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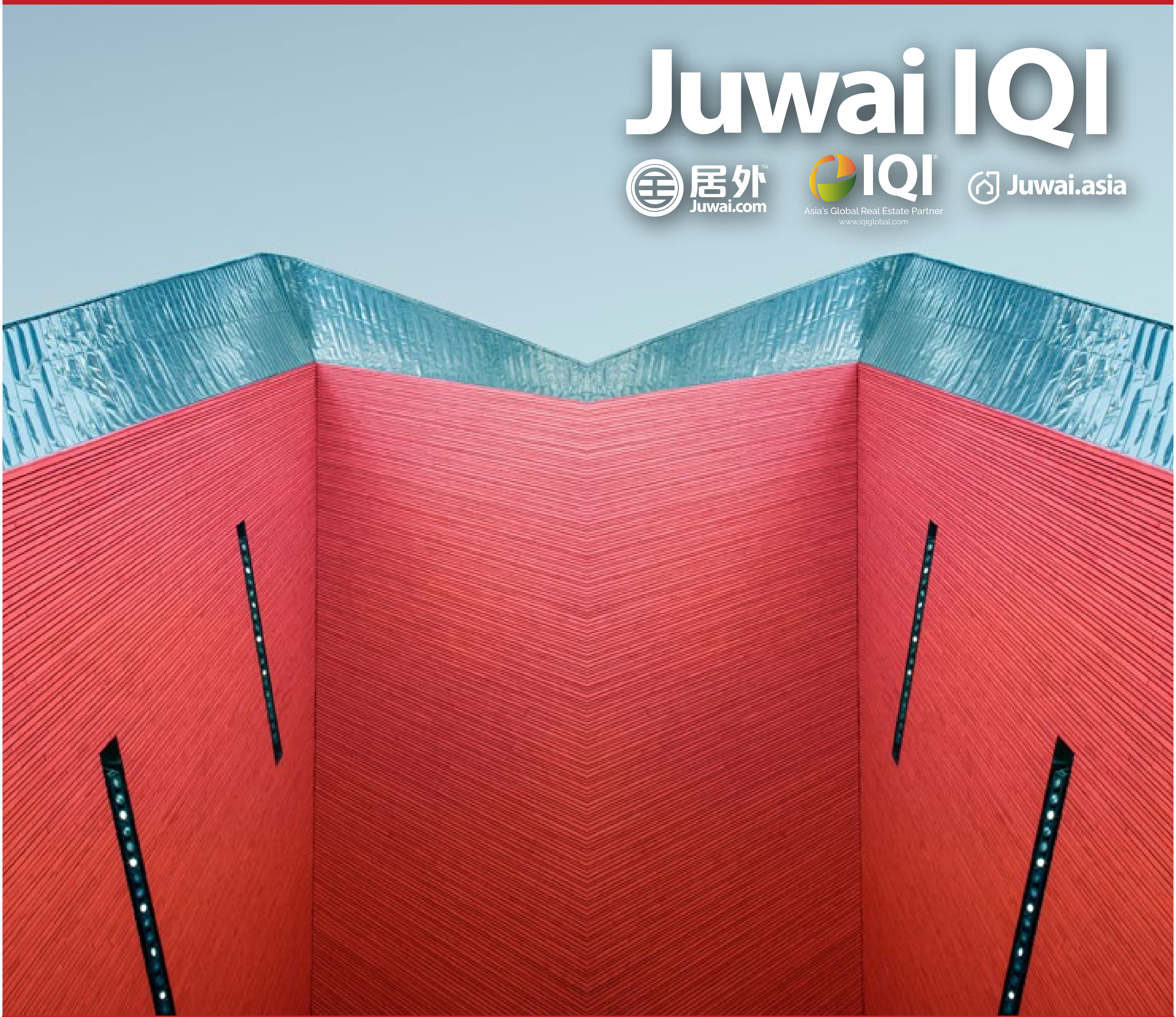
MONTHLY Newsletter

DEC 2023



HIGHLIGHTS

PORTUGAL

Portugal's residential property market struggles with multiple challenges, chiefly stock shortages and a persistent supply and-demand imbalance.

SINGAPORE

According to data from the Urban Redevelopment Authority (URA), developers sold 203 new homes in October, a 6.5% decline.

PHILIPPINES

Metro Manila's office vacancy rate marginally increased in Q3 2023 due to the completion of new office buildings.

DUBAI

The Dubai Land Department recorded 11,993 real estate transactions worth AED 39.0 billion in October 2023, a 46% increase.

GREECE

In the first half of 2023, foreign money inflows into Greek real estate rose to 1.1 billion euros, 39.5% higher than the previous year.

In October, Australia's CoreLogic national Home Value Index increased by 0.9%, picking up its pace compared to the 0.7% rise in September (revised down from 0.8%). Since reaching a low point in January, the national HVI has risen by 7.6%, bringing it very close to the historic high recorded in April of the previous year. CoreLogic's research director, Tim Lawless, expects the national HVI to reach a new record high in mid-November, recovering from the 7.5% drop in values observed between May 2022 and January 2023.

While housing values are consistently increasing in most capital cities, there has been a noticeable slowdown in the quarterly growth rate. From June 2023 to October, capital city home values rose by 2.6%, down from the 3.7% increase in the three months ending in June 2023. This deceleration is likely due to a combination of higher available homes for sale and stretched affordability.

Lawless also pointed out that an increase in new listings entering the market, coupled with high-interest rates and low buyer sentiment, could make it challenging for buyer demand to keep up, especially as we move through the spring season.

Dwelling values rose in all capital cities except Darwin (0.1%) during the month, with Perth (1.6%), Brisbane (1.4%), and Adelaide (1.3%) performing better than other capitals.

In October, houses in Perth were sold in a median time of just eight days, setting a new record and marking a significant increase in speed compared to the 15 days it took in October 2022. The CEO of REIWA, Cath Hart, attributes this rapid sales pace to the high demand for existing homes, creating what she calls a "perfect storm." This increased demand is driven by robust population growth, challenges in the rental market, and ongoing limitations in new construction.

Despite this strong growth in the housing market, Perth remains the second most affordable capital city in terms of dwelling values, with Darwin being the most affordable.

This is a good time for investors to enter the market. If you are looking to start your investment journey through IQI in Australia, please drop us an email on
sales@iqiwa.com.au.

Index results as at 31 October, 2023	Change in dwelling values				
	Month	Quarter	Annual	Total return	Median value
Sydney	0.8%	2.5%	9.0%	12.2%	$1,121,196
Melbourne	0.5%	1.2%	2.4%	5.7%	$778,541
Brisbane	1.4%	3.8%	7.8%	12.5%	$770,575
Adelaide	1.3%	4.2%	6.5%	10.7%	$700,024
Perth	1.6%	4.6%	10.8%	16.1%	$631,195
Hobart	0.8%	0.3%	-4.9%	-0.8%	$662,166
Darwin	-0.1%	0.3%	-1.7%	4.3%	$497,315
Canberra	0.1%	0.7%	-1.6%	2.4%	$842,722
Combined capitals	**0.9%**	**2.6%**	**6.8%**	**10.5%**	**$821,419**
Combined regional	**0.7%**	**1.5%**	**2.0%**	**6.5%**	**$595,940**
National	**0.9%**	**2.3%**	**5.6%**	**9.6%**	**$747,424**

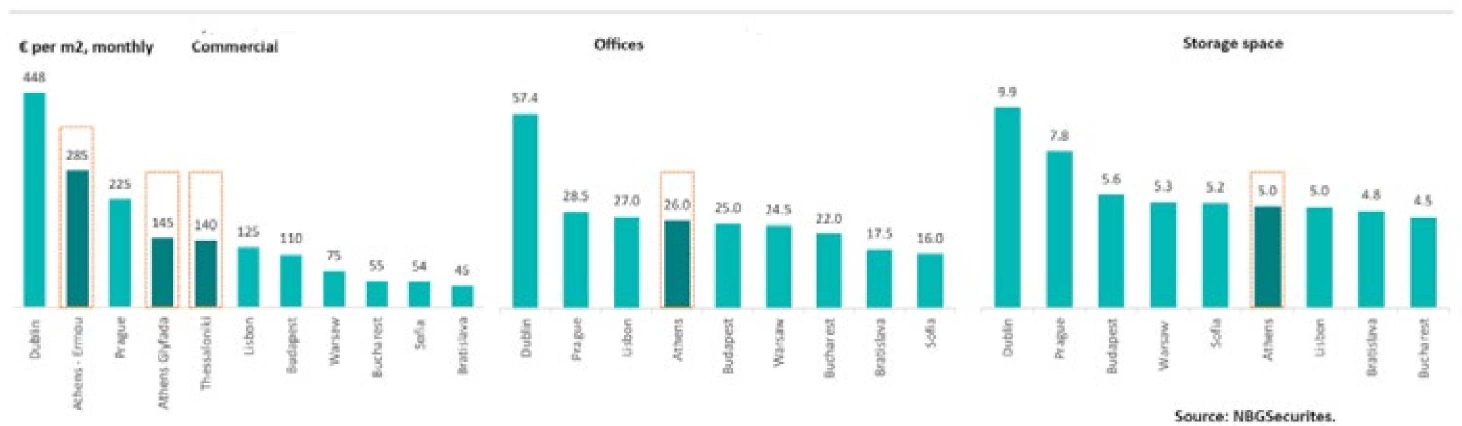
Greece regains investment-grade status, and real estate unlocks value.

In the first half of 2023, inflows in Greek real estate from abroad rose to 1.1 billion euros, +39.5% year-on-year, while in Q2, the growth rate accelerated to +46.2% year-on-year, with investments amounting to 605.8 million euros. The reasons for maintaining the investment momentum in 2023 and the interest from abroad are a) the lack of stock of commercial real estate compatible with specific criteria, b) the shortage of short-term rental accommodation, c) the shortage of rental space and the demand for corporate tenants, and d) the fact that properties in Greece are significantly cheaper than their foreign counterparts.

The defensive characteristics of Greek real estate, in combination with the risk aversion of investors due to the current uncertainty and the demand for real estate for high-quality property, enhance the sector's attractiveness, not only as a means of value creation but also as a haven investment.

A significant development for the Greek economy has been the achievement of the investment grade by DBRS and S&P agencies, enhancing the attractiveness of Greece as an investment destination. This new status also allows the country to be included in more global market indices, strengthening Greece's financial market access. Many large international investors build their sovereign bond and real estate portfolios concerning international indices: being part of these can boost demand for Greek government bonds and real estate.

Figure 1: Greek and European real estate market prices



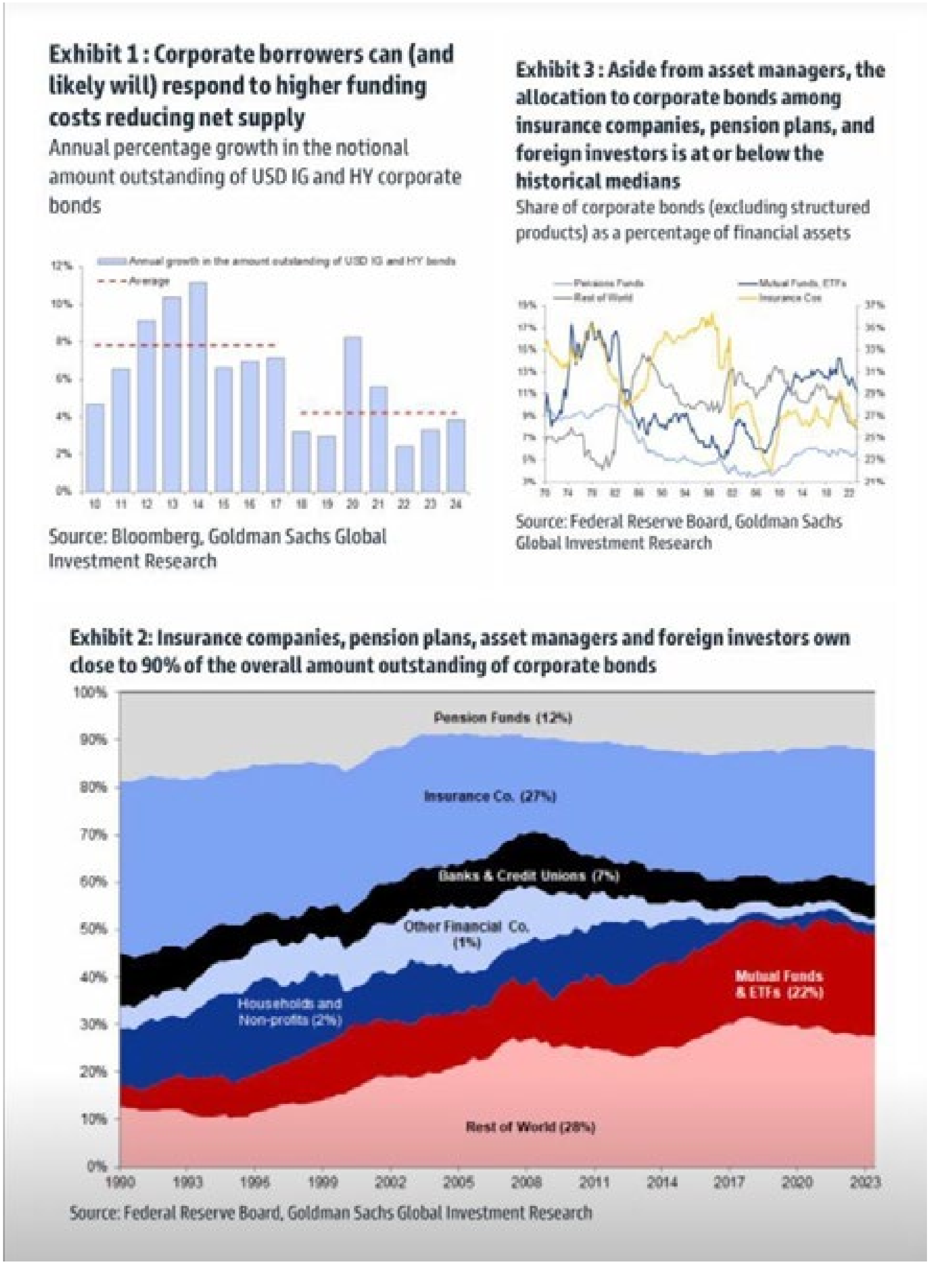
Greece has high rents per m2 and month and the highest yields in all property categories compared to European markets (except for the UK). As investment properties have predetermined cash flows over the investment horizon and, therefore, increased visibility, their profile is similar to government bonds. The spread of the yield of Greek real estate over the yield of the 10-year Greek government bond remains significantly higher than the yield on the 10-year Greek government bond. It is higher than the corresponding spread in France, Germany and the UK. In conclusion, Greek real estate shows a yield premium over European bonds but without taking a risk premium (due to several reasons, such as political stability, macro-economic consistency, convergence trajectory with the EU, etc.)

The higher yields of Greek real estate compared to the European market attract investment flows. At the same time, in the medium to long term, further improvement of the country's macroeconomic profile combined with political stability is expected to strengthen the prospects of the Greek real estate market and lead to a convergence of Greek real estate yields with those of European yields. The office buildings in Athens present significantly higher yields than their European counterparts. In addition, yield is stable in Athens (range: 6.54% - 6.58%) compared to other European markets.

Global Macro-Economic Outlook 2023

GEOPOLITICAL RISK CREATES HAVOC IN THE MARKET

Markets remain on the edge as central banks try to tame inflation, and investors are nervous about their asset allocation strategy. The rout in the bond is making investors uneasy. According to the latest report from Goldman Sachs, Concerns over the risk that a supply/demand imbalance in the Treasury market would constrain demand for corporate #bonds have grown. This risk is low, considering the current supply backdrop and the relatively low aggregate level of corporate bond allocation among the prominent institutional #investors in the asset class.



The risk (or not) of a crowding out effect from the US Treasury market. While the significant strengthening in yield support across the entire fixed-income complex has generally been viewed as a positive demand driver, the combined impact of central bank QT and the increased supply of sovereign bonds remain a concern among investors. UNQUOTE.

OIL MARKET OUTLOOK----UNCERTAIN AND VOLATILE

The oil market remains shaky as geopolitical risk gets deeper into the market. I still remember that on March 17, 2023, WTI crude was trading around $66.74 per barrel, and many investors thought Oil was heading south. I said the oil market is heading north in 2023 due to geopolitical risk. All year, we were told by major media outlets that China's economy was on the brink of collapsing into a recession, that Oil would head even lower, and that the sector would get wiped out. They were wrong. March 17 was the lowest point for oil prices in 2023. Over the next six months, WTI crude prices climbed more than 41%.

OIL MARKET OUTLOOK 2023	$83 to $127/ barrel
OIL MARKET OUTLOOK 2024	$91 to $147/ barrel

SHAN SAEED
Chief Economist

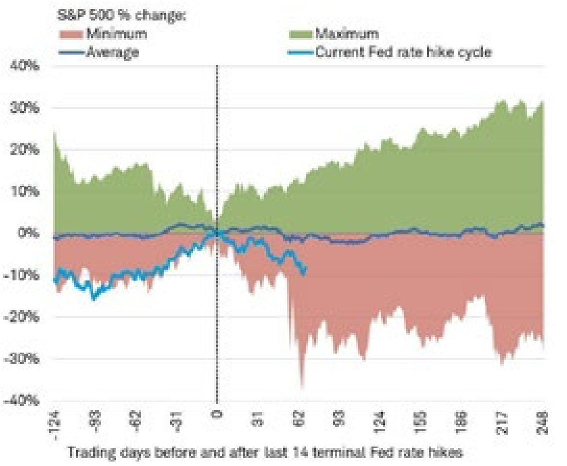
In the "small disruption" scenario, which was roughly what we saw during the Libyan civil war in 2011, global supply would be disrupted by as much as 2 million barrels per day — enough for oil prices to climb to a trading range between $93 and $102 a barrel.

Under its "medium disruption" scenario, roughly equivalent to the Iraq war 2003, oil supply would be reduced by between 3 million and 5 million barrels per day, and prices would jump to around $120 per barrel.

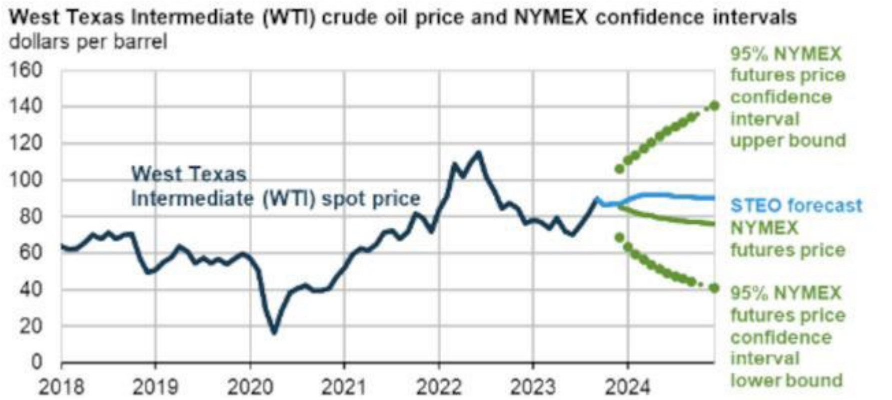
However, the "large disruption" scenario —akin to the Arab oil embargo in 1973 — as much as 8 million barrels per day would be taken out of the supply side of the equation, and crude prices would surge to nearly $125 to $147/ barrels per day.

FED RATES OUTLOOK - 2023/24

The FED is done with rate hikes—election year. The presumption is that the July Fed rate hike was the last one. It is a real benefit when you peruse the economic history of rate cycles finales and market performance/ outlook in the 6m and 12m aftermath … in keeping with the adage of "analysis of an average leads to average analysis," heed the small sample size and WIDE range of historical outcomes.



Source: Charles Schwab, Bloomberg, Federal Reserve, 1929-2019. Current Fed rate hike cycle (thru 10/31/2023) assumes terminal hike occurred on 7/26/2023. Green shading represents best historical performance before and after last Fed rate hike. Red shading represents worst historical performance before and after last Fed rate hike. Indexes are unmanaged, do not incur management fees, costs and expenses and cannot be invested in directly. Past performance does not guarantee future results.



Data source: U.S. Energy Information Administration, Short-Term Energy Outlook, October 2023, CME Group, Bloomberg, L.P., and Refinitiv an LSEG Business
Note: Confidence interval derived from options market information for the five trading days ending October 5, 2023. Intervals not calculated for months with sparse trading in near-the-money options contracts.

eia

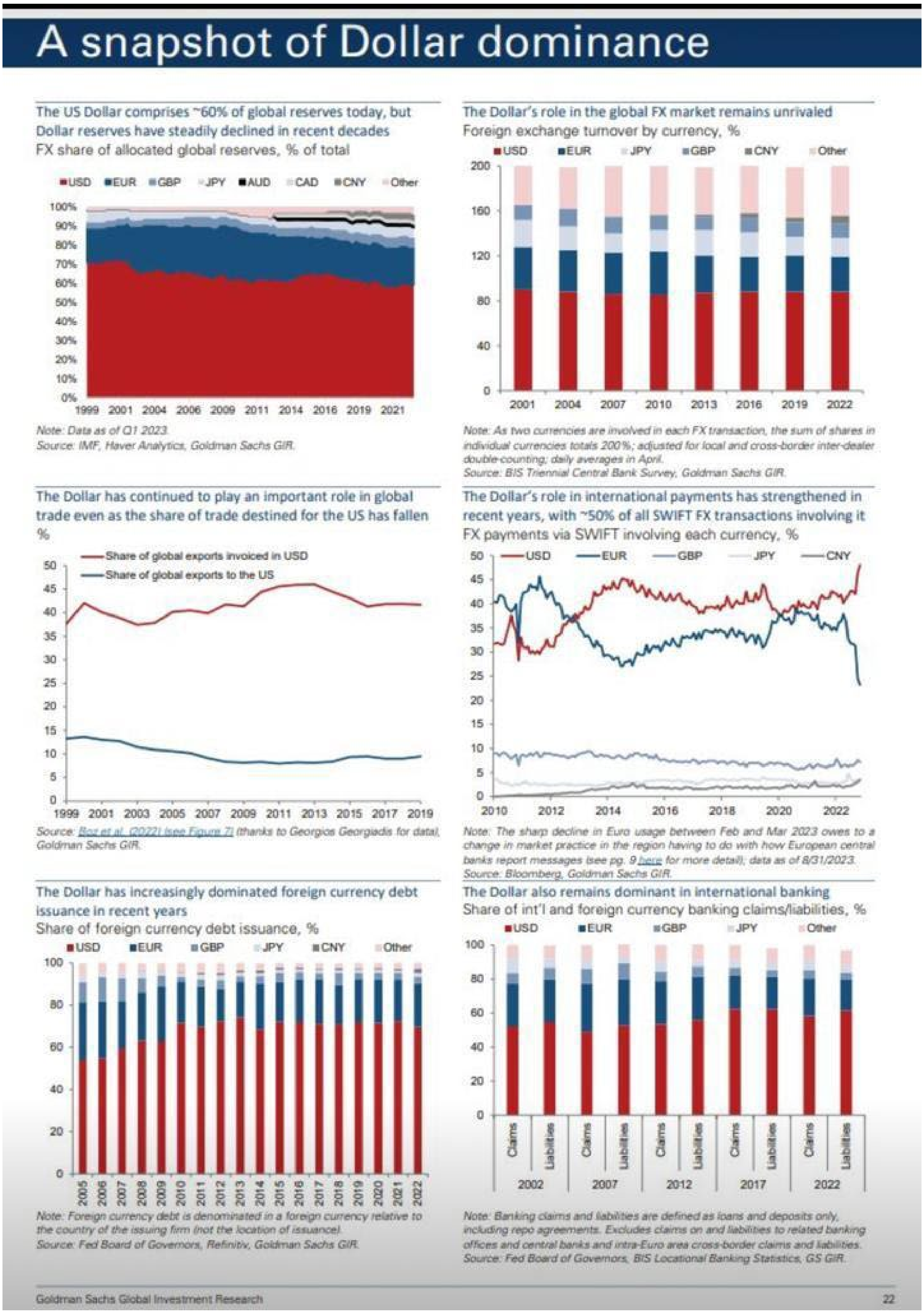
Final Fed rate hikes			
	S&P 500 performance		
Final Fed rate hike	6 months later	12 months later	Subsequent first Fed rate cut (number of days)
8/9/1929	-17.8%	-28.6%	59
1/16/1953	-7.2%	-3.2%	320
8/23/1957	-8.2%	6.3%	58
9/11/1959	-5.5%	-2.8%	185
12/6/1965	-5.0%	-11.2%	331
4/3/1969	-7.4%	-10.5%	405
4/25/1974	-18.4%	-2.6%	155
2/15/1980	8.5%	11.1%	71
5/5/1981	-6.5%	-10.9%	874
2/24/1989	20.1%	14.2%	68
2/1/1995	19.0%	32.1%	104
5/16/2000	-6.8%	-15.0%	155
6/29/2006	12.1%	18.3%	297
12/19/2018	17.8%	27.3%	150
Average	**-0.4%**	**1.8%**	**231**

Source: Charles Schwab, Bloomberg, Federal Reserve, 1929-2019. Indexes are unmanaged, do not incur management fees, costs and expenses and cannot be invested in directly. Past performance does not guarantee future results.

SHAN SAEED
Chief Economist

US DOLLAR OUTLOOK----STRONG IN THE SHORT AND WEAK IN THE LONG RUN

According to Goldman Sachs, the Dollar remains the King.



VIETNAM

DUSTIN TRUNG NGUYEN

Country Head of Vietnam

The Vietnamese real estate market began to record more bright spots in the third quarter of 2023, with transactions improving month-on-month and quarter-on-quarter, according to the Vietnam Association of Realtors (VARS).

Although the market does not have enough strength to "overcome the slope", it has partly escaped the risk of "losing the brakes", the association said.

The number of transactions across the market has gradually increased. In Q2, the market recorded 3,700 transactions, an increase of 37% from Q1. In Q3, the figure hit nearly 6,000, 1.5 times more than Q2 and over two times higher than Q1.

However, in the nine months, the number of new transactions was only about 50% compared to the same period in 2022 and about 20% of the figure in the period of overheated development due to a lack of social and affordable housing.

A report on the realty market in Ho Chi Minh City and its surrounding areas shows that in Q3, 17 projects were launched for sale, including one new project and 16 others in their subsequent phases, with 4,542 apartments, a decrease of 17% over the same period in 2022. New sales reached 3,270 units, up 13% year-on-year and 2.8 times higher than Q2.

New supply in Q3 was 2.5 times higher than in Q2 but only 83% of the same period last year. Ho Chi Minh City accounted for nearly 90% of the market's new supply. In the southern economic hub, the Grade A segment made up two-thirds of new supply, with projects mainly in the city's eastern area, while the Grade C segment returned after a long absence but only accounted for about 4% of total new supply.

Prices in the primary market did not fluctuate much, while secondary market liquidity recovered, with prices recording a slight increase of 1-3% compared to Q2.

In HCMC, the lowest price of new projects was VND30 million ($1,222) per square meter; the highest was up to VND185.5 million ($7,560). Among localities on the outskirts of HCMC, Ba Ria-Vung Tau province saw relatively high selling prices for new projects, with the lowest being VND47.3 million ($1,927) per square meter and the highest VND51.3 million ($2,090).

Prof. Dr Hoang Van Cuong, the National Economics University vice-rector, held that the real estate market had seen changes compared to the end of 2022 and early 2023. Although it has not yet faced the risk of recession, its recovery remains slow without a breakthrough.

"The economy has not yet recovered, with weak purchasing power. Liquidity in different segments is still limited, while supply is low, leading to an unreasonable decrease in selling prices," he added. He added that despite many interest rate cuts and increasing credit, the market's absorption capacity is still low
.
"As the economy is unable to make breakthroughs, we should not expect the real estate market to have a breakthrough recovery immediately," he noted.

Options are financial instruments providing the holder with the right, but not the obligation, to buy (call option) or sell (put option) an underlying asset at a predetermined price within a specified timeframe. The buyer pays a premium to the seller for this right. Call options allow the purchase of the underlying asset at a specified price, while put options enable the sale of the underlying asset at a predetermined price.

Call Options
A call option grants the holder the right to buy the underlying asset at a predetermined price (strike price) before or at the expiration date.

Example: If you purchase a call option for 100 shares of XYZ stock with a $50 strike price and an expiration in one month, and if the XYZ stock rises to $60 before expiration, you can exercise the option, buying 100 shares at the agreed-upon $50 despite the market price being $60.

Put Options
A put option provides the holder the right to sell the underlying asset at a predetermined price (strike price) before or at the expiration date.

Example: Buying a put option for 100 shares of ABC stock with a $30 strike price and an expiration in one month means that if the ABC stock falls to $25 before expiration, you can exercise the option, selling 100 shares at the agreed-upon $30 despite the market price being $25.

Options trading serves various purposes, including speculation, hedging, and income generation. Traders can combine call and put options to form more complex strategies like straddles and spreads.

Other Types of Options

1. **European Options:** Can only be exercised at expiration.
2. **American Options:** Can be exercised at any time before or at expiration.
3. **Asian Options:** The payoff is based on the average price of the underlying asset over a specified period.
4. **Binary Options:** Pay a fixed amount or nothing, depending on the fulfilment of a condition by the expiration date.
5. **Exotic Options:** Include complex features like barrier options, which depend on whether the underlying asset's price reaches a specific level.

It is essential to note that options trading involves risks. Understanding associated mechanics and risks is crucial before participating. Before trading options, consulting with a financial advisor or conducting thorough research is advisable.

Options Risk Metrics
Understanding risk metrics, often called "The Greeks," is vital in options trading.

Delta: Measures option price sensitivity to changes in the underlying asset's price.

Gamma: Measures the rate of change of an option's delta concerning changes in the underlying asset's price.

Theta: Quantifies the sensitivity of the option price to the passage of time.

Vega: Measures sensitivity to changes in implied volatility.

Rho: Indicates sensitivity to changes in interest rates.

These metrics help traders assess and manage risks, providing insights into potential option price changes based on market dynamics.

In conclusion, options trading provides a broad spectrum of strategies for investors, encompassing various types and risk metrics. While offering profit opportunities, participants must approach the market with a comprehensive understanding of the associated risks and a well-informed strategy. When used judiciously, options can be valuable, but caution and diligence are paramount in navigating this dynamic and complex financial landscape.

Source: investopedia.com, fool.com, marketwatch.com, economist.com, wsj.com, ft.com, bloomberg.com

Land Investment is Rapidly Rising in Turkey

The fact that the high interest in land sales in Turkey never loses its popularity increases the profitability of investments in this field. It causes an increase in interest in the sector.

After the COVID-19 epidemic, the high interest in land investment continues for reasons such as people wanting to get away from big cities, providing high returns, investing at low prices, and investing at lower prices due to the increase in housing prices.

The main reasons for the increased interest in land investments include the potential return opportunities of land investments, the need for investors to diversify their portfolios and the desire for natural life. Land investments are becoming attractive for individuals seeking to adopt a more peaceful lifestyle.

While the increase in housing sales was 7.7 per cent in January-October, this figure was 10.5 per cent in land sales, and 469 thousand plots changed hands across the country in 10 months of the year.

Seeing the liveliness of the demand for land and the deficient number of corporate brands in this field, some companies have recently taken action to sell branded land. Companies began to offer planned, qualified, zoned and infrastructure-completed land projects to investors.

Some of the reasons why land investment in Turkey is increasing;

1. **Growing Economy:** Turkey has experienced significant economic growth recently, becoming the world's 19th largest economy. This growth attracts local and foreign investors who see potential in the country's real estate market.
2. **Population Growth:** Turkey has a young and rapidly growing population, which increases demand for housing and land. This demand fuels the land investment market as developers seek to meet the population's housing needs.
3. **Urbanization and Infrastructure Development:** Turkey is experiencing a massive urbanization process as people migrate from rural areas to more developed cities. This trend creates a need for new infrastructure, including residential and commercial properties, leading to increased demand for land.
4. **Strategic Location:** Turkey is strategically located at the crossroads of Europe, Asia, and the Middle East, making it a bridge between different regions. This advantageous geographic position makes the country an attractive destination, encouraging real estate and land investment.
5. **Infrastructure Projects:** The Turkish government has undertaken several mega-infrastructure projects, such as the Istanbul New Airport, the Marmaray railway tunnel, and the Istanbul Canal project. These projects enhance connectivity and open up new areas for development, increasing land value in these regions.
6. **Urban Renewal Programs:** Turkey has launched renewal programs to revitalize old and deteriorated urban areas. These programs require land acquisition and attract investors looking to participate in the redevelopment projects.

The statistics suggest variations in the real estate markets in the Canadian cities, with GTA experiencing a decrease in sales and a rise in prices, while Metro Vancouver saw an increase in sales but a slight dip in benchmark prices and an increase in the number of properties listed for sale. In the Province of Quebec, total sales in October 2023 were slightly higher, showing a 1% increase compared to the same month in 2022. However, when examining the total sales for the year, the numbers remain notably lower, indicating that while there might be a monthly improvement, the market still faces challenges in achieving higher annual sales figures.

Toronto

- REALTORS® reported 4,646 GTA home sales through TRREB's MLS® System in October 2023 – down 5.8 per cent compared to October 2022. On a month-over-month seasonally-adjusted basis, sales were also down in comparison to September.
- The October 2023 MLS® Home Price Index Composite benchmark and the average selling price were both up on yearover-year basis, by 1.4 per cent and 3.5 per cent respectively. On a seasonally adjusted basis, the MLS® HPI Composite benchmark edged lower compared to September 2023 while the average selling price remained at a similar level. Both the MLS® HPI Composite benchmark and average price remained above the cyclical lows experienced at the beginning of 2023

Sales & Average Price by Major Home Type

	Sales			Average Price		
October 2023	416	905	Total	416	905	Total
Detached	586	1,671	2,157	$1,718,440	$1,360,022	$1,450,112
Semi-Detached	194	234	428	$1,278,347	$957,117	$1,102,721
Townhouse	162	564	726	$1,017,094	$905,222	$930,185
Condo Apt	883	413	1,296	$729,160	$665,208	$708,780
YoY % change	416	905	Total	416	905	Total
Detached	-1.5%	-7.2%	-5.7%	8.2%	4.7%	6.1%
Semi-Detached	-3.0%	-3.3%	-3.2%	4.7%	-0.6%	2.1%
Townhouse	-11.5%	-11.5%	-11.5%	1.1%	1.1%	1.1%
Condo Apt	0.2%	-7.0%	-2.2%	-1.7%	-0.4%	-1.2%

Year-Over-Year Summary

	2023	2022	% Chg
Sales	4,646	4,930	-5.8%
New Listings	14,397	10,433	38.0%
Active Listings	19,540	13,019	50.1%
Average Price	$1,125,928	$1,087,590	3.5%
Avg. LDOM	21	21	0.0%
Avg. PDOM	32	33	-3.0%

Vancouver

- The MLS® Home Price Index composite benchmark price for all residential properties in Metro Vancouver is currently $1,196,500. This represents a 4.4 per cent increase over October 2022 and a 0.6 per cent decrease compared to September 2023.
- The Real Estate Board of Greater Vancouver (REBGV) reports that residential sales2 in the region totalled 1,996 in October 2023, a 3.7 per cent increase from the 1,924 sales recorded in October 2022. This total is 29.5 per cent below the 10-year seasonal average (2,832) for October.
- The total number of properties currently listed for sale on the MLS® system in Metro Vancouver is 11,599, a 12.6 per cent increase compared to October 2022 (10,305). This change is also 0.6 per cent above the 10-year seasonal average (11,526).

Quebec

Residential: Summary of Centris Activity

	October			Year-to-date		
	2023	2022	Variation	2023	2022	Variation
Total sales	6 011	5 929	↑ 1%	65 988	76 589	↓ -14%
Active listings	36 198	31 865	↑ 14%	31 862	25 172	↑ 27%
New listings	11 624	10 463	↑ 11%	105 163	111 980	↓ -6%
Sales volume	$2 803 045 886	$2 632 015 810	↑ 6%	$30 639 331 639	$35 803 538 317	↓ -14%

DUBAI

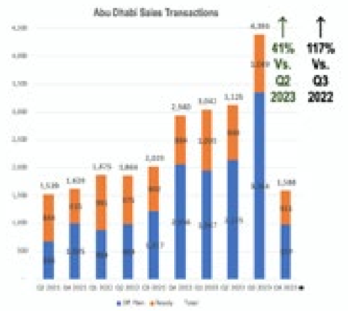
BILAL MOTI
Head of Middle East and North Africa

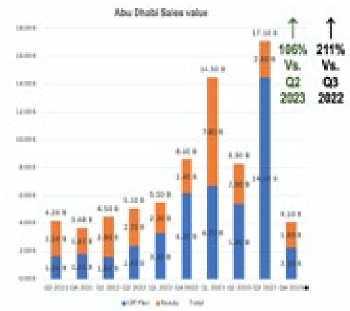
The Dubai Land Department recorded 11,993 real estate transactions worth AED 39.0 billion. The total sales transactions volume in October 2023 went up by 46% compared to September 2023 and 38% compared to the same period last year, while the total sales transactions value in October 2023 went up by 49% compared to September 2023 and increased by 54% compared to October 2022.

The average residential property price in October 2023 has increased by 8% compared to September 2023. The average price per square foot of Dubai property in October 2023 has increased by 8% compared to October last year.

On the mortgage side, we have witnessed an 8.4% increase in transactions compared to October 2022. The total transaction value reached AED 11.4 billion, a decrease of -45.3% compared to October last year.

Jumeirah Village Circle topped the performing areas with over 1,480 transactions. This is followed by MBR City, Dubai Marina, Business Bay and Downtown Dubai.





In Abu Dhabi, the total sales transaction volume in Q3 of 2023 increased by 41% compared to Q2 of 2023 and 117% compared to Q3 2022. The total sales transactions value has increased by 106% compared to Q2 of 2023 and 211% compared to Q3 of 2022.

The Department of Land and Real Estate Regulation in Ajman recorded 1,157 real estate transactions for October. A significant growth of 116% in real estate transactions was witnessed compared to the same period in 2022, achieving AED 1.75 billion in sales transaction value.

The Sharjah Real Estate Registration Department recorded 3,798 real estate transactions totalling Dhs3.6 billion during October 2023.

In Ras Al Khaimah, the Sales Price Index for residential apartments increased by 25.91% y-o-y, and the Rental Price Index increased by 2.75% y-o-y.

We continue to see the UAE real estate market prospering towards the end of 2023, given the increased transparency of the property market and the government's focus on leading foreign investments in the real estate sector.

Positive Shifts in Malaysia's Property Market

Strides Towards a Resilient Property Landscape
As Malaysia's skyline transforms with the rise of apartment complexes and bustling construction sites, a positive shift is underway in the country's property market. Here is a closer look at the noteworthy developments:

1. **Decline in Overhang and Unsold Units:**
   Malaysia's National Property Information Centre (NAPIC) reports a decline in overhang units, marking a significant improvement from previous years. In 2022, residential overhang units decreased to 27,746, with a total value of RM18.41 billion.

2. **Positive Trend Continues in 2023:**
   The positive momentum extends into the first half of 2023, with a further reduction in overhang units to 26,286, signalling a sustained positive trend in the market.

3. **Focused Reduction in Unsold Units:**
   The concerted efforts to address the issue are evident in reducing unsold units, particularly in the Unsold (Under construction) and Unsold (Not Constructed) categories. This focused approach aligns with creating a healthier property market.

4. **Location and Connectivity Insights:**
   Insights from Dr Hassanudin Mohd Thas Thaker shed light on the role of location and connectivity. Strategic housing locations and proper connectivity are crucial factors in attracting buyers, emphasizing the importance of aligning developments with buyer preferences.

5. **Government Initiatives and Incentives:**
   The federal government's commitment to improving the housing situation is evident in initiatives such as the Housing Credit Guarantee Scheme (HCGS), Rumah Mesra Rakyat Program, and Rumah Selangorku. The recently unveiled Budget 2024 allocates nearly RM2.47 billion for housing projects, including affordable housing initiatives.

6. **Financial Support for Homebuyers:**
   Prime Minister Datuk Seri Anwar Ibrahim's announcement of continued stamp duty exemptions for first-time home ownership and a 75 percent exemption for homes valued between RM500,000 and RM1 million reflects a commitment to make homeownership more accessible.

7. **Diverse Construction Strategies:**
   Dr. Hassanudin emphasizes the importance of embracing diverse construction styles and building partnerships between the government and private companies for affordable housing projects. This approach contributes to a more dynamic and responsive property market.

8. **Learning from Successful Models:**
   Looking beyond borders, Dr Hassanudin suggests learning from successful housing policies in neighbouring countries, citing Singapore's Housing & Development Board (HDB) as a model. Continuous revisions of policies and better housing projects catering to different income groups can pave the way for sustained success.

In conclusion, these positive developments in Malaysia's property market reflect resilience and adaptability. With a focused approach, government initiatives, and strategic insights, the housing sector is heading toward a more vibrant and sustainable future.

1. Colliers Quarterly | Property Market Report – Office Sector | Q3 2023 | Philippines

Stakeholders continue to implement flight-to-value strategies amid an evolving office market.

Metro Manila recorded a marginal rise in office vacancy due to the completion of new office buildings and the spike in vacated spaces in Q3 2023. Colliers continue to record deals from traditional and outsourcing firms implementing a mix of flight-to-quality and flight-to-cost measures. For the first nine months of the year, office transactions outside Metro Manila recorded flattish growth, with Cebu, Pampanga, and Laguna cornering the bulk of closed transactions. Moving forward, we see more significant opportunities for expansion in key areas outside Metro Manila as occupants maximize the second and their tier cities' skilled talent pool and improve the infrastructure network.

2. Colliers Quarterly | Property Market Report – Residential Sector | Q3 2023 | Philippines

Secondary market prices and rents rebound as pre-selling take-up recovers.

Condominium leasing continues to recover across Metro Manila, especially with the return of more expatriates. Local employees gradually returning to on-site work also improve leasing, especially in prominent business districts, including Makati CBD, Ortigas Center, and Fort Bonifacio. Pre-selling demand has been recovering YOY, driven by the mid-income segment. However, developers remain cautious of new launches, especially given the market's substantial ready-for-occupancy (RFO) units and the elevated vacancies in the secondary market.

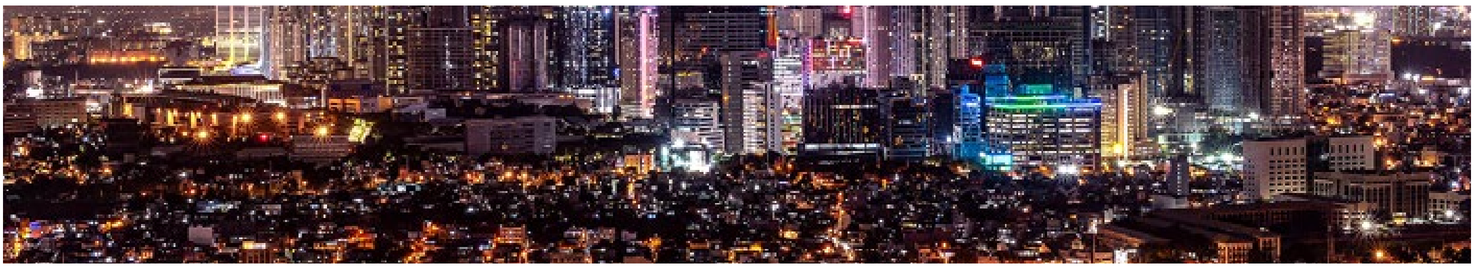
3. Colliers Quarterly | Property Market Report – Retail | Q3 2023 | Philippines

Sustaining consumer traffic and occupancy as the impact of revenge spending dissipates

The impact of revenge spending across the country is starting to dissipate, so the challenge for mall operators and retailers is to sustain footfall and consumer spending. Colliers see holiday-induced spending partly offsetting this projected slowdown. We are optimistic about sustained interest from retailers, especially those interested in occupying brick-and-mortar mall space in prime locations across the capital region. We are projecting a slight increase in vacancy starting in 2024 due to the substantial delivery of new mall space.

4. Megaworld to build the giant single tower in Uptown Bonifacio

Megaworld has launched Uptown Modern in Uptown Bonifacio, Taguig City. The 54-storey residential project will be the most considerable single-tower development in the 15.4-hectare (38-acre) township. Uptown Modern will offer 1,000 units ranging from studio to three bedrooms, each with wireless smart home systems and a digital lockset for the main door. Megaworld also integrates green and sustainable features such as e-vehicle charging facilities, occupancy power sensors in hallways, LED lights in all units and common areas, and a rainwater harvesting and reuse system. Amenities of the project include six sky gardens, two rooftop gardens, an infinity pool with a jacuzzi, and a function hall with its lanai. Megaworld expects to complete the project by 2032.



THAILAND

SOMSAK CHUTISILP

Country Head of Thailand

The price index for new single detached houses available for sale in Greater Bangkok continued to rise in the third quarter of 2023.

Year-on-year changes have been positive from the third quarter of 2022 to the third quarter of this year, marking consecutive growth for five quarters.

Although sales slowed to 5,940 units worth 68.9 billion baht in the first half of 2023, the absorption rate per month remained higher than the average of the low-rise housing market, which includes townhouses, duplex houses and shophouses, at 3.1% and 2.9%, respectively.

PRICE INDEX OF TOWNHOUSES AVAILABLE FOR SALE IN BANGKOK, NONTHABURI, SAMUT PRAKAN AND PATHUM THANI

PRICE INDEX	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023	Q3 2023
ALL	129.0	128.9	127.0	129.3	129.7	129.9	129.3
QoQ change	0.2%	-0.1%	-1.5%	1.8%	0.3%	0.2%	-0.5%
YoY change	-0.8%	-0.6%	-1.6%	0.4%	0.5%	0.8%	1.8%
BANGKOK	127.1	126.1	125.5	128.2	129.5	128.8	128.7
QoQ change	0.2%	-0.8%	-0.5%	2.2%	1%	-0.5%	-0.1%
YoY change	-0.9%	-1.3%	-1.4%	0.9%	1.9%	2.1%	2.5%
NONTHABURI, SAMUT PRAKAN AND PATHUM THANI	131.6	132.9	128.5	129.9	128.5	130.6	129.2
QoQ change	0.6%	1%	-3.3%	1.1%	-1.1%	1.6%	-1.1%
YoY change	-0.4%	0.8%	-2.1%	-0.7%	-2.4%	-1.7%	0.5%

Source: Real Estate Information Center

BANGKOK POST GRAPHICS

PRICE INDEX OF SINGLE DETACHED HOUSES AVAILABLE FOR SALE IN BANGKOK, NONTHABURI, SAMUT PRAKAN AND PATHUM THANI

PRICE INDEX	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023	Q3 2023
ALL	125.8	125.9	127.4	131.0	127.1	129.1	130.7
Quarter-on-quarter change	0.7%	0.1%	1.2%	2.8%	-3%	1.6%	1.2%
Year-on-year change	-0.5%	-0.1%	1.5%	4.9%	1.0%	2.5%	2.6%
BANGKOK	125.2	124.8	126.4	123.6	122.1	126.5	128.7
QoQ change	0.7%	-0.3%	1.3%	-2.2%	-1.2%	3.6%	1.7%
YoY change	-0.4%	-0.5%	1.1%	-0.6%	-2.5%	1.4%	1.8%
NONTHABURI, SAMUT PRAKAN AND PATHUM THANI	125.9	126.3	127.8	134.6	129.5	130.1	131.3
QoQ change	0.6%	0.3%	1.2%	5.3%	-3.8%	0.5%	0.9%
YoY change	-0.5%	0.2%	1.8%	7.6%	2.9%	3%	2.7%

Source: Real Estate Information Center

BANGKOK POST GRAPHICS

In the third quarter of 2023, the price index of single detached houses had the most significant year-on-year increase at 2.6%, compared with 1.8% for townhouses.

The overall price index for new low-rise houses (single detached houses and townhouses) in Greater Bangkok was 129.8, a year-on-year increase of 2.1% and a quarter-on-quarter increase of 0.1%.

To increase sales in the third quarter, giveaways such as free air conditioners or gardening services were the most popular campaigns, accounting for 40.5%, up from 39.4% in the second quarter.

Real Estate Developers Expanding Horizons in Tier 2 and 3 Cities

In an exciting and strategic move, real estate firms are venturing into untapped markets by expanding their footprint in Tier 2 and 3 cities, focusing on northern and western India. This shift in approach is driven by the growing demand for housing solutions outside the bustling Tier 1 cities.

Developers are capitalizing on the preferences of the local populace, concentrating on low-rise and plotted developments. According to a Report, Between January 2022 and October 2023, real estate developers made significant strides by acquiring approximately 3,294 acres of land nationwide. Notably, 44.4% of these transactions unfolded in Tier 2 and 3 cities, amounting to 1,461 acres across 17 separate deals.

By providing access to quality living spaces outside the confines of Tier 1 cities, this transformative shift reflects a commitment to inclusivity and the creation of thriving communities beyond traditional urban boundaries.

The Shifting Dynamics of India's Real Estate Landscape

In recent years, India's real estate sector has transformed remarkably, with more individuals opting for rental homes over traditional homeownership. This trend is fueled by urbanization, changing demographics, and a more mobile workforce, particularly in metropolitan areas where migration for employment and education is prevalent.

The demand for rental accommodations has skyrocketed, reshaping housing choices and creating a lucrative sector for real estate investors. Affordability and financial flexibility play a significant role, making renting a more accessible option for those establishing their careers or prioritizing financial adaptability. Millennials' changing lifestyle preferences and increased purchasing power have significantly propelled the demand for rental homes in India. With the reversal of remote work policies by service companies, which now mandate employees to work in the office for two to three days a week, there has been a notable increase in house rentals. This surge, ranging from 10% to 40%, is particularly evident in IT hubs and major metropolitan cities such as Bengaluru, Chennai, Hyderabad, Mumbai, Pune, and Delhi-NCR.

The areas experiencing notable growth in rental rates are closely linked to Information Technology (IT) and IT-enabled Services (ITeS) hubs. According to a report, rental prices for residential properties in prominent areas of Bengaluru experienced a remarkable surge of over 30% during the initial nine months of 2023.

As we witness the significant shift towards rental homes in India, it is evident that the real estate landscape is entering a transformative phase. As the real estate market adapts to this changing dynamic, stakeholders are presented with unique opportunities to capitalize on the rising demand for rental homes. The future of real estate in India is undeniably centred around the rental market, and we are well-prepared to lead the way in this transformative journey.

Luxury and Sustainability: A New Standard for Office Spaces in India

Traditionally perceived as utilitarian, commercial real estate in India is experiencing a profound transformation in response to changing work cultures and global office trends. The advent of hybrid working models and cost-control strategies has not diminished the importance of physical office spaces. Instead, a noticeable rise in high-end offices represents a paradigm shift in how businesses perceive their work environments.

Businesses strategically choose optimal locations, prioritize high-quality amenities, and invest in well-designed fit-outs to cultivate inspiring workplace environments. Moreover, the current emphasis on Environmental, Social, and Governance (ESG) principles is steering businesses towards green and sustainable office spaces aligning with net-zero goals. Developers are responding by integrating innovative technology and sustainable infrastructure in their offerings, aligning with the evolving needs of businesses. The robust demand for office spaces in India favours the country for continued office investments. Luxury office developments, characterized by well-designed, tech-enabled, and environmentally responsible workspaces, are set to meet the evolving needs of professionals.

These spaces are no longer functional workplaces but holistic environments prioritizing employee comfort and well-being. As we witness the transformative evolution of commercial real estate in India, it is clear that our approach to office spaces must align with the dynamic needs of the modern workforce.

RAYMOND KHOO

Vice President at OrangeTee and Tie

New private home sales fell for a third consecutive month in October, which was unsurprising as there were no major project launches for the second straight month.

According to data from the Urban Redevelopment Authority (URA), developers sold 203 new homes in October, a 6.5 per cent decline compared to the 217 units sold in the previous month.

The sales drop was mainly due to the lack of launches since the lunar seventh month, as developers either brought forward or held back their sales launches.

Last month's sales decreased by 35.4 per cent from 314 units in October 2022 on a year-on-year basis.

As there were no big project launches last month, October's sales were derived from previously launched projects. Amidst current low unsold stock, projects like Lentor Hills Residences and Lentor Modern continued to sell units, moving another 24 and 13 units, respectively.

The best-selling projects in October 2023 were Lentor Hills Residences, The Reserve Residences, Grand Dunman, Lentor Modern, The Arden, Klimt Cairnhill, Pinetree Hill and The LakeGarden Residences.

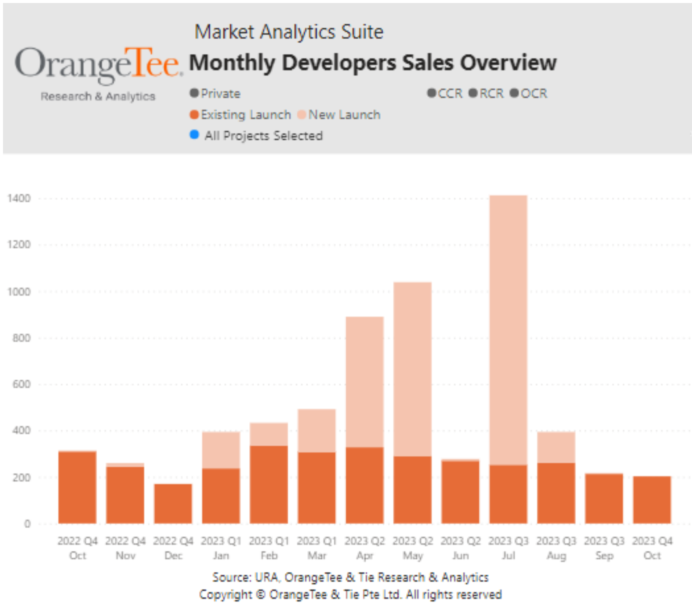
Last month's transactions were primarily concentrated in the city fringe and the suburbs, at 40.4 per cent or 82 units in the Rest of the Central Region (RCR) and 37.4 per cent or 76 units in the Outside Central Region (OCR). The remaining 22.2 per cent, or 45 units, came from the Core Central Region (CCR).

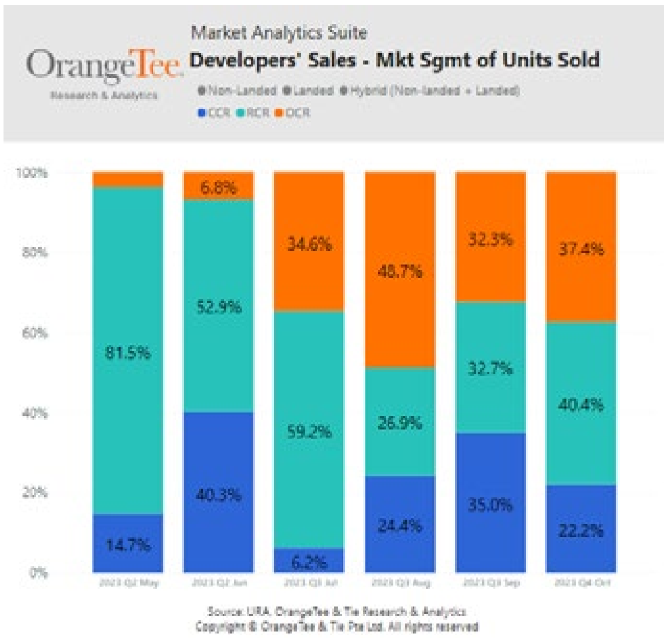
Based on URA Realis data, no new non-landed homes were sold above S$10 million for the fourth straight month. 11 were sold for at least S$5 million in October 2023, with the priciest unit being a 2,788 sqft leasehold condominium at One Pearl Bank transacted for S$7.1 million or S$2,547 psf. The remaining ten units were from Midtown Modern, Klimt Cairnhill and The Reserve Residences.

New home sales are expected to rebound in November with the launch of Hillock Green and J'den in the suburbs, which will drive sales in the region.

Apart from J'den, which drew strong buying interest due to its outstanding features, Hillock Green is also an excellent affordable option for buyers keen to leverage its proximity to Lentor MRT station and the Lentor Modern retail mall. The project is also conveniently located near Anderson Primary School and CHIJ St Nicholas Girls' School.

Because of J'den's strong sales, our updated projections for 2023 will be that 6,600 to 7,100 new homes could be sold for the whole of 2023, which is around the 7,099 units sold in 2022.





The Real Estate Sector Has Been Recovering with the Participation of the Royal Government of Cambodia to Provide Preferential Taxes until the end of 2024

Cambodia's construction and real estate sectors have been recovering because of foreign investment, tourism, and commerce.

In the Draft Law on Financial Management for the Year 2023 signed by Samdech Hun Sen, Prime Minister of Cambodia, on June 08, the Royal Government of Cambodia (RGC) stated that the sub-construction sector was forecasted would recover at the rate of 7,2% in 2023 due to the expectation of recovery of the inflow of foreign investment for construction to serve tourism sector and commerce.

To maintain the stability of the construction and real estate sectors, the Royal Government of Cambodia has decided to introduce the additional measures as the package as the following:

1. Continue to delay the tax payment implementation as the package by phase until the end of 2024. The resident development company, which is Borey, has been operating the resident development projects with a real estate business license provided by the Real Estate Business and Pawnshop Regulator. Separately, companies that have been operating resident development projects as Borey without real estate business licenses must be in a hurry to register their projects to receive the real estate business licenses license following the procedures of the Real Estate Business and Pawnshop Regulator at least the end of 2023 to obtain tax payment continuing as the package until the end of 2024.
2. Increase the period of package tax payment from 12 months to 18 months for resident development companies such as Borey that pay taxes of less than 1 million USD and from 24 months to 36 months for resident development companies such as Borey that pay taxes of more than 1 million USD.
3. Resident development companies as new Borey or companies with resident development projects as Borey but have not developed yet, must pay taxes per the procedures (Actual Regime) and maintain a proper accounting record.
4. Continue to postpone the implementation of capital gains tax for only the real estate sector until the end of 2024.
5. Continue to exempt the stamp duty on the transfer of ownership or management rights for all kinds of residents as Borey lower than or equal to 70,000 USD until the end of 2024.
6. Encourage and request the banking and financial institution to reorganize the loan according to the actual ability of the institution depending on the principles of volunteering and agreement between the institution and resident development companies such as Borey.
7. Exempt other penalties for resident development projects as Borey, but the developer must fulfil its obligations following Prakas No. 089 MEF.P on "Management of Real Estate Development Business".
8. Postpone the implementation until the end of 2023 on Prakas No. 563 MEF.P dated July 10, 2020, on "The Obligation to Submit Financial Statements for Independent Audits" issued by the Ministry of Economy and Finance.

The Economic and Financial Policy Committee (EFPC) will set up a working mechanism to regularly monitor and evaluate the situation of the construction and real estate sectors to propose additional specific policy measures besides the measures the royal government has already taken.

Political Transition Amidst Housing Challenges

Portugal faces a transitional period following the unexpected resignation of Prime Minister António Costa amidst an ongoing judicial investigation. While the President has accepted Costa's resignation, the official power transfer hinges on the 2024 State Budget's approval. Moreover, President Marcelo Rebelo de Sousa's announcement of early elections on March 10 further adds to the complex political landscape. This strategic move ensures the continuity of housing support measures embedded within the existing budget, including the controversial "Mais Habitação" program. The program, designed to address the housing crisis, has faced scrutiny from the public, opposition parties, and scepticism from the real estate sector, but the consequences of its implementation are yet to be fully realized as its continued presence in the approved budget signifies the government's commitment to resolving housing challenges.

Lingering Housing Crisis and Investor Concerns

Housing policies have been at the forefront of the Socialist Government's agenda during Costa's leadership, with a pledge to enhance affordable housing options for families and the younger generation. However, these ambitious commitments have not been without repercussions. Investors have been apprehensive due to policy shifts, particularly the termination of the golden visa program and the revocation of the Non-Habitual Resident status. This uncertainty has cast a shadow on the housing market's stability. Moreover, the housing crisis, far from being resolved, has intensified in 2023, as this aggravation is attributed to the decrease in purchasing power among citizens and the ongoing rise in interest rates for housing loans, which have significantly impacted affordability and access to housing.

Stock Shortages and Supply-Demand Discrepancy

Portugal's residential property market grapples with multiple challenges, chiefly stock shortages and a persistent imbalance between supply and demand. This enduring issue has significantly impacted the property market, causing property prices to surge by 4.8% over the past year and rents to skyrocket by a staggering 26.3%. In this scenario, secondary segments and locations are experiencing adjustments, reflecting the unequal distribution of available properties. The overall imbalance between supply and demand has contributed to a decline in property transactions compared to previous years, affecting the housing market's overall activity.

Portugal's Resilient Economy: Navigating Uncertainty with Confidence

Despite a recent dip in Portugal's GDP growth attributed to reduced exports, the country's economy continues to be remarkably resilient. While external pressures, including ongoing conflicts and economic challenges, have played a role, domestic economic markers signal a more optimistic outlook. Notably, the unemployment rate dropped to 6.1% in the third quarter. Furthermore, inflation shows a deceleration, with October estimates at 2.1%, down from the prior month's 3.6%.

Despite initial concerns related to the political climate, financial markets have retained stability. Although the PSI 20 stock index saw a brief retreat, it still maintains a more than 3% gain compared to a month ago. Additionally, experts affirm that recent political shifts do not threaten the country's creditworthiness and anticipate only modest risks to Portugal's public finances in the year ahead. These indicators underscore Portugal's robust economic resilience, offering a positive prospect for the nation's outlook.

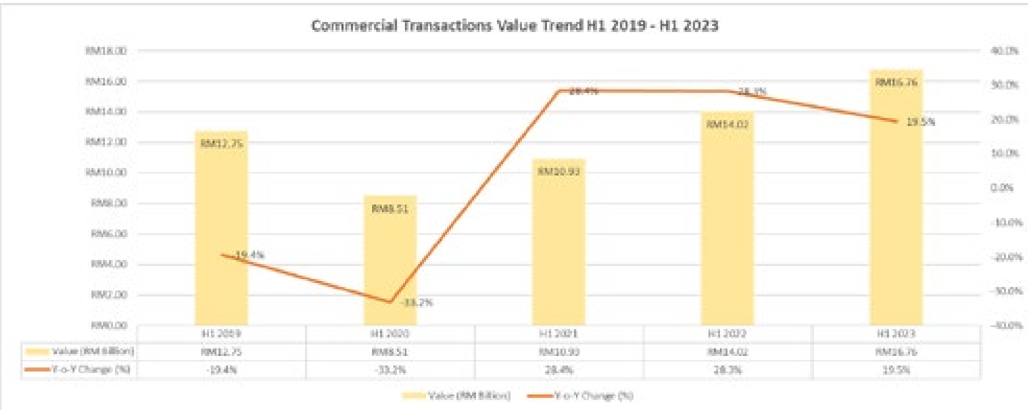
Source: idealista.pt/news; expresso.pt; wsj.com

MALAYSIA PROPERTY MARKET H1 2023 – COMMERCIAL PROPERTY OVERVIEW

The commercial property market in Malaysia exhibited resilience and growth in the first half of 2023 (H1 2023) despite global economic uncertainties and rising inflation. A service sector rebound and ongoing infrastructure development may have driven this positive performance. As the Malaysian economy is growing at a modest pace in 2023, it is expected to filter through to the commercial property market due to the expansion in business and the increase in the demand for office and retail space.

Unsurprisingly, the commercial sub-sector was the second-largest contributor to the transaction value and the third-largest contributor to the transaction volume in the national market after the residential sub-sector.

According to Malaysia Property Market Report H1 2023, the commercial sub-sector has contributed 17,602 transactions worth RM16.76 billion, an increase of 16% in volume and 19.5% in value compared to the first half of 2022.



Upon scrutinizing the market activity across all states, it becomes apparent that there has been a widespread increase in market activity, with the notable exceptions of WP Putrajaya, Perak, and Sabah. While all states also experienced increased transaction value, several notable exceptions emerged.

WP Kuala Lumpur witnessed a sharp decline of 21.9%, while WP Putrajaya faced a substantial drop of 76.1%. WP Labuan, Selangor, Perak, Kedah, Pahang, and Kelantan also exhibited negative growth, with respective declines of 13.2%, 5.7%, 3.9%, 26.3%, 13.4%, and 1.1%.

IRHAMY AHMAD

Founder and Managing Director of Irhamy Valuers International

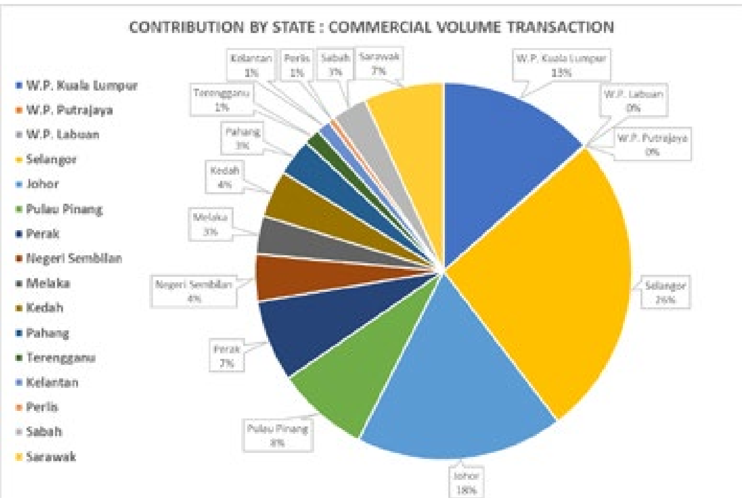
IRHAMY VALUERS INTERNATIONAL

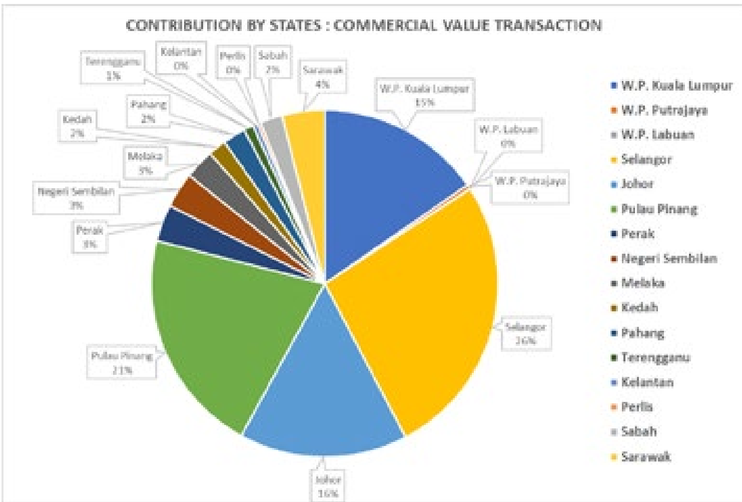
States	Transaction Volume (Unit)		Y-o-Y Change (%)
	H1 2022	H1 2023	
W.P. Kuala Lumpur	2,198	2,356	7.2%
W.P. Putrajaya	14	14	0.0%
W.P. Labuan	10	14	40.0%
Selangor	4,025	4,590	14.0%
Johor	2,283	3,138	37.5%
Pulau Pinang	816	1,400	71.6%
Perak	1,249	1,234	-1.2%
Negeri Sembilan	660	710	7.6%
Melaka	541	579	7.0%
Kedah	654	712	8.9%
Pahang	518	563	8.7%
Terengganu	239	244	2.1%
Kelantan	178	211	18.5%
Perlis	63	96	52.4%
Sabah	568	533	-6.2%
Sarawak	1,152	1,208	4.9%
MALAYSIA	**15,168**	**17,602**	**16.0%**

States	Transaction Value (RM Billion)		Y-o-Y Change (%)
	H1 2022	H1 2023	
W.P. Kuala Lumpur	RM3,299.57	RM2,576.80	-21.9%
W.P. Putrajaya	RM276.89	RM66.28	-76.1%
W.P. Labuan	RM10.30	RM8.94	-13.2%
Selangor	RM4,702.83	RM4,435.13	-5.7%
Johor	RM1,875.29	RM2,633.65	40.4%
Pulau Pinang	RM602.58	RM3,516.08	483.5%
Perak	RM598.03	RM574.56	-3.9%
Negeri Sembilan	RM341.05	RM555.38	62.8%
Melaka	RM418.74	RM466.82	11.5%
Kedah	RM378.87	RM279.18	-26.3%
Pahang	RM413.53	RM358.13	-13.4%
Terengganu	RM115.76	RM149.59	29.2%
Kelantan	RM77.58	RM76.71	-1.1%
Perlis	RM32.83	RM49.80	51.7%
Sabah	RM318.28	RM347.27	9.1%
Sarawak	RM556.51	RM664.90	19.5%
MALAYSIA	**RM 14,018.64**	**RM 16,759.22**	**19.5%**

Selangor emerged as the top contributor to the national market share, accounting for 26.1% of the overall transaction volume and 26.5% of the total transaction value. With 4,590 transactions and RM4.44 billion in total value, Selangor firmly established its position as the leading state in the commercial sub-sector.

Johor followed closely behind with 17.8% of the volume (3,138 units transacted) and 15.7% of the value (RM2.63 billion). Kuala Lumpur contributed 13.4% in volume (2,356 transactions) and 15.4% in value (RM2.58 billion). Collectively, these three states accounted for over 50% of the total national transaction volume in the commercial sub-sector, highlighting their dominance in the market.





By 2035, Solar Could Top Every New Home in Malaysia

It will not be long before solar panels top every new home sold in Malaysia. That is the vision that Muhazrol Muhamad, Head of Bumiputera Segment for IQI, shared with the media recently.

He also says an increasing share of resale homes will have the energy generating panels in place.

If you are more concerned about keeping your electricity bill as low as possible than about how green your energy is, you might not think solar panels are essential to you.

Nevertheless, solar panels and batteries have become much less expensive, and their primary impact is reducing electricity bills for homeowners who install them on their roofs.

Other homeowners will receive a steady income from companies that do the hard work for them by installing and operating solar panels on their roofs.

Either way, it spells more affordable homeownership for Malaysians.

There are more than 5.7 million residential properties in the country. Most of these have roofs suitable for solar.

I recently read about a petrol station manager named Peter Wong who had trouble paying his monthly electricity bill of RM280.

"My house has three air-conditioning units, and during the MCO, and also during the heat wave, we would keep them turned on for longer hours," he told the press.

Instead of going broke, Wong installed 10 solar panels on the roof of his double-storey terrace house in Georgetown, Penang. Most months, he now pays nothing for electricity.

At Zom New Townships near Kuala Lumpur, solar adoption occurs in hundreds of homes at a time. The developer installs solar panels in one new township on 450 homes to generate an estimated 4.5MW of power per year. The project will cost the government nothing and earn a tidy monthly payment for the township's new homeowners.

That is right. Muhazrol points out that solar homes can pay you an income just for living there. This motivation is enough to encourage the rapid adoption of solar across the country.

That is why Muhazrol Muhamad believes that in 2035, every new home in Malaysia could have solar panels on the roof.

IQI Moments

CONGRATULATIONS

A big round of applause to IQI for receiving 20+ awards at the **StarProperty Awards 2023 Realtors Edition!**

The awards ceremony was held on November 21 at the M Resort & Hotel in Kuala Lumpur.

IQI showcased its success with a record-breaking total of **29 awards**, taking home several big night awards such as the 'All-Stars Award', 'Best Technology Award' and 'Developer Preferred Award'.

The StarProperty Awards 2023 Realtor Edition aims to recognize the contributions of the outstanding agencies that support Malaysia's most renowned realtors.

The awards ceremony has been held annually since 2017 to honour and recognize exceptional real estate firms and agencies in Malaysia, including the people and organizations who have put their utmost effort into providing the best real estate services.