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APRIL 2023

MONTHLY NEWSLETTER

According to the Real Estate Industry of Western Australia's (REIWA) analysis, Western Australia requires a significantly greater number of properties to accommodate population growth and compensate for the ones that have been lost. Their estimates indicate that approximately 18,000 to 20,000 additional properties will be needed shortly.

REIWA stated that Perth's current vacancy rate is only 0.7%, while a balanced market typically sits between 2.5% and 3.5%. The last time it exceeded 3.5% was in September 2018, and since then, the population has grown by 6.7% and is projected to continue growing. Rental bond data shows that over the past two years, nearly 19,000 rental properties have been removed from the rental pool as investors took advantage of capital growth opportunities, used them for their purposes, or responded to rising interest rates. These factors and population growth have created a rental shortage in Western Australia.

Additionally, delays in the building industry have contributed to the shortage. Some tenants who took advantage of COVID building incentives are still waiting for their homes to be completed and must retain their rental accommodations. REIWA stated that there is no quick solution to the shortage and that Western Australia needs a significant increase in available properties to compensate for lost properties and keep up with population growth.

REIWA also emphasized the importance of policy settings that encourage people to invest in rental properties, support development in general, and assist local governments and developers in offsetting the costs of providing essential services to new housing developments.

The median rent price in Perth for February was $535 per week, a $15 increase from January (a 2.9% rise) and $85 higher than February 2022 (an 18.9% increase). Perth still has a shortage of rental properties, with demand continuing to exceed supply. As a result, it is anticipated that there will be further price increases in the coming months.

This is a good time for investors to enter the market. If you want to start your investment journey through IQI in Australia, please email us at **sales@iqiwa.com.au.**

Index results as at 28 February, 2023	Change in dwelling values				
	Month	Quarter	Annual	Total return	Median value
Sydney	0.3%	-2.4%	-13.4%	-11.2%	$1,006,923
Melbourne	-0.4%	-2.7%	-9.6%	-6.6%	$743,554
Brisbane	-0.4%	-3.2%	-6.8%	-2.8%	$694,495
Adelaide	-0.2%	-1.4%	5.1%	8.6%	$645,812
Perth	-0.1%	-0.2%	2.4%	7.0%	$561,740
Hobart	-1.4%	-4.9%	-11.8%	-8.4%	$658,470
Darwin	-0.3%	-1.0%	2.9%	9.1%	$495,712
Canberra	-0.5%	-2.7%	-6.7%	-3.2%	$833,155
Combined capitals	**-0.1%**	**-2.3%**	**-9.1%**	**-6.0%**	**$761,674**
Combined regional	**-0.3%**	**-2.1%**	**-4.2%**	**-0.3%**	**$575,916**
National	**-0.1%**	**-2.3%**	**-7.9%**	**-4.8%**	**$702,136**

Greek GDP growth positively surprises the real estate market

The Greek real estate market continues to be a field of investment opportunities as it is hungry for modern buildings of all uses. Although energy prices, inflation and rate increases from the Central banks threaten the ongoing Greek recovery, the positives still outweigh the negatives, and the growth prospect of the Greek real estate markets remains solid.

Chart 1: Greek GDP growth

The apparent positive news came from the 2022 growth numbers. Overall in 2022, it ends with a growth of 5.9%, which is higher than the official forecast of the Ministry of Finance, which estimated a 5.6% growth in the Greek economy. According to available data, GDP in volume terms amounted to 192.1 billion euros in 2022 compared to 181.3 billion euros in 2021, mainly based on growth in investment and consumption. On an annual basis, total final consumption expenditure increased by 2.4% compared to Q4 2021; gross fixed capital formation increased by 14.8% compared to Q4 2021, exports of goods and services decreased by 3.5% compared to Q4 2021, while imports of goods and services increased by 7.5% compared to the fourth quarter of 2021.

Greece expects new records in tourism receipts in 2023

Tourism's rebound was a pivotal contributor to GDP growth in 2022. Bank of Greece counted that more than 26.4 million tourists visited Greece in the first ten months of 2022. Based on provisional data by the Bank of Greece, the balance of travel services in October 2022 showed a surplus of €1,308.2 million, up from a surplus of €1,132.8 million in October 2021. Greek Minister for Tourism indicated that the tourist season could be a new record, surpassing the figures captioned in 2019.

	2020				2021				2022			
	I	II*	III	IV	I	II	III	IV	I	II	III	IV
Personal purposes	458,7	94,6	2.850,2	601,1	61,3	1.002,5	7.386,9	1.603,7	343,9	4.282,5	10.259,6	
Leisure	319,9	22,5	2.614,8	504,9	9,0	852,1	6.983,6	1.356,8	192,9	3.842,6	9.521,8	
Studies	11,8	7,9	10,7	21,1	11,1	25,8	30,3	33,2	33,0	98,0	53,7	
Health	7,5	0,7	4,9	4,1	2,7	4,8	11,1	4,0	7,6	13,1	21,3	
Visit to family	98,3	61,5	179,0	54,8	31,6	93,1	296,0	190,0	86,7	253,9	537,0	
Other reasons	21,0	1,9	40,2	16,5	7,0	26,7	65,3	19,6	23,7	74,9	125,1	
Business purposes	134,6	46,0	76,2	57,6	44,9	85,2	170,5	147,7	103,6	253,0	317,3	
TOTAL	593,3	140,4	2.926,4	658,7	106,2	1.087,7	7.557,4	1.751,3	447,5	4.535,5	10.576,8	

Source: Bank of Greece

Greece and its comparative advantages

Greece still offers opportunities as an attractive destination for real estate. Investment interest in real estate appears renewed, with several new development and reconstruction projects launched in commercial property categories, showing among the highest levels in the last decade. More specifically, on an annual basis, recorded exceptionally high growth rates in the number of new permits for the construction of offices (+52%) and shops (+68%). In contrast, correspondingly very high rates, both in terms of the number of new permits and the number of new building permits issued for the construction of offices and shops, have been observed.

The characteristic feature of the last months is the dynamics of the market for investment, commercial real estate and residential property in locations of high standards and prospects. Particularly in the residential sector, the tourism and investment-related part of the market is of particular interest, both in terms of purchases and leases, both short-term and long-term. Construction activity maintains reasonably high levels in the hotel sector, and the number of hotels is increasing. The latest data on the total building activity, private and public, pictures the bullish situation in the country. Based on the issued building permits, there is an increase of 11.2% in the number of building permits, an increase of 85.1% in surface area and an increase of 102.3% in volume compared to the corresponding month of 2022 (January).

Global Macro-Economic Outlook 2023

How to Handle Inflation in Turbulent Times

The year 2022 is very different from 1946 or 1974, or 1979. Interest rates are lagging as an indicator; the FED gets to the know the last when it comes to recession. Furthermore, Wall Street gets to know the second as those who know first are taxi drivers, dry cleaners, restaurants, SMEs, travel agents, truck drivers and most importantly, the debt market.

The stock market thinks FED will cut rates, soft landing, and create a Goldilocks scenario. It is all good until the bond or debt market says that all is not right - thus, the FED is behind the curve and will get much worse. Yield curves are inverted across 8 countries, and inversion happens when short-term rates are higher than long-term rates. One monthly bill in the USA currently yields more than a 20-year note. The biggest threat to the global financial markets is the treasury yield curve, the Euro-Dollar future yield curve, and German Bunds are all inverted, even the UK, Canada and Europe.

History of Inflation - 3 Big Turns in the Financial Market

In 1929, in October, the market went down 23% in 2 days, while Dow Jones fell 82% in 3 years before bottoming in June 1932. If you listen to Michael Burry, Jeremy Gratham and Charlie Munger, who manage billions, they are worried about the outlook. Jeremy Grantham ran 100 times series analysis to fathom the bubble-like 1929, 1989 Japan and 2000 dot-com bubbles. The current one could be 3 times worse than those. We are witnessing something globally we have never seen before.

The unease Americans feel about inflation, now at 9.1%, is new to them but would have been familiar to past generations. Inflation in the U.S. has reached the double-digit mark in eight of the 77 years since the end of World War II, forming three distinct clusters: 1946-48, 1974-75 and 1979-81. These clusters provide a window into the past, showing the threads that connect our era to previous episodes of severe inflation and the factors that set it apart—18.5%, 12.5% and then 15% in 1980. April 1978----14.75% , Feb 1946 20%

Like Nixon and Ford, he fell victim to a massive oil shock when the 1979 revolution in Iran triggered the Great third inflation. With the misery index approaching 22%, Carter spent two weeks at Camp David trying to understand everything. The time away convinced him that Americans faced "a moral and spiritual" crisis more severe than any misery index could measure. The distinguished economist Alan Blinder summarized the reasons in three words: food, energy and decontrol. "These three shocks alone," he wrote, "can account for all of the acceleration and deceleration of inflation in that period."

The higher they went, the greater the pain. Short-term rates in the early 1980s hit 20%, generally seen as usury. Unemployment rose, followed by two deep recessions, but inflation dropped from 13.5% in 1980 to 3.2% in 1983. With consumer prices rising at their fastest pace in four decades, led by food and gasoline, it is tempting to see another Great Inflation on the way. Nevertheless, 2022 is not 1946 or 1973 or 1980. The Federal Reserve is a much different institution today, thanks to Volcker. It has the mandate to raise interest rates to slow down the economy, and this week's second consecutive substantial rate hike signals its determination to keep inflation in check. More are likely to follow. As for the spectre of stagflation, the jobless rate has remained low and steady at 3.6%, though rising interest rates could change that.

Interest Rates Outlook in USA: FED Remains Hawkish

Odds of a 50-basis point rate hike this month hit a new high of 75%. More shocking, the odds of TWO 50 basis point rate hikes are now 20%. Markets now see a 36% chance that rates will go to 5.75% or higher.

MEETING PROBABILITIES

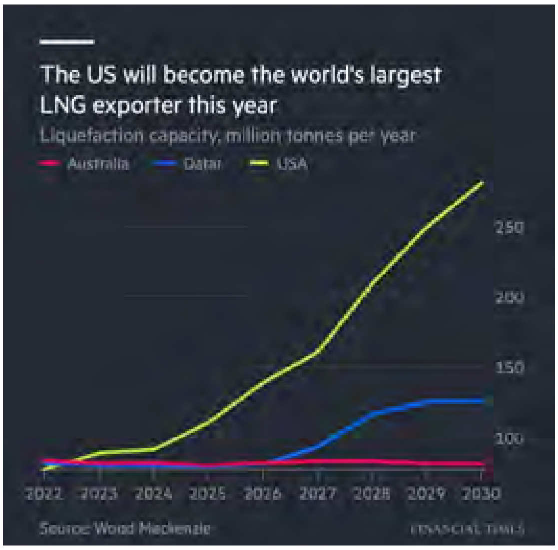
MEETING DATE	350-375	375-400	400-425	425-450	450-475	475-500	500-525	525-550	550-575	575-600	600-625	625-650
3/22/2023	0.0%	0.0%	0.0%	0.0%	0.0%	25.1	74.9%	0.0%	[illegible]	0.0%		
5/3/2023	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	[illegible]	61.7	19.9%	0.0%	0.0%	0.0%
6/14/2023	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	2.4%	24.0%	[illegible]	17.4%	0.0%	0.0%
7/26/2023	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	1.6%	17.0%	45.9%	29.9%	5.8%	0.0%
9/20/2023	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	1.5%	16.1%	44.1%	30.9%	7.1%	0.3%
11/1/2023	0.0%	0.0%	0.0%	0.0%	0.0%	0.3%	4.6%	22.1%	41.3%	25.8%	5.6%	0.3%
12/13/2023	0.0%	0.0%	0.0%	0.0%	0.1%	1.9%	11.1%	29.2%	35.6%	18.3%	3.6%	0.2%
1/31/2024	0.0%	0.0%	0.0%	0.1%	1.0%	6.6%	20.4%	32.5%	26.7%	10.7%	1.8%	0.1%
3/20/2024	0.0%	0.0%	0.0%	0.7%	4.8%	15.9%	28.5%	28.6%	16.0%	4.8%	0.7%	0.0%
5/1/2024	0.0%	0.1%	0.9%	5.4%	16.8%	28.5%	27.9%	15.4%	4.6%	0.6%	0.0%	0.0%
6/19/2024	0.0%	0.8%	3.6%	12.0%	23.6%	28.1%	20.6%	9.0%	2.3%	0.3%	0.0%	0.0%
7/31/2024	0.5%	3.2%	11.0%	22.3%	27.6%	21.4%	10.3%	3.0%	0.5%	0.0%	0.0%	0.0%

This is by far the most hawkish shift in expectations we have seen. I believe FED's terminal or discount rate would exceed 6%. Former Treasury Secretary and ex-President Harvard University Larry summers said in an interview with Bloomberg Television's "Wall Street Week" as saying "it would not surprise me if the terminal rate reached 6 (percent) or more." He also said the good news is that the economy is "looking robust," but the bad news is there is "not much evidence of inflation restraint yet."

ENERGY MARKET - HEADING NORTH
Oil prices are to stay higher as supply constraints return in the market. Russian gas is not coming back, and there is an opening for someone else to fill the void—forecast from the global players.

PLAYER	PRICE TARGET	TIME FRAME
Goldman Sachs	$100/barre	Q-4/2023
IQI GLOBAL	$83 to $127/barrel	Q-4/2023
Economist magazine	$90/ barrel	Q-2/2023

The U.S. still is not energy independent, but it has become the world's largest producer of petroleum and natural gas and a net energy exporter—a dramatic turnabout from its days as a baffled hostage to OPEC. With about 40% of America's electricity now generated by nuclear power and renewable sources, the game has changed.



Source: The Economist, December 2022 Issue, "Pages 99-107"

VIETNAM

DUSTIN TRUNG NGUYEN

Country Head of Vietnam

Vietnam's property market is expected to falter throughout next year despite a slew of measures by the government to boost market sentiment.

The property market would not rebound until the end of 2024 as real estate developers still face financing pressure due to the banking system's tightening of credit supply and restrictions on issuing corporate bonds.

According to the Vietnam Bond Market Association, it is estimated that about 289.82 trillion Vietnamese dongs (US$12.2 billion) in corporate bonds are scheduled to mature this year.

Given a liquidity crunch, higher interest rates and stricter rules on private placement bonds, property developers have struggled to ease their stifling funding squeeze, weighing on their ability to meet bond obligations.

Authorities have recently allowed issuers to extend payments by two years to have more time to negotiate with bondholders on payment delay or exchange the bonds for other assets.

The latest attempt by the government may prevent a market collapse, said Nguyen Quoc Hiep, adding that there are still concerns over bondholders' rights and benefits, dampening market confidence.

The real estate market has contracted since 2022 as the property sector grapples with a debt crisis leading to dwindling investments from developers and home buyers.

In 2022, the number of newly-licensed housing projects plummeted 90 percent, existing development projects halved and completed property projects plunged 81 percent from the year before, according to the Ministry of Construction.

The market has faced unprecedented problems in the past five years with a large inventory and a sharp drop in liquidity. The market has seen an imbalance between supply and demand, with an oversupply in the high-end segment but an acute shortage of affordable housing products.

5 Key Investment Areas to Consider in Your 30's

Investing in your 30s is a critical time to set yourself up for financial security and success in the future. With multiple investment options available, deciding where to focus your efforts can be challenging. Here are some key investment areas to consider in your 30s:

1. Retirement Savings

One of the essential investments in your 30s is retirement savings. Aim to contribute at least 10% of your income towards retirement savings and consider contributing to a Roth IRA and a 401(k) if you are eligible. Roth IRA withdrawals in retirement are tax-free, making them an attractive investment option. It is also essential to ensure that multiple retirement accounts are properly diversified and aligned with your risk tolerance. You can also utilize a similar option in other countries.

2. Real Estate

Real estate is a very lucrative investment option. Of course, it is essential to factor in all associated costs, such as property taxes, maintenance, and mortgage interest, before buying a home. If you are not ready to buy a property, consider investing in Real Estate Investment Trusts (REITs), which allow you to invest in real estate without managing the property. When investing in rental properties, be prepared for the responsibility of being a landlord, including finding tenants, handling maintenance requests, and complying with regulations.

3. Stocks and Bonds

Diversification is critical when it comes to investing in stocks and bonds. Consider investing in different types of stocks and bonds and different sectors and regions to minimize risk. Working with a financial advisor or using robo-advisors can help you construct and manage your portfolio but be prepared for fluctuations in the market and avoid making emotional investment decisions.

4. Education and Career Development

Investing in education and career development can provide significant returns in the future. Choose a program to help you develop skills in high demand in your industry and seek mentorship and networking opportunities to help advance your career. Attend conferences and workshops and pursue certifications or licenses in your field to keep your skills up-to-date and relevant.

5. Emergency Fund

Lastly, an emergency fund is an essential investment in your 30s. Aim to have at least three to six months' worth of living expenses saved in an emergency fund and keep it in a separate account from your other savings and investments so it is easily accessible in an emergency. Avoid dipping into your emergency fund for non-emergency expenses.

To sum up, investing in your 30s is crucial for your financial future. By diversifying your investments, saving for retirement, investing in education and career development, and building an emergency fund, you can set yourself up for long-term financial success. Consult with a financial advisor to ensure your investments align with your goals and risk tolerance

Demand for real estate in Turkey is growing at full speed

The Turkish real estate sector is projected to experience significant growth in 2023, driven by economic recovery, increased foreign investment, and population growth. The sector is expected to benefit from government initiatives such as tax incentives, the liberalization of foreign ownership laws, and the simplification of real estate transactions, which will facilitate property purchases and sales.

Foreign investors will have more opportunities to participate in the Turkish real estate market with the government's efforts to attract foreign direct investment. These include tax incentives and the liberalization of foreign ownership laws. Additionally, integrating modern technology into real estate transactions, such as online registration and payment systems, will streamline the buying, selling, and renting process. Population growth is also expected to drive demand for housing, commercial properties, and new construction projects. With the population projected to reach 95 million by 2023, the Turkish government's investment in new infrastructure, such as airports, highways, and railways, will stimulate domestic and foreign investment in the real estate sector.

According to TSI's data, 80,031 houses were sold in February, 3350 of which were to foreign citizens; İstanbul and Antalya are the most popular cities for real estate investment.

Foreigners can apply for Turkish Citizenship by real estate investment; property worth should be a minimum of 400.000 USD, and all family members (children under 18 years) can get a Turkish passport within in 3-4 month period. For more details, the IQI Turkey office is ready to assist you.

According to the Central Bank of Turkey, the number of housing purchases in Turkey is estimated to reach nearly 1.7 million units in 2023. This is an increase of 1.5 million units from 2018, when housing purchases were just over 200,000. The increase in housing purchases is expected to be driven by increased demand from domestic and foreign buyers.

Toronto

- There were 4,783 home sales reported through the Toronto Regional Real Estate Board (TRREB) MLS® System in February 2023, down by 47 % compared to 9.028 in February 2023.
- Apart from that, the MLS® Home Price Index Composite benchmark was down by 17.7 %. Meanwhile, the average selling price was down by 17.9%.

Sales & Average Price by Major Home Type

February 2023	Sales 416	Sales 905	Sales Total	Average Price 416	Average Price 905	Average Price Total
Detached	482	1,593	2,075	$1,712,364	$1,357,245	$1,439,735
Semi-Detached	144	255	399	$1,280,380	$950,049	$1,069,266
Townhouse	161	660	821	$1,005,342	$917,634	$934,834
Condo Apt	952	503	1,455	$728,271	$662,323	$705,472
YoY % change	**416**	**905**	**Total**	**416**	**905**	**Total**
Detached	-38.0%	-48.8%	-46.6%	-17.5%	-21.5%	-19.9%
Semi-Detached	-44.6%	-47.5%	-46.5%	-14.9%	-25.9%	-21.4%
Townhouse	-49.4%	-46.9%	-47.4%	-11.3%	-18.0%	-16.7%
Condo Apt	-48.1%	-45.7%	-47.3%	-11.4%	-12.4%	-11.8%

Year-Over-Year Summary

	2023	2022	% Chg
Sales	4,783	9,028	-47.0%
New Listings	8,367	14,153	-40.9%
Active Listings	9,643	6,984	38.1%
Average Price	$1,095,617	$1,334,062	-17.9%
Avg. LDOM	22	9	144.4%
Avg. PDOM	33	11	200.0%

Vancouver

- The MLS® Home Price Index composite benchmark price for all residential properties in Metro Vancouver is currently $1,123,400. This represents a 9.3 percent decrease over February 2022 and a 1.1 percent increase compared to January 2023.
- The Real Estate Board of Greater Vancouver (REBGV) reports that residential home sales in the region totalled 1,808 in February 2023, a 47.2 percent decrease from the 3,424 sales recorded in February 2022, 76.9 percent increase from the 1,022 homes sold in January 2023.
- Last month's sales were 33% below the 10-year February sales average.
- The total number of homes currently listed for sale on the MLS® system in Metro Vancouver is 7,868, a 16.7 percent increase compared to February 2022 (6,742) and a 5.2 percent increase compared to January 2023 (7,478).

Quebec

Residential: Summary of Centris Activity

	February 2023	February 2022	February Variation	Year-to-date 2023	Year-to-date 2022	Year-to-date Variation
Total sales	6,205	8,820	-30%	10,281	14,935	-31%
Active listings	31,692	21,320	49%	30,859	20,991	47%
New listings	10,023	11,019	-9%	18,608	20,151	-8%
Sales volume	$2,710,343,681	$4,112,217,860	-34%	$4,412,888,103	$6,779,068,991	-35%

Luxury properties continue to shine in 2023

Analysts, developers and market specialists said the market for luxury homes in Dubai reigned the segment and is expected to continue to do so in 2023 as well

The luxury property segment in Dubai will continue to climb this year as prices are expected to sustain an upward trend. However, at a slower pace due to rising demand from high net-worth individuals (HNWIs), tight supply and fewer launches of new developments, experts say.

Referring to the latest statistics, they said that the price of luxury properties witnessed a year-on-year growth of nearly 89 percent during the third quarter of 2022, and a similar upward trend is expected to continue this year.

Currently, supply will not be enough to catch up with the demand. Dubai's government should encourage more project launches to keep Dubai sustainable. If supply is not sustainable, the rents will shoot up, which could challenge sustainability. Therefore, more launches will help keep more supply in the market, and eventually, the cost of living will also be sustainable

Not only millionaires or billionaires but many new people are moving to Dubai, and the people who left Dubai during the Covid-19 pandemic are returning. The Russian-Ukraine crisis has also triggered many families in and around the war zone to move to safe countries such as the UAE, while many Europeans are moving to Dubai due to tax-free income

In addition, he said the golden visa and flexible visa regime had been a great help for the market to grow, and it looks like Dubai will be an undersupply city by 2023.

Source: Khaleej Times

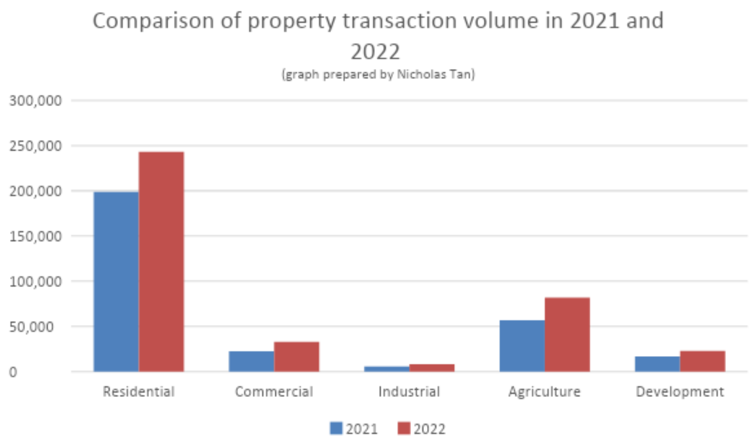
Although the recently tabled Budget 2023 did not allocate direct funding to the real estate market, the existing initiatives have been untouched. This is good news for the industry as it will help to maintain stability by avoiding significant changes to current trends resulting from fiscal adjustments.

The National Property Information Centre (NAPIC) has released its 2022 Property Market Report, revealing exciting news for the industry. In 2021, the real estate market in Malaysia achieved a total transaction value of RM179.07 billion, marking a 23.6% YoY increase, with 389,107 transactions taking place - a 29.5% YoY increase. This marks the highest total transaction value on record since 2001, when records began, surpassing the previous record of RM161 billion in 2014.

The report indicates that residential properties led the growth in sales, accounting for 62.5% of the total transaction volume at 243,190 and 52.6% of the transaction value at RM94.28 billion. The five states and Federal Territories with the most significant transactions were Penang (31.1%), Johor (24.3%), Perak (18.9%), Kuala Lumpur (18.4%) and Selangor (15.9%).

Meanwhile, agricultural land transactions ranked second, with a transaction volume of 82,040 (21.1%), followed by 32,809 commercial properties (8.4%), 22,986 development lands (5.9%), and 8,082 industrial properties (2.1%). Although the transaction volume of agricultural land is more than double that of commercial properties, the transaction value of commercial properties amounted to RM32.61 billion (18.2%), surpassing that of agricultural land, which was RM17.86 billion (10%). The industrial sector's transaction value was RM21.16 billion (11.8%), and development land accounted for RM13.1 billion and RM60 million (7.4%).

Malaysia's five types of real estate industries experienced double-digit growth in transaction volume YoY. The housing industry saw a 22.3% increase from 198,812 to 243,190, while the commercial industry achieved the highest growth rate at 46.3%, increasing from 22,428 to 32,809. The industrial sector grew by 44.5% from 5,595 to 8,082, agricultural land transactions increased by 44.6% from 56,730 to 82,040, and development sites grew by 35.8% from 16,932 22,986.



As the country slowly recovers from the COVID-19 pandemic, the market has reopened, and economic activities are flourishing, leading to a boost in real estate demand and transaction volume in 2022. However, the outlook for the housing market growth in 2023 remains cautious, with the expectation of slower economic growth. Nevertheless, accommodative policies, continued government support, measures under Budget 2023, and strategic initiatives from the 12th Malaysia Plan are expected to support property growth.

Colliers Flash | GDP | Riding the momentum: Sustained Philippine economic gains to trickle down to the property

The Philippine economy grew 7.6% in 2022, its fastest pace of growth in more than 40 years, exceeding the government's target of between 6.5% and 7.5%. According to Colliers Research, this is a positive signal for the property market, which, over the past decades, mirrored the boom–bust cycle of the country's economic output.

Office sector

Office transactions in Metro Manila in 2022 reached 603,800 square meters, up 43% from the 422,400 square meters recorded in 2021. Meanwhile, provincial transactions nearly doubled to 222,800 square meters from 113,100 square meters a year ago. Outsourcing firms accounted for nearly 70% of total provincial deals. Cebu, Davao, and Pampanga covered nearly 90% of total provincial transactions in 2022. Net take-up in 2022 reached 110,500 square meters, lower than our initial forecast of 140,000 square meters but still reversing from the opposing net absorption we recorded from 2020 to 2021. In 2023, we project net take-up to more than double to 228,000 square meters.

Residential sector

Colliers recorded the completion of 9,000 condominium units in 2022, a mere 3% rise year-on-year. This brings Metro Manila's condominium stock to 151,200 units as of the end of end-2022. From 2023 to 2025, we project an annual average delivery of 6,700 units. Demand in the pre-selling market rebounded as we recorded about 20,000 units sold in 2022 from a take-up of 13,300 units in 2021. Meanwhile, full-year launches reached 24,200 units, down 19% year-on-year. In our view, the rising interest and mortgage rates and the increasing prices of construction materials likely tempered condominium launches in 2022. New launches have yet to revert to pre-Covid-19 pandemic levels.

Hotel sector

Data from the Department of Tourism (DOT) show that foreign arrivals reached 2.65 million in 2022, 1,519% higher than the 163,879 arrivals in 2021. This figure exceeded the DOT's initial target of 1.7 million for the year. With renewed optimism, the DOT expects foreign arrivals to reach 4.8 million in 2023, although it remains below the record-high 8.2 million international arrivals recorded in 2019.

Average occupancy in 2022 reached 51%, up from 44% in 2021 and 20% in 2020. This is attributed to holiday-induced spending, the return of more Filipinos working abroad, and the surge in Meetings, Incentives, Conferences and Exhibitions (MICE) activities. In 2023, we project average hotel occupancy in Metro Manila to breach 60% due to the influx of more foreign visitors and continue growth from the location staycation market.

THAILAND

SOMSAK CHUTISILP
Country Head of Thailand

The total residential property index projection for 2023 has been upgraded as reduced transfer and mortgage fees continue to benefit buyers of mid-scale properties.

Last year, the total residential property index rose 21% to 91.7, from 75.7 in 2021. The 2022 figure is the highest since 2019.

The key driver was the loan-to-value [LTV] limits, which started in 2019 and eased in 2021 and ended last year.
The total residential property index is projected using estimated supply-and demand-side figures, which are influenced by economic factors, including GDP growth, interest rates, key policies and situations, the inflation rate, and absorption rates of residential units.

The 90.2 forecasts for the 2023 index increased this month from 89.5 in November last year as some factors changed.

Measures were announced at the end of December 2022 to keep the mortgage fee for units priced at 3 million baht and lower unchanged at 0.01% for another year. However, the transfer fee was increased to 1% from 0.01%.

The factors that have deteriorated since November 2022 include the GDP growth forecast for 2023, which has been revised down to 3.5%, from 3.7%, and the inflation projection, revised up to 3% from 2.6%.

RESIDENTIAL MARKET PROJECTION 2023	Nov 22, 2022	Year-on-year change	Feb 16, 2023	Year-on-year change
TOTAL PROPERTY INDEX	89.5	-2.4%	90.2	-1.6%
SUPPLY SIDE				
Land allocation permits nationwide (units)	79,909	2.4%	78,269	0.3%
New supply launched in Greater Bangkok (units)	98,581	-1.7%	98,132	-2.1%
New supply launched in Greater Bangkok (billion baht)	514	-2.9%	505	-4.5%
Building construction permits nationwide (units)	294,019	-5.9%	300,228	-8.4%
Newly registered residences in Greater Bangkok (units)	91,615	7.3%	87,286	2.3%
DEMAND SIDE				
Residential transfers nationwide (units)	320,277	-18.5%	352,761	-10.2%
Residential transfers nationwide (billion baht)	999	-6.2%	1,017	-4.5%
Newly released mortgages nationwide (billion baht)	636	-8.9%	651	-6.8%

Source: Real Estate Information Center　　BANGKOK POST GRAPHICS

Growth in the Indian Real Estate Industry

According to a joint report by National Real Estate Development Council and Ernst & Young, the Indian real estate industry is expected to reach USD 1 trillion in 2030. The real estate sector is expected to contribute 18-20% to India's GDP by 2030. This growth is due to the Make in India Initiative, the rise in the Digital Economy, and the development of supporting sectors like Retail and Hospitality.

A boom in Affordable Housing

The growth of tier 2 and tier 3 cities is seen as one of the main drivers of the country's prosperity. The government plans to announce more significant incentives for affordable housing development to help the middle class have a higher standard of living and support the large population. This will not only raise the standard of living for a majority of the population but strengthen the economy and provide employment as construction is one of the largest employment-generating industries in the Nation. The government is pushing to make their vision of "Housing for all" a reality.

A shift in Investment patterns in India

The economy has undergone many changes in the past few years, especially after the pandemic. The most significant shift was seen in the shift from more conventional investments such as bank deposits to Real Estate. More and more households are diversifying their portfolios, but the most significant increase was in household investments. New projects and launches have seen upward growth with the rise in housing sales.

The government's emphasis on infrastructure and the increased funding for PM Awaas Yojana is anticipated to stimulate housing demand significantly. The past few years saw a decline in investments in physical assets like Real estate and gold and an increase in Mutual Funds, cash, bank deposits, pension funds etc. However, the past year reversed the trend of decline in physical assets, and the share of savings in physical assets leapt to 65% of the total savings of the Gross National Domestic Income (GNDI).

Source: Ministry of Statistics and Programme Implementation

MONGOLIA

TSERENDAGVA AMINA
Country Head of Mongolia

The 'floating freehold' system provides investors with inalienable freehold rights to real estate in Mongolia.

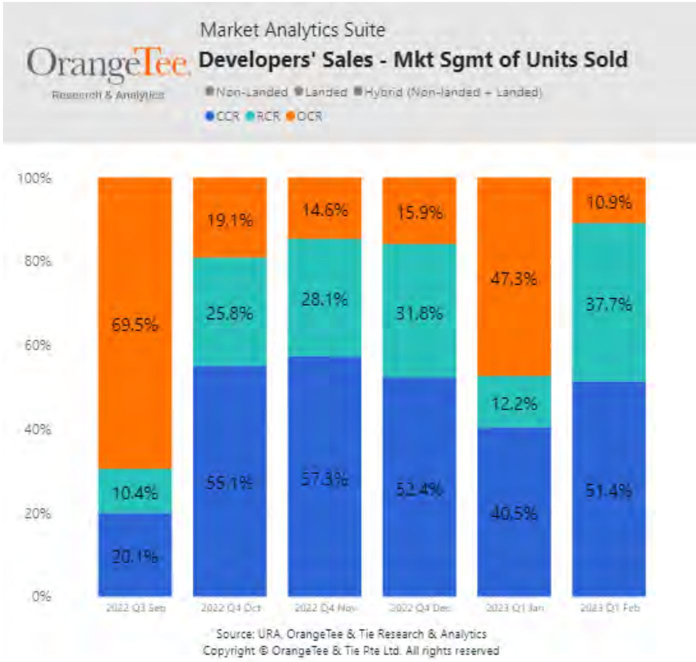
There are no currency controls. The currency is fully convertible and freely floating, and there are no issues repatriating profits out of Mongolia. Indeed, recent exchange rate weakness presents a substantial buying opportunity for investors deploying foreign currency into the property markets.

It has fantastic tax laws. The tax laws in Mongolia are clear-cut, with the 10 per cent income tax representing one of Asia's lowest income tax rates. In addition, there is no concept of capital gains tax in the market, and only a two percent stamp duty tax is paid upon the eventual sale of the property.

There are high overall returns from both cash rental income and capital growth. Mongolia's property market boasts one of Asia's highest cash rental yields and strong capital appreciation prospects. From 2005 to 2013, the average annual rental yield from residential space was over 11 percent per year across all of Ulaanbaatar. Rapid growth in GDP per capita, disposable income, and real wages are driving demand for high-quality residential and retail space across the city. The property market has been posting average annual growth rates of over 15 percent per year for the past 10 years.

It is below the radar. Mongolia is a fast-growing frontier market that remains relatively unknown to the rest of the world. Competition for good assets in good locations from other foreign investors remains limited.

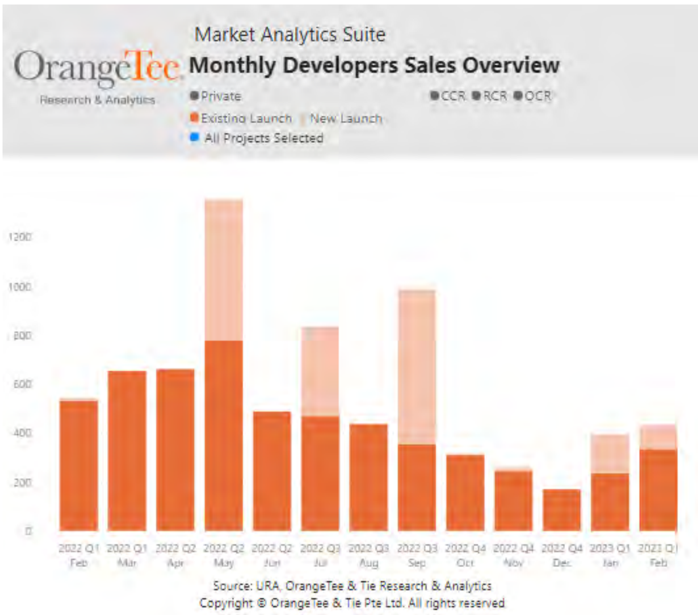
New private home sales rose for a second straight month in February, according to data from the Urban Redevelopment Authority (URA). New home sales jumped 9.9 percent from 393 units in January 2023 to 432 in February 2023.



On a year-on-year basis, sales decreased by 20.3 percent from 542 units in February 2022. The sales performance is encouraging, considering only one mid-size and a small project was launched, and buyers face challenges like high-interest rates and cooling measures.

The more significant project launch, Terra Hill, moved 97 out of 270 units at a median price of S$2,699 psf last month. The other newly launched project was the 24-unit Gems Ville which did not sell any units last month. Pullman Residences Newton, Leedon Green, Perfect Ten, One Bernam, Riviere, Peak Residence, and Klimt Cairnhill were other best-selling projects.

Most launched projects in the Core Central Region (CCR) continued to clear their unsold units last month. As a result, most of last month's transactions came from CCR, with 222 units sold, constituting 51.4 percent of the total sales. This was followed by 163 units or 37.7 percent in the Rest of the Central Region (RCR) and 47 units or 10.9 percent in the Outside of Central Region (OCR).



At the upper end of the market, 26 new non-landed homes were sold for at least S$5 million last month, according to URA Realis data. Two transactions breached the S$10 million mark. The most expensive transaction was a 6,286 sqft freehold unit at Les Maisons Nassim sold for S$36 million or S$5,727 psf. The next priciest unit was a 5,920 sqft freehold unit at Klimt Cairnhill, sold for S$27.5 million or S$4,645 psf.

Last month, the number of new condos bought by foreigners (non-Permanent Residents or NPR) held steady at 54 units, marginally higher than the 53 units sold in January and the highest monthly sales since June 2022 (57 units). Most foreigners bought luxury homes last month, purchasing 35 new condos in the CCR. Others bought condos in the city fringe or RCR (19 units), while none were in the OCR.

The Cambodian SEA Games Organising Committee (CAMSOC) follows the principles of approach "Saving but Providing Wonderfulness" in the master plan for the first hosting of the 2023 Southeast Asian Games events. CAMSOC has 13 expert commissions, including the Sports and Regulation Commission, Finance and Supply Commission, Security and Order commission, Volunteer Committee, Food and Transport Commission, I.T. Games Commission, Venue Commission, Medical and Doping Commission, Culture, Education, and Sports Commission, Media Commission, Marketing and Official Sponsor Commission, Opening and Closing Ceremonies Commission.

Recently, through the Phnom Penh City Hall, the Royal Government of Cambodia started to improve the infrastructure along Win-Win Boulevard, install the street lights, drainage system, road widening and restoration to reduce traffic congestion and provide excellent hospitality to the Cambodian people and international guests.

Besides this, Phnom Penh will become the busy place to host 32 sports and 1 sport (Teqball) and 13 sports with e-sport for the 12th ASEAN Para Games.

Phnom Penh is the venue for CAMBODIA 2023 32nd Sea Games – 12th ASEAN Para Games including Morodok Techo National Stadium has a seating capacity of 60,000 people as a symbol of SEA Games and ASEAN Para Games 2023, Olympic Stadium, Chroy Changva International Convention and Exhibition Center (OCIC), Sokha Hotel, Naga World Hotel, Garden City Golf Club, Sports Center of Union of Youth Federations of Cambodia (UYFC). Besides this are Siem Reap, Kep, Kampot, and Sihanouk. Siem Reap will arrange cycling and marathon races. Shihanouk will arrange sailing and jet ski races and beach volleyball. Kampot will arrange the traditional boat race, and Kep will host the triathlon.

The 12th ASEAN Para Games will occur at The Morodok Techo National Stadium, Sports Center of Union of Youth Federations of Cambodia (UYFC), Sports Hall of Borey Rong Roeung and the halls around The Morodok Techo National Stadium. The Games village is close to the Morodok Techo National Stadium, has a seating capacity of 4,000 people and can serve 2.5 tons of food daily. The outstanding accommodation will be constructed at the beginning of March 2023.

Portugal Launches Solutions For The Housing Crisis

According to specialists, the Portuguese government has launched a new program to fight the housing crisis in Portugal, generated by the combination of a hot property market, policies promoting foreign investment, a tourism-reliant economy, and low salaries. The rise in rents (up to 37% in Lisbon alone), not followed by higher incomes, has made it challenging for residents to afford to rent or purchase homes. Inflation, currently at 8.3% in Portugal, has only worsened the situation.

The project "Mais Habitação," meaning "More Housing," includes several measures aiming to increase the number of houses for rent in the market at affordable prices. It is described by prime minister António Costa as a project with the primary objectives "to protect families" and "increase the number of affordable homes for Portuguese families." It seeks to bring abandoned buildings back onto the market by providing incentives for their sale to the state or tax cuts on the revenue and funding their restoration, with the condition that the owners rent them out. Over 700,000 abandoned buildings exist in Portugal, including 50,000 in Lisbon alone.

Other measures include making banks offer flat rates on housing loans, while those with a household gross total income of up to 2,700 euros who spend over 35% of this income on housing will receive state support of up to 200 euros per month. To protect tenants, the plan limits landlords from raising rents beyond the inflation rate when renewing contracts, and landlords will receive up to 3 months' rent if the tenant cannot pay. Additionally, the plan aims to abolish the "golden visa" program, which allowed foreigners to obtain residency permits by investing in real estate and ban new licenses for Airbnbs and other short-term holiday rentals, except in less populated rural areas. There will also be a tax incentive for local accommodations to rent for long-term periods.

Some of these measures generated controversy amongst specialists, who say that they have doubts about their efficacy.

António Costa announced that the project would have a minimum value of 900 million euros ($962.19 million). It will be under discussion until the 16th of march, after which some measures, according to the prime minister, would receive approval, while lawmakers would vote on others.

Despite the scarce details about the golden visa program's conclusion and any transition period, potential investors still have time to complete their qualifying investment and application before expiration. Furthermore, other visas and financial programs, such as the D7 visa, the Non-habitual Tax regime, and the digital nomads' visa, are still available.

PERAK DARUL RIDZUAN – THE RISING PHOENIX OF MALAY PENINSULA A BRIEF RESIDENTIAL OVERVIEW

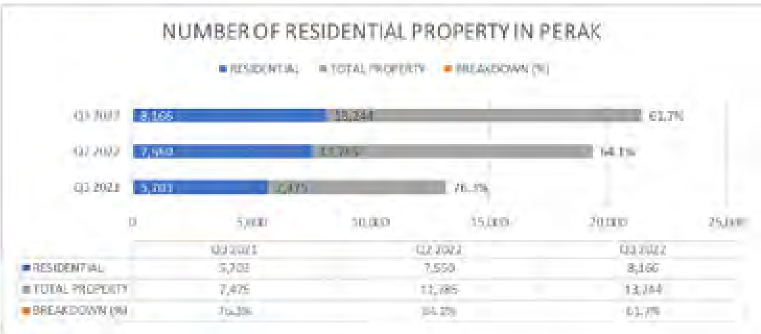
Residential property is one of the most fundamental assets that individuals and families can invest in. It is a long-term investment that can provide a stable and secure source of income and wealth generation. One of the critical benefits of residential property is that it provides a stable and secure home for individuals and families. It is a place where people can create memories and build a life for themselves and their loved ones while providing security and stability.

As with many other regions in Malaysia, the residential property market in Perak is highly diverse, ranging from luxurious high-rise condominiums to traditional terraced houses, as the state is known for its diverse cultural heritage, natural beauty, and historical landmarks. Viewing through the state's capital, Ipoh is a popular location for residential property investments. It is a bustling city that offers modern amenities and traditional charm. Many of the residential properties in Ipoh are situated in highly sought-after neighbourhoods, such as Greentown and Taman Ipoh.

Unquestionably, Perak's diverse culture and natural beauty make it an attractive destination. One of the main benefits of investing in residential property in Perak is the relatively low cost of living compared to other regions in Malaysia. Hence, this makes it an attractive option for local and foreign investors looking to purchase property for personal or investment purposes.

Data from National Property Information Centre (NAPIC) highlights the strong growth and demand for residential property in Perak. The significant increase in properties from Q3 of 2021 (7,475) to Q3 of 2022 (13,244) indicates that Perak is becoming an attractive location for property investment, with more developers and investors entering the market.

Surprisingly, the residential property holds most of the properties in Perak, as it covers 61.7% of the rest, indicating that it is the most sought-after property type in the state. From the Q3 of 2021 to Q3 of 2022, the number of residential properties transacted has increased from 5,703 to 8,166, with an increase in value from RM1,334.91mil to RM1,861.64mil, which shows a strong demand for housing in Perak. The below graphs are self-explanatory.



Chinese Buyers Combine Overseas Tourism with Buying Real Estate

For the first time in three years, Chinese consumers are signing up for the overseas real estate buying tours that were so common before the pandemic.

In 2019, 155 million Chinese consumers went abroad and spent US$255 billion there. China was the source of more international tourists and property buyers than any other.

Now, China has reopened its borders and restarted outbound package tours. The 20 destination countries in this first phase include Malaysia, Thailand, Vietnam, Singapore, New Zealand, and the Maldives.

Juwai IQI Co-Founder and Group CEO Kashif Ansari said that one popular package on the current offer is a six-day tour of Thailand that combines property buying and tourism.

"This trip includes 5-star hotel stays," he said, "visits to popular sites such as the Grand Palace, a cabaret show, and delicious Thai cuisine.

"This trip also includes two full days of property tours.

"The top destinations for Chinese real estate buyers, according to Juwai IQI full-year 2022 data, are Australia, Canada, the United States, Thailand, and the United Kingdom. During the pandemic, Thailand fell from first to fourth, ranked as the top English-language education destination, and Australia and the USA rose to the top.

"In the United States, the dollar value of Chinese residential property investment jumped 27% in 2022. If we see that kind of rapid growth this year, Chinese buyers will spend US$7.7 billion on U.S. residential property in 2023.

"In Australia, Chinese residential property investment in 2023 will likely climb well above last year's US$2.4 billion.

IQI Moments

We at **Juwai IQI** wish all our Muslim friends, warriors and families
a **Happy Ramadhan**.
May this holy month bring you all an **abundance of blessings!**