



Briefing  
**Phnom Penh, Cambodia**

1H 2013



➔ **Residential**

Since 2006, the total accumulated stock in Phnom Penh’s market has reached approximately 10,000 dwellings, of which the villa/ townhouse segment accounts for approximately 65%.

From 2010 to 2012, up to 1,250 dwellings were absorbed per annum in the villa/townhouse market. Typical prices for mid- to high-end dwellings range from US\$300,000 to more than US\$500,000. However, the majority of buyers prefer dwellings priced from US\$100,000 to US\$250,000, with Borey Peng Houth seen as the most reputable developer in this segment.

The apartment segment saw a softer performance over the same period, with approximately 250 units sold per annum. The typical price range for an apartment is approximately US\$80,000 to US\$250,000 per unit.

The residential market is strongly supported by Phnom Penh’s rapid urbanisation rate, especially to the west and north of the city. However, the low income levels and the widening gap between rich and poor are the main risks facing this market segment.

**Hotels**

The total three- to five-star stock is approximately 7,300 rooms from 63 hotels. In the current low season, average occupancy is approximately 60%, with revenue per available room (RevPAR) standing at US\$49. According to the Ministry of Tourism, average occupancy rates typically reach more than 80% during the high season.

The strong growth in tourist numbers from 2007 to 2012, at 12% per annum, is fostering the development of the hotel market. Sokha Resort & Hotel, which has more than 500 rooms, is the largest project in Phnom Penh and is scheduled for completion in 2014.

**Serviced apartments**

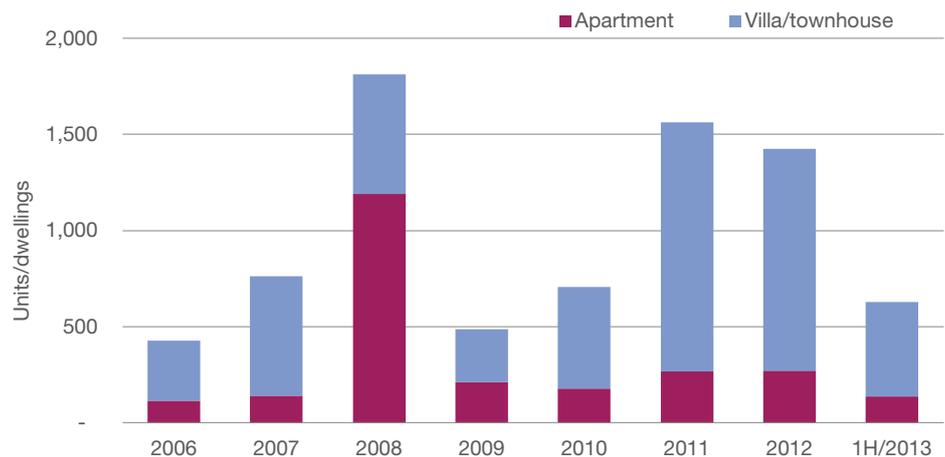
Total stock in Phnom Penh is approximately 2,100 units from more than 60 projects. The average occupancy rate is more than 80%

TABLE 1 **Economic and demographic overview of Cambodia, 2011**

Indicators	Unit	Value	YoY growth rate (%)
Area	Sq km	181,035	N/A
Population	Million	14.3	1.5
GDP	US\$ billion	12.83	7
FDI (net inflows)	US\$ million	902	15.2
Imports	US\$ billion	7.6	14.1
Exports	US\$ billion	6.9	14.1

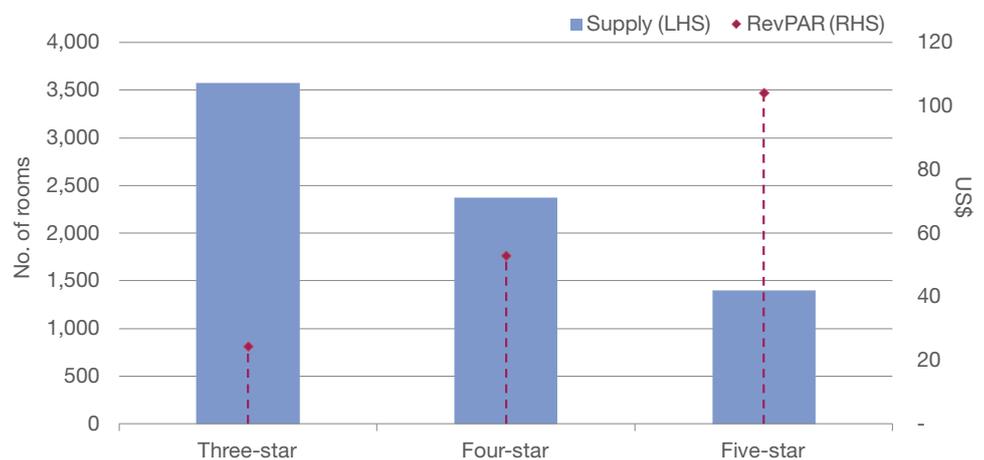
Source: Cambodia National Institute of Statistics, World Bank, Savills Research & Consultancy

GRAPH 1 **Sold units/dwellings, 2006–1H/2013**



Source: Savills Research & Consultancy

GRAPH 2 **Three- to five-star hotel supply and RevPAR, 1H/2013**



Source: Savills Research & Consultancy

→ and the typical rental range for a Grade-B-equivalent apartment is US\$1,800 to US\$3,000 per unit.

**Retail**

The total modern retail area in Phnom Penh is approximately 200,000 sq m. Retail density is approximately 0.09 sq m per person, equivalent to that of Ha Noi and Ho Chi Minh City. However, retail quality is comparatively poor, with most retail centres focusing on low- to mid-end tenants and products.

The average market rent is US\$40 per sq m per month, while the maximum, of more than US\$100 per sq m per month, has been recorded at major projects such as Sorya Center.

The first international-standard retail project in Phnom Penh, the 100,000-sq m Aeon Mall, is scheduled for completion in 2015.

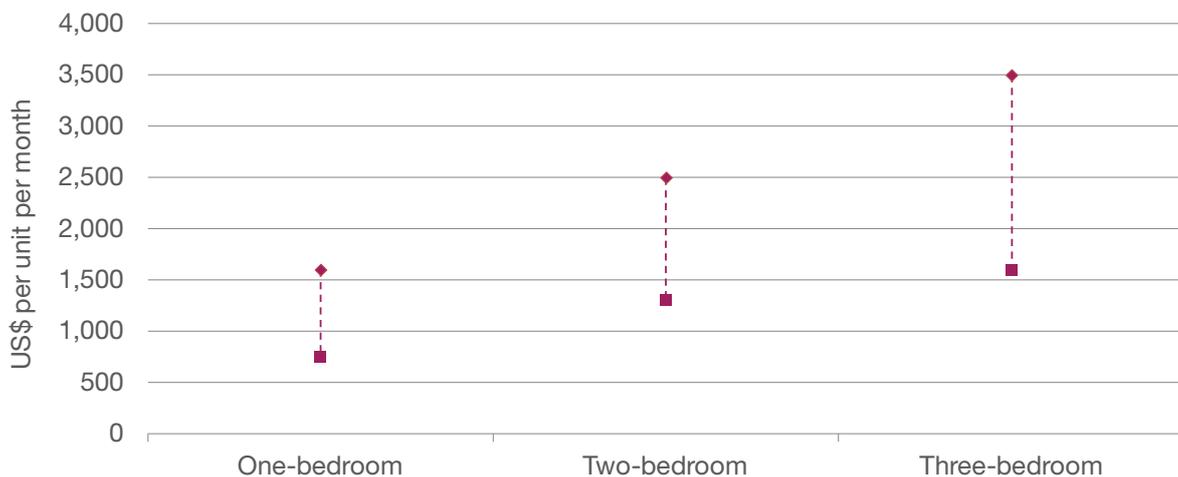
**Office**

Twenty office buildings provide more than 110,000 sq m of office space.

The average rent is approximately US\$18 per sq m per month, while highs of US\$30 per sq m per month are seen at high-end buildings such as Canadia Tower. The overall market has a high average occupancy rate of more than 90%.

The 39-storey Vattanac Capital Tower will be completed by the end of 2013, supplying more than 40,000 sq m of office space for lease. ■

GRAPH 3 **Serviced apartment rental ranges by unit type, 1H/2013**



Source: Savills Research & Consultancy

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