

## What's Happening in Myanmar Market & Valuation

### **Vol. 13- November 2017 -**

#### **Property buyers eye Dagon Land as owners sell for losses**

土地や住宅の購入を考えている人にとって、ヤンゴン市 Dagon Township 地区の昨今の不動産市場は注目に値すると思われる

*Learnt From: Myanmar Times (November 2, 2017)*

#### **Formation of Property Tax Committee to Prevent Real Estate Monopoly**

不動産市場の独占化防止を目的として、計画財務省では不動産税管理法(Property Tax Administration Law)の制定を計画している。一方、連邦政府の承認を経て不動産税中央監督委員会(Central Supervisory Committee for property tax)が設立されることになった。

*Learnt From: Myanmar Business Today (November 8, 2017)*

#### **Plots in Nay Pyi Taw SME zone go on sale**

投資企業管理局(DICA)は、ネピドー管内 Dhakhinathiri 地区の Small and Medium Scale Industrial Zone における土地区画の売却を公表した。

*Learnt From: Eleven Myanmar (November 10, 2017)*

#### **Wide-room apartments preferred in buyers' market**

昨今の不動産市場における購入者の志向が広さと安さへと向かっており、売買実績は部屋の面積が広い物件に限られているようだ。

*Learnt From: Myanmar Times (November 15, 2017)*

#### **Japanese Company enters Yangon Property Market by investing over 400 million USD**

日本の総合建設会社である鹿島は、ヤンゴン市内で、オフィス、ホテル等を含む複合都市開発プロジェクトに着手すると発表した。総事業費は 450 億円(\$398million)とされ、ミャンマーでの同社都市計画ノウハウ導入が期待される。

*Learnt From: Nikkei Asian Review (November 18, 2017)*

#### **CHDB plans to increase loan period for low-cost houses**

ミャンマー連邦共和国建設住宅開発銀行(CHDB)は、低コスト・低価格住宅向けのローン期間を、15年から20年に延長することを計画している。

*Learnt Form: Eleven Myanmar (November 22, 2017)*

#### **China to invest in Taninthayi Industrial Zone**

11月24日の報道で、南部 Taninthayi 地域において、中国企業が地元パートナーと共同で工業地区を開発する計画であることが公表された。

*Learnt From: Mizzima (November 24, 2017)*

### **Property buyers eye Dagon Land as owners sell for losses**

For those who interested in land purchasing or homes, now could be a good time to pay attention at the property market in the Dagon area. Although property sales have been stable, land prices in South Dagon Township have been declining. In these days, land transactions take place at lower prices in South Dagon according to the local real estate agent. A 40 feet -60 feet plot of land located on the main street area in South Dagon can sell for about K28 million compared to around K40 million before. In East Dagon township, the same plot of land which cost nearly K50 million before is now only K35 million. In North Dagon, a similar plot of land which cost k80 million before is now about K 45 million. Land owners including who bought their land at higher prices when demand was higher in the past, are now re-selling their lands at low prices. The agent also pointed out those who bought land for investment purposes don't want to continue holding the lands because they believe that the prices will not rise again anymore. In order to carry out low-costing housing projects and build new towns, Yangon regional government is performing to control land prices in the area and it may be one reason why land prices are falling in Dagon. As investors believe the land prices will no longer rise going forward, they are willing to sell. Only buyers who want to live or do business are buying land and property there.

*Learnt From: Myanmar Times (November 2, 2017)*

### **Formation of Property Tax Committee to Prevent Real Estate Monopoly**

To prevent the real estate market from monopoly, the drafted Property Tax Administration Law is planning under the Ministry of Planning and Finance and Central Supervisory Committee for property tax will also be formed after attaining Union Government's agreement. Since October 2016, meetings about drafting a Property Tax Administration Law have been held about nine times between related counterparts such as Pyidaungsu Hluttaw Legal Affairs, Special Cases Assessment Commission, Ministry of Planning and Finance, Ministry of Commerce, Ministry of Construction, the Union Auditor General Office, Union Attorney General Office, Yangon City Development Committee and the Mandalay City Development Committee. Currently, the commercial tax for property transactions are levied on buying and selling property according to year assessments by Price Valuation Board under the Internal Revenue department. When Central Supervisory Committee for property tax arrives, the property tax will be levied on the price of renting or selling Land or Property in accordance with the agreement of Union government year by year. The Deputy Minister explained the bill is aimed to enable taxes to be collected effectively and levy tax from the residents for the property and land, and to generate more taxes by city

development committees, which will create a reasonable amount of tax flow.

*Learnt From: Myanmar Business Today (November 8, 2017)*

### **Plots in Nay Pyi Taw SME zone go on sale**

The Directorate of Investment and Company Administration (DICA) has announced land plots in Dhakhinathiri Small and Medium Scale Industrial Zone in Nay Pyi Taw can be bought. There are still available for plots in the one and announced that every interested investor to contact the Nay Pyi Taw Council or the DICA by phone or in person within office hours. The small and median scale industrial zone project has started since under the former government and is located on 385 acres of land in Dhakhinnathiri Township which is one of Naypyidaw Union Territory's eight townships and located south of Mandalay Region. A total of 115 2- or 2.5-acre plots have been reclaimed in the zone and there is a sub-power station providing 24-hr electricity. Moreover, concrete roads with 150 feet and below in width have been constructed.

*Learnt From: Eleven Myanmar (November 10, 2017)*

### **Wide-room apartments preferred in buyers' market**

As buyers demands larger and cheaper flats in the current real estate market, only transactions involving wider rooms are taking place. Currently, supply is greater than demand in the apartment market, buyers have more options to choose the wider rooms. The buyers in these days are not just considering the room size, but also priority their choice on the location, together with basic amenities, availability of installment payment schemes and level of interest rates. Apart from buying apartments for investment purposes, most buyers are considering for end-use and that is why they are concerning about the factors such as room size and taking that into account in the decision-making. In Yangon, the majority of such large-size rooms are located in South Okkala township where the land areas are noticeably wider comparing to those of other townships. Besides, as land prices in Dagon township has also been falling recently and also there are wider apartments being built, property in Dagon has also been in demand. Due to this emerging trend, it may lead to rise developing more wide-room apartments in the future. It is also a good notice to the developers that they need to change and adapt to focus on what buyers want in order to attract the buyers.

*Learnt From: Myanmar Times (November 15, 2017)*

### **Japanese Company enters Yangon Property Market by investing over 400 million USD**

Japan general contractor Kajima will sign up for a 45 billion yen (\$398 million) urban development project in Yangon, building

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offices, hotels and other facilities in bringing its city planning expertise to Myanmar.



*A rendering of three high-rises that Kajima plans to build in Yangon.*

In November, Kajima received the permission from the Ministry of Construction to build a hotel and three high-rise buildings on the land owned by the ministry. The build-operate-transfer arrangement will give the Japanese company control of the facilities and land for up to 70 years. At the corner of Sayarsan Road, Yakin Township, a residential area of Yangon where many office buildings are being constructed, Kajima will put up a 21-story office building, a 20-story hotel, a 27-story extended-stay hotel and commercial facilities. The net floor space will be 170,000 square meters. The project will also include open space to help ease traffic congestion as well as a children's library. Moreover, a food and water storage system will also be created for disasters and other emergencies. Kajima expects to generate a profit balance with the outlays. Since Myanmar began democratizing in 2011, real estate development has picked up with demand for urban development on the rise and many foreign companies are setting up factories in Myanmar, where the economy is growing at a roughly 6% annual clip. On behalf of the Japanese land ministry, the Japan Conference on Overseas Development of Eco-Cities picked Kajima to handle a project and this would mark the first under the framework and could serve as a model for exporting Japanese urban planning expertise to greater Asia. Kajima's project will likely be the largest undertaken by Japanese entities alone. As of Myanmar, this is the second largest investment in Housing development in accordance with the amount of the Foreign Direct Investment (FDI) for this year 2017.

*Learnt From: Nikkei Asian Review (November 18, 2017)*

#### **CHDB plans to increase loan period for low-cost houses**

For low-cost and affordable housings, the Construction and Housing Development Bank (CHDB) is planning to extend the previous loan period from 15 years to 20 years.



*Low Cost Housing Project in South Dagon Township*

However, the loan period for high-cost housing will not be increased as CHDB believes those high-income can pay the cost without delay and plus they assume it will be a burden for them. For low-cost, medium-cost and affordable house buyers from Department of Urban and Housing Development (DUHD) under a long-term installment plan will need to open a housing savings deposit account with a minimum balance of K1,000 and save 30 percent of the apartment value. Upon this account, the buyers can deposit any amount of money based on their monthly income and the bank will pay annual interest rate of 8.5 percent on their savings. When the government makes housing available, the bank will inform customers who have the 30 percent deposit on their accounts. If the customers have 30 percent of total amount, the bank will provide the rest and the house savers then have to pay the bank at a monthly installment. By extending loan repayment, it will lighten the financial burden on new home owners and will be more attractive to a large number of citizens. CHDB is under the control of the Ministry of Construction and was licensed by the Central Bank of Myanmar in 2014 and it started launching accounts for the buyers since August 2016.

*Learnt From: Eleven Myanmar (November 22, 2017)*

#### **China to invest in Taninthayi Industrial Zone**

According to the media report on November 24, Chinese entrepreneurs will implement an industrial zone in Taninthayi region with the cooperation of the local partners. The Directorate of Investment and Company Administration (DICA) confirmed that they are currently discussing the matter with the regional government. The industrial zone will be constructed on a 6,676-acre plot of land in Myittar Township, Taninthayi region. China Power Investment will jointly be involving in this project. Another Chinese company will also invest around US\$28 million to construct an industrial zone on a 250-acre plot of land in Maubin Township in Ayeyawady region. Currently, there are 19 industrial zones and three special economic zones in Myanmar, according to the list by Ministry of Industry.

*Learnt From: Mizzima (November 24, 2017)*

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