

### **Businesses collaborate to launch new loan facility for landowners**

iMyanmarHouse.com has introduced an installment loan program in Myanmar for those who own land but lack the capital to build a house or a building for commercial purposes. The company is aiming to grant loans to those who don't have enough capital to construct luxury buildings, high-rise buildings, hotels, warehouses, and other buildings on land they own. Designed in collaboration with KBZ Bank and Myanmar Art Construction and Development Co Ltd, the loan is said to be the first of its kind in the country. The maximum loan amount will be dependent on the value of the land. The maximum loan that can be granted will be 70pc of the land value, and the maximum term will be 25 years. The program will also grant three-year loans for the commercial buildings depending on their business models. The interest rate for the loans is 13 percent a year. Loans with longer repayment periods will be considered based on the value of the land and the financial standing of the applicant. Required documentation includes land ownership evidence, source of income, a copy of the household register, and bank statements for six months. The loan will be issued not only to the businesses in Yangon Region, but also to any land owners across Myanmar.

*Learnt From: Myanmar Times (May 30, 2019)*

### **Investors asked to fund Yangon project bank**

The Yangon Regional Government invited investments in projects included in the Yangon Project Bank, a pool of 80 priority projects located in the region. Phase 1 of the New Yangon City development is estimated to involve investments totaling US\$8 billion. Meanwhile, Phase 1 of the Yangon Urban Mass Rapid Transit, the Yangon Central Railway Station Comprehensive Development, Eco Green City Project and Phase 1 of the Inner Ring Road, part of the Yangon Elevated Expressway, are estimated to involve US\$1 billion, US\$2.2 billion, US\$1 billion and US\$ 873 million, respectively. The Yangon Project Bank aligns with the Myanmar Sustainable Development Plan

(MSDP), which was launched last year to promote socio-economic development, reduce poverty and create employment through investments in the most effective and publicly-beneficial projects in Myanmar.

*Learnt From: Myanmar Times (June 4, 2019)*

### **MCEF to set up lending program for construction sector**

The Myanmar Construction Entrepreneurs Federation (MCEF) is planning to set up a loan program for members who are in need of capital to start projects. The central executive committee (CEC) of the organization decided on the loan program because small and medium construction firms were finding it difficult to raise the 30 percent minimum capital needed to start projects won through government tenders. The country's construction sector has been in a slump since 2015 with the property subsector struggling to absorb the oversupply, especially for high-end condominiums. The MCEF will start this program in the Yangon, Sagaing and Ayeyarwady regions. The organization would place its own assets as temporary collateral with CHID Bank and would be the guarantor as well as loan provider for its members. The program would be rolled out in the next two months. The maximum amount of the loan would be capped at 30pc of the asset value and the interest would be 3pc more than banks, with the maximum loan term being one year. The interest collected would be placed into a Federation Fund. The standard rate for loans to businesses is currently set at 13pc. Requirements to get the loan include being a member of the MCEF for at least six months, document showing a successful government tender, recommendations from CEC members and applicants' track record. Foreign offers for loans to the construction sector would help contribute to the sector's growth. The lack of local participation in the construction sector was also due to the high tax rate of 30pc on initial capital investment.

*Learnt From: Myanmar Times (June 6, 2019)*

## **Yangon Inviting Foreign Investors to Help Provide Low-Cost Housing**



### *Low-cost Housing in Yangon*

The Regional Government will invite foreign investments in the projects. The Ministry of Construction and the Yangon City Development Committee are working together to provide lands for the project in six months. The reason why is that local investors can only make investments on terms of five to eight years. This means that the amounts of the installment payments are higher, and the buyers would find it difficult to make the necessary payments with their income. Therefore, we are inviting investors who can work on terms of 15-20 years. The government will sell the low-cost housing, when finished, to squatters in Yangon – especially women. Through this project, the Yangon Regional Government is hoping to reduce the number of squatters in the city. People will be able to buy apartments on installments payment plans. Currently, there over 150,000 squatters in Yangon Region. Most of them are internal migrants from Ayeyarwaddy, Magway, and Bago Regions, and from Rakhine State.

*Learnt From: Myanmar Business Today (June 11, 2019)*

## **Marga Landmark Completes First Residential Tower at the Central Project**

Marga Landmark marked the completion of residential tower 1 of the Central housing project which is located near Inya lake at the corner of Kabaraye Pago Road and Kanbae Road. The construction process was completed in nine months, and the apartments will be rented to tenants by the end of this year. The mixed-used tower is developed by Marga Landmark in collaboration with Wong Tun & Partners, LWK &

Partners, Meinhardt Ltd, Adrian L. Norman Limited, Amenity Design and Royal Ace. The 27-story high development will offer residential apartments ranging from 848 square ft to 1,900 square ft, a shopping center and Grade A offices. At the bottom of the development, there will be Yangon's first open-space retail and dining promenade concept, the Central Boulevard.

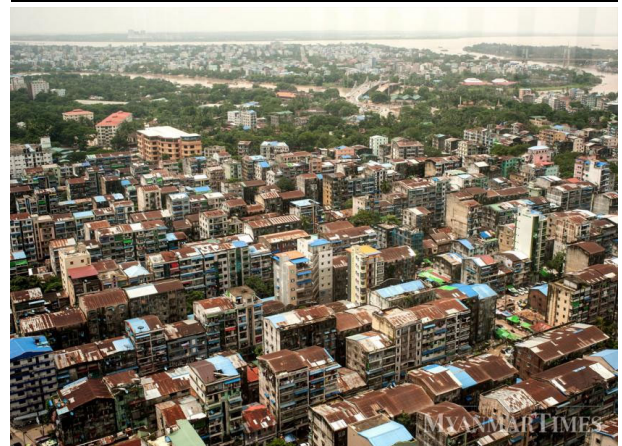
*Learnt From: Myanmar Business Today (June 19, 2019)*

## **Yangon to reallocate K16 billion for public development**

The Yangon Regional government will reallocate K16 billion for use in road and electricity supply projects, a regional parliament meeting decided last week. The regional government reallocated the funds after facing strong criticism from members of parliament last week. The money will instead be used for road development and electricity supply projects under capital expenditures for fiscal 2019-2020. Yangon Region has set aside over K770 billion for the 2019-2020 budget year, of which about K202 billion has been appropriated for ordinary usage and over K568 billion for capital expenditures. The proposed budget of Yangon Region for fiscal 2019-2020 was approved by the regional hluttaw without any objections on Tuesday.

*Learnt From: Myanmar Times (June 24, 2019)*

## **Yangon's standard land prices reduced 10pc**



Land prices on a per square foot basis in Yangon's townships for the 2018/2019 fiscal year has been

reduced by 10pc compared to the last fiscal year in order to support more sales transactions as well as encourage landowners to pay their taxes. The standard land prices were released by the Inland Revenue Department earlier this month and these prices would be used for tax assessments in real estate sales. The reduction in prices was implemented after it was found that government standard prices were higher than actual market prices.

*Learnt From: Myanmar Times (June 27, 2019)*

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