



THE BRIDGE – CBRE CAMBODIA

Retail Rents & Capital Yield Gains - Forecast



ECONOMIC OVERVIEW – SNAPSHOT

- GDP growth amongst the strongest globally (10th) 2014 *The Economist*
- Consistent growth since Global Financial Crisis
- Urbanisation rate: 3.25% per annum
- International firms and retailers continue to enter the market
- Tourism growth averaged 20% per year 2004-2014
- FDI 2014(P): \$1.4 Billion USD *World Bank*

ECONOMIC OVERVIEW

CAMBODIA ENJOYING SUSTAINED ECONOMIC GROWTH



ADB: Cambodia on verge of being middle-income nation

10 Mar 2015 at 21:20 6,212 viewed 0 comments
WRITER: KYODO NEWS

Tweet 4
g+1



Cambodian people buy food at a tourist site on the outskirts of Phnom Penh. The country is transitioning from being a low-income nation to a middle-income one, the Asian Development Bank said. (AFP photo)

The head of the Asian Development Bank said Tuesday that Cambodia now ranks among the world's fastest-growing economies but still faces challenges.



ADB Expects Cambodian Economy to Pick Up

Facebook
Twitter
LINE

BY ZSOMBOR PETER | MARCH 25, 2015

The Asian Development Bank is predicting a steady uptick in Cambodia's economic growth to 7.3 percent and 7.5 percent in 2015 and 2016, respectively, on the strength of improved performance in the country's trade partners and a tempered political environment at home.



CAMBODIA PRESS-Outlook for EU firms positive in Cambodia - survey- Phnom Penh Post

By REUTERS

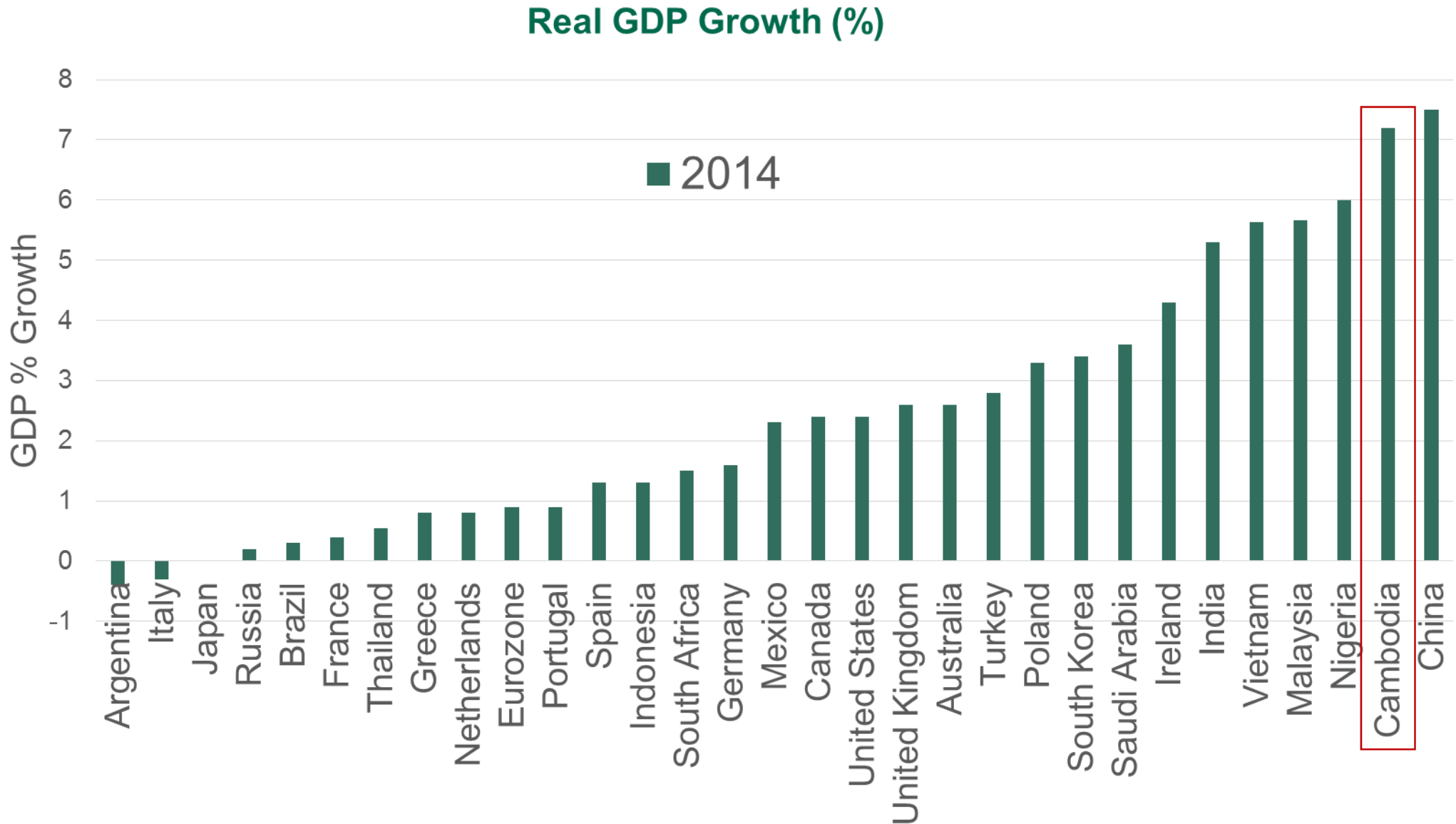
PUBLISHED: 04:23 GMT, 27 August 2015 | UPDATED: 04:23 GMT, 27 August 2015

Share icons for Facebook, Twitter, Pinterest, Google+, Email, and a generic share icon.

A survey by the EU-ASEAN Business Council to gauge the outlook for European businesses in the region ranked Cambodia, of 151 respondents, as the second-most important country in terms of total turnover for their ASEAN operations after Singapore, Phnom Penh Post reported.

The survey was conducted with an eye on the ASEAN Economic Community integration later this year, the newspaper reported.

WORLD TOP 20 ECONOMIES & CAMBODIA : REAL GDP GROWTH



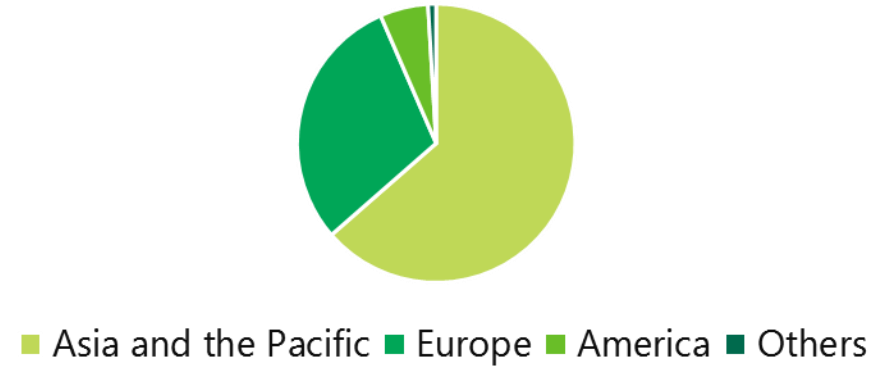
TOURISM

ARRIVALS, RECEIPTS AND DESTINATIONS

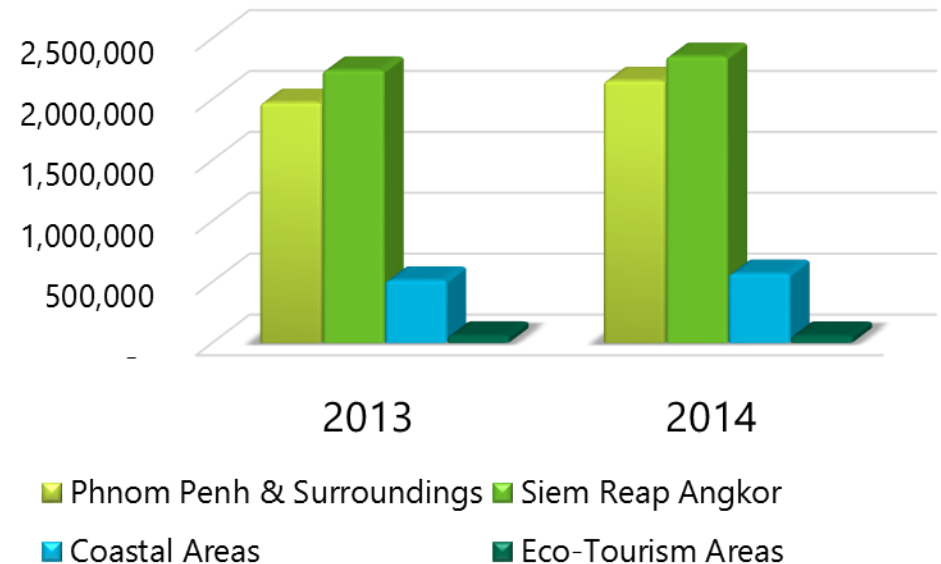


Source: Ministry of Tourism, 2015

Tourist Arrivals in Cambodia by Region (H1, 2015)



Tourist Destinations (13/14)

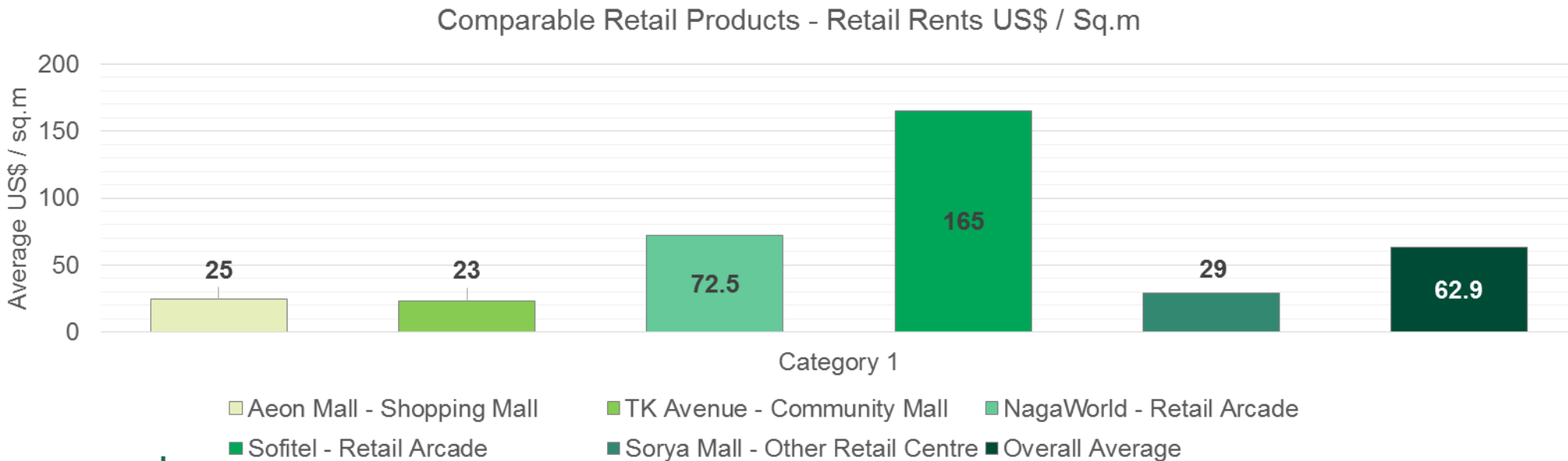
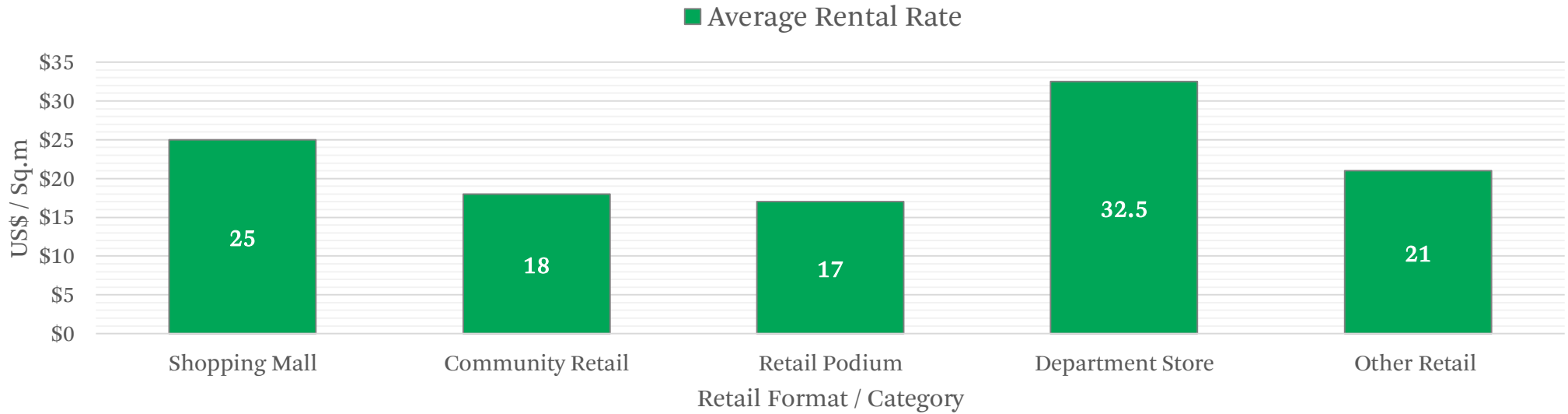


DEMAND DRIVEN BY ARRIVAL OF NEW BRANDS

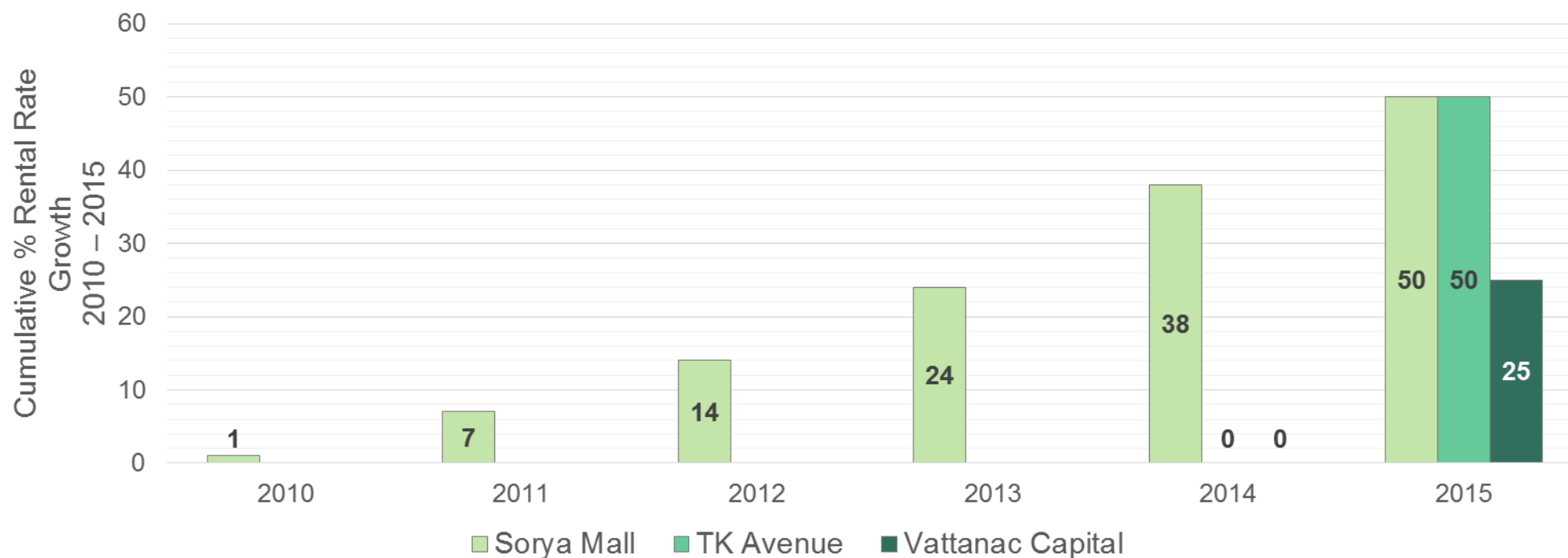
INTERNATIONAL BRANDS AS OF Q3, 2015



RETAIL MARKET & RENTS

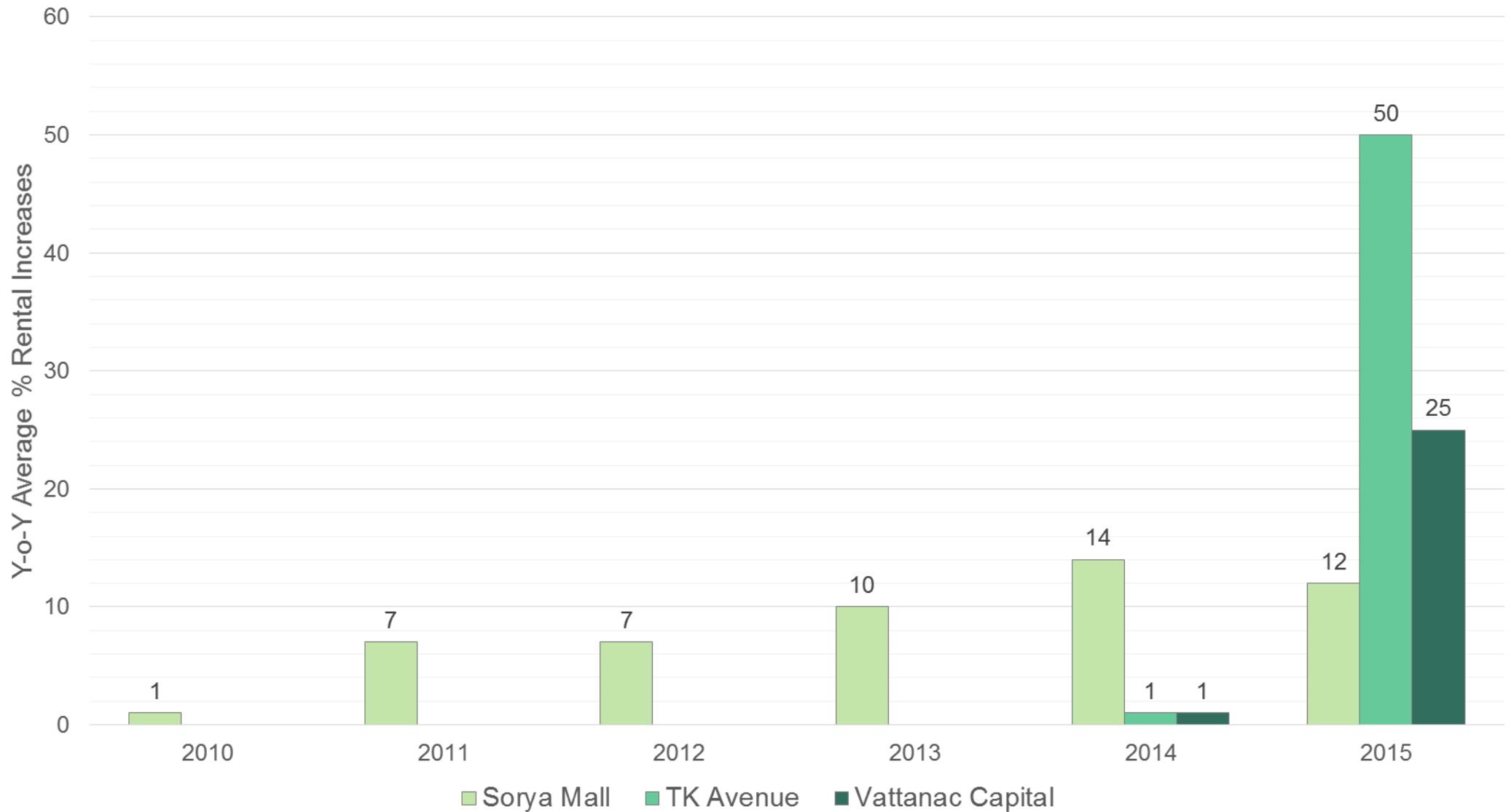


RETAIL MARKET RENTS – CUMULATIVE % GROWTH

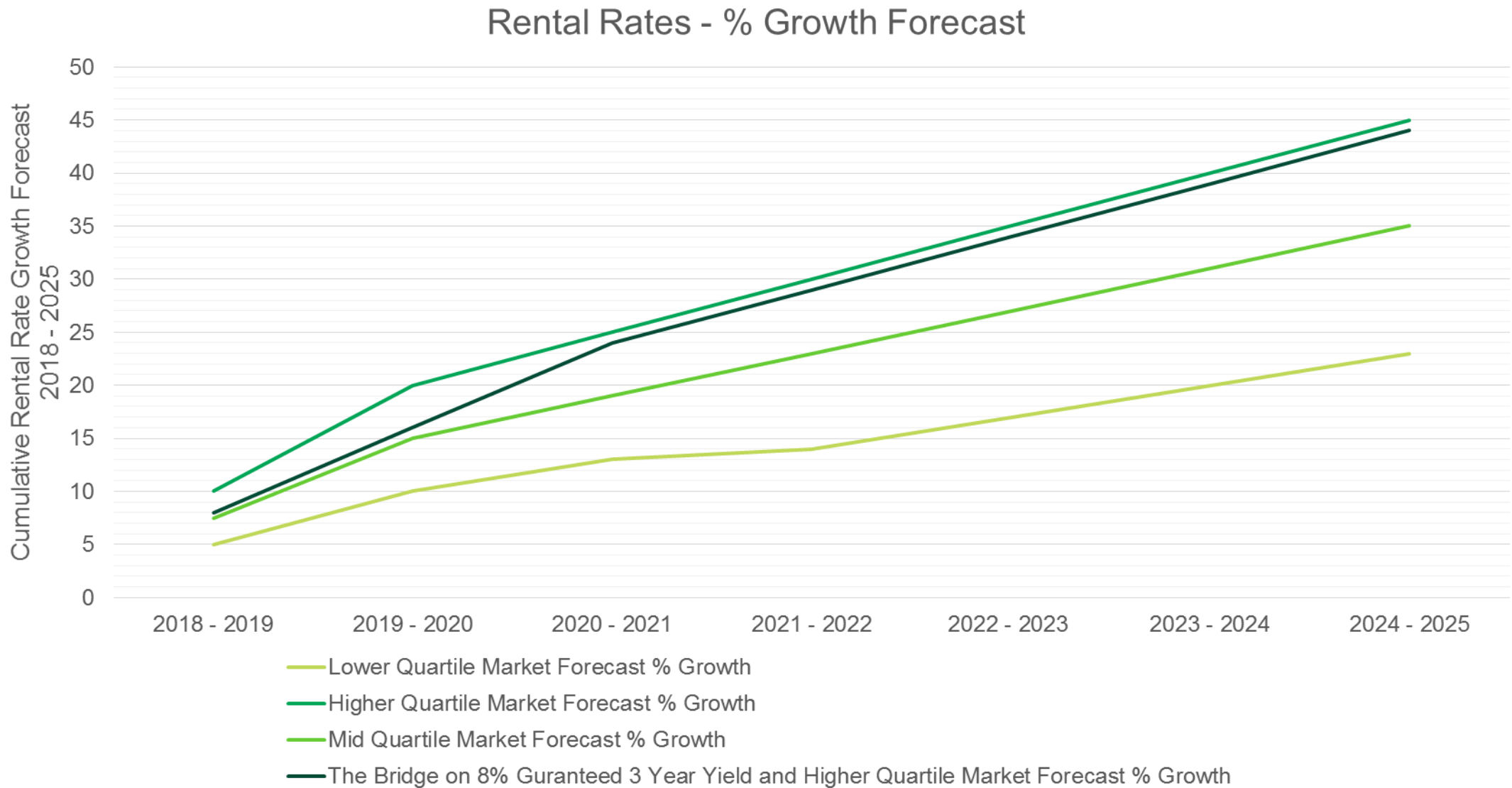


- TK Avenue was completed in 2014 : Y-o-Y (2014 – 2015) rents increased 50%
- Vattanac Capital completed 2014 : Y-o-Y (2014 – 2015) rents increased 25%
- Sorya Mall completed 2010 : Rents over 5 years have increased 10% per annum

RETAIL MARKET RENTS – YEAR ON YEAR % GROWTH



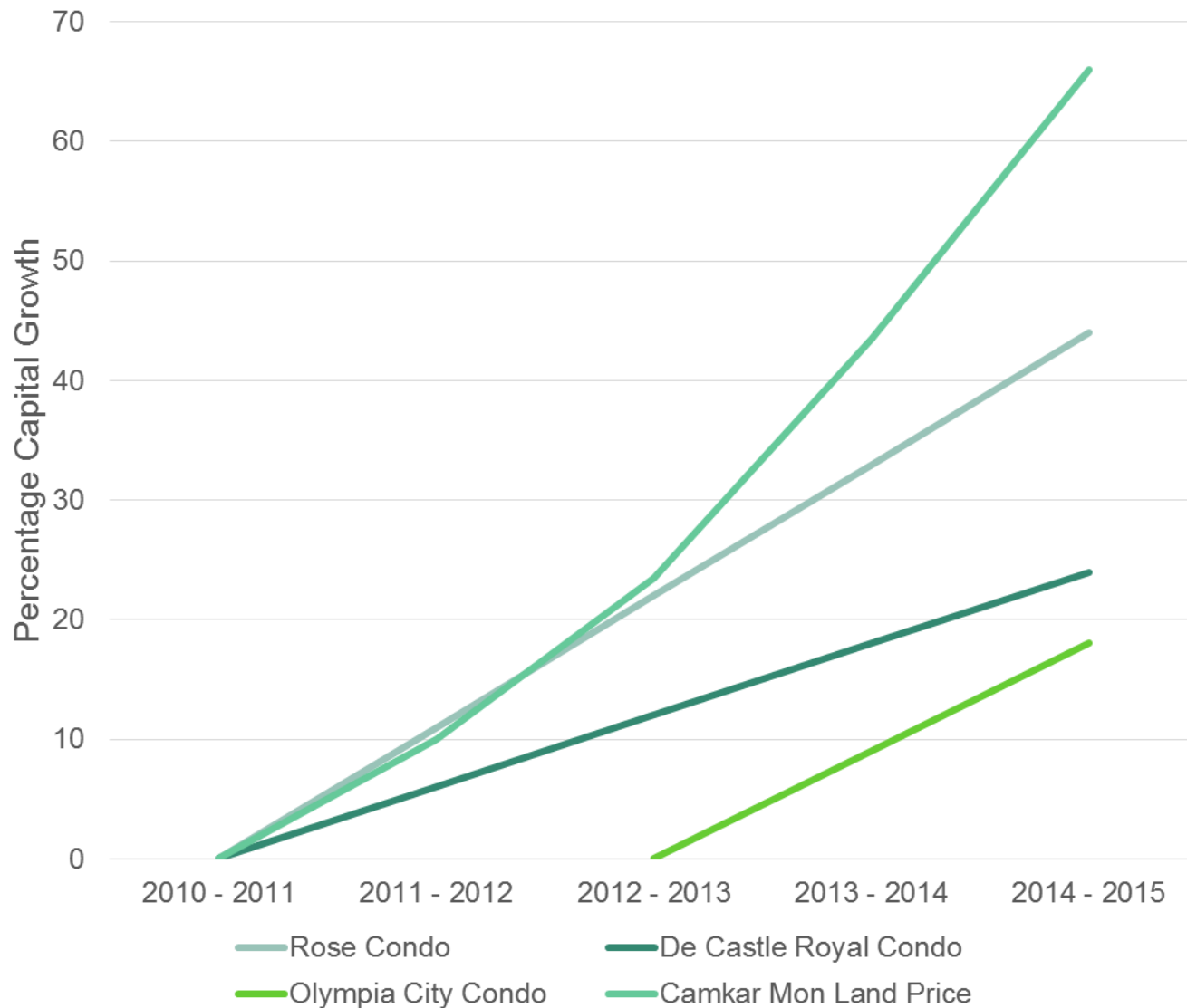
RETAIL MARKET RENTS – CUMULATIVE FORECAST % GROWTH



CAPITAL GAINS YIELD

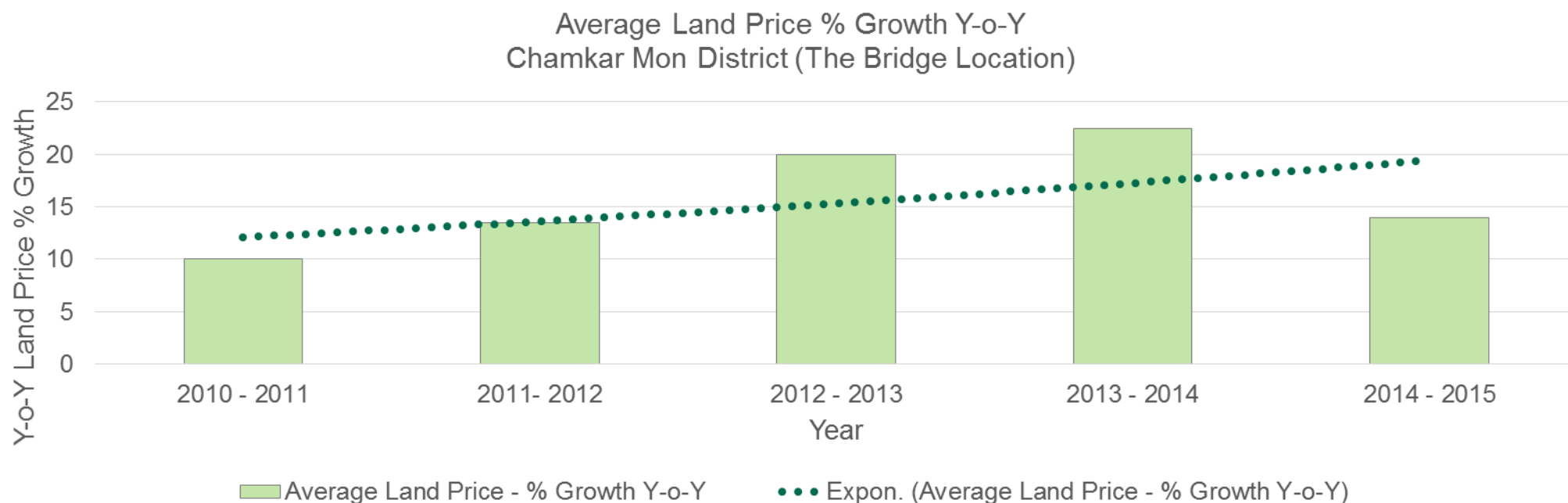
- Freehold strata title retail property is new to the Cambodian market
- To provide data as to potential capital returns, focus upon land and condo capital gain yields have been provided here
- Condo's have grown in popularity in Cambodia and those first movers have seen the highest returns
- Based on CBRE Retail Sector market research, CBRE forecast capital gains yields at 5% - 10% for the next 5years.

CAPITAL GAINS YIELD – LAND & CONDO IN THE BRIDGE LOCATION



- Condo's have achieved 5% - 10% capital gains per annum since 2010 – 2015
- Freehold retail space is new Phnom Penh.
- Capital gains are likely to mirror the capital gains growth, if not exceed that, being experienced in the condo market.

CAPITAL GAINS YIELD – LAND IN THE BRIDGE LOCATION



- Individuals and developer interest in prime locations such as Chamkarmon (BKK I) and (Tonle Bassac – The Bridge location) has led to high capital growth in this area.
- The Bridge is located in one of, if not the most prime retail area in the city of Phnom Penh.

- Early movers have made the highest capital gains yield
- Freehold retail space is new to Phnom Penh.
- Rental returns are likely to be strong above 5% per annum
- The Bridge is in a prime location in Phnom Penh city
- The Bridge is in the heart of the retail district

