

RUBIX INSIGHTS

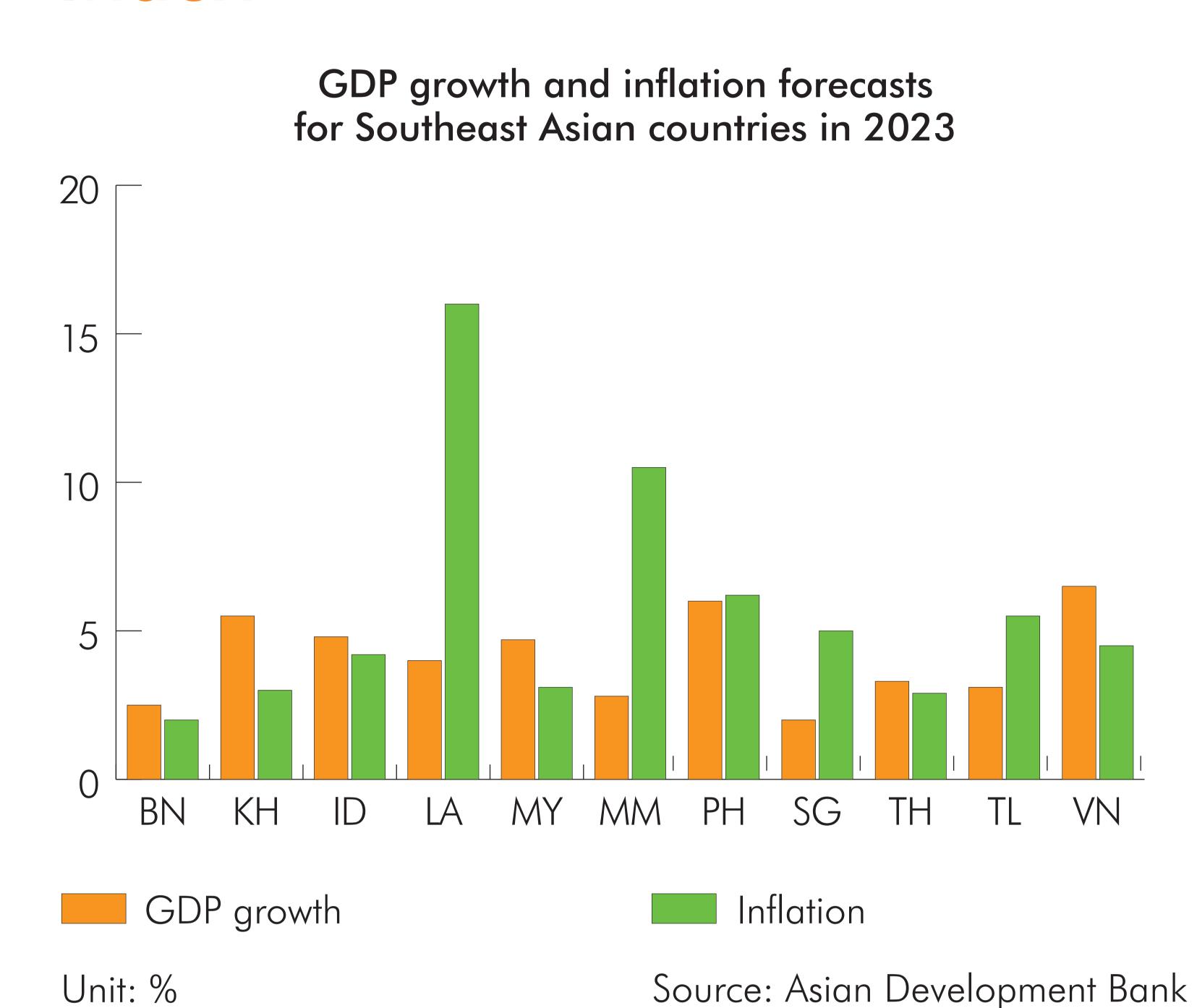
Real Estate

Southeast Asia's real estate market is poised to rebound in 2023, driven by China's reopening and stronger trade growth across the regional economies. The commercial property markets here are becoming more popular with mainland Chinese investors as political rifts and higher interest rates dampen the appeal of traditional favourites such as Australia and the US. Meanwhile, the regional countries such as Thailand, Malaysia, and Vietnam are becoming new hotspots for Indian homebuyers, replacing Dubai and London. In the long term, the real estate market is forecasted to see a positive outlook over the next decade on account of increasing urbanization, regional investments, digital transformation, and development policies.

Hospitality

Southeast Asia's hotel industry has seen highs and lows over the past 12 months. The year of 2022 was still a struggle for many hoteliers due to limitations around Covid-19, but the demand for travel has begun to steadily climb since the restrictions eased. Therein, the leisure tourism has shown the most resilience in the region with many potentials coming from MICE travel. Additionally, Southeast Asia is becoming a top destination for Indian travelers in which Singapore, Thailand, and Indonesia are experiencing a crazy growth of this source market. Especially, the number of Indian tourists to Vietnam is expected to reach by at least 1,000% from pre-pandemic levels.

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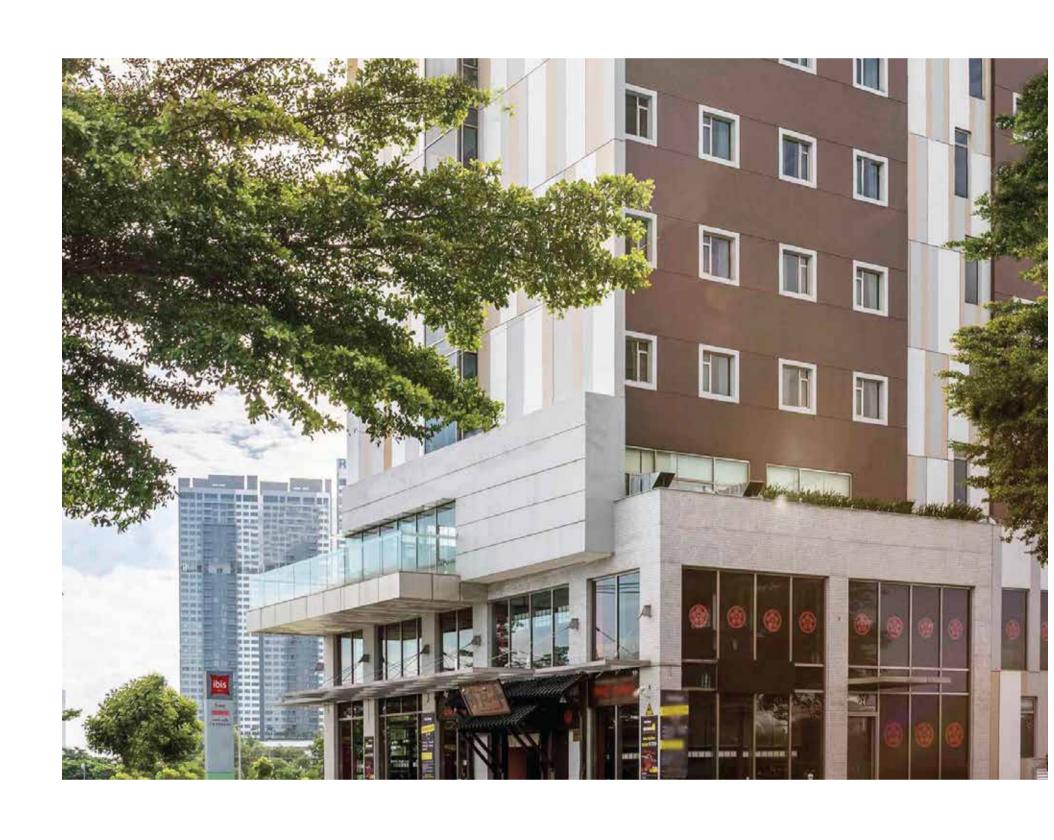
Economy

ADB forecasted faster growth for developing economies in Asia and the Pacific this year, as the continued easing of pandemic restrictions boosts consumption, tourism, and investment. The region is projected to grow 4.8% this year and next year, improving on the 4.2% growth rate in 2022. The inflation, meanwhile, may be moderate gradually toward pre-pandemic levels, though there is considerable variation across economies. However, risks to the outlook persist, including the Ukraine - Russia conflict, global inflation, and tighter financial conditions. In this context, strong tourism performance and robust domestic demand are boosting Southeast Asian economies like Indonesia, the Philippines, and Viet Nam, with the sub-region projected to grow by 4.7% in 2023.

Policy

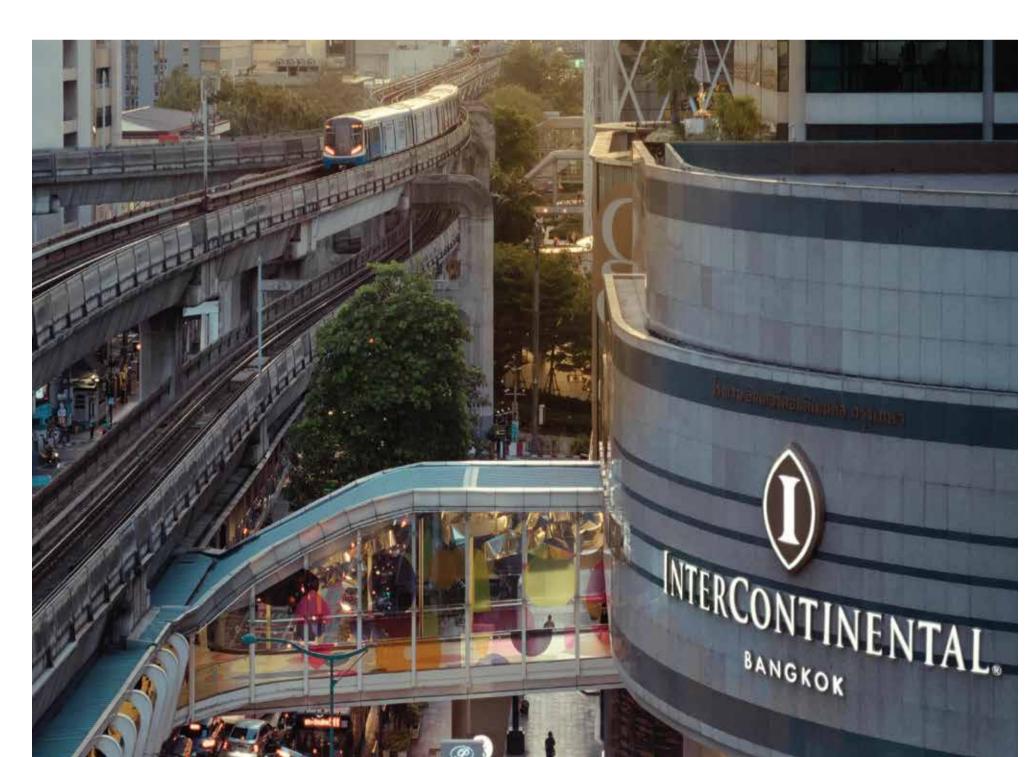
Vietnam and Thailand are attempting to foster a positive environment for foreign real estate investment. Therein, Vietnam is preparing new policies aimed at attracting international buyers, including a proposal to remove the 50-year tenure of their home ownership. Meanwhile, Thailand's property developers and consultants are calling the government to allow foreigners to buy low-rise houses even if they don't set up a business and a company in Thailand, and extend the leasehold period from 60 years to 90 years. In contrary, Singapore has raised the additional stamp duty rate from 30% to 60% for foreigners buying any residential properties. This cooling measure is to promote a sustainable market while more foreigners are relocating to this city state.

RUBIX BRIEF



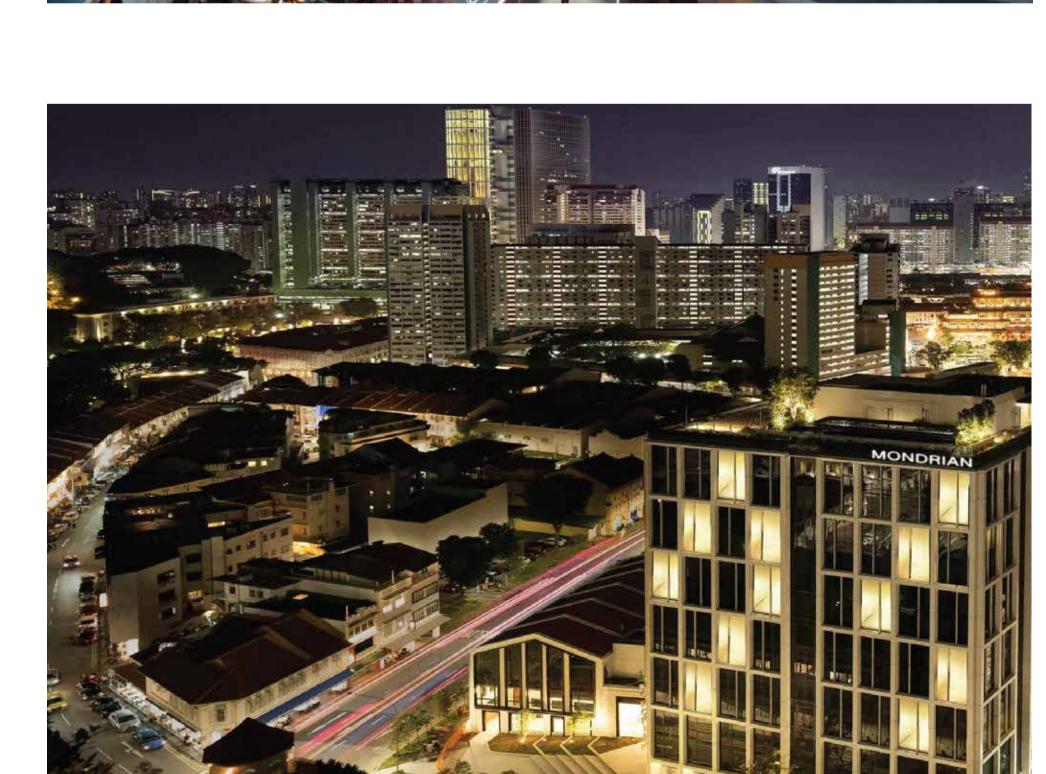
Vietnam's real estate market still struggles

Informed by the Vietnam Association of Realtors, the number of dissolved real estate companies increased by 30.4% in the first five months of 2023 y-o-y. Besides, more than 1,200 projects worth US\$ 34 billion have been suspended as funding woes continue to beset the industry. While domestic developers are restructuring capital sources and selling off assets to finance operations, the real estate market is expected to witness various M&A transactions with a strong participation of pension funds, insurance funds, and sovereign wealth funds from Europe, North American, and Asia-Pacific. Most recently, the Hongkong-based Everland Opportunities IX has acquired three properties for US\$ 106.1 million, including the 140-key lbis Saigon South, the 175-unit Capri by Frasers Ho Chi Minh City, and the 317-key Pullman Jakarta Central Park in Indonesia.



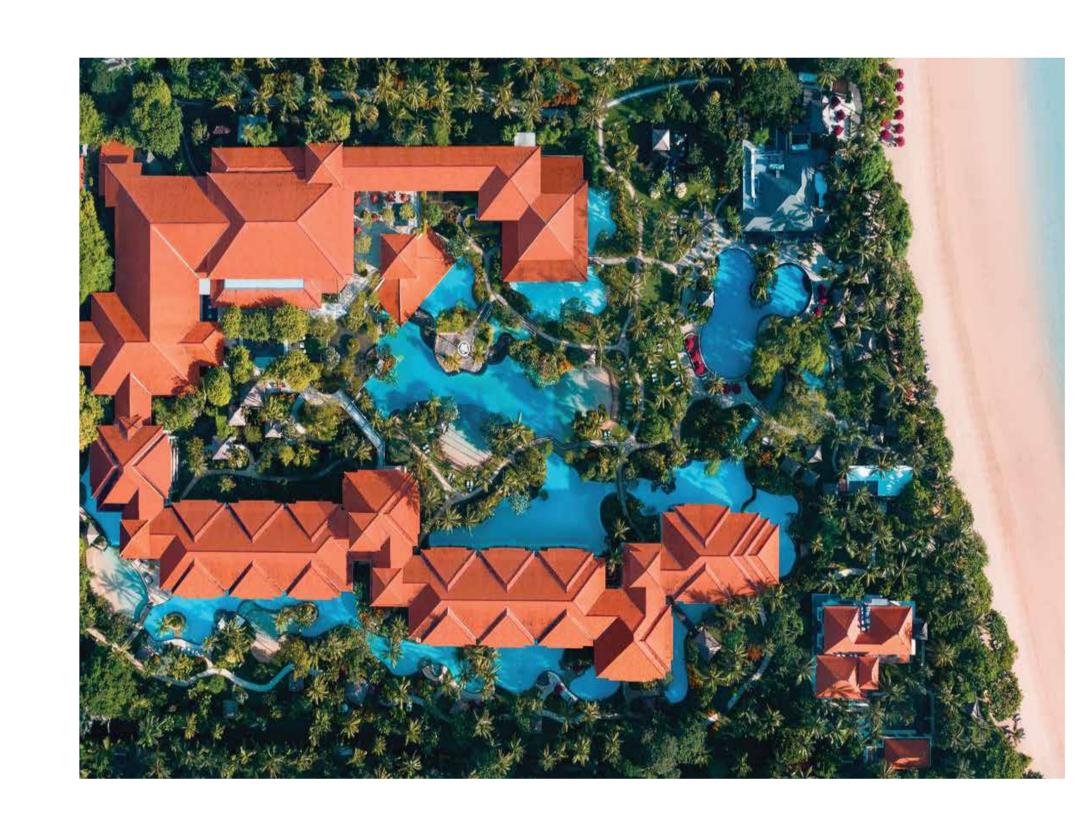
Hotel supply increasing in Bangkok, Pattaya, and Hua Hin

IHG reopened the 381-key InterContinental Bangkok after major renovations and signed the management contract for the 318-key Holiday Inn Resort Pattaya. In addition, Yotel debuted in Thailand with the signing of the 250-key Yotel Bangkok located within Cloud 11, a 250,000sqm mixed-use development. To meet the recovery of tourism demand, Dusit, Wyndham, and Best Western opened 6 properties in Bangkok in Q2 2023. Meanwhile, Pan Pacific announced the signing of the 191-unit Pan Pacific Serviced Suites Bangkok and Radisson opened the 100-key Lewit Hotel Pattaya, a member of Radisson Individuals. As part of its expansion strategy, Standard International plans to complete the 222-unit Standard Residences, Phuket Laguna and the 258-unit The Standard, Hua Hin in 2023 and 2024.



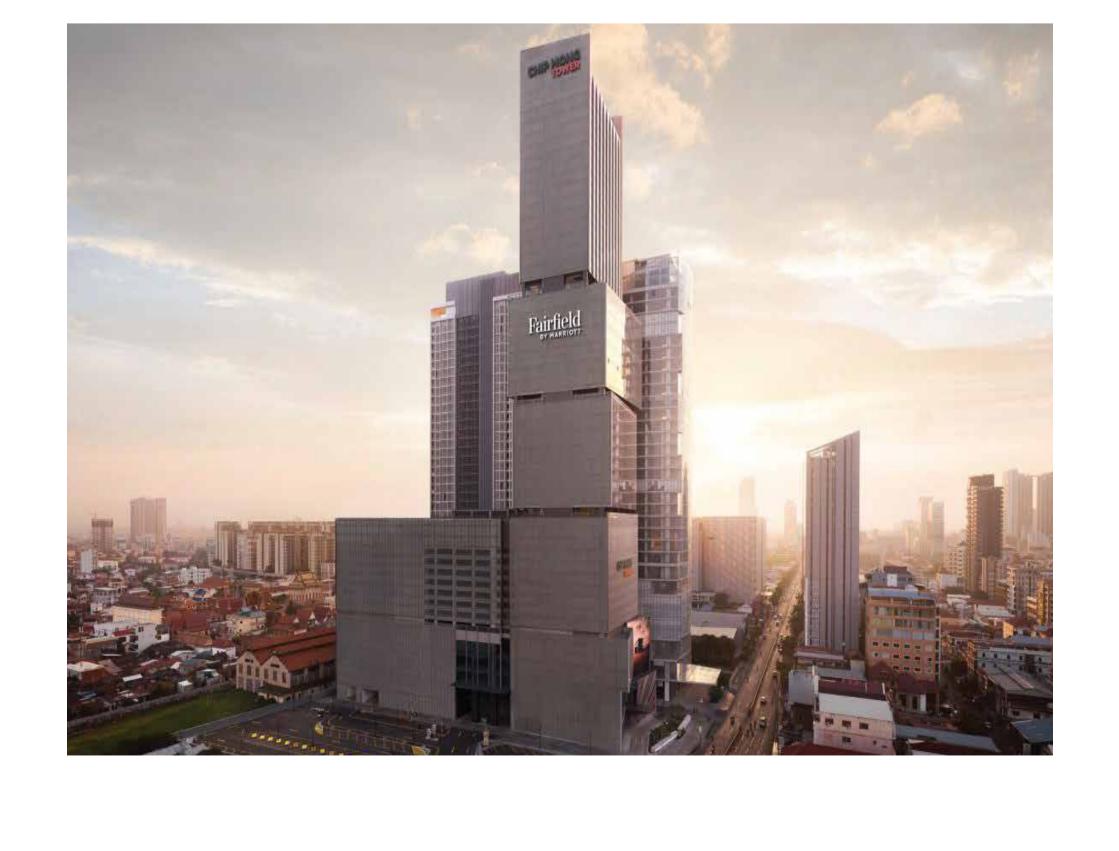
Singapore's co-living market to see sustainable growth

Singapore's co-living market has potentials to expand by close to 3,000 keys by late 2023, building on the 9,000 rooms currently managed by 20 operators as guests seek more affordable and flexible housing options. Singapore's private homes are now the most expensive in Asia-Pacific, at US\$ 1.2 million in 2022; while monthly rents of private homes are far exceeding other cities such as Sydney, Melbourne and Hong Kong, reaching US\$ 2,600. In the hospitality market, Accor, Wyndham and Marriot respectively debuted their brands in Singapore with the opening of the 302-key Mondrian Singapore Duxton, the signing of the 591-key Wyndham Singapore renovated from the Peninsula Excelsior Singapore, and the signing of the 785-key Aloft Singapore Novena as the largest Aloft hotel in the world.



Bali and Jakarta to have more 5-star hotel rooms

In Bali, Marriott reopened The Laguna, a Luxury Collection Resort & Spa, Nusa Dua, Bali after completion of its transformational journey, providing 287 guestrooms, villas and suites. Meanwhile, IHG announced the signings of two properties, including the 162-key voco Bali Seminyak which is a newly-built property slated to open in 2024, and the 72-key Holiday Inn Express Bali Sunset Road as the second Holiday Inn Express property on "the island of the Gods". In Jakarta, the hospitality market is expected to welcome an additional of 638 new keys by the end of 2023, with the majority coming from 5-star hotels. As reported, the capital of Indonesia had 44,685 hotel rooms in operation so far in Q1 2023.



The Philippines, Cambodia, and Malaysia welcome new hotels and resorts

Radisson embarked on the latest phase of its expansion strategy in the Philippines with the signing of a development agreement for the Park Inn by Radisson brand for 14 new properties across the country over the next five years. Meanwhile, Marriott opened the first Fairfield hotel in the Kingdom of Cambodia, the 300-key Fairfield by Marriott Phnom Penh within the landmark Chip Mong Tower which also features a five-storey shopping mall, luxury office space, a large cinema and a variety of leisure facilities. In Malaysia, Accor grew its footprint with the opening of the 172-key Mercure Miri City Centre, a stylish and modern hotel that blends international hospitality, with a design concept that highlights the natural wonders of Borneo.



Rubix Navigation, a bilingual publication in English and Vietnamese by Rubix International, provides analysis and insights specialized in real estate and hospitality industries. This monthly newsletter is published exclusively to Rubix International's partners and clients. Please contact us for further in-depth market researches by Rubix Navigation or editorial and advertising enquiries on The Finest Magazine.

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