

What's Happening in Myanmar Market & Valuation

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Local investments in property sector the highest

ミャンマー国民による投資額は、2017年9月までの推計で、全11部門の合計で14兆6590億円を上回り、このうち不動産部門への投資が部門別で最大となっている。

Eleven Myanmar (Oct 5, 2017)

Phase 2 of Zone B Thilawa SEZ project under way

ティラワ経済特区のゾーンB開発区域の開発が来年8月には完了する見込みである。

Eleven Myanmar (Oct 10, 2017)

Condominium rental market bearish despite higher demand

外国人向けコンドミニアムの賃料は、根強い需要があるにもかかわらず、対前年で10%下落している。

Myanmar Times (Oct 10, 2017)

Real Estate Market Hits Price Floor

特にここ2年に及ぶマーケットの低迷により、不動産価格は2012年以来の底値を打った模様である。

Myanmar Business Today (Oct 4, 2017)

Golden City opens grade-A office tower in Yankin

ヤンゴン・ヤンキンタウンシップのオフィスビル「Golden City Business Center (GCBC)」が、10月17日に公式にオープンした。

Myanmar Times (Oct 19, 2017)

60 pc of investments in Thilawa SEZ target local market

ティラワ経済特区には国内企業85社及び外国企業が立地するが、これらのほとんどがミャンマー国内市場をターゲットとした製品を開発しているとされる。

Eleven Myanmar (Oct 22, 2017)

Local investments in property sector the highest

Total investments by Myanmar citizens in 11 business sectors until September exceeded Ks 14,659 billion, with the property sector topping the list. Investments in the property sector were in excess of Ks 2,923 billion, followed by the transportation and communications sector with over K 2,691 billion, manufacturing sector Ks 2,634 billion, other services Ks 2,345 billion, hotels and tourism Ks 1,468 billion, construction Ks 1,008 billion, industrial development Ks797 billion, energy Ks514 billion, mining Ks 141 billion, livestock and fisheries Ks82 billion and agricultural sector Ks 51 billion. Investors had to directly apply to the Myanmar Investment Commission in the past. In late July, the MIC formed region and state investment committees governed by region/state chief ministers. Now, each region/state investment committee can grant permission for investments worth up to US\$5 million (6,000 million MMKS).

Learnt From: Eleven Myanmar (Oct 5, 2017)

Phase-2 of Zone B Thilawa SEZ project under way

The construction of Zone-B in the Thilawa Special Economic Zone Project will be finished in August next year. Plans are under way to develop phase-2 of Zone B and investors will be able to start leasing land in Zone B by the end of this year. Currently, 26 percent of Zone B has been sold out and Zone A project has been completed by 96 percent. Many countries have offered to invest in the SEZ project and seventeen countries have invested in the Zone-B project, with Japan topping the list of investors. Thilawa SEZ project is located about 20 kilometers southeast of Yangon and it is the most attractive one for investors among other SEZ projects in ASEAN countries. The launch of the Zone-B project can open a new chapter in Myanmar.

Learnt From: Eleven Myanmar (Oct 10, 2017)

Condominium rental market bearish despite higher demand

Condominium rentals for foreigners have decreased by 10 percent this year even though demand is rising. Previously, rentals were stable but decreasing in rentals is happening in this year for the first time. It is not foreseeable that it is climbing back up. This is a result of more people wanting to rent detached houses and increase in the number of condo projects. Westerners and people moving in with families are choosing to rent detached houses. There are more available detached houses in Bahan and Kamaryut townships in Yangon now.

Meanwhile Renters who are from Thailand and Japan likely to interest in condos with swimming pools, gyms and parks. In the current market, detached houses put up for rent at around US\$3000 and \$4000 are experiencing high momentum,

whereas condos rented out for around \$1500 and \$2500 are in demand. Rentals for condos are detached house which are over 10 lakhs are 80 pc occupied by foreign tenants while the ones below 10 lakhs have a balance of both foreign and local tenants. The rental transactions during certain months, such as January, February, October and November are higher as opposed to April and mid-December where transactions are much fewer. There is more demand for rented properties during travelling season and after Thingyan, where the transfer to staff from companies occurs. As it is now with the beginning of the holiday season, there are many who are taking leave. The rental demands are hoping to be alive in mid-October again.

Learnt From: Myanmar Times (Oct 10, 2017)

Real Estate Market Hits Price Floor

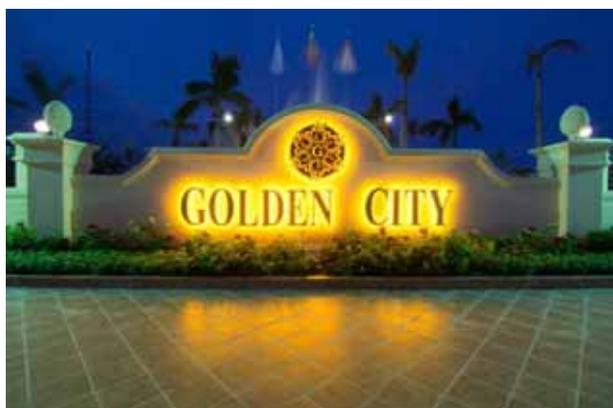
After an especially bad two year decline, the property and real estate market have sunk to their lowest point since 2012. On the back of recent market analysis, property brokers conclude that 2017 is the worst year in recent memory for the real estate as demand has sunken despite an increase in supply. The price of property is a result of supply and demand but also deeply correlates to the country's political stability and the perception of such. 2013 was the best year on record for the property market as demand and prices were both high. With prices and demand bottoming out in 2017, there has been a considerable decline since 2015. Under the former government's administration, the property market was used as a vehicle for money laundering thus appearing appeared highly effective and prosperous. In regard to hope for a market rebound, developers and real estate brokers patiently await parliamentary approval of bylaws to the Condominium Law that will permit foreign property ownership. Experts say the price slide was imminent because years of money laundering and state-regulated prices created an artificial and unsustainable price bubble. International observers point to political instability and state-sponsored violence as secondary reasons for investor weariness. As Myanmar liberalizes trade policy and hesitantly lets the foreign investors to enter, the country must also be prepared to enter the free market.

Learnt From: Myanmar Business Today (Oct 4, 2017)

Golden City opens grade-A office tower in Yankin

Golden City officially opened Golden City Business Center (GCBC), which is a four-storey office tower in Yankin township, Yangon, on October 17. The leasable area is around 150,000 square feet and office rooms of around 1,044 square feet to 12,755 square feet in size are available for long term leases. Golden City is a \$290 million luxury condominium project with commenced development in March 2014. It is the first completed luxury condominium in Yangon. Phase 1 development project comprising four residential towers was successfully completed and handed over in December 2016. GCBC will be added to this phase of the development. Phase 2

of the development, comprising three residential towers, are currently under construction and expected to be completed during the first quarter of 2018. The grade-A GCBC which is developed by Golden Land Real Estate Development Co is already 70 percent rented out to tenants including China International Trust Investment Corporation (CITIC) and Myanmar Fiber Option Communication Network. GCBC is opening at a time of a growing demand for office buildings in Myanmar. Existing firms are scaling up their operations and seeking new and bigger offices to expand as the economy develops. This has been evident among large office occupiers such as IT companies, legal and accounting firms or banking and finance. Meanwhile, small and medium-size enterprises are moving from non-office spaces such as condos or housing units and relocating to proper offices. GCBC is targeted by the Yangon City Development Committee (YCDC) as a proposed new business district in accordance with the Yangon City Master Plan's guidelines.



Golden City Project

Learnt From: Myanmar Times (OCT 19, 2017)

percent target the export market, and nine percent service the distribution sector. Japan involves 50.58 percent of the total investments. Asean countries excluding Myanmar invests 22.35 percent, East Asian countries invests 15.29, the US and the EU countries invests 5.88 percent and local companies accounts 3.52 percent. Thirty-six out of the 85 companies have started their operations and the remaining 34 companies are under construction and will launch their operations in the coming years. As there are guarantees for tax relief and better infrastructure, the Thilawa SEZ project has drawn the attraction of international investors. Since it was established two years ago, the project has seen a lot of progress. Until early October, the total foreign investments in Thilawa SEZ project reached over US\$ 1.1 billion. The construction of Zone- A has been completed. About 96 percent of Zone-A and 26 percent of the Zone-B under construction have been sold out. The total investment reached \$1.14 billion from November 2014 to July this year, according to the Directorate of Investment and Company Administration. Accounting for more than 73 percent of the total investments, investments in industrial zone reached \$842.9 million. Investments in good trading sector amounted to more than US\$101 million; the service sector, more than \$81 million; the transport and logistics sector, more than \$77 million; housing development sector, more than \$30 million; and hotel sector, more than \$12 million.

Learnt From: Eleven Myanmar (Oct 22, 2017)

60 pc of investments in Thilawa SEZ target local market



Thilawa SEZ

There are 85 local and foreign investments in Thilawa Special Economic Zone Project, with most of them targeting the local market. According to Thilawa SEZ management committee, sixty percent of total investments target the local market, 29