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MONTHLY Newsletter

OCT 2023

HIGHLIGHTS

AUSTRALIA

%. Over the past year, interest rates have risen by 4 percentage points.

VIETNAM

The Vietnamese real estate market is bouncing back thanks to fiscal and monetary loosening.

CANADA

Greater Toronto Area REALTORS® reported 5,294 sales in August 2023 – down by 5.2 per cent compared to August 2022.

DUBAI

The Dubai real estate market continued its record-breakin g performance during August 2023.

INDIA

The real estate sector is experiencing a surge in optimism, marked by the introduction of new projects.

In its recent meeting, the Board maintained the cash rate target at 4.1%. Over the past year, interest rates have risen by 4 percentage points, aiming to establish a more sustainable equilibrium between supply and demand in the economy. Given the ongoing uncertainty in the economic outlook, the Board opted to keep interest rates unchanged this month. This decision allows for a continued assessment of the effects of the recent interest rate hikes and their impact on the economy.

Although inflation in Australia has already peaked, the July Consumer Price Index (CPI) data indicated a further decrease. Nevertheless, inflation remains elevated, particularly in the prices of various services and rents. The central forecast anticipates a continued decline in CPI inflation, with a return to the target range of 2-3 per cent expected by late 2025. This indicates the central bank's commitment to managing inflation and fostering economic stability in the face of evolving economic conditions.

In August, CoreLogic's national Home Value Index (HVI) continued its upward trajectory, marking a sixth consecutive monthly rise of 0.8%. This slight acceleration in monthly gains interrupted a two-month trend of slowing capital gains, with the national HVI increasing by 4.9% since its low point in February, adding approximately $34,301 to the median dwelling value.

The housing market recovery shows regional diversity, with Sydney leading with an 8.8% gain since January and Brisbane posting a substantial 6.2% increase since February. Conversely, some capital cities like Hobart have remained flat, with unchanged values since April, and the ACT experiencing only a mild 1.0% rise since April. Hobart and the ACT are the only cities with advertised supply exceeding the previous year, indicating a rebalancing between buyers and sellers contributing to stability. CoreLogic's Tim Lawless highlights the varied dynamics in the housing market, with some cities in robust recovery and others relatively stagnant, influenced by supply and demand factors.

In August, Perth's median rent prices reached new highs, with the median dwelling rent increasing from $550 to $575 per week, reflecting rising rents for both houses and units, which now stand at $600 and $550 per week, respectively. According to REIWA CEO Cath Hart, these changes are driven by solid demand, causing rental listings to drop below 1,700, the lowest over a decade. Despite some earlier signs of improvement, supply struggles to keep pace with demand, and the vacancy rate is expected to tighten further by the end of the year, especially with increasing interest from Eastern States buyers and growing construction completions in the market.

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 31 August, 2023	Change in dwelling values				
	Month	Quarter	Annual	Total return	Median value
Sydney	1.1%	3.8%	1.2%	4.5%	$1,098,821
Melbourne	0.5%	1.6%	-2.3%	0.9%	$768,216
Brisbane	1.5%	4.2%	-3.0%	1.4%	$747,626
Adelaide	1.1%	3.4%	2.2%	6.2%	$682,642
Perth	0.9%	2.9%	4.5%	9.5%	$607,083
Hobart	-0.1%	-0.5%	-10.0%	-6.0%	$657,487
Darwin	0.8%	1.6%	-1.3%	4.3%	$496,136
Canberra	0.3%	0.5%	-5.9%	-2.2%	$830,875
Combined capitals	**1.0%**	**3.1%**	**-0.1%**	**3.6%**	**$804,152**
Combined regional	**0.1%**	**0.8%**	**-4.0%**	**0.3%**	**$588,841**
National	**0.8%**	**2.5%**	**-1.1%**	**2.8%**	**$732,886**

NIKOS PRATIKAKIS
Country Head of Greece

Apartment prices continue to advance.

The dynamics of the real estate market in Greece have remained strong over the last three years for residential properties and resilient for commercial properties despite the negative impact of the pandemic and the energy crisis leading to a slowdown in European economies.

In Greece, the evolution of the residential real estate market is tightly linked with the demand for tourism-related investments. In the second quarter of 2023, the annual rate of change in the country's apartment prices stood at 13.9%.

Broken by the age of property, the annual rate of change in prices of new apartments was 13.8% and of old apartments 14.1%. By region, the annual rate of change in prices of apartments was 14.1% in Athens, 16.4% in Thessaloniki, 14.6% in other cities and 12.1% in other areas of Greece.

Table 1: Real Estate Indices of Apartment Prices

INDICES OF APARTMENT PRICES [1]

	2021	2022*	2022* Q2	2022* Q3*	2022* Q4*	2023* Q1*	2023* Q2*
I. TOTAL							
Price index (2007=100)	72.4	81.0	79.5	83.0	84.7	88.3	90.6
(%) change over previous year	7.6	11.8	10.8	12.6	13.8	15.0	13.9
II. BY AGE							
1. New (up to 5 years old)							
Price index (2007=100)	75.7	85.1	83.6	86.9	88.8	91.8	95.1
(%) change over previous year	8.2	12.4	11.9	13.4	13.2	13.4	13.8
2. Old (over 5 years old)							
Price index (2007=100)	70.4	78.4	76.9	80.5	82.1	86.2	87.8
(%) change over previous year	7.2	11.4	10.1	12.0	14.1	16.2	14.1
III. BY GEOGRAPHICAL AREA							
1. Athens							
Price index (2007=100)	75.6	86.0	84.1	88.0	91.0	94.6	96.0
(%) change over previous year	9.7	13.8	12.5	14.4	16.5	16.9	14.1
2. Thessaloniki							
Price index (2007=100)	66.5	74.9	73.2	76.7	78.8	82.5	85.2
(%) change over previous year	7.5	12.6	11.4	12.9	15.9	16.8	16.4
3. Other cities							
Price index (2007=100)	68.3	75.7	74.7	77.5	78.8	82.0	85.7
(%) change over previous year	5.8	10.9	10.4	11.1	12.4	13.9	14.6
4. Other areas of Greece							
Price index (2007=100)	72.4	78.3	77.2	80.6	79.8	84.1	86.5
(%) change over previous year	4.9	8.1	7.2	9.7	8.3	11.4	12.1
5. Urban areas (total)							
Price index (1997=100)	185.0	207.7	203.3	212.8	218.4	226.5	232.1
(%) change over previous year	8.0	12.3	11.0	12.8	14.7	15.3	14.1

[1] Any differences between levels and percentage changes in the table are due to rounding.

* Provisional data.

Source: Bank of Greece.

According to provisional data, apartment prices (in nominal terms) are estimated to have increased on average by 13.9% year-on-year in the second quarter of 2023. In 2022, apartment prices increased at an average annual rate of 11.8% (revised data), compared with an average increase of 7.6% in 2021. More specifically, in the second quarter of 2023, the year-on-year rate of increase in prices was 13.8% for new apartments (up to 5 years old) and 14.1% for old apartments (over 5 years old).

According to revised data, in 2022, prices of new apartments increased on average by 12.4%, against an increase of 8.2% in 2021, whereas prices of old apartments increased by 11.4% in 2022, against an increase of 7.2% in 2021.

For 2022, as a whole, prices increased on average by 13.8%, 12.6%, 10.9% and 8.1%, respectively, in the areas mentioned above (revised data). Finally, as regards all urban areas of the country, in the second quarter of 2023, apartment prices increased on average by 14.1% year-on-year compared to the second quarter of 2022, while for 2022, they increased at an average annual rate of 12.3% (revised data).

According to the European Commission's monthly survey, the construction sector's business expectations for price developments remained positive in the second quarter of 2023. The prospects of the Greek real estate market remain positive, as they are enhanced in the short term through incentives included in the 2023 budget, such as the provision of subsidies for renovation and energy-saving housing and the low-interest loan programme for young people and young couples up to 39 years of age.

Global Macro-Economic Outlook 2023

Economic Growth Goes in Abeyance for Advanced Economies

Economic growth is under pressure as confidence erodes and consumption patterns are weak. Delivering economic outcomes amid unpredictable risks hurting the global economy is getting accurate and deep into the financial market. The expected argument of the inevitable American recession - the result of rising interest rates - peppered conversations across the financial world. Inflation remains pugnacious, and many advanced economies are having sub-par growth. There is a growing discourse that the Federal Reserve is at least slowing the pace of interest-rate rises; talk is instead of a "Goldilocks" situation: an economy that is neither too hot [with surging inflation] nor too cold [with unpleasantly high unemployment] according to Economist magazine. The yield on American government bonds has ticked ever higher. The yield on ten-year Treasuries is now 4.28% [as of Sept 7/2023], up from 3.8% at the beginning of the year. Real yields, adjusted for inflation expectations, are at their highest since 2009. A Goldilocks outcome for some is a bearish nightmare for others. If Treasury yields stay high, separating the two realities could become increasingly complex.

We are IQI Global and follow the debt market like most investment bankers to keep our valued, sophisticated, and intelligent investors informed about what is coming. The debt market impacts all asset classes and provides forward guidance in

1. **Mortgage rates / Real estate prices**
2. **Monetary policy**
3. **Recession outlook**
4. **Commodities market outlook**
5. **Equities Outlook**
6. **Inflation outlook**

Equity Market in Turmoil in August - 2023

The market seemed ahead of itself these last couple of months. It was due for a slowdown. "It has still been an incredible year, even with the week we have had." On the other hand, he said bond yields may have room yet to rise, reasoning that they tend to peak just before the Federal Reserve reaches the end of rate-hike cycles. "The Fed is sending an apparent signal that we cannot assume they are done," according to Wall Street Journal.

Mountains of money moving out of stocks and into bonds is one way that investors expect higher interest rates to eventually end the rally in stocks that has sent the **S&P 500 14% higher this year and the Nasdaq up to 27%**. The other threat comes from higher borrowing costs eroding consumers' spending power and corporate earnings.

Key Questions from Investors

The burning questions from global investors

1. Are we heading back to 1929-1932, when the stock market fell 82% in three years? On October 18-19 /1929, Dow Jones fell 23% in 2 days.
2. What will be the epitaph?

History of Stock Market

Markets have taken massive correction in the last 92 years.

Year Equity Market Down

1. **1931 34%**
2. **1937. 31%**
3. **1974. 25%**
4. **2002. 26%**
5. **2008. 31%**

Juwai IQI

SHAN SAEED
Chief Economist

Europe’s Economy Looks to be Heading for Trouble

High inflation, policy errors, low productivity and high energy costs will drag the European economy down for 3-5 years. Economic repression. It is like an economic malaise with no quick recovery in the foreseeable future. Will policymakers lift the interest rates?

According to the Economist magazine.
Extremes also plagued the continent's economy. Inflation remained hot: prices rose by 5.3% in August compared with a year earlier. Moreover, officials are increasingly worried about the cloudy growth outlook. A recent drop in the purchasing managers' index (PMI) suggests the bloc is facing a recession. Christine Lagarde, the central bank's President, recently reiterated her commitment to bringing down inflation and setting interest rates at "sufficiently restrictive levels for as long as necessary to achieve a timely return of inflation to our 2% medium-term target". In plain English, the ECB would prefer a "hard landing" featuring economic pain rather than failing to reduce price rises.

BRICS is Gathering Global Momentum. A New Alternative to the US Dollar?

On August 24, 2023, BRICS announced it would formally accept six new members at the start of 2024: **Saudi Arabia, Iran, Ethiopia, Egypt, Argentina, and the United Arab Emirates (UAE)**. BRICS contribution to the global economy

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Share of Global GDP
Because most of the new BRICS members are developing economies, their addition to the group will not significantly impact its overall share of GDP. The original six BRICS members are expected to have a combined GDP of $27.6 trillion in 2023, representing 26.3% of the global total. With the new members included, the expected GDP climbs slightly to $30.8 trillion, enough for a 29.3% global share.

Share of Global Population
BRICS has always represented a significant chunk of the global population thanks to China and India, which are the only countries with over 1 billion people. Ethiopia (126.5 million) and Egypt (112.7 million) are the two most significant populations being added to BRICS. As many more countries have expressed their desire to join, BRICS could eventually surpass 50% of the global population.

Share of Oil Production
Although the world is trying to move away from fossil fuels, the global oil market is still huge — and BRICS is set to play a much more significant role in it. This is primarily due to the admission of Saudi Arabia, which alone accounts for 12.9% of global oil production.

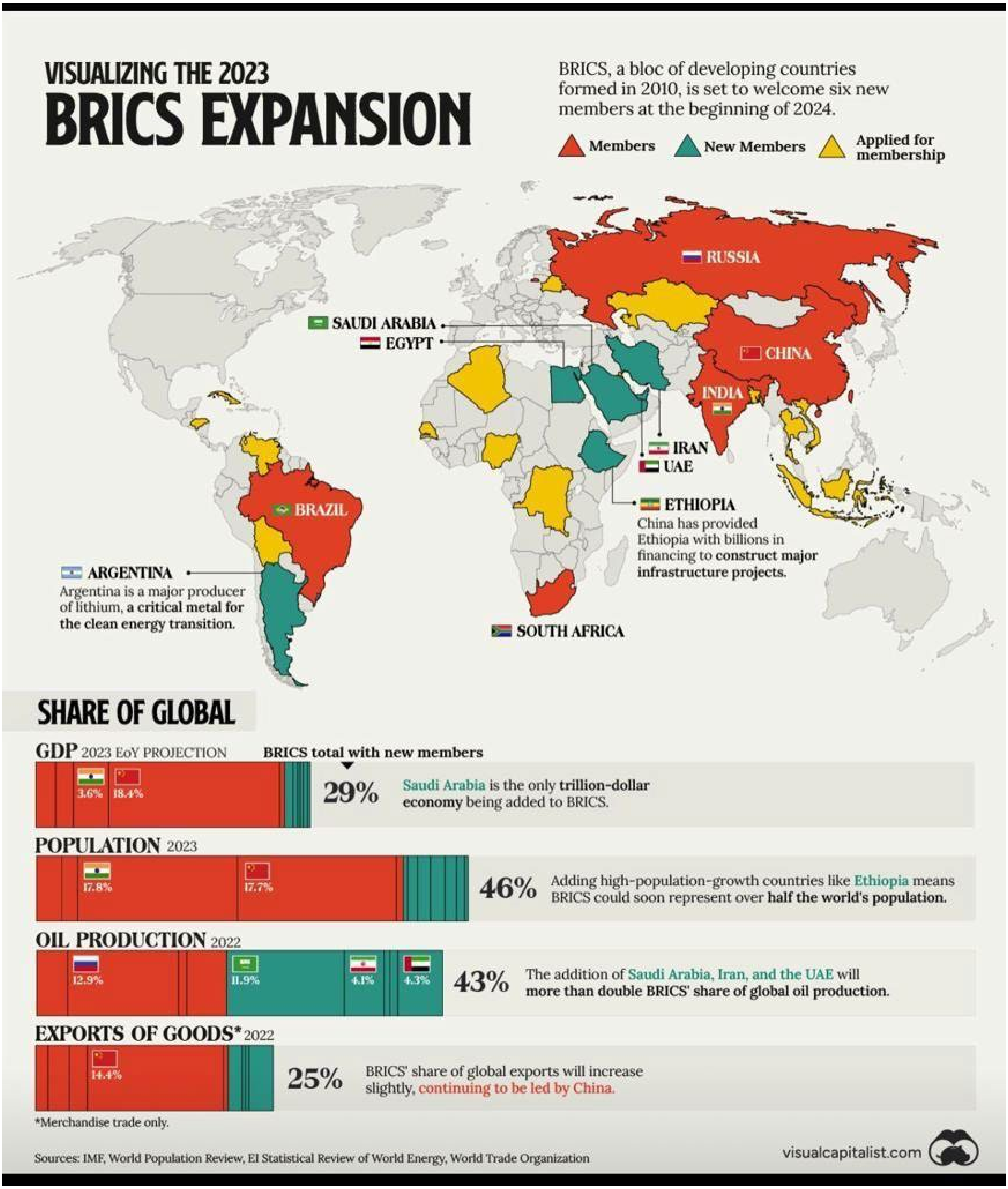
Based on 2022 figures from the Energy Institute Statistical Review of World Energy, BRICS' share of oil production will grow from 20.4% to 43.1%.

It is worth noting that China has been pushing for oil trade to be denominated in yuan and that Saudi Arabia's acceptance into BRICS could bolster this ambition, potentially shifting the dynamics of global oil trade.

Share of Global Exports
We can see that the BRICS expansion will grow the group's share of global exports (merchandise trade) to 25.1%, up from 20.2%. Unsurprisingly, China is the world's largest exporter. Major exporters that are not a part of BRICS include the U.S. (8.3%), Germany (6.6%), the Netherlands (3.9%), and Japan (3.0%).

Juwai IQI

SHAN SAEED
Chief Economist



Source: The Wall Street Journal, Financial Times, The Economist

VIETNAM

DUSTIN TRUNG NGUYEN

Country Head of Vietnam

The Vietnamese real estate market has overcome its most difficult period and is bouncing back thanks to fiscal and monetary loosening that has yielded positive effects.

The Vietnamese property market has been in a slump over the past year but has recovered 20-30% compared to its heyday in 2021.

The factors behind this recovery include an economic rebound in Vietnam and worldwide, easing inflation, lowering interest rates following the central bank's four consecutive cuts, the gradual removal of legal troubles, accelerated public investment, and incentives adopted by the government to support businesses.

Forecasts by international institutions put Vietnam's economic growth at 5-5.5% for this year and 6.5% next year. Inflation is no longer a concern in Vietnam as it will likely be tamed at 4% in 2023 and 2024.

In the second quarter, several developers recorded better sales with around 3,700 successful transactions, more than three times the figure in early 2023.

The government's scheme to build over one million low-end homes is providing support for the market, with over 400 affordable housing projects kicking off since late 2022, Thinh said.

A Real Estate Research Institute report has forecast a V-shaped recovery of the local real estate market from Q2/2024. Condo supply is expected to increase 20-25% annually in the 2024-2026. The supply of this segment in Hanoi and Ho Chi Minh City, the two largest cities in the country, is estimated to increase to 70,000-85,000 a year in the same period.

Exploring the Diverse World of Real Estate Investments

Introduction

When it comes to real estate investing, most people immediately think of purchasing their own homes. However, the world of real estate investments extends far beyond personal residences. Over the past half-century, real estate has become a popular and potentially lucrative asset class for individual investors. This month, we will delve into the various types of real estate investments and explore why individuals are drawn to this dynamic market.

Real Estate: An Attractive Asset Class

Real estate is considered a distinct asset class and plays a crucial role in building a well-diversified investment portfolio. Its appeal lies in its potential for both income generation and long-term appreciation. Let us look at the different avenues individuals can invest in real estate.

Rental Properties

Becoming a landlord of rental properties is a common entry point into real estate investment. This option involves purchasing residential or commercial properties to lease to tenants. While it can provide a steady income stream, being a landlord comes with responsibilities like property maintenance, tenant management, and financial obligations.

Rental income and property appreciation are the two primary ways landlords make money. Charging appropriate rent that covers expenses and yields a profit is crucial, and property appreciation can further enhance returns. However, it is essential to recognize that real estate markets can be subject to fluctuations, as exemplified by the recent volatility during the COVID-19 pandemic.

House Flipping

House flipping is a strategy where investors purchase undervalued properties, renovate them, and aim to sell them quickly at a profit. This approach requires a keen eye for identifying properties with potential value appreciation through renovations or market trends. Flippers must manage the risk of being unable to sell at a profitable price, as they often lack the liquidity to hold properties for extended periods.

Flippers can choose between two main approaches: repair and update or hold and resell. Both entail their unique sets of challenges and opportunities.

Real Estate Investment Trusts (REITs)

Real Estate Investment Trusts (REITs) offer a way to invest in real estate without directly owning, operating, or financing properties. REITs are publicly traded entities pool investors' money to acquire and manage income-producing properties. They must distribute 90% of their taxable profits as dividends to shareholders, making them attractive for income-focused investors.

REITs cover many properties, including malls, healthcare facilities, mortgages, and office buildings. Their liquidity, regular income distributions, and potential for capital appreciation make them an accessible option for real estate investment.

Real Estate Investment Groups (REIGs)

Real Estate Investment Groups (REIGs) function like small mutual funds for rental properties. In this model, a company purchases or constructs a set of properties, allowing investors to buy individual units. The company manages all aspects of the properties, including maintenance, advertising, and tenant management. Investors typically receive a portion of the rental income even if their units are vacant.

DANTE AZARMI
Head of Business Development

The quality of a REIG depends on the managing company, and investors should conduct thorough research before participating. REIGs provide a convenient way to own rental properties without the direct hassles of being a landlord.

Real Estate Limited Partnerships (RELPs)
Real Estate Limited Partnerships (RELPs) are similar to REIGs in that they buy and manage a portfolio of properties. However, RELPs exist for a finite duration, and they are structured with a general partner (often a property manager or real estate development firm) and limited partners who provide financing. Investors receive periodic distributions from property income, and the partnership dissolves upon property sales.

RELPs offer a potentially profitable way to invest in real estate with a predefined exit strategy.

Real Estate Mutual Funds
Real Estate Mutual Funds primarily invest in REITs and real estate operating companies. These funds provide investors diversified exposure to the real estate market, even with a relatively small investment. They offer the benefits of liquidity and access to professional research and analysis.

Investors can choose from various real estate mutual funds, allowing them to tailor their portfolios based on property types and regions.

Why Invest in Real Estate?

Real estate investments offer several compelling reasons for inclusion in an investment portfolio:

Diversification: Real estate's low correlation with other asset classes can reduce portfolio volatility and enhance risk-adjusted returns.

Inflation Hedge: Real estate values often rise with inflation, making it an effective hedge against eroding purchasing power.

Leverage: Real estate allows for leverage, enabling investors to control substantial assets with a relatively small initial investment.

Steady Income: Rental properties and REITs provide regular income streams, making them attractive for income-oriented investors.

Conclusion
Real estate investment is a multifaceted field that offers a range of opportunities for individuals seeking to diversify their portfolios and build wealth. Whether you prefer the stability of rental income, the potential for quick profits through flipping, or the convenience of REITs and mutual funds, real estate presents numerous avenues for investment. However, conducting thorough research, assessing risk tolerance, and carefully considering your investment goals before diving into real estate is crucial.

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Real Estate Sales to Foreigners and Tourism in Türkiye

Beyond being a country known for its history, culture and natural beauties, Türkiye has become a destination where foreigners are interested in moving, vacationing and investing. Especially in recent years, real estate sales in Türkiye have become an attractive option for foreign investors. August was a particularly active period for foreign investors this year as well. The most notable regions were İstanbul, Antalya and Mersin.

August 2023 was notable when housing sales to foreigners in Türkiye increased. According to Turkish Statistical Institute data, 3,058 real estates were sold to foreigners throughout Türkiye in this period. İstanbul ranked first in real estate sales to foreigners; Antalya and Mersin followed İstanbul. The nation that bought the most real estate in August was Russian citizens, as usual.

The increase in the number of tourists coming to Türkiye in August contributed to foreigners visiting Türkiye more and tending to buy property in this country. Türkiye, a country rich in sun, sea and history, attracts many tourists during summer. In August 2023, there was a significant increase in the number of tourists coming to Türkiye, primarily as the effects of the pandemic decreased. Türkiye's tourist regions have become particularly attractive for those considering investing in housing for foreign tourists. Tourists have started to look more favourably at owning a permanent home after having pleasant holiday experiences in these regions.

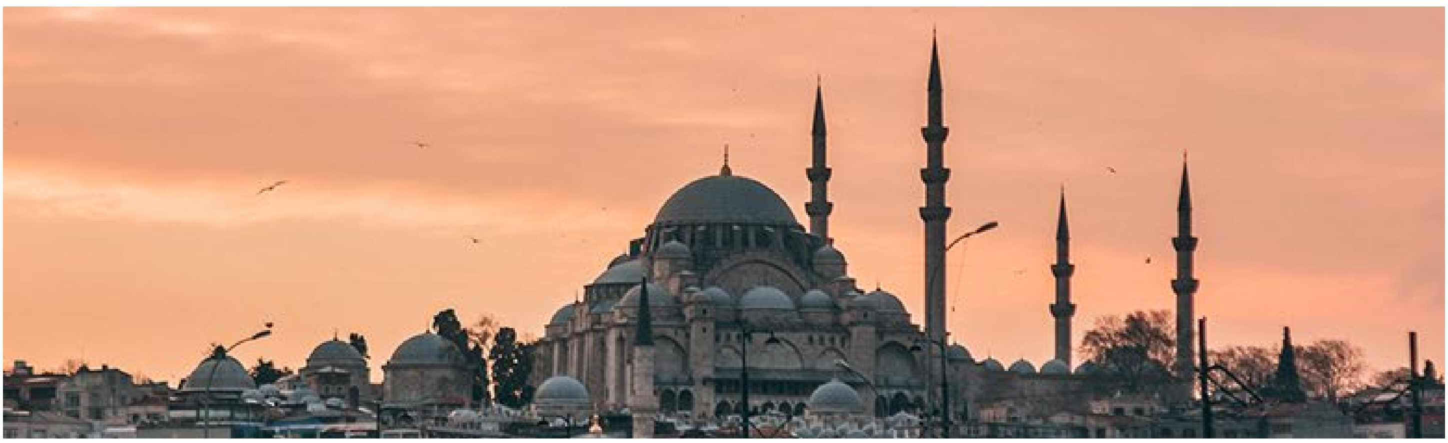
Looking at housing sales across Türkiye, big cities such as İstanbul, Antalya, and Mersin stand out. Several main factors make these regions attractive:

Touristic Attraction: İstanbul attracts tourists annually with its historical and cultural riches. Antalya and Mersin are famous for their magnificent coastal areas, sunny climate and natural beauties. Owning a house in these regions attracts the attention of both tourists and investors.

Accessibility: Cities such as İstanbul, Antalya and Mersin are accessible to foreign investors with international airports and well-developed transportation infrastructure.

Investment Potential: Türkiye's economic growth and developing real estate sector make it attractive to invest in housing in these regions. Additionally, Türkiye's housing loan opportunities are an attractive factor for foreign investors.

As a result, one of the main reasons behind the increase in housing sales in Türkiye in August is the increasing number of tourists and the attraction of investment opportunities in tourist areas. Regions such as İstanbul, Antalya and Mersin stand out, mainly due to their tourist attraction and investment potential. Türkiye still offers excellent potential for foreigners looking to purchase housing, and this trend is expected to continue.



Toronto

- Greater Toronto Area REALTORS® reported 5,294 sales in August 2023 – down by 5.2 per cent compared to August 2022. New listings were up by 16.2 per cent year-over-over, providing some relief on the supply front, but year-to-date listings are still down substantially compared to last year. Seasonally adjusted sales were down slightly by one per cent month-over-month compared to July 2023, while new listings were up slightly by 1.3 per cent compared to July.

- The MLS® Home Price Index Composite benchmark for August 2023 was up by 2.5 per cent year-over-year. The average selling price was also up, but by less than one per cent to $1,082,496 over the same timeframe. On a month-over-month seasonally adjusted basis, the MLS® HPI Composite benchmark was virtually unchanged, and the average price edged lower by 1.6 per cent.

Sales & Average Price by Major Home Type

	Sales			Average Price		
August 2023	416	905	Total	416	905	Total
Detached	451	1,813	2,264	$1,635,145	$1,361,943	$1,416,366
Semi-Detached	138	308	446	$1,235,723	$992,822	$1,067,980
Townhouse	208	728	936	$971,090	$925,718	$935,800
Condo Apt	1,086	523	1,609	$724,549	$666,167	$705,572
YoY % change	416	905	Total	416	905	Total
Detached	-11.2%	-12.2%	-12.0%	-0.8%	3.8%	2.8%
Semi-Detached	-12.7%	-15.2%	-14.4%	9.4%	5.4%	6.9%
Townhouse	15.6%	-2.9%	0.6%	6.2%	3.1%	3.9%
Condo Apt	6.5%	10.1%	7.6%	-1.8%	1.6%	-0.9%

Year-Over-Year Summary

	2023	2022	% Chg
Sales	5,294	5,584	-5.2%
New Listings	12,296	10,578	16.2%
Active Listings	15,497	13,304	16.5%
Average Price	$1,082,496	$1,079,048	0.3%
Avg. LDOM	20	22	-9.1%
Avg. PDOM	28	34	-17.6%

Vancouver

- The MLS® Home Price Index composite benchmark price for all residential properties in Metro Vancouver is currently $1,208,400. This represents a 2.5 per cent increase over August 2022 and a 0.2 per cent decrease compared to July 2023.

- The Real Estate Board of Greater Vancouver (REBGV) reports that residential home sales in the region totalled 2,296 in August 2023, a 21.4 per cent increase from the 1,892 sales recorded in August 2022. This was 13.8 per cent below the 10-year seasonal average (2,663)

- The total number of homes currently listed for sale on the MLS® system in Metro Vancouver is 10,082, a 0.2 per cent decrease compared to August 2022 (10,099). This was 13.4 per cent below the 10-year seasonal average (11,647).

Quebec

Province of Québec August 2023

Residential: Summary of Centris Activity

	August			Year-to-date		
	2023	2022	Variation	2023	2022	Variation
Total sales	5 970	5 878	⬆ 2%	54 201	64 862	⬇ -16%
Active listings	32 073	28 147	⬆ 14%	31 271	23 684	⬆ 32%
New listings	9 984	9 839	⬆ 1%	82 262	90 194	⬇ -9%
Sales volume	$2 844 425 588	$2 631 436 267	⬆ 8%	$25 088 683 235	$30 608 696 727	⬇ -18%

DUBAI

BILAL MOTI
Head of Middle East and North Africa

Dubai real estate market continued its record-breaking performance during August 2023. The Dubai Land Department has recorded more than 12,000 property transactions with a total sales transaction value of over AED 34 billion, an increase of 39% compared to August 2022. Dubai Sales transaction volume in August 2023 went up 8% compared to July 2023 and increased by 24% vs. August 2022.

Residential property average price in August 2023 has increased by 14% compared to July 2023. Dubai property average price per sq. ft. in August 2023 has increased by 22% compared to August last year.

On the mortgage side, we have witnessed a 58.8% increase in transactions compared to August 2022. The total transaction value reached over AED 10.5 billion, an increase of 10% compared to August last year.

Business Bay topped the performing areas with over 1,200 transactions. This is followed by MBR City, Jumeirah Village Circle, Dubai Marina and Al Barsha South Third.

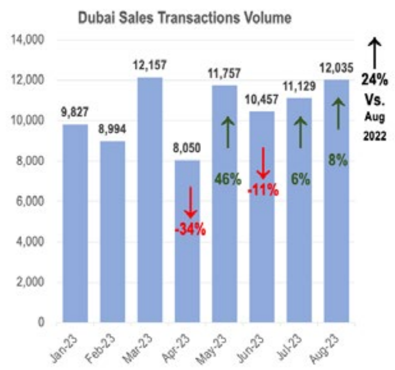
In Abu Dhabi, the total sales transaction volume in Q2 of 2023 has decreased by 2% compared to Q1 of 2022 and increased by 66% compared to Q2 of 2022. The total sales transactions value has decreased by 45% compared to Q1 of 2022 and increased by 69% compared to Q2 of 2022.

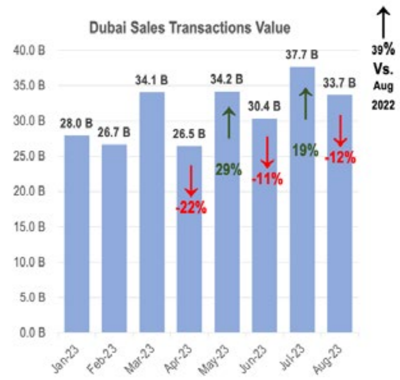
The Department of Land and Real Estate Regulation in Ajman witnessed a significant growth of 61.5% in real estate transactions compared to the same period in 2022, achieving AED 1.5 billion in sales transaction value.

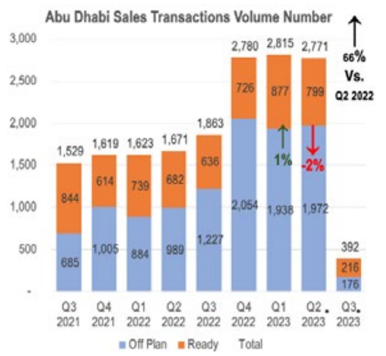
Sharjah Real Estate Registration Department recorded 2,783 real estate transactions totalling Dhs1.9 billion during July 2023.

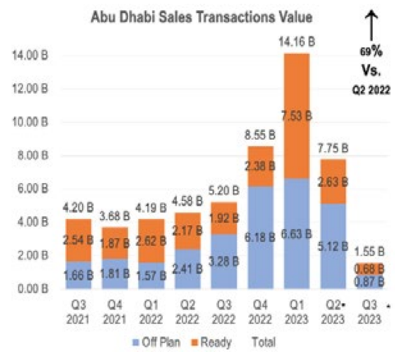
In Ras Al Khaimah, the Sales Price Index for residential apartments increased by 25.47% y-o-y, and the Rental Price Index increased by 6.01% y-o-y.

Given the increased transparency of the property market, we continue to envision the UAE real estate market prospering over the years









Navigating the Transformative Wave: Malaysia's Commercial Real Estate Market Outlook

Malaysia's commercial real estate market is poised for significant growth, with a surge in new supply expected in the coming years. This report provides an expert review of the market's current landscape and emerging trends, highlighting key developments and factors influencing its outlook.

Market Trends and Dynamics

- **Repurposing of Outdated Office Buildings**: A noteworthy trend is the transformation of outdated office buildings in prime locations into assets catering to the hospitality, healthcare, or education sectors. This adaptive reuse strategy is gaining traction.

- **Flight to Quality**: Tenants increasingly favour high-quality, environmentally sustainable office spaces contributing to a "live, work, play" ecosystem. Buildings meeting these criteria are expected to experience a surge in demand.

- **Tenant Demand**: The success of new office projects hinges on developers' ability to anticipate and meet potential tenants' demands accurately. Flexibility in lease terms, adaptable designs, and advanced sustainability features enhance the appeal of new office spaces.

- **Upcoming Developments**: Several vital developments are scheduled for completion in Greater Kuala Lumpur over the next two years, including Merdeka 118, PNB 1194, Aspire Tower, The MET Corporate Towers, Pavilion Damansara Heights Offices, Sunway V2 Tower, Oxley Towers: Signature Offices, and PHB Bangsar 61.

Market Trends and Dynamics

Recovery Outlook: Malaysia's commercial real estate market is showing signs of recovery, with expectations of a more pronounced rebound by 2024. Investors are increasingly exploring opportunities in manufacturing space and homes.

Supply and Demand

- **Office Space Supply**: The cumulative supply of office space in Klang Valley reached approximately 114.7 million sq ft as of the first half of 2023. This includes the completion of Sunway V2 Office Tower and Pavilion Damansara Heights Corporate Towers.
- **Upcoming Completions**: By the second half of 2023, five office buildings will be completed, adding around 3.5 million sq ft of space to Klang Valley's existing office stock.

Notable Office-Related Announcements

- **Sentral Real Estate Investment Trust (Sentral REIT)**: Plans to acquire Menara Celcom Digi in Petaling Jaya, offering significant gross floor area and leasing to Celcom Bhd.
- **Equatorial Plaza**: A 52-storey building in Kuala Lumpur, combining a 5-star hotel and Grade A office spaces, designed with energy efficiency.
- **The Ocean Cleanup**: Opened its first regional office in Malaysia, focusing on the Interceptor program in Southeast Asia.
- **Gerson Lehrman Group (GLG)**: Launched a new office in Malaysia to support its growing team and expand in the APAC region.
- **Xsolla**: Opened its most significant global office outside Los Angeles, targeting the local games market at The Vertical Corporate Towers in Bangsar.
- **MSMEs and Gig Workers**: Micro, small, and medium-sized businesses, along with gig workers and independent contractors, are increasingly opting for co-working spaces due to their flexibility.
- **Corporate Adoption**: Large corporations like DHL, Maybank, Alliance Bank, Sibelco, and others also embrace co-working spaces for their agility and cost-effectiveness.

Malaysia's commercial real estate market is witnessing a transformation driven by adaptive reuse, sustainability, and flexible workspaces. Developers need to align with these evolving trends to meet tenant demands effectively. While the market shows signs of recovery, investors are keenly exploring opportunities, making the outlook for Malaysia's commercial real estate sector promising in the years ahead.

PH Market Outlook- October 2023

1. Italpinas unit signs joint venture for P1.2-billion project in Cagayan De Oro

Italpinas Development Corp. (IDC) has signed a joint venture agreement with Ms. Gilda Go to develop a PHP1.2 billion (USD21.8 million) mixed-use project in Cagayan de Oro City. The 6,790-square meter (73,100-square feet) property is located along Rosario Limketkai Ave. in Brgy. Lapasan. According to IDC, "Ms Go will be entitled to 20% of the number of sellable units with a value not less than PHP100 million (USD1.8 million) at the pre-selling price, while IDC Prime will be entitled to the remaining 80% of the sellable units."

2. Vista Land to launch 50 new projects in H2

Vista Land and Lifescapes Inc. plans to launch at least 50 new residential projects across the Philippines in H2 2023, aligning with the firm's strategy to shift towards vertical developments. Vista Land chairman Manuel Villar Jr. is optimistic that demand for residential condominium projects will remain strong "given the growing population in the country and the fact that many Filipino families still do not have their own homes." Vista Land will also launch condominium projects within 3,500-hectare (8,600-acre) Villar City. The mixed-used estate covering 15 Metro Manila and Southern Luzon cities will feature residential, commercial and office components.

3. DoubleDragon's luxury serviced residences Ascott-DD Meridian Park to be operational by 2024

DoubleDragon Corp. (D.D.) has recently topped off Ascott-DD Meridian Park in the Bay Area, Pasay City. The project will offer more than 300 luxury serviced residences within the DoubleDragon Meridian Park complex and is scheduled to be operational by 2024. According to D.D., Ascott Ltd., a Singapore-based property company Capital Land subsidiary, will operate and manage Ascott-DD Meridian Park. The company also fully expects the 5-hectare (12.4-acre) DoubleDragon Meridian Park complex to develop by 2024.

4. NEDA: 12 big infra projects to end this year

The National Economic and Development Authority (NEDA) said that at least 12 flagship infrastructure projects will likely be completed in 2023. These include the C5 South Link Expressway, the Southeast Metro Manila Expressway, and the proposed Virology Science and Technology Institute of the Philippines. According to NEDA, 71 ongoing projects as of July 2023 are worth PHP4.1 trillion (USD74.5 billion). The three additional projects moved to the "ongoing" phase are the Metro Cebu Expressway, the Nautical Highway Network Improvement, and the Daang Maharlika Improvement projects. Of the 123 flagship projects, 27 have secured approval for immediate implementation, 8 await government approval, 52 are in the preparatory stages, and 36 are in the pre-project preparation phase as of July 2023.

THAILAND

SOMSAK CHUTISILP

Country Head of Thailand

Sales of new condo supply launched in Bangkok in Q2 remained low as buyers continued to opt for units ready to move in to avoid mortgage rejections.

This year, 70% of condo sales were completed units ready for transfer, a trend since the pandemic, with customers increasingly choosing to buy such units.

This market shift is due to customer concerns about mortgage loan approvals when purchasing presale condos, as there may be a risk of loan rejection when the units are ready for transfer.

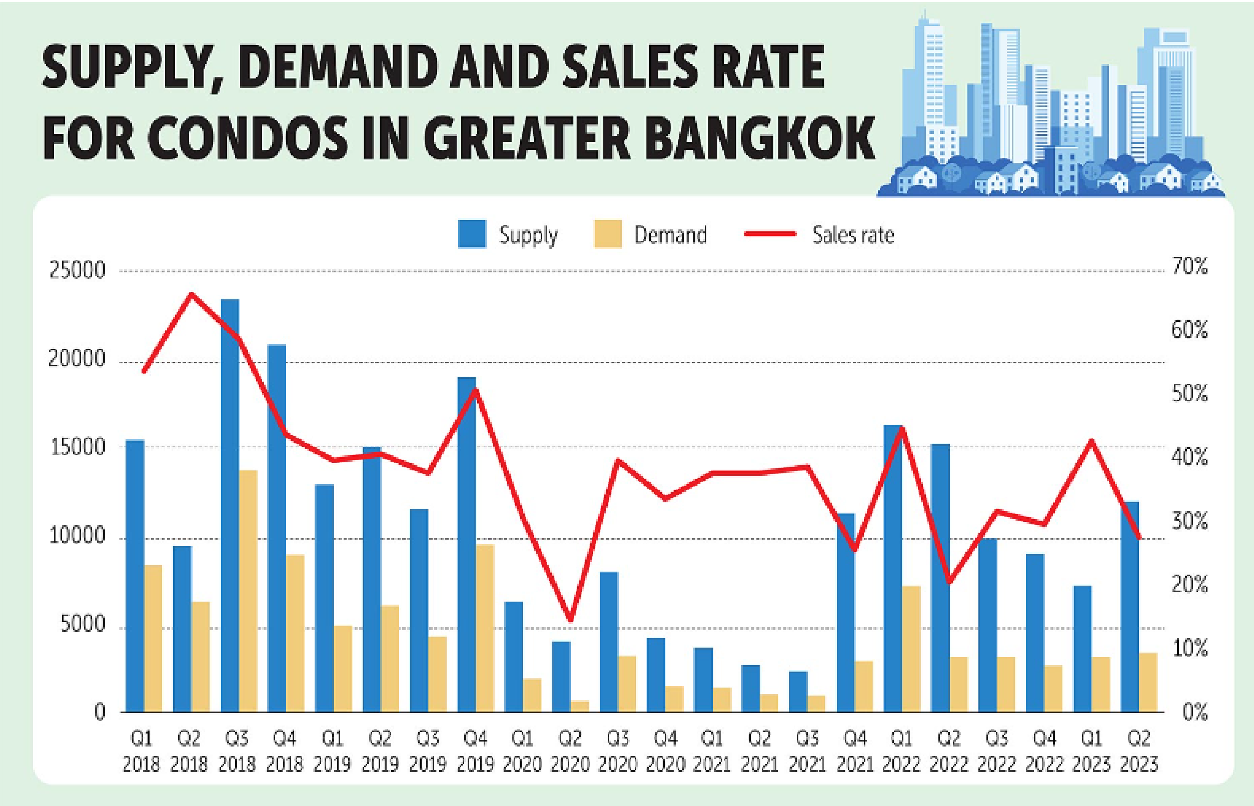
Last year, sales of ready-to-transfer units accounted for 80% of total condo sales, whereas it was only 20-30% before the pandemic.

In Q2'2023, the number of newly launched condos tallied 11,930 units, the largest since Q3'2022, a growth of 40% Q-O-Q and 21% Y-O-Y.

However, the sales rate in Q2'2023 shrank to 27% from 42% in Q1 as the number of units sold rose only 10% to 3,324 units.

As a result, the number of accumulated units remaining for sale in low-priced projects continued to increase. Since this group of buyers belongs to the middle-income category with limited liquidity, their loan applications incurred more risk of rejection.

Another reason contributing to lower sales of new condos was buyers pivoting to the second-hand condo market as those are located in sought-after locations along transit lines, with suitable unit sizes and competitive prices.



Source: Knight Frank Thailand

BANGKOK POST GRAPHICS

MANU BHAZIN
Country Head of India

Festive Season Fuels Demand for Homes: A Glimpse into India's Real Estate Outlook

In tandem with this celebratory period, the real estate sector is experiencing a surge in optimism, marked by the introduction new projects and more offerings. There is a noticeable uptick in demand for new homes, reaching unprecedented levels.

Realtors are poised for a lucrative season, bolstered by a significant influx of new launches, particularly in the mid and luxury segments.

The festivities commenced with Ganesh Chathurthi, setting the stage for heightened consumer activity. India is embracing a shopping spree, with sales anticipated to surge by 20%.

This surge in demand for new homes during the festival season is a testament to the cultural significance of homeownership in India.

Consistent Repo rates, an increasing rate of homeownership among millennials and an appraisal cycle aligning with the festive period are expected to provide a timely boost to residential sales figures in the upcoming months.

The convergence of favourable financial conditions and the festive spirit set the stage for a promising phase in the real estate market.

Rapid Growth in Fractional Real Estate Ownership Market

According to a recent report, the fractional Ownership of real estate is gradually gaining acceptance among investors, with assets under management (AUM) reaching Rs 4,000 crore. This investment model involves pooling funds into securities issued by a Special Purpose Vehicle (SPV) established by the fractional ownership platform.

The fractional ownership market in India, representing the total AUM managed by all such platforms, has seen a notable increase from Rs 1,500 crore in 2019 to Rs 4,000 crore in 2023. Projections suggest a robust annual growth rate of 25–30 per cent in AUM over the next 4-5 years.

By investing in securities issued by the SPV facilitated by these fractional ownership platforms, investors benefit from a structured framework that enables collective Ownership of real estate assets.

New home sales dipped last month as there were no major project launches. Although four new projects were launched for sale, none had more than 500 units. Moreover, some buyers stayed on the sidelines as the lunar seventh month started in mid-August, deemed an inauspicious period for purchasing big-ticket items.

According to data from the Urban Redevelopment Authority (URA), new home sales fell by 72.1 per cent to 394 units in August 2023 from more than a one-year high of 1,412 units in July 2023 (the previous high was in November 2021 with 1,547 units). On a year-on-year basis, last month's sales decreased by 10 per cent from 438 units in August 2022.

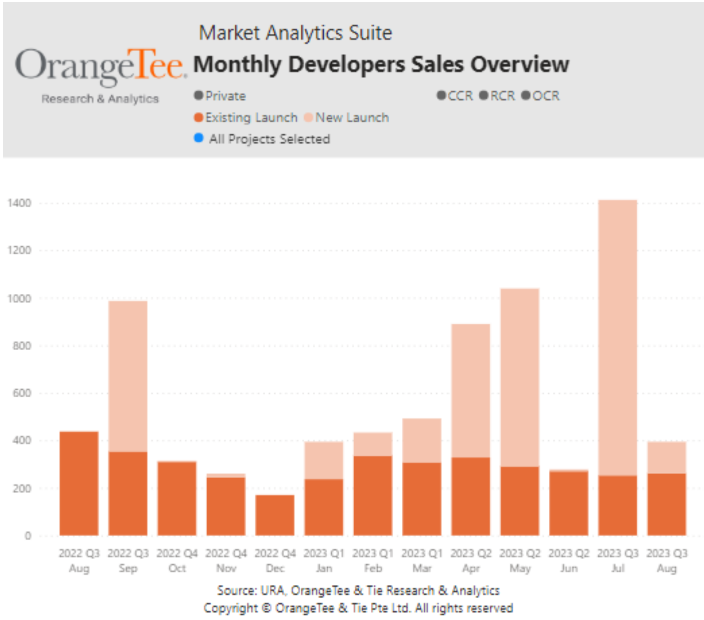
The new launches include suburban projects like The LakeGarden Residences and The Arden. Two other projects were launched, which include Orchard Sophia and TMW Maxwell. The best-selling projects in August 2023 were The LakeGarden Residences, Lentor Hills Residences, The Arden, Grand Dunman, Orchard Sophia, One Pearl Bank, The Myst and One Bernam.

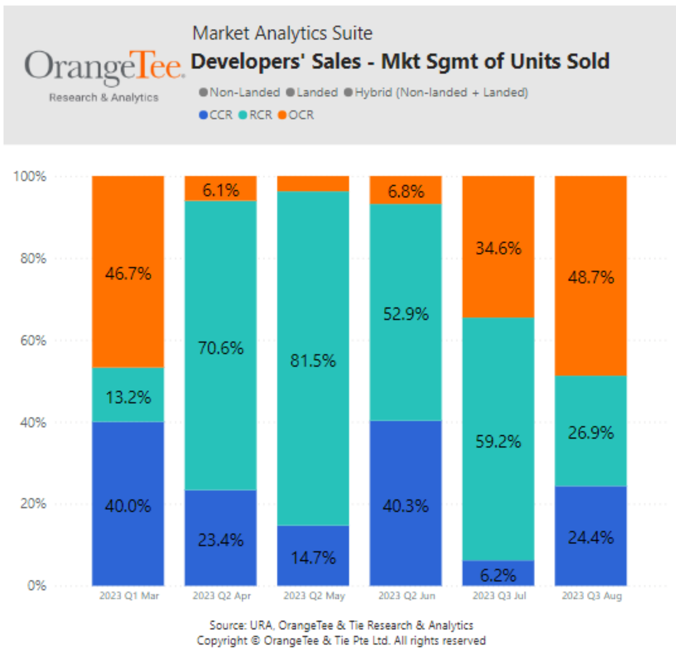
As last month's launches were predominantly from the suburbs, most of August's transactions were in the Outside of Central Region (OCR) at 48.7 per cent or 192 units. This was followed by the Rest of Central Region (RCR) at 26.9 per cent (106 units) and the Core Central Region (CCR) at 24.4 per cent (96 units).

At the upper end of the market, no new non-landed homes were sold above S$10 million last month. According to URA Realis data, seven new non-landed homes were sold for at least S$5 million. The priciest unit was a 2,788 sqft leasehold apartment at Canninghill Piers, which was transacted for S$8.616 million or S$3,091 psf. The remaining six non-landed homes were from Park Nova, The Continuum, The Reserve Residences, Midtown Modern, Klimt Cairnhill and Boulevard 88.

Some projects are slated for launch after the lunar seventh month. This may include the luxury Marina View Residences and the suburban Hillock Green project.

A high-profile project, J'den, may be launched by the end of this year. J'den is a mixed-use development by CapitaLand, located at the former Jcube. As the project is situated right at the heart of Jurong Lake District, which is the biggest commercial hub outside the Central Business District, the project is expected to draw strong buyer interest owing to its excellent investment potential.





Cambodia's Exports in 7 Months and New Investments from China

Cambodia's exports to the Member States of the Association of Southeast Asian Nations (ASEAN), which is the Regional Comprehensive Economic Partnership (RCEP), included Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand, Vietnam, have impressively surged, crossing the remarkable threshold of US$ 4.59 billion in the first seven months of 2023. This remarkable upswing reflects a robust 21% increase from 2022.

The trade figures were shown by H.E. Pan Sorasak, Minister of Commerce of the Royal Government of Cambodia (RGC), at the Inauguration Ceremony of the Book "Asip: Part 1: Political Geography, Economic Geography and Legal Analysis," at the Cambodia University of Technology and Science on August 19 2023.

H.E. Pan Sorasak, Minister of Commerce, perceptively highlighted Cambodia's steadfast commitment to regional and global economic integration ideals. This dedication has gained momentum since the nation's induction into the ASEAN fold in 1999. With commendable alacrity, Cambodia has actively championed the amplification of ASEAN markets and the consolidation of unified production bases, simultaneously bolstering the stature of ASEAN as an epicentre for thriving trade, strategic investment, and an integral player within the global supply chain.

With an impressive Gross Domestic Product (GDP) of USD 26.2 trillion, ASEAN enjoys influence as the world's premier trading bloc, commanding 30% of global GDP, 28% of international trade, and a formidable 32.5% of global investments.

The Kampong Speu province of Cambodia is a potential province suitable for investment in agriculture, animal husbandry, and especially opening factories.

On the Friday afternoon of September 4, 2023, H.E. Vei Samnang, Governor of Kampong Speu Province, led a delegation on a working visit to Henan Province, China, and met with Mr. Wang Guangguo, Executive Director of the Overseas Chinese Federation of Chinese Entrepreneurs. The working visit aimed to showcase Kampong Speu's economic potential, enticing investors to stimulate job creation by constructing additional provincial factories.

Mr. Wang Guangguo, Executive Director of the Henan Federation of Oversea Chinese Entrepreneurs, has pledged to encourage more than 50 enterprises to invest in Kampong Speu, focusing on agriculture, especially cattle and pigs, as well as the beef and pork processing industry.

During a working visit to Henan Province, H.E Vei Samnang visited the Center for Advanced Agricultural Technology Using Drones and Agricultural Machinery and a slaughterhouse that can process and package 4,000 to 5,000 animals in one day. He even went to the Jiu Duo Rou Duo food packaging factory, including raw food, cooked food, and pickles.

The Henan province is the fifth-largest provincial economy of China, and one of its agricultural powerhouses brings substantial expertise and investment clout to Cambodia's doorstep. This venture signals a promising economic future for the Kampong Speu province and a strengthening of bilateral relations between China and Cambodia.

This investment is not limited to Henan alone. By the close of 2023 or early 2024, Chinese investors from Guangdong and Guangzhou are poised to establish 25 additional factories in Kampong Speu, offering employment opportunities for approximately 23,000 local workers.

Portuguese President Vetoes "More Housing" Housing Measures

Marcelo Rebelo de Sousa, Portugal's President, has utilized his presidential veto authority to reject the government's "More Housing" housing measures. These initiatives aimed to tackle the housing crisis through alterations in rent regulations, short-term rentals (A.L.), management of vacant properties, and tax policies. Despite receiving approval from the Socialist Party-led government, President Marcelo voiced his disagreement and concerns about the effectiveness of these measures in increasing the housing supply.

While President Marcelo's veto temporarily obstructs the implementation of the "More Housing" measures, it does not represent the final verdict. Portugal's semi-presidential system allows Parliament to confirm a bill the President has rejected. With the Socialist Party holding a majority in Parliament, they intend to pursue this route after the summer recess, potentially overriding the President's veto and proceeding with the housing measures.

Portugal Faces Potential Rent Increases of 6.94% in 2024 Amid Calls for Government Intervention.

In 2024, Portugal faces potential rent increases of 6.94%, aligning with the past year's average inflation rate, as the National Institute of Statistics (INE) reported. This data serves as the basis for next year's rent adjustments, hinting at possible heightened tenant expenses. While property owners anticipate government intervention, tenants advocate for restraint in rent hikes, emphasizing the affordability crisis, with rent burdens already exceeding 50% on average.

Prime Minister António Costa's government is actively exploring measures to control rising rents, with plans to collaborate with property owners and tenants' associations. Costa aims to determine rental rates that align closely with families' financial capacities while adhering to legal provisions. He expresses concerns about the potential for significant rent surges due to persistent inflationary pressures, underlining the need to establish rental values that avoid creating substantial disparities.

Costa emphasizes the importance of a "balanced solution" to maintain a stable rental market, encouraging property owners to continue renting their properties while averting scenarios that could lead to social disruptions.

Record High Property Assessment Values in Portugal - July 2023

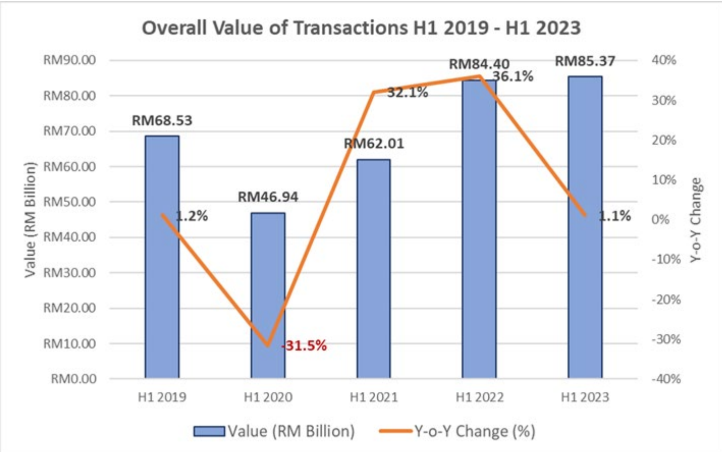
In July, the median value at which banks assessed homes in Portugal reached a new record of 1,525 euros per square meter (m^2), up seven euros from June, according to the National Institute of Statistics (INE). This represents a 7.6% increase compared to July 2022 and a 0.5% rise from the previous month. The growth in bank property assessments had previously shown double-digit year-on-year increases. Still, in July, it was influenced by the 25,000 bank assessments conducted, an increase of 8.1% from June but a 13.1% drop from July of the previous year.

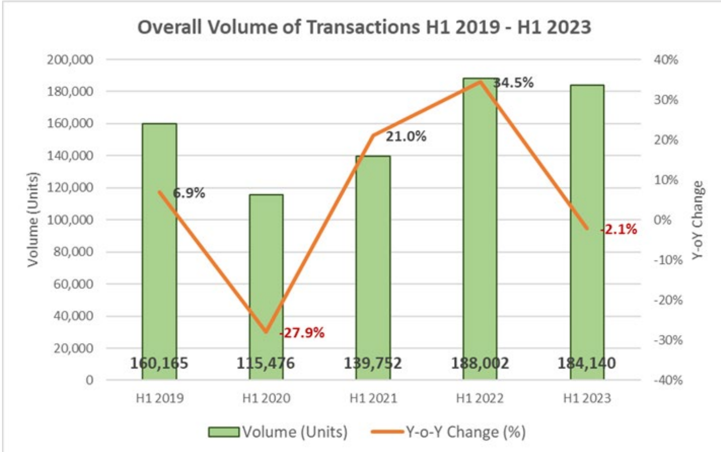
Madeira is one of the regions with values above the national median (8.3% above). Above-average values are also found in the Algarve (42.7%), the Lisbon Metropolitan Area (33.9%), and the Coastal Alentejo (3.7%). Meanwhile, the Beira Baixa, Upper Alentejo, and Upper Tâmega regions had the lowest values compared to the national median (-47.5%, -47.3%, and -46.6%, respectively), as noted by INE.

Regarding property type, apartments have the highest per sqm value (1,698 euros, up 7.8% year-on-year), while houses were assessed at 1,184 euros per sqm, a 4.9% increase from July of the previous year.

Malaysia Property Market Activity (H1 2023): The Overview

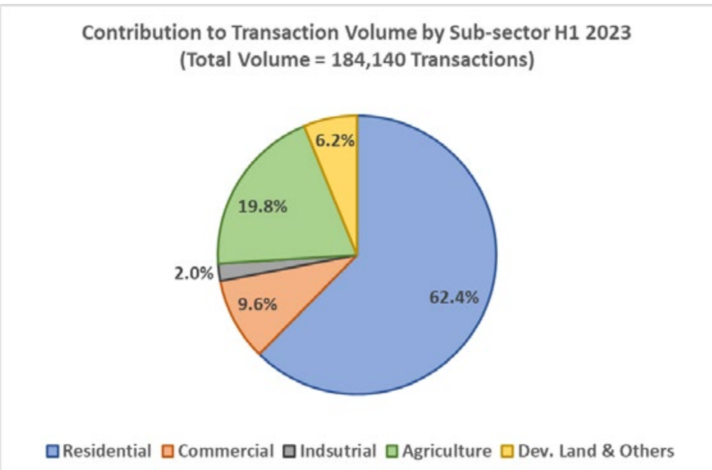
In the first half of 2023, Malaysia's property market has taken a step back and recorded a total of 184,140 transactions, a slight decline of 2.1%, but inched upwards in value by 1.1%, having a total of RM85.37 billion from the previous year. Despite the challenges posed by the pandemic and the rising interest rates, Malaysia's property market is still relatively strong. With this trend in play, it shows that Malaysia's property market is becoming more global and selective.

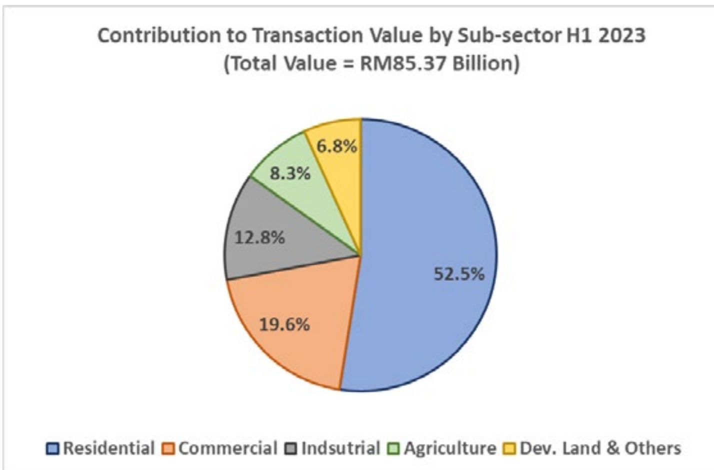




The residential sub-sector contributed the most to the overall property market in terms of both volume and value transactions, accounting for 62.4% of volume and 52.5% of value. The agriculture sub-sector was the second-largest contributor to transaction volume, with a share of 19.8%, followed by commercial (9.6%), development land and others (6.2%) and industrial (2.0%).

However, the commercial sub-sector was the second-largest contributor to transaction value, accounting for 19.6%, followed by the industrial sub-sector (12.8%), agriculture sub-sector (8.3%), and development land and others (6.8%).





Sub-sector	Transactions Volume H1 2022	Transactions Volume H1 2023
Residential	116,178	114,973
Commercial	**15,168**	**17,602**
Indsutrial	3,830	3,735
Agriculture	41,595	36,447
Dev. Land & Others	**11,231**	**11,383**

Considering the corresponding period in the previous year, the performance of the sectoral market activity has plateaued with residential and agriculture, including the industrial sub-sector experiencing a slowdown with a decline of 1%, 12.4% and 2.5%, respectively, from the previous year.

However, the commercial and development land sub-sectors showed signs of improvement, recording 17,602 and 11,383 transactions, respectively, an increase of 16% and 1.4% since the first half of 2022.

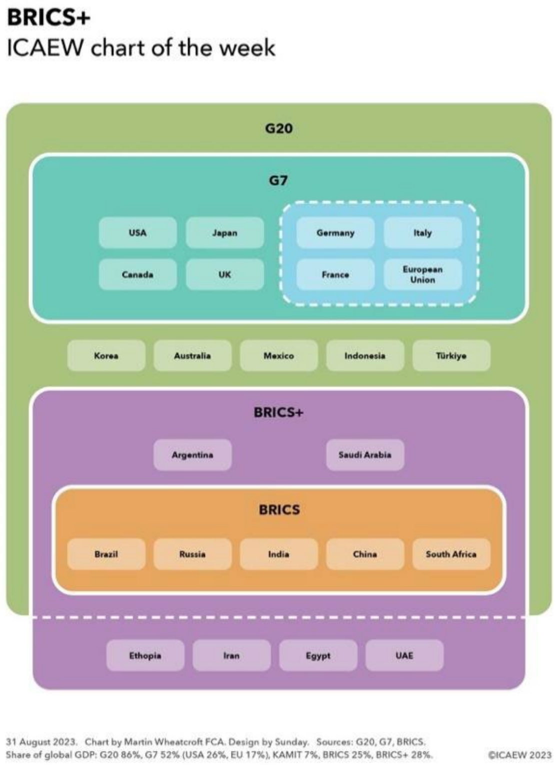
Sub-sector	Transactions Value (RM Billion) H1 2022	Transactions Value (RM Billion) H1 2023
Residential	RM45.62	RM44.78
Commercial	**RM14.02**	**RM16.76**
Indsutrial	**RM10.75**	**RM10.94**
Agriculture	RM8.58	RM7.06
Dev. Land & Others	**RM5.43**	**RM5.83**

In light of the value of the transaction, both sector – residential and agriculture sector also shows a slight decline, recording a difference of 1.8% and 17.7%, respectively, whereas commercial, industrial and the development land sub-sector has rebounded and showed an increase by 19.5% (RM2.74 billion), 1.8% (RM190 million) and 7.3% (RM400 million) correspondingly.

The different trends in the residential, agricultural, commercial, industrial, and development land sub-sectors suggest that the property market is becoming more diversified. While the residential and agricultural sectors are declining, the commercial, industrial, and development land sub-sectors are performing positively, suggesting that businesses are still investing and growing.

Juwai IQI
INSIGHT

Malaysia Could Get RM19 Billion Boost from BRICS Plus



Expanding the BRICS coalition of nations to create what is being called "BRICS Plus" allows Malaysia to benefit economically by leveraging its international relationships.

The media recently published related comments from Juwai IQI Co-Founder and Group CEO Kashif Ansari.

"The push to make BRICS Plus a counterweight to the G7 extends the global rivalry between China and the United States," he said.

"It gives Malaysia new opportunities to work with both sides to achieve its economic and policy goals.

"Let us assume for the sake of illustration that Malaysia can use the competition between these national groupings to increase its trade and FDI by 1%. That would be an additional 1%, above and beyond the contribution any other factors might make.

"If Malaysia can leverage the incredible power competition into benefits that boost GDP by 1%, that would add some RM19 billion (US$4.06 billion) to the economy. The World Bank put 2022 GDP at RM1.9 trillion (US$406.31 billion).

"A one per cent increase in GDP is a reasonable assumption. Remember that China's interest in good relations with Malaysia helped lead to Chinese commitments to invest RM 170 billion ($38.5 billion) when the Prime Minister travelled to China in March. That was before China committed its diplomatic prestige to turning BRICS Plus into a critical grouping.

"We can also look at bilateral trade agreements to provide context on the potential economic benefits Malaysia could obtain through negotiations with members of BRICS Plus and the G20. For example, Malaysia's agreement with Australia (MAFTA) has increased GDP by 0.2% per year above the baseline level.

"Our team at Juwai IQI ran these back-of-the-envelope numbers to highlight the scale of Malaysia's opportunity. One might conservatively expect Malaysia to be able to leverage the BRICS Plus – G7 competition to increase trade and foreign direct investment significantly. The result would be improvements in employment and the standard of living.

"A more robust economy and higher household income and employment will, over time, lead to a more stable housing market and higher homeownership rates."

IQI Moments

The festival celebrating reunions and togetherness is here again! Juwai IQI wishes you all a happy and enjoyable Mid-Autumn Moon Festival!

While immersing in the moonlight with your loved ones, let us not forget to send your good wishes and warmest greetings to your colleagues and partners worldwide.