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Savills World Research  
Asia Pacific

# Briefing Yangon, Myanmar

1H 2013



➔ **Condominiums**

Yangon’s primary condominium market comprises approximately 1,600 units at 21 projects.

Primary asking prices at popular projects range from US\$1,100 to US\$1,800 per sq m, while secondary prices ranged from US\$1,000 to US\$1,400 per sq m.

The main purchasers of condominiums are local end users and investors who buy to lease. Additionally, people who live in other cities, such as Mandalay, use condominiums as their second homes when doing business in Yangon.

Future supply will mainly come from three projects located in the Western district, and Dagon Seikkan and Thanlyin townships.

**Hotels**

The total stock of three- to five-star rooms in Yangon is approximately 3,000, equivalent to 5% of stock in Hong Kong, 7% in Phuket, 12% in Kuala Lumpur, 26% in Ho Chi Minh City, 40% in Ha Noi and 70% in Manila.

In 1H/2013, the average room rate for the four- and five-star segments was approximately US\$210 per room night. The majority of hotels in Yangon enjoy high occupancy rates of 90% to 100% on both weekdays and weekends due to the current shortage of rooms.

The number of international arrivals in Yangon totalled approximately 560,000 in 2012, a sharp increase of 53% year-on-year (YoY), and it is expected that this number will rise by 60% YoY in 2013, reaching 900,000.

Total future supply from 2013 to 2015 is approximately 3,200 rooms.

**Serviced apartments**

Yangon’s serviced apartment market comprises nine projects supplying approximately 840 units, equivalent to 25% and 28% of total stock in Ho Chi Minh City and Ha Noi respectively.

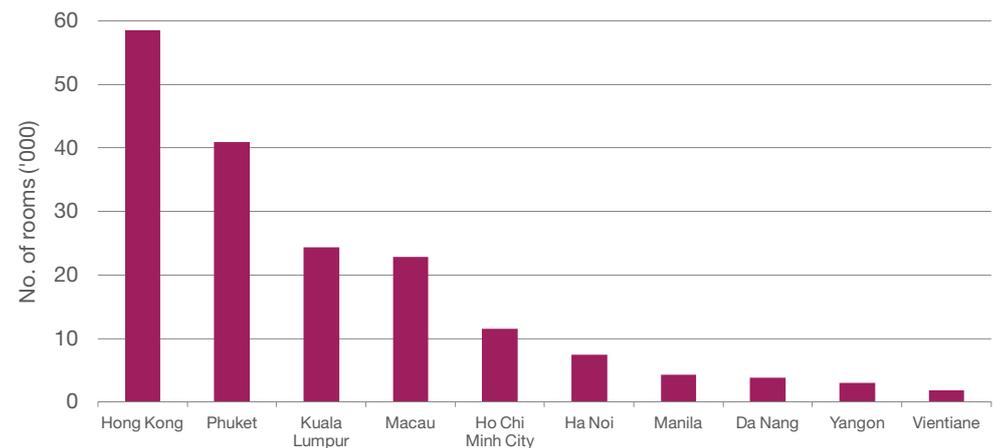
TABLE 1 **Economic and demographic overview of Myanmar, 2012**

Indicators	Unit	Value	YoY growth rate (%)
Area	Sq km	678,500	N/A
Population	Million	54.6	1.07
GDP at current price*	US\$ billion	51.9	5.5
FDI**	US\$ billion	41	N/A
Imports	US\$ billion	N/A	3.5
Exports	US\$ billion	8.9	1.2

Source: World Bank, the Ministry of National Planning and Economic Development

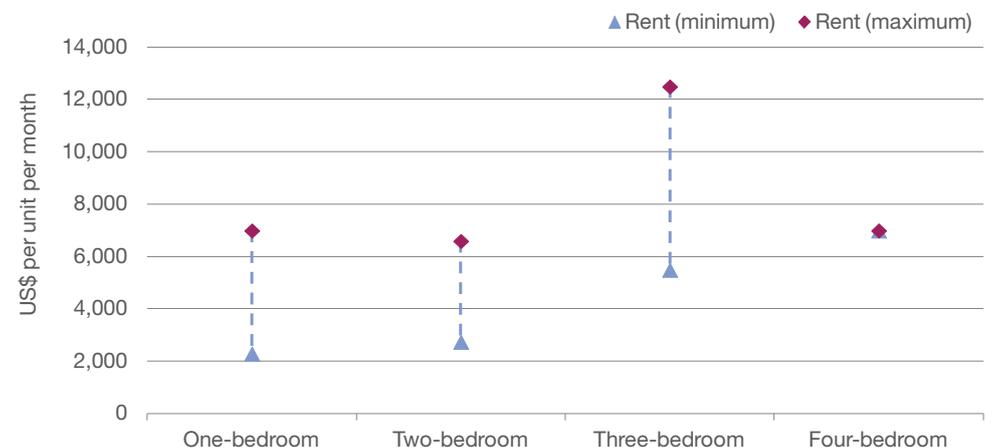
\*Data in 2011; \*\*Data as of 30 Oct 2012

GRAPH 1 **Current three- to five-star hotel stock by city, 1H/2013**



Source: Ministries of Information, Culture and Tourism, Savills Research & Consultancy

GRAPH 2 **Serviced apartment asking rental range, 1H/2013**



Source: Savills Research & Consultancy

→ The average occupancy rate remained at a high level of over 95%, while the achievable rent ranged from US\$2,300 to US\$12,500 per unit per month.

The Northern district, especially the area next to Golden Valley, and Inya and Kandawgyi lakes, is the preferred location for expatriates.

There are seven planned projects, two of which are expected to provide approximately 2,600 units, a boost of 214% over current stock levels.

The flow of FDI to Myanmar has increased significantly in recent years, especially into Yangon, where the number of FDI projects rose sharply by 1,200% YoY in 2012.

**Retail**

The total stock of modern retail space is approximately 155,400 sq m. Eighty-two percent of the studied projects are fully occupied, while the rest achieved 90% to 95% occupancy rates. Shopping centre rents range from US\$13 to US\$37 per sq m per month and average US\$23 per sq m per month net.

Yangon, which recorded a population of approximately 4.5 million in 2012, has low retail density compared with other cities in the region, representing

strong potential for growth.

Up to 2015, approximately 100,000 sq m of retail space from 11 projects will enter Yangon's market, with three identified projects expected to come on line in 2013.

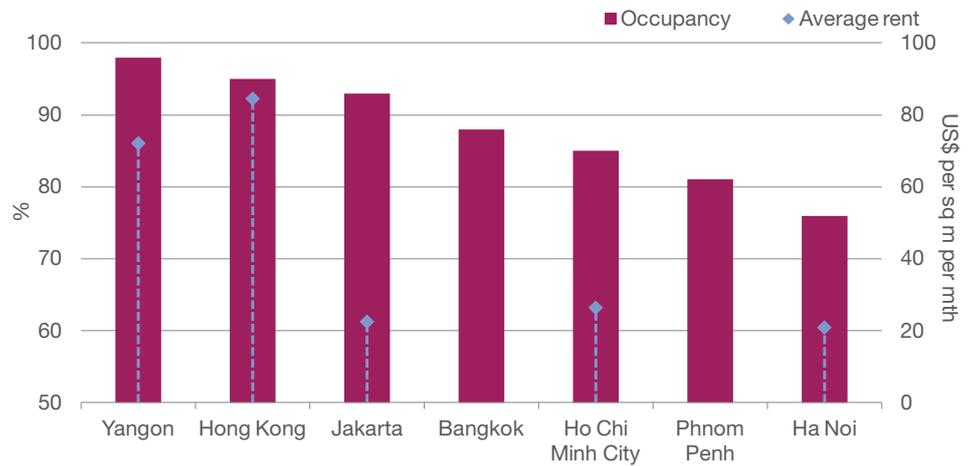
**Office**

Yangon's total office stock is approximately 63,600 sq m supplied by six buildings. This is very small compared with other cities in Asia, equivalent to only 0.7% of stock in Hong Kong, 0.8% in Bangkok, 1.4% in Jakarta and 5% in Ho Chi Minh City.

The overall occupancy rate stands at 98%, up significantly by 23 percentage points compared with 1H/2012, while the average rent has reached US\$72 per sq m per month. A number of office buildings in Yangon increased their rents by 78% to 100% in 1H/2013 compared with 1H/2012.

Up to 2015, approximately 162,200 sq m of office space from nine projects will enter Yangon's office market. ■

GRAPH 3 Office occupancy rate and average rent by city, 1H/2013



Source: Savills Research & Consultancy

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