

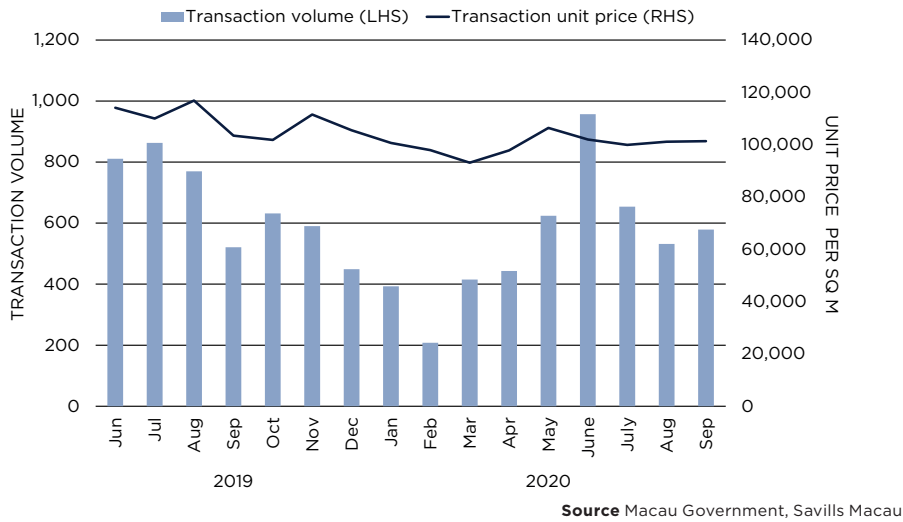
# Macau Residential



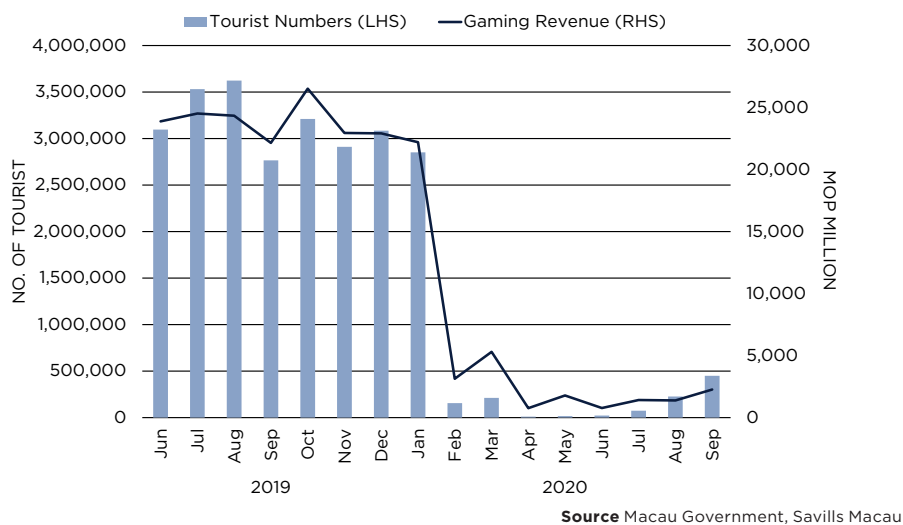


# The Post-COVID property market

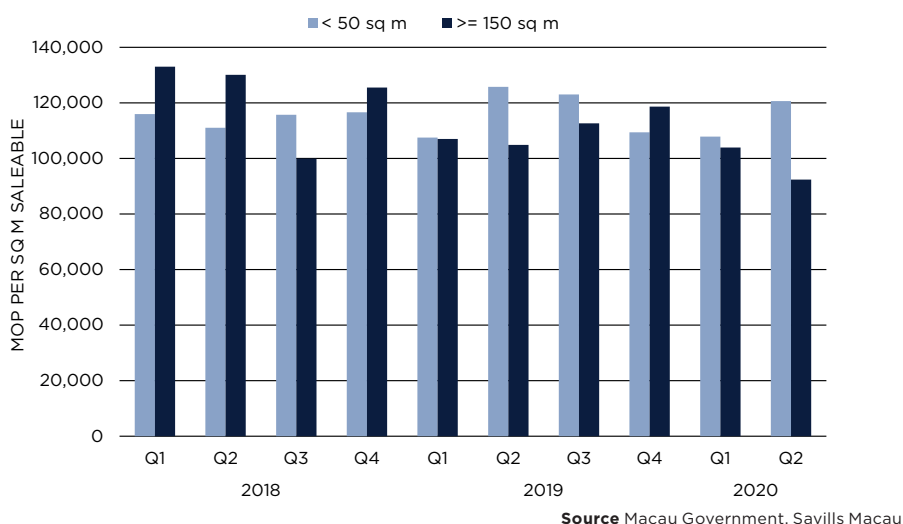
**GRAPH 1: Number Of Residential Transaction and Transaction Price, June 2019 to September 2020**



**GRAPH 2: Number of Tourist Arrivals And Gaming Revenue, June 2019 to September 2020**



**GRAPH 3: Residential Unit Price With Different Size, Q1/2018 to Q3/2020**



## MASTER PLANNING OF MACAU SAR

After long years of discussion, the Macau Government released its “Draft Master Planning for Macau SAR” on 3rd September for public consultation; content included the positioning of Macau in the coming decades, the direction of land use and the city’s approach to sustainability among other things.

According to the plan, the positioning of Macau will take place at three different levels - national, regional and city-level. At a national level, Macau will be positioned as an international tourism and leisure center, and as a business cooperation and service platform between China and Portuguese countries. At a regional level, Macau will be positioned as one of the three main economic engines of the Greater Bay Area. At a city-level, the aim is to develop as a beautiful home for local citizens.

The concept of “Greater Bay Area” is emphasized in the report, which indicates that the relationship between Macau, Hong Kong and the other nine cities in Guangdong Province will become closer than ever before, and further supporting policies and infrastructure can be expected. For an example, Macau’s light rail will be connected to the border between Hengqin and Coloane, and passengers will be able to easily access both regions simply by transferring to the Guang-Zhu Metro which connects Guangzhou, Zhuhai and cities along the line together with the light-rail around Macau city. More policies from the government and banks have been released to support the initiative, and Macau citizens are now allowed to purchase residential properties in Zhuhai without any restrictions, while an increasing number of banks from Macau are now offering mortgages for residential projects in the Greater Bay Area while simplifying procedures at the same time.

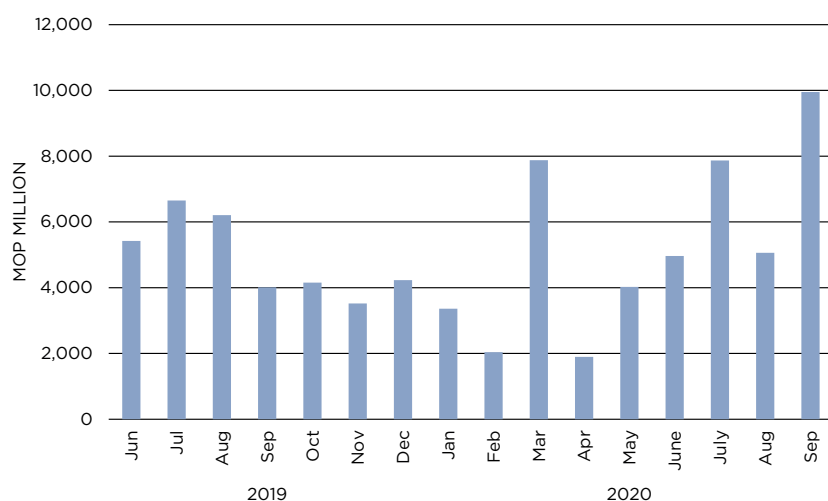
Regarding local town planning developments, according to the report, Macau will be divided into 18 zones, replacing the existing statistics area divisions, and there will be a specific town plan for each zone. Among all 18 zones, Northern-2 and Central-1, two of the earliest developed regions in Macau, are classified as

priority zones for urban renewal, although related policies for urban renewal including the owner consent ratio, plot ratio for redevelopment or same-region resettlement have not been decided, these two zones are expected to have the earliest re-development potential.

There are also re-zoning plans for Eastern-1 and Coloane, precisely the “Venceslau de Moraes” region and “Vale das Borboletas” region. The “Moraes” region is well-known for its industrial buildings and power plant, and the planning intention is

## Certain factors including the mortgage policy of Q1/2019 have caused price trends to vary between small units and large units.

**GRAPH 4: New Applied Property Mortgage, June 2019 to September 2020**



Source Macau Government, Savills Macau

to re-zone the region into commercial and retail usage, to replace industrial usage. While the “Vale das Borboletas” region, currently with some simple industrial facilities located near the reservoir of Coloane will be re-zoned to residential use, replacing the existing industrial land use. We will have to wait until the Government releases more details and finally concludes the plans; it is expected that the final report will be released in 2021.

Entering the last quarter of 2020, many institutions expect Macau’s economy to pick up more slowly than previously predicted. According to the latest release from the Macau Government, the number of tourist arrivals dropped by 84% in September compared to the same month of the previous year, even though the China Government restarted applications for travel visas from Guangdong to Macau on 26th August. Tourists from Guangdong province were the biggest target group of tourist arrivals to Macau before the pandemic, accounting for around 45% to 50% of total arrivals. As a consequence, accumulated gaming revenue has dropped by over 80% since the closure of the border with China in April.

The property market has also been affected by the pandemic, and the average transaction unit price fell by 9% in Q3/2020 to MOP100,750 per sq m (in saleable area) compared with Q3/2019 (MOP110,722 per sq m, saleable area). The transaction volume in Q3/2020 fell by 18% YoY to 1,765 deals compared with the 2,154 deals recorded in Q3/2019.

The average numbers disguise a more nuanced picture as price development in different market segments has varied, particularly between small units and large units. According to statistics from the

**TABLE 1: Average Unit Price of Residential Segments, Q3/2020**

	ALL RESIDENTIAL	RESIDENTIAL (EXC PRE-SALE)	PRE-SALE RESIDENTIAL
	MOP PER SQ FT SALEABLE		
Overall	103,987	97,056	143,963
Macau Peninsula	100,859	97,454	136,386
Taipa	107,266	95,245	161,567
Coloane	118,248	102,564	131,819

Source Macau Government, Savills Macau

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## Macau Residential

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Macau Government, the difference in prices of residential units with a saleable area below 50 sq m and above 150 sq m has widened. In Q2/2020, the average price for units below 50 sq m was MOP120,657 per sq m saleable, while the figure was MOP92,384 per sq m saleable for units above 150 sq m. When compared with the same period last year, units below 50 sq m dropped slightly by about 4%, while units above 150 sq m fell more heavily by 12%. One of the main reasons behind the divergence is the revised mortgage policy from Q1/2019, which relaxed the mortgage ratio

of residential units priced below MOP8 million to as much as 80% and restricted those priced higher than MOP8 million to a maximum of only 50%. The result has been that the two markets have been driven in two different directions, pulling even further apart in the current market environment.



For more information about this report, please contact us

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