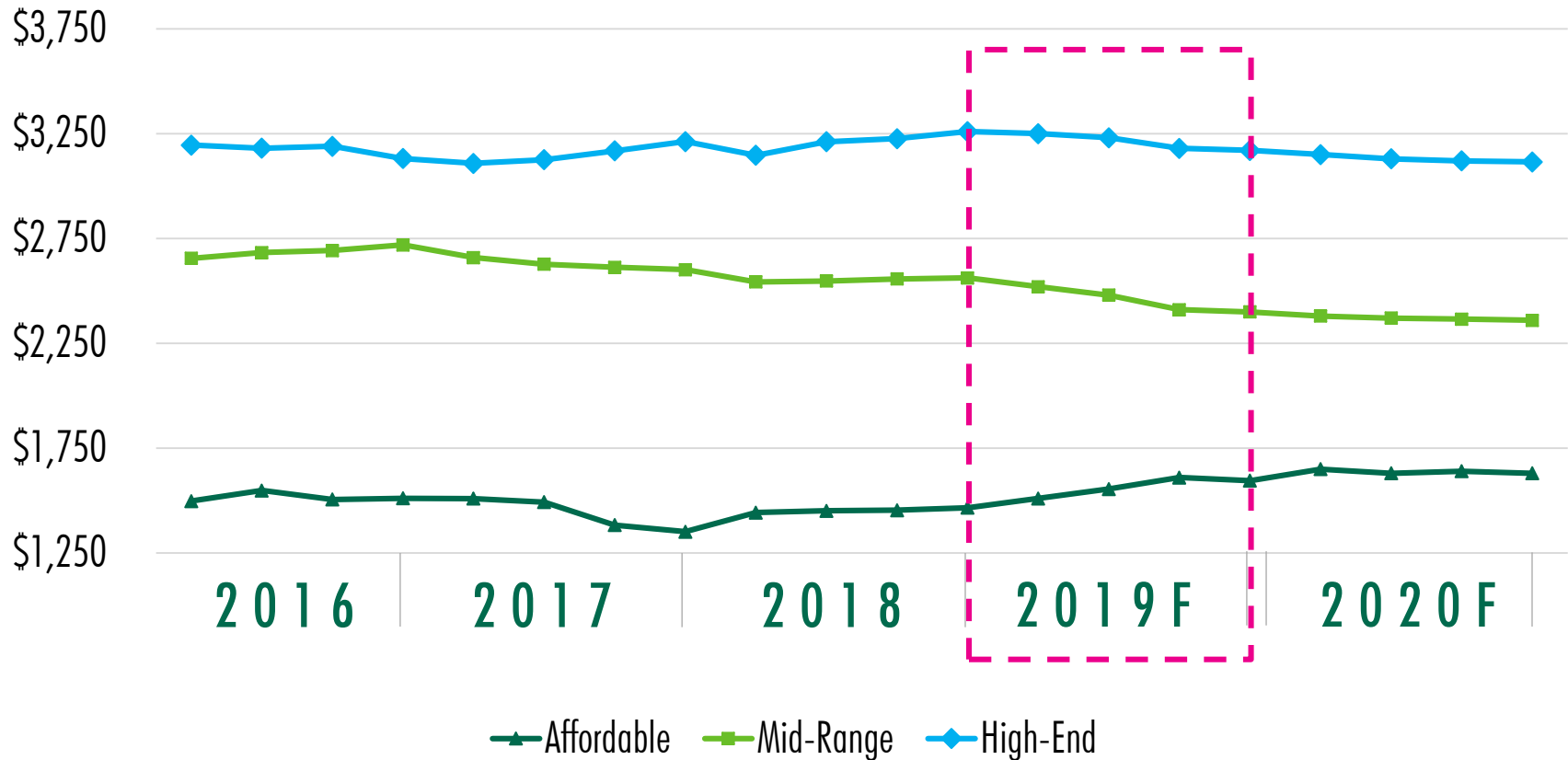
MID-RANGE SEGMENT

243% INCREASE

HIGH-END SEGMENT

RESIDENTIAL | FEARLESS FORECAST 2019

CONDOMINIUM SALE PRICE 2016 – 2020F

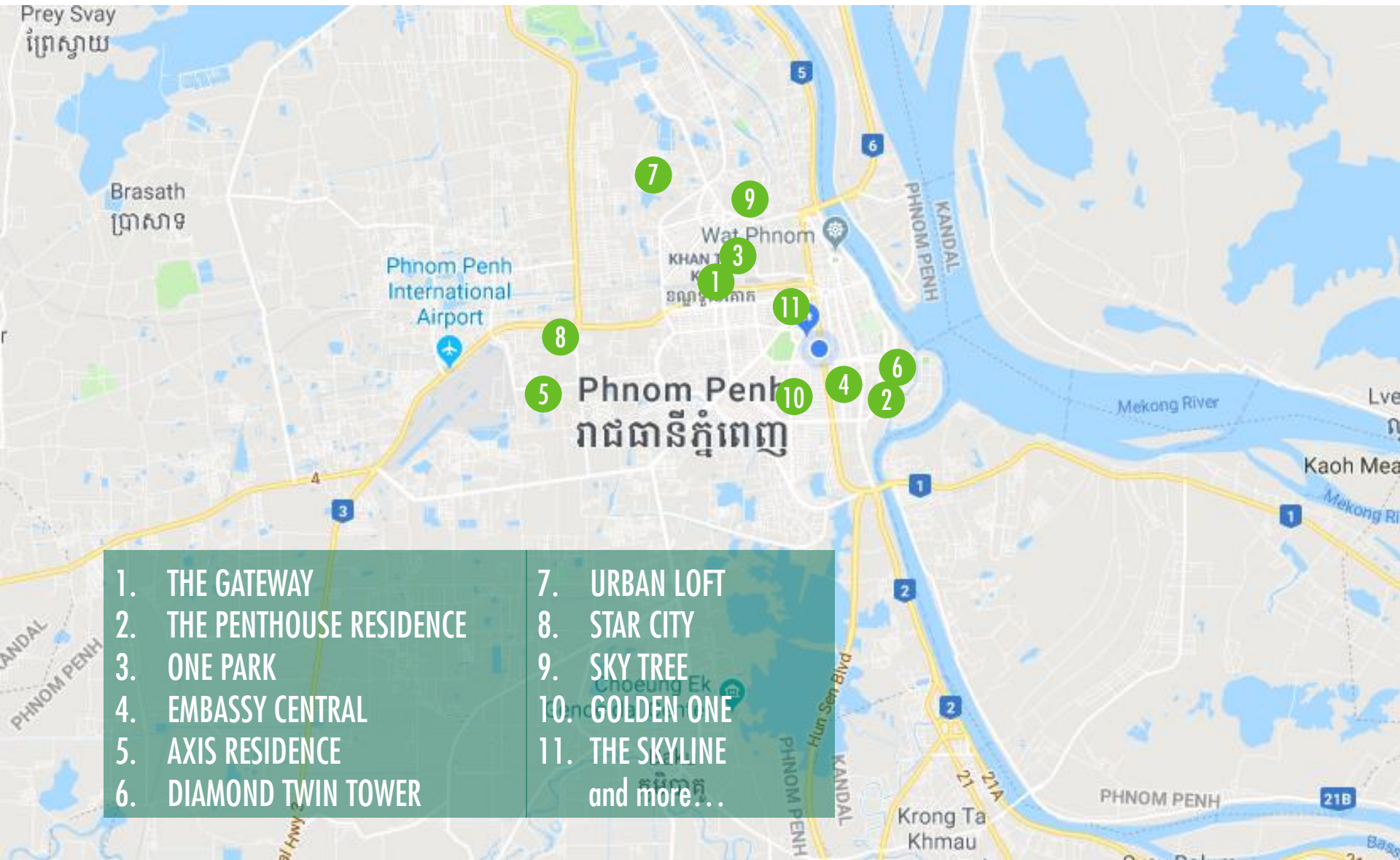


Source: CBRE Research, Q1 2019

**RISK OF OVER-SATURATION WITHIN MID-RANGE AND HIGH-END
CONDOMINIUM SEGMENTS CAUSE DOWNWARD PRICE ADJUSTMENT**

RESIDENTIAL | FEARLESS FORECAST 2019

KEY CONDOMINIUM PROJECTS EXPECTED TO COMPLETE IN 2019



- | | |
|----------------------------|-----------------|
| 1. THE GATEWAY | 7. URBAN LOFT |
| 2. THE PENTHOUSE RESIDENCE | 8. STAR CITY |
| 3. ONE PARK | 9. SKY TREE |
| 4. EMBASSY CENTRAL | 10. GOLDEN ONE |
| 5. AXIS RESIDENCE | 11. THE SKYLINE |
| 6. DIAMOND TWIN TOWER | and more.. |

RESIDENTIAL | FEARLESS FORECAST 2019 EXPECTED COMPLETION OF KEY PROJECTS

THE SKYLINE

792 UNITS | MID-RANGE | EXPECTED MOVE-IN READY: Q1 2019



RESIDENTIAL | FEARLESS FORECAST 2019
EXPECTED COMPLETION OF KEY PROJECTS

THE PENTHOUSE RESIDENCE

458 UNITS | HIGH-END | EXPECTED MOVE-IN READY: Q3 2019



RESIDENTIAL | FEARLESS FORECAST 2019 EXPECTED COMPLETION OF KEY PROJECTS

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

RESIDENTIAL | FEARLESS FORECAST 2019

SERVICED APARTMENT SUPPLY 2019-2020 FORECAST



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





SOMERSET
SERVICED RESIDENCE

30 COUNTRIES
111 CITIES
WORLDWIDE



SOMERSET NORODOM -
COMPLETED
&
SOMERSET MERIDIAN
SQUARE - PENDING

Source: somerset.com & khmertimeskh.com
CBRE CAMBODIA

SOMERSET NORODOM



OPENED IN 2018

OAKWOOD PREMIER and
**OAKWOOD HOTEL &
RESIDENCE PHNOM PENH**
WILL BE LOCATED IN **ONE PARK**



Oakwood

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



OAKWOOD PREMIER PHNOM PENH
OAKWOOD HOTEL & RESIDENCE PHNOM PENH



**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

OVERSUPPLY OF CONDOMINIUMS
IN THE NEAR FUTURE



CONVERSION OF UNSOLD UNITS



SERVICED APARTMENT SUPPLY
INCREASE

RESIDENTIAL FORECAST
APARTMENTS



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

OVERVIEW

INFRASTRUCTURE

LAND

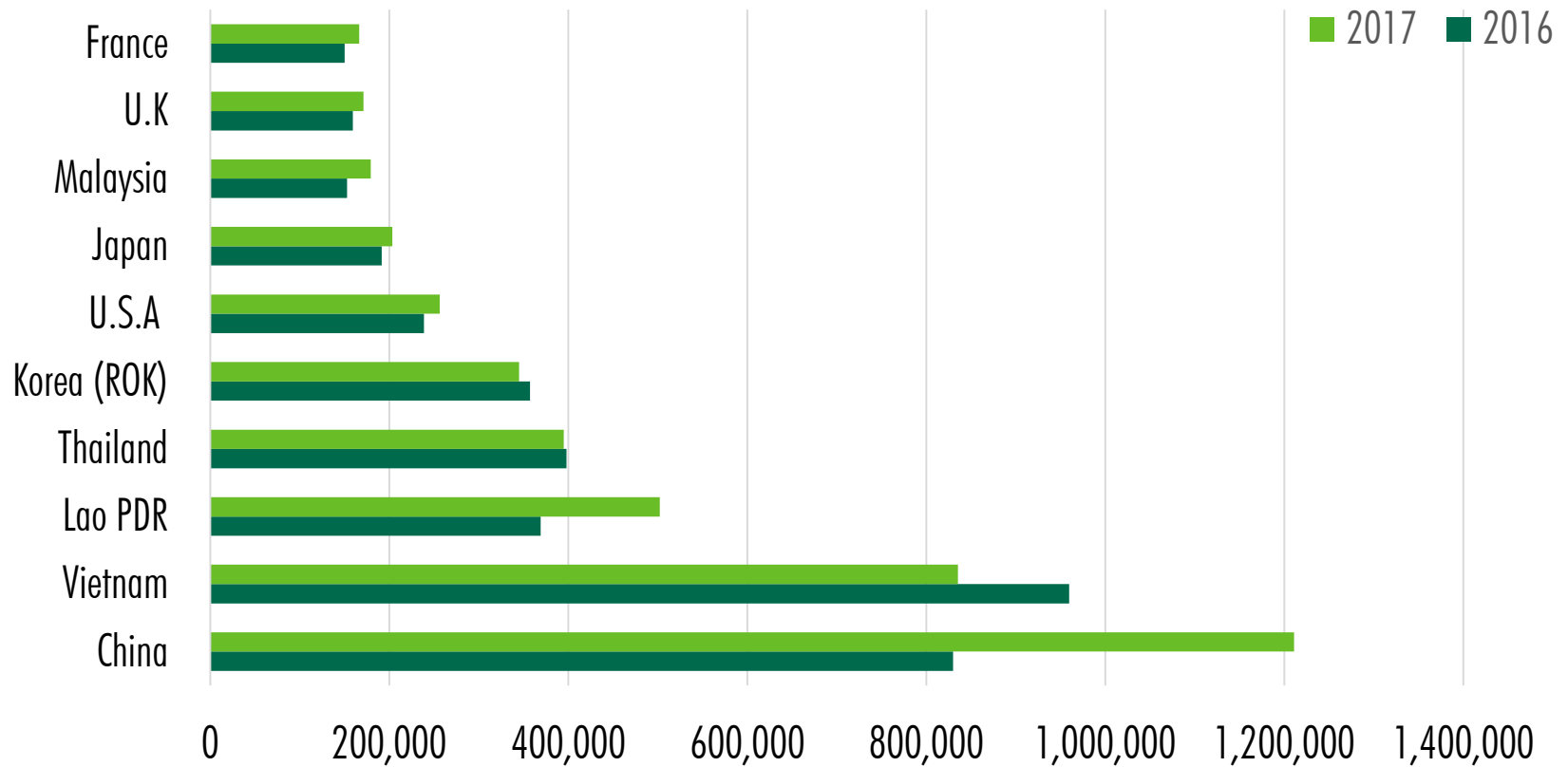
RETAIL

OFFICE

RESIDENTIAL

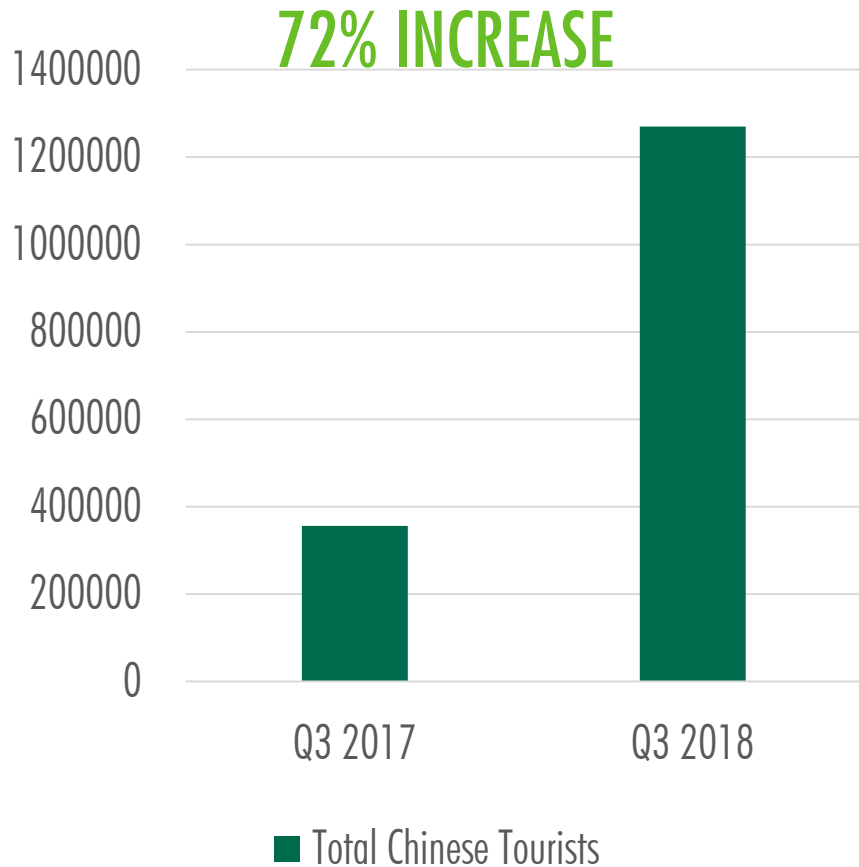
| **TOURISM & HOSPITALITY**

NUMBER OF TOURIST ARRIVALS BY ORIGIN



Source: Ministry of Tourism

CHINESE TOURIST VISITS TO SIHANOUKVILLE



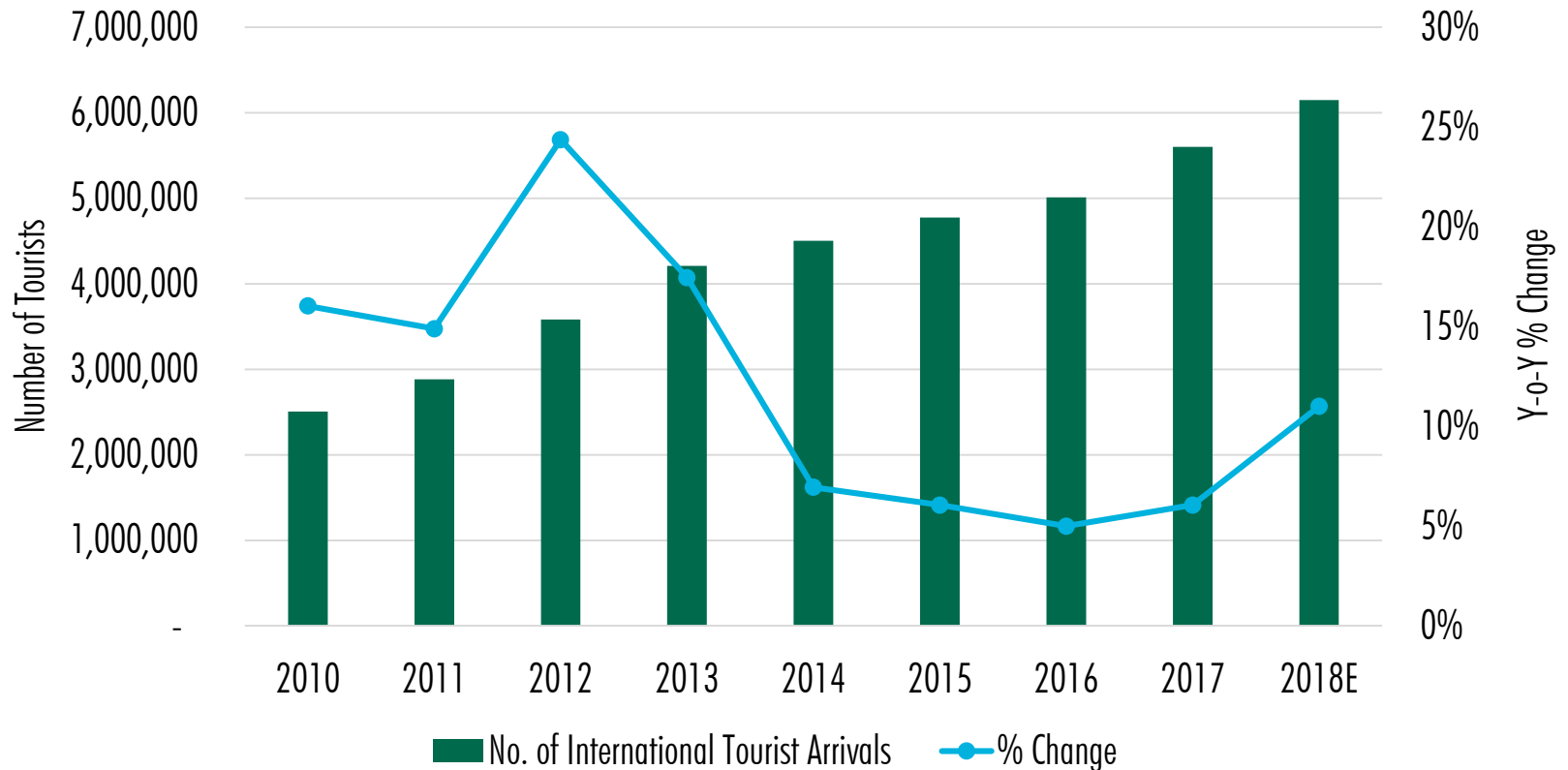
DECLINING RATE OF WESTERN TOURISTS

□ South China Morning Post

'THEY ONLY GO TO CHINESE SHOPS': WHY CAMBODIA'S INFLUX OF MAINLAND TOURISTS IS CAUSING TENSIONS

Source: South China Morning Post

NUMBER OF TOURIST ARRIVALS BY YEAR



Source: Ministry of Tourism



Cambodia 3rd in Asean for tourist growth

IS THE INFLUX OF TOURISTS A POTENTIAL PROBLEM?



Photo: Heng Chivoan/Phnom Penh Post

The Phnom Penh Post

Angkor hosts 2.6M visitors

South China Morning Post

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

NIKKEI ASIAN REVIEW

Boracay closure offers chance to clean up and rethink tourism

CNN travel

Thailand bay made popular by 'The Beach' closes indefinitely

HOSPITALITY | FEARLESS FORECAST 2019

CONNECTIVITY CONTINUES TO BOOST VISITOR NUMBERS

**MORE FLIGHT CONNECTIONS,
MORE TOURISTS,
AND OF COURSE MORE HOTELS**



ROSEWOOD
HOTEL GROUP

ACCOR HOTELS
Feel Welcome

 **HYATT
REGENCY**

SHANGRI-LA
HOTELS and RESORTS



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

HOSPITALITY | FEARLESS FORECAST 2019
BRANDED HOTELS CONTINUE TO RAISE THE BAR

HYATT REGENCY

EXPECTED COMPLETION 2020 | 250 KEYS



HOSPITALITY | FEARLESS FORECAST 2019

BRANDED HOTELS CONTINUE TO RAISE THE BAR



SHANGRI-LA HOTEL

EXPECTED COMPLETION 2020 | 148 KEYS

FEARLESS FORECAST 2019

CAMBODIA PREPARES TO HOST 2023 SEA GAMES



THE MORODOK DECHO NATIONAL SPORT COMPLEX

FEARLESS FORECAST 2019

SKY TRAIN PLANS TO REVOLUTIONIZE PUBLIC TRANSPORT



Photo: Phnom Penh Post

FEARLESS FORECAST 2019
MARC'S PREDICTIONS FOR 2019

- 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**



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THANK YOU!

For more info, please contact:

RESEARCH & CONSULTING

James Hodge

Associate Director

E: james.hodge@cbre.com

M: +855 89 333 722

James Hewson

Manager

E: james.hewson@cbre.com

M: +855 85 333 228

Kinkesa Kim

Senior Analyst

E: kinkesa.kim@cbre.com

M: +855 95 777 582

CBRE Cambodia | +855 23 964 099 | cambodia@cbre.com | www.cbre.com.kh

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