

RUBIX INSIGHTS

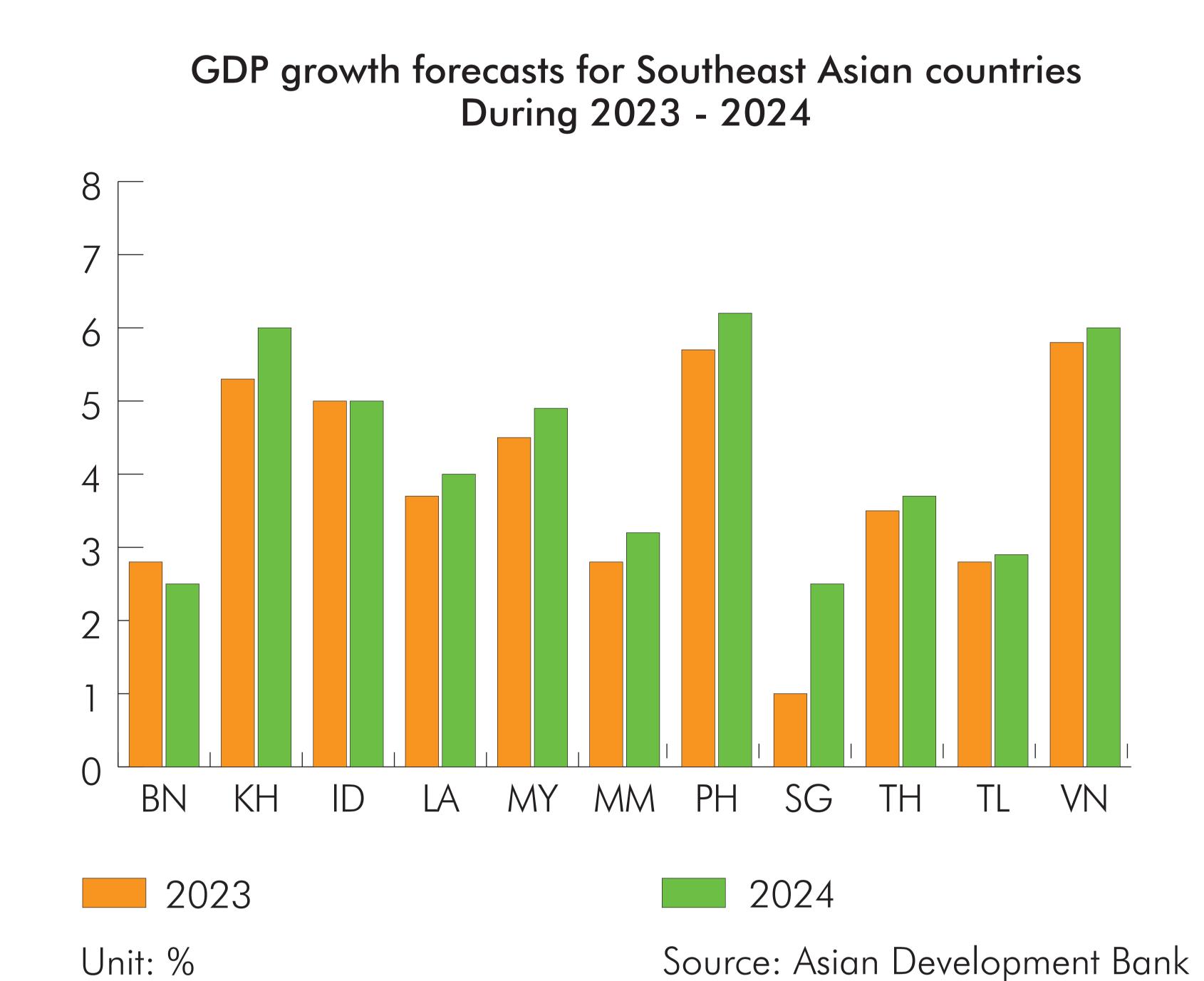
Real Estate

Although Asia Pacific's housing affordability will improve slightly, borrowers in some economies will still struggle to repay mortgages due to elevated interest rates. This challenge coupled with subdued market sentiment may constrain revenues and profitability of property developers over the next 12 months. Meanwhile, the regional office market has demonstrated significant growth, reaching US\$ 264 billion in 2023. The market is also anticipated to continue its upward trajectory with a CAGR of more than 10% during 2023 - 2028. In this context, Malaysia, Indonesia, Vietnam, and Cambodia were ranked in the list of the 10 safest places to retire in Asia by the US-based financial services corporation Nasdaq.

Hospitality

Hotel occupancy rate in Asia Pacific has continued to rise steadily following the reopening of all key markets, the ramp-up of airline capacity, and a strong pickup in conferences and events across the region. This upward trend comes amidst headwinds to the hotel industry attributable to tighter corporate budgets, rising energy costs, higher travel costs, and geopolitical tensions. Among the subregions, Southeast Asia is exhibiting the most optimistic outlook on account of high growth momentum driven by travel visitor volumes in most markets. In the popular destinations such as Bali, Phuket, and Singapore, ADRs have surpassed pre-pandemic levels by over 20%, primarily driven by leisure tourists.

Index



Economy

In September 2023, ADB downgraded the growth forecast for Southeast Asia from 4.7% reported in April 2023 to 4.6% for 2023 and from 5.0% to 4.8% for 2024. Inflation slowed but remained elevated in some countries due to currency depreciation and impacts of climate change on food production, reaching 4.2% this year and 3.3% next year. Southeast Asia's economic slowdown reflected the cumulative effects of rising inflation, monetary tightening, and weaker demand for manufactured goods from key trading partners. However, robust domestic demand and continued recovery of the services sector - particularly tourism - have contributed to better job and income prospects, keeping the regional growth close to its long-run average.

Policy

Vietnamese experts and developers are urging the government to improve real estate ownership regulations to partly recover this market, including foreigners' property ownership and issuance of title deeds for condotels. According to the Ministry of Construction, during 2014 - July 2023, there were only 3,035 expatriates purchasing homes in Vietnam, primarily apartments in commercial projects. Meanwhile, although the government approved the decree to regulate the issuance of title deeds for condotels in April 2023, many provinces have been struggling to build standard procedures for receiving and processing documents. Informed by the Ho Chi Minh City Real Estate Association, Vietnam had about 83,000 condotels waiting for title deeds by the end of 2022.

RUBIX BRIEF



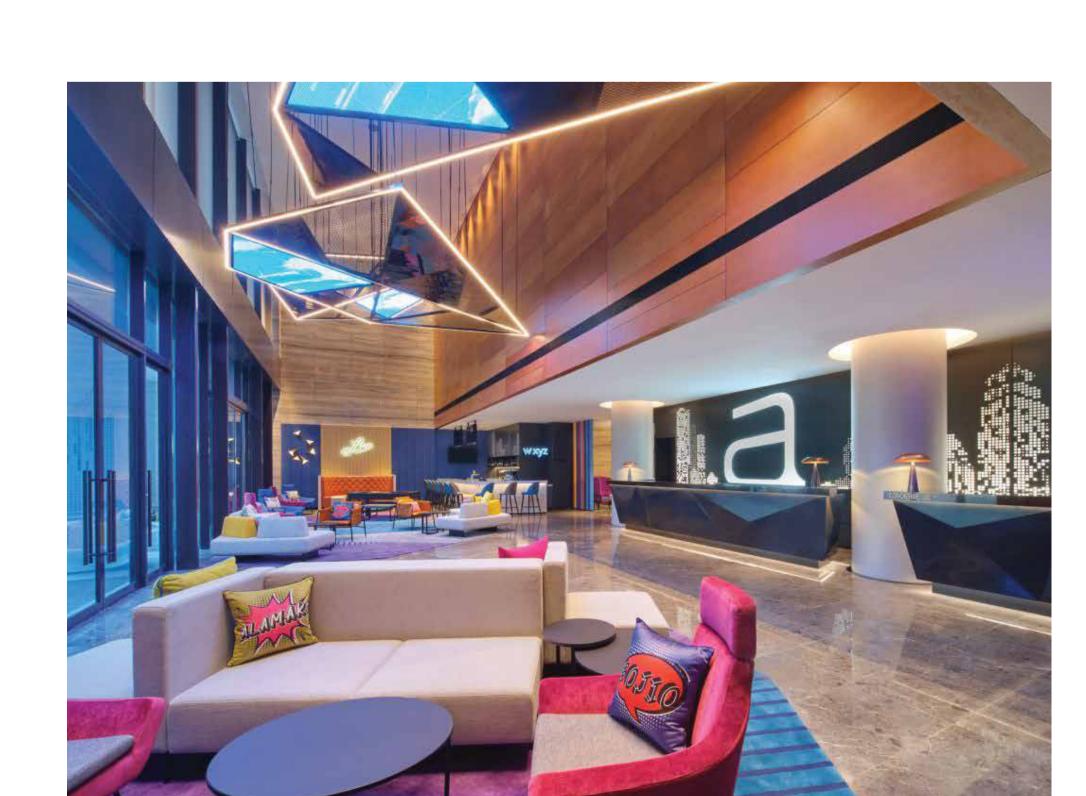
Vietnam's market strongly back on track

Lotte opened L7 by Lotte West Lake Hanoi, offering 265 hotel rooms and 192 serviced apartments, as part of Lotte Mall West Lake Hanoi which also comprises a shopping mall and a Grade-A office building. Meanwhile, Fusion inaugurated the 210-key Ixora Ho Tram by fusion and Accor launched the 175-key Novotel Living Saigon South. In 2027, Vietnam is expected to welcome the 542-key Meliá Halong Bay, the 200-key U Danang, and the 439-key InterContinental Thanh Xuan Valley Resort. Regarding to real estate investment, Vietnam is sitting at the top of the pile for foreign institutional capital in Southeast Asia. In details, the Hongkong-based Chow Tai Fook Enterprises took control of the US\$4 billion Hoiana, while Singapore's Keppel Land acquired a 65% stake in ProjectCo company which holds a retail project in Hanoi set to open in 2025.



Hotel operators continue expansion in Thailand

Marriott strengthened its presence in Thailand with the openings of the 244-key Le Méridien Phuket Mai Khao Beach Resort and the 56-key Madi Paidi Bangkok, Autograph Collection as its 50th hotel in this country. In addition, Meliá cut the ribbon of the 208-key INNSiDE by Meliá Bangkok Sukhumvit, while Accor inaugurated the 234-key Novotel Rayong Star Convention Centre and inked the management contract of the 161-key Andaman Beach Hotel Phuket - Handwritten Collection. In response, IHG announced to open the 180-key Holiday Inn Express & Suites Bangkok Asok in 2025 and the 250-key Hotel Indigo Bangkok Thonglor in 2026. In the real estate market, analysts warned developers to be more cautious about launching new housing supply amid a slow recovery in purchasing power, soaring household debts, and persistently high interest rates.



Singapore welcomes new 5-star hotels

Marriott's Aloft Hotels announced the opening of the 781-key Aloft Singapore Novena, the largest Aloft hotel in the world. Meanwhile, the 156-key Como Metropolitan Singapore was launched as part of Como Orchard, an integrated development in the heart of Orchard Road. In addition, the 574-key Grand Copthorne Waterfront Hotel reopened after a renovation worth up to US\$ 22 million, and Momentus Serviced Residences Novena added 99 units to the market. In November 2023, Singapore is expected to welcome the 543-key Novotel Singapore on Kitchener rebranded from PARKROYAL on Kitchener Road. In this context, Singapore's landed housing market is showing moderate gains while in its condominium market, higher prices, duties and lending limits have eroded buying power.



Jakarta's hotel market recovering

Jakarta's hotel pipeline is expected to increase by 1,706 keys in late 2023, representing a 2.7% y-o-y growth. During 2023 - 2024, the majority of the new supply would come from midscale to upscale segments, 41% of which could be serviced apartments. In this context, Accor's Ennismore announced to launch the 345-key 25hours Hotel The Oddbird by year-end, housed in the District 8 complex which also boasts Treasury Tower, Jakarta's third tallest building. Meanwhile, Marriott signed a contract to manage three properties in Indonesia's new capital, Ibu Kota Negara Nusantara, including the 300-key Four Points by Sheraton in Nusantara, the 200-key Westin in Nusantara and the 150-key Tribute Portfolio in Nusantara. In Bali, Kempinski introduced The Apurva Kempinski Ubud, Bali which would provide 160 rooms and villas as completed in 2027.



More upscale and luxury hotels open in Malaysia and Cambodia

In Malaysia, Hyatt opened the 250-key Hyatt Place Kuala Lumpur, Bukit Jalil as Malaysia's first Hyatt Place and the first international hotel in Bukit Jalil. At the same time, Wyndham signed a contract to manage the 50-storey Wyndham Suites KLCC as part of Kuala Lumpur City Centre, a well-known luxury multipurpose development area in Malaysia. In Cambodia, IHG debuted Vignette Collection brand in Phnom Penh with the signing of the 50-key Vignette Collection Phnom Penh Odom set to open in 2027. In this context, Cambodia's real estate market is forecasted to see an oversupply due to a slump in demand following a decade-long boom. Additionally, this market will face headwinds from the Russia-Ukraine conflict, China's ongoing real estate woes, international financial tightening, and elevated interest rates.



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.

RUBIX INTERNATIONAL JSC

W www.rubix-international.com | W www.rubix-navigation.com | W www.thefinestmagazine.com Suite 1901, 19F, Saigon Trade Center, 37 Ton Duc Thang Street, District 1, HCMC, Vietnam 5F, Leadvisors Place Building, 41A Ly Thai To Street, Hoan Kiem District, Ha Noi, Vietnam

| E info@rubix-international.com | T (+84) 28 2220 2216 | F (+84) 28 2220 2217 | T (+84) 24 3938 8756 | F (+84) 24 3938 8737