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MONTHLY Newsletter

OCT 2024

HIGHLIGHTS

AUSTRALIA
In August, Australia's national home values rose by 0.5% for the 19th consecutive month, led by Perth's 2.0% increase

VIETNAM
Rents for high-end retail properties in Ho Chi Minh City reached a record average of US$280 per square meter in the first half of the year

SAUDI ARABIA
Saudi Arabia initiated a $1.3 trillion project to diversify its economy with over one million new residential units and megaprojects

TURKEY
The Turkish real estate market saw a slowdown in Summer 2024 due to high interest rates, leading to declining property prices

THAILAND
Bangkok's inner-city land prices surged by 17.8% year-on-year, marking the second-largest increase after Nakhon Pathom's 82.1%

In August, Australia's national home values rose by 0.5%, marking the 19th consecutive month of growth and slightly surpassing July's revised 0.3% increase. However, the growth rate is slowing, with a quarterly rise of 1.3%, less than half the 2.7% growth seen during the same period in 2023.

Overall, housing demand still outpaces supply, although the gap is narrowing. Supply levels vary by region, with Melbourne's listings 25% above the five-year average, while Perth and Adelaide are more than 40% below this average.

Capital city growth remains uneven, with Perth leading at a 2.0% monthly increase, followed by Adelaide at 1.4% and Brisbane at 1.1%. Sydney saw a modest rise of 0.3%, while Canberra, Melbourne, Darwin, and Hobart experienced slight declines.

Perth's property market continued to grow in August, with the median house sale price rising 1.9% to $688,000, reflecting a 20.7% increase over the past year. The median unit sale price also reached a new high, increasing 1.1% over the month to $455,000, a 13.8% year-on-year rise.

REIWA CEO Cath Hart noted that the market remains highly competitive, with strong buyer demand and multiple offers often exceeding asking prices. She indicated that a significant shift in supply or demand would be needed to ease the current pressure on the established homes market.

Index results as at 31 August, 2024

	Change in dwelling values				
	Month	Quarter	Annual	Total return	Median value
Sydney	0.3%	0.8%	5.0%	8.3%	$1,180,463
Melbourne	-0.2%	-1.2%	-1.0%	2.8%	$776,044
Brisbane	1.1%	2.9%	15.0%	19.6%	$875,040
Adelaide	1.4%	4.0%	14.9%	19.4%	$790,789
Perth	2.0%	5.7%	24.4%	30.1%	$785,250
Hobart	-0.1%	-0.4%	-1.2%	2.9%	$655,114
Darwin	-0.2%	-0.3%	1.6%	8.1%	$504,367
Canberra	-0.4%	-0.2%	1.5%	5.6%	$845,875
Combined capitals	**0.5%**	**1.3%**	**7.1%**	**11.2%**	**$885,877**
Combined regional	**0.5%**	**1.1%**	**7.0%**	**11.7%**	**$637,660**
National	**0.5%**	**1.3%**	**7.1%**	**11.3%**	**$802,357**

In the rental sector, Perth's market showed signs of moderation. The median weekly rent for dwellings and houses remained steady at $650, up 12.1% and 8.3% year-on-year, respectively. The median weekly unit rent dropped slightly to $600, still 9.1% higher than the previous year.

Ms. Hart pointed out that after a period of rapid rent growth, the market is now showing more stability. Rent prices for dwellings and houses have held steady for six months, and unit rent has remained at $600 for five of the past six months. The annual growth rate for rents has slowed, and she advised investment property owners to consult with their property managers to stay informed about local market conditions. Although the rental market remains tight, the intense demand seen in recent years has eased, with fewer applications being received by property managers.

GREEK RESIDENTIAL PROPERTY PRICES RETURN TO ALL-TIME HIGH LEVELS IN 2007

The Greek housing market has returned to its peak from late 2007 and early 2008, fully recovering the ground lost during the decline between 2009 and 2017. The domestic housing market is now seeing prices reminiscent of 2007, with new construction across Greece—especially in Athens—exceeding pre-fiscal crisis levels. The key difference now, compared to 2007, is that the Greek economy is expanding with healthy growth rates, surpassing its peers, combined with decreasing debt levels and political stability.

INDICES OF APARTMENT PRICES [1]

	2022	2023*	2023* Q2	2023* Q3*	2023* Q4*	2024* Q1*	2024* Q2*
I. TOTAL							
Price index (2007=100)	81.1	92.3	91.3	93.5	95.5	98.2	99.7
(%) change over previous year	11.9	13.8	14.8	12.6	12.4	10.6	9.2
II. BY AGE							
1. New (up to 5 years old)							
Price index (2007=100)	85.1	96.0	95.2	97.3	99.5	102.4	105.3
(%) change over previous year	12.5	12.8	13.8	12.0	11.7	11.1	10.7
2. Old (over 5 years old)							
Price index (2007=100)	78.5	89.9	88.8	91.1	93.0	95.6	96.2
(%) change over previous year	11.6	14.5	15.5	13.1	12.8	10.3	8.3
III. BY GEOGRAPHICAL AREA							
1. Athens							
Price index (2007=100)	86.1	98.0	96.7	99.1	101.4	104.0	105.4
(%) change over previous year	13.9	13.8	14.9	12.5	11.1	9.5	9.1
2. Thessaloniki							
Price index (2007=100)	74.9	87.3	86.1	89.0	91.0	93.5	96.5
(%) change over previous year	12.7	16.5	17.6	16.1	15.2	12.8	12.1
3. Other cities							
Price index (2007=100)	75.8	87.1	86.6	88.8	90.4	92.0	93.0
(%) change over previous year	11.0	14.9	15.9	14.4	14.3	11.2	7.3
4. Other areas of Greece							
Price index (2007=100)	78.4	87.4	86.7	88.5	90.2	94.0	95.8
(%) change over previous year	8.2	11.6	12.4	10.0	12.4	11.6	10.4
5. Urban areas (total)							
Price index (1997=100)	207.9	237.4	234.3	241.1	246.4	252.4	255.4
(%) change over previous year	12.4	14.2	15.2	13.2	12.5	10.9	9.0

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

* Provisional data.

Source: Bank of Greece.

Data from the Bank of Greece for the second quarter of 2024 show a nationwide increase of 9.2% compared to the corresponding quarter of 2023, although there is a slight slowdown on a quarterly basis (+10.6% in the first quarter). The relevant index stands at 99.7, very close to 100, which was the starting point in 2007.

In the second quarter of 2024, the annual rate of change in apartment prices for the entire country stood at 9.2%. Broken down by age of property, the annual rate of change in prices was 10.7% for new apartments and 8.3% for old apartments.

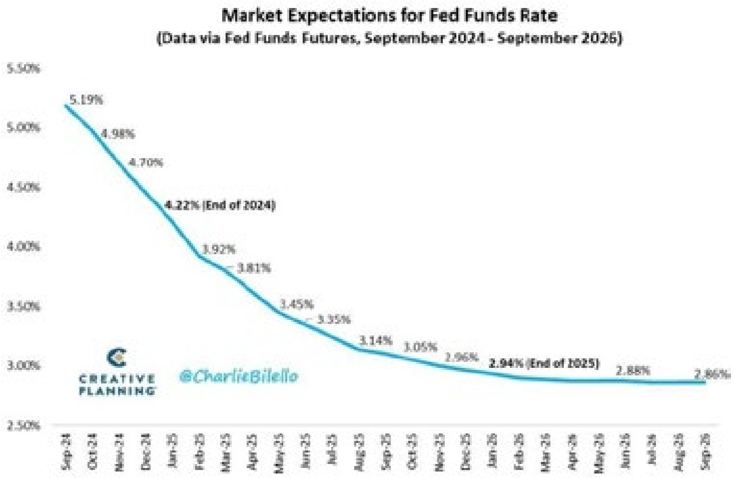
Regionally, the annual rate of change in apartment prices was 9.1% in Athens (the capital of Greece), 12.1% in Thessaloniki (the second largest city), 7.3% in other cities, and 10.4% in other areas of Greece. According to provisional data, apartment prices (in nominal terms) are estimated to have increased by an average of 9.2% year-on-year in the second quarter of 2024.

In 2023, apartment prices increased at an average annual rate of 13.8% (revised data), compared to an average increase of 11.9% in 2022.More specifically, in the second quarter of 2024, the year-on-year rate of increase in prices was 10.7% for new apartments (up to 5 years old) and 8.3% for old apartments (over 5 years old). According to revised data, in 2023, prices for new apartments increased by an average of 12.8%, compared to a 12.5% increase in 2022, while prices for old apartments rose by 14.5% in 2023, compared to an 11.6% increase in 2022.

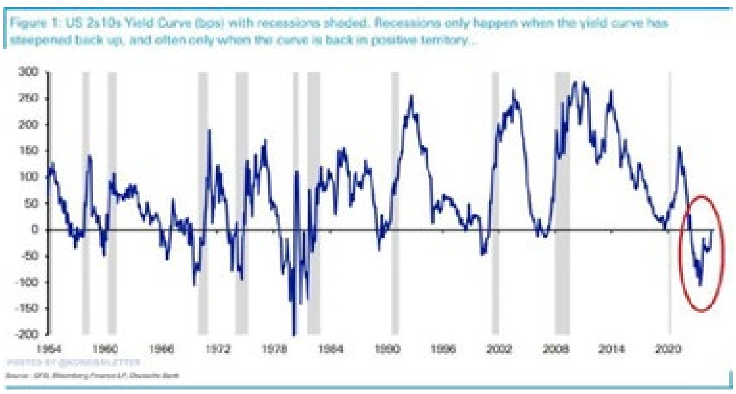
Broken down by region, in the second quarter of 2024, apartment prices increased year-on-year by 9.1% in Athens, 12.1% in Thessaloniki, 7.3% in other cities, and 10.4% in other areas of Greece. For 2023 as a whole, prices increased on average by 13.8%, 16.5%, 14.9%, and 11.6%, respectively, in these areas (revised data). Finally, in all urban areas of the country, apartment prices are estimated to have increased on average by 9.0% year-on-year in the second quarter of 2024, while for 2023, they increased at an average annual rate of 14.2% (revised data)

GLOBAL MACRO-ECONOMIC OUTLOOK 2024: MARKETS ARE EMBRACING FOR MORE HEADWINDS AS CENTRAL BANKS COMMENCE CUTTING INTEREST RATES

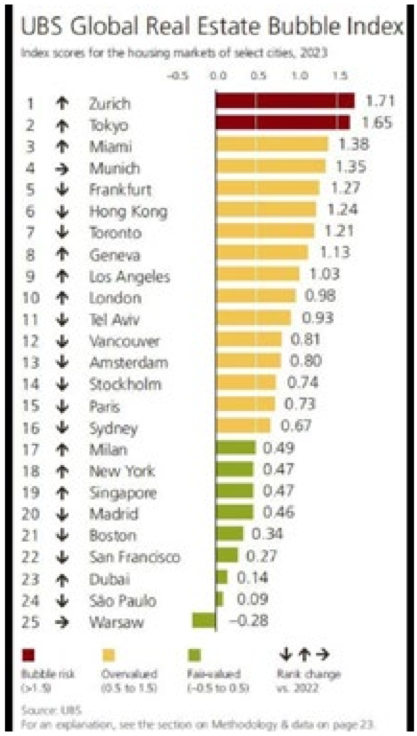
Markets are preparing as the FED is expected to cut interest rates starting in September, with a 100 bps reduction by December 2024 and a 125 bps cut by December 2025. Over the next 15 to 16 months, the FED is anticipated to lower rates by 225 bps to alleviate recessionary fears in the next 3 to 4 quarters, according to financial market expert Charlie Bilello.



US T -BILLS MOVEMENT: INVERTED TO FLATTENING.



Surprising for the market as the gap narrows down to 2 bps. Inversion eroded in the end. Recession or no recession is a question for many investors globally. The US Treasury yield curve officially ended the longest inversion in the bond market history. The difference between 10-year and 2-year Treasuries closed positive after 565 consecutive sessions of inversion. Therefore, it broke the previous record marked in the late 1970s when the curve was inverted for ~410 trading days. Over the last century, most recessions started after the yield curve turned positive again. On the other hand, a perfect soft landing could still steepen the curve and prove this indicator wrong for the first time. Is the soft-landing still attainable?



Dubai continues to thrive, and it remains a compelling investment opportunity due to strong demand-drivers, in my view. I have worked and lived in Dubai for a short time. Dubai is booming now. JVC is perhaps the most sought for investment in Dubai high end location. The top areas of investment in Dubai are:

1. Dubai Marina
2. Jumeriah village circles
3. Downtown Dubai
4. Palm Jumeirah
5. Business Bay
6. Dubai creek Harbor
7. Dubai hills estate
8. Arabian ranches

4 WAYS PEOPLE MAKES LOADS OF MONEY THROUGH REAL ESTATE

1. Rental Properties

Purchasing rental properties can be a strong investment for individuals with practical skills and the willingness to manage tenants. With a relatively small down payment, you can secure financing to buy a property, but it's important to have funds available for repairs and any periods when the property might be unoccupied. On the plus side, rental income can provide a steady cash flow, which can be reinvested to acquire additional properties. Over time, this can create a diversified income stream, although the responsibilities of property management can be time-consuming and occasionally unpredictable.

Advantages:
Provides steady income and potential value appreciation. Costs like maintenance and taxes may be deductible.

Drawbacks:
Managing tenants and repairs can be burdensome.
Vacancies and unexpected expenses can cut into profits.

2. Real Estate Investment Groups (REIGs)

For those who want to invest in real estate without the hassle of managing a property themselves, Real Estate Investment Groups (REIGs) provide a hands-off option. Investors pool their funds to buy and manage rental properties, like apartments or condos. A professional management company takes care of everything from tenant screening to maintenance, in exchange for a portion of the rental income. REIGs offer income diversification, as rents from all properties in the pool help cover vacancies.

Advantages:
Minimal day-to-day involvement for investors.
Pooled income from multiple units offers stability.

Drawbacks:
Potentially high management fees.
Exposure to vacancy risks and reliance on effective management.

3. House Flipping

House flipping is a short-term, high-reward strategy that involves buying properties at a discount, renovating them, and selling for a profit. It requires a strong understanding of market trends, construction, and real estate valuation. Some flippers focus on cosmetic improvements, while others specialize in transforming undervalued properties. The risk lies in market fluctuations, as a delayed sale can result in financial losses from carrying costs like mortgages and utilities. This strategy is for investors with enough capital and experience to navigate the complexities of property renovation and quick resales.

Advantages:
Potential for high returns within a short time.
Enhances property value through renovations.

Drawbacks:
Requires deep market knowledge and renovation expertise.
Risk of losses if the property doesn't sell quickly.

4. Real Estate Investment Trusts (REITs)

REITs offer a way to invest in real estate without owning or managing property directly. These publicly traded entities own and operate real estate, like shopping centers, office buildings, or apartments, and are required to pay out most of their income as dividends. This makes REITs an attractive option for investors seeking regular income from real estate without a large upfront investment. Additionally, many REITs are easily traded on stock exchanges, providing liquidity and flexibility compared to direct real estate investments.

Advantages:
Provides dividend income.
Offers access to real estate investments without direct ownership.

Drawbacks:
Vulnerable to downturns in the real estate market.
Liquidity can be an issue for less-traded REITs.

BALI REAL ESTATE MARKET UPDATE: SEPTEMBER 2024

Bali's real estate market continues to thrive, with several key areas experiencing strong growth due to a significant rise in tourism and increased investment interest. Here's a breakdown of the latest trends and numbers shaping the market right now.

Tourism Surge in Key Areas
In 2024, Bali has fully bounced back as a top global destination, and the tourism numbers reflect this:

- **Canggu:** With 1.5 million tourists visiting this year, Canggu remains one of the island's hottest spots. The influx of digital nomads has driven demand for co-living and short-term rental spaces, with prices up 12% compared to last year.
- **Uluwatu:** The luxury villa market in Uluwatu has surged, with an 18% increase in both rental rates and property values. Uluwatu attracted 900,000 visitors this year, many drawn to its expanding high-end wellness and retreat sector.
- **Ubud:** Bali's cultural heart saw 1.2 million tourists in the first half of 2024, alongside a 15% increase in eco-friendly property developments. Ubud's appeal lies in its serene environment and the growing trend of health and wellness tourism.
- **Seminyak & Kuta:** Although traditional tourist hubs, these areas have experienced stable growth, with around 2.3 million visitors in 2024. However, more tourists are opting for newer hotspots like Canggu, leading to a slight dip in short-term rental prices, down by 3%.

Real Estate Market Snapshot: September 2024
Bali's property market is booming, driven by increased tourist arrivals, government-backed infrastructure projects, and the rise of digital nomads. Here's what's happening:

- **Residential Property Prices:** Across Bali, median property prices have risen by 8% year-on-year, with sharp demand for luxury villas and eco-conscious developments. The median property price now stands at around $380,000, up from $360,000 in Q2 2024.
- **Land Prices:** In prime areas like Canggu and Uluwatu, land prices have surged by nearly 20% in 2024, with plots ranging from $300 to $2,000 per square meter, depending on proximity to the coast.
- **Rental Yields:** Short-term rental yields are particularly strong in Canggu and Uluwatu, where villa owners are seeing returns as high as 12-15% annually. Even in quieter areas like Amed and Sidemen, rentals offer solid returns of 8-10%, driven by increased demand for more nature-focused getaways.

Current Challenges

- **Regulatory Landscape:** While Bali is welcoming to foreign investors, it is crucial to navigate the legal framework carefully. Foreigners can only hold property through leasehold agreements, and structuring these deals correctly still requires local expertise.
- **Environmental Impact:** As development booms, concerns are growing over the environmental footprint, with several communities pushing back against overdevelopment in previously untouched areas.

Looking Ahead
Bali's real estate market is poised to continue its upward trajectory through the rest of 2024 and beyond. With high rental yields, strong capital appreciation, and a robust tourism rebound, Bali remains a compelling investment destination.

Whether you're looking for a second home, a holiday rental, or a long-term investment, Bali remains one of Southeast Asia's most exciting markets, offering diverse real estate opportunities that reflect the island's unique charm.

DUSTIN TRUNG NGUYEN
Head of IQI Vietnam

Residential:
HCMC's New Apartment Market Priced Out of Buyers' Reach

HCMC's New Apartment Market Priced Out of Buyers' Reach
Many homebuyers prefer new projects due to discounts, promotions, and favorable payment policies. However, only around 1,700 new apartments were offered for sale in the city during the first six months of this year, which is half the usual figure and just a tenth of the pre-Covid supply. Approximately 80% of these units are premium, priced at VND 60 million per square meter or higher. However, the primary market only accounted for 55% of apartment purchases in the second quarter, down from 68% in the first quarter. The shift toward purchasing second-hand apartments is "hardly surprising," given the prolonged lack of new supply. Few new projects have been approved over the past three years, and this shrinking supply has driven up prices, leaving buyers with limited options.

Commercial:
HCMC Retail Rents Soar to Record $280 per sqm Amid Dwindling Supply

HCMC Retail Rents Soar to Record $280 per sqm Amid Dwindling Supply
Rents for high-end retail properties in Ho Chi Minh City surged to a record average of US$280 per square meter in the first half of the year, driven by limited supply. This represents an 18% year-on-year increase and a 60-70% rise compared to five years ago, according to property consultancy CBRE Vietnam. Data from another property consultancy, Savills Vietnam, indicates that the supply of high-end retail space in the downtown area has remained mostly unchanged at 1.5 million square meters since Q1 2022. Analysts point to this lack of new supply as the main factor behind the soaring rents. The downtown area consistently maintains an occupancy rate of over 95%, as demand from international brands remains high, further driving up rental rates. Although approximately 100,000 square meters of retail space is expected to be added this year, it will be in developments outside the central business districts.

PRIMARY PROPERTY PROJECTS TRANSACTIONS IN HONG KONG

Since the recent decrease of 0.5% in the US Federal Reserve's interest rate, banks in Hong Kong have responded by lowering their Prime Rate by 0.25%, bringing it to approximately 5.625%. This significant adjustment has had a notable impact on the primary property market, prompting a surge in sales activity. Potential buyers have engaged vigorously in property transactions, driven by the expectation that property prices are on an upward trajectory, influenced by the decline in the US Federal Reserve's interest rate. During the past weekend, prospective buyers focused their attention on the remaining units available in primary property projects. Remarkably, nearly 30 remaining units were sold across seven different primary projects.

interest of first-time homebuyers, who are eager to make purchases with minimal initial down payments. Additionally, banks are offering mortgage loans with a loan-to-value (LTV) ratio of up to 90% of the purchase price, further facilitating access to homeownership for these buyers.

In a significant development within the financial sector, prominent banks have reinstated their cash rebate programs for mortgage loan applicants. These institutions are offering a rebate of up to 0.25% of the loan amount as a strategic measure to sustain competitive dynamics in the housing market. Rumors have circulated indicating that banks suspended the acceptance of mortgage loan applications during the second quarter to mitigate exposure to uncertain market trends. The availability of small-sized units, ranging from 231 to 336 square feet in the aforementioned projects, has attracted the interest of first-time homebuyers and young professionals seeking affordable housing options in urban areas. These compact living spaces are not only budget-friendly but also strategically located near amenities such as public transportation, shops, and entertainment, making them ideal for those who prioritize convenience and accessibility.

Moreover, by resuming these cash incentives, banks aim to attract a larger share of the mortgage market amid increasing competition. The financial landscape is characterized by varying interest rates and promotional offerings, which compel banks to enhance their value propositions to consumers. In this competitive environment, cash rebates can be a decisive factor for borrowers when selecting a lender.

The YOHO Hub II

Developer	Sun Hung Kai Development
Location	Yuen Long, New Territories
Total Unit	939
Size (sq ft)	336 - 1,035
Type	1 bedroom – 4 bedrooms
Unit for Sale	120
Application Received	4,000
Over Subscription	34 times
Sales Activity	Averaged price at HK$14,550 (US$1,865) / sq ft
Latest Price List	HK$6.9Mil – HK$13.12Mil (US$0.89Mil – US$1.69Mil)
Further Unit for Sale	94
Latest Price per sq ft	HK$13,053 – HK$16,424 / sq ft (US$1,673 – US$2,105) / sq ft
Current Status	Completed
Market Response	**All 120 units have been sold on Sep 28**

One Jardine's Lookout

Developer	Emperor International
Location	Happy Valley, Hong Kong Island
Total Unit	123
Size (sq ft)	231 - 559
Type	1 bedroom – 3 bedrooms
Unit for Sale	85
Application Received	2000
Over Subscription	23 times
Sales Activity	Averaged price at HK$15,890 – HK$20,650 (US$2,037 – 2,647) / sq ft
Latest Price List	HK$4.62Mil – HK$11.91Mil (US$0.59Mil – US$1.52Mil)
Current Status	Under Construction (to be completed in end of 2024)
Market Response	**All 85 units have been sold within 4 hours on Sep 28**

MANAGING MARKET VOLATILITY: 5 WAY TO STAY FOCUSED DURING GLOBAL ECONOMIC FLUCTUATIONS

If you've been investing for any length of time, you've experienced market volatility. The ups and downs of financial markets can be unsettling, but the key to successful investing is not letting these fluctuations derail your long-term goals. Here's how to effectively manage market volatility and keep your investments on track.

1. UNDERSTAND MARKET CYCLES

Markets naturally go through cycles of growth and contraction. Knowing that these cycles are part of investing helps keep things in perspective. While market downturns can be disconcerting, they're typically followed by recoveries. Understanding this can help you stay calm and make decisions based on long-term objectives rather than short-term panic.

2. DIVERSIFY YOUR PORTFOLIO

One of the most effective ways to manage risk is through diversification. By spreading your investments across different asset classes—stocks, bonds, real estate, and commodities—you reduce the impact of a downturn in any single area. Global diversification also helps; investing in various international markets can shield you from regional economic troubles and provide growth opportunities in different economies.

3. KEEP A LONG-TERM PERSPECTIVE

Short-term volatility can be tempting to react to, but it's essential to keep your long-term goals in mind. Historically, markets have shown growth over extended periods despite short-term bumps. Staying focused on your long-term investment horizon can help you weather the storm and capitalize on the overall upward trend of the market.

4. REGULARLY REVIEW AND REBALANCE

Your investment portfolio isn't a set-it-and-forget-it proposition. Regular reviews and rebalancing ensure that your asset allocation aligns with your risk tolerance and financial goals. Over time, some investments may outperform others, causing your portfolio to drift from its target allocation. Rebalancing restores your original asset mix and helps manage risk.

5. AVOID EMOTIONAL DECISIONS

Emotions can be a significant driver of poor investment decisions. It's easy to get caught up in market hysteria, whether it's the fear of a downturn or the excitement of a market rally. Developing and sticking to a well-thought-out investment plan can help you avoid impulsive decisions. Rules-based strategies like setting stop-loss orders or automating your rebalancing can keep emotions in check.

In the end managing market volatility requires a combination of knowledge, strategy, and discipline. By understanding market cycles, diversifying your portfolio, maintaining a long-term perspective, regularly reviewing your investments, and avoiding emotional decisions, you can navigate economic fluctuations with confidence. In the next issue, we'll explore five more strategies to help you stay focused and secure during uncertain times. Stay tuned!

TURKISH REAL ESTATE MARKET IN 2024: A SLOW SUMMER, BUT A PROMISING FUTURE

Summer 2024 was relatively quiet for the Turkish real estate market, particularly in the sales sector. The main reasons for this slowdown include the high interest rates imposed by banks, making it difficult to obtain mortgages for property purchases. At the same time, due to the high interest rates and a relatively stable USD exchange rate, people preferred to deposit their assets in banks and earn interest. Meanwhile, many international funds invested in Turkey to profit from the interest through "carry trade," which led the Turkish Central Bank to reach its highest USD reserves in history.

This situation caused a decline in property prices, particularly in high-supply areas like Istanbul, Alanya, and Bodrum. However, a new type of market emerged, known as "opportunity sales." For instance, some property owners, having already realized their profits, sought to liquidate their assets quickly and offered significant discounts. Additionally, construction companies with multiple ongoing projects introduced attractive discounts and flexible payment plans. As a result, international investors with sustained interest in Turkey began to acquire properties, and first-time buyers started the process of obtaining Turkish citizenship through investment. Previously, in central locations, buyers could only afford one-bedroom apartments, but now, with the same budget, it's possible to acquire larger two-bedroom units.

Our forecast for the last quarter of 2024 suggests that the market will pick up pace compared to the earlier part of the year. With property prices decreasing and rental prices increasing, the average ROI (Return on Investment) has risen from 4-5% to 7-8% in 2024. In any case, we expect an even more dynamic market in 2025, as Turkey's popular cities will continue to attract investors.

In August 2024, Toronto experienced a drop in both sales and prices, despite an increase in new listings. Vancouver also saw a decline in sales and prices, accompanied by a sharp rise in available properties. Meanwhile, Quebec showed gains in both sales and new listings, reflecting varied market trends across Canada.

Toronto

- Greater Toronto Area (GTA) REALTORS® reported 4,975 sales through the Toronto Regional Real Estate Board (TRREB) MLS® System in August 2024, down 5.3% compared to August 2023. New listings increased by 1.5% over the same period.

- The MLS® Home Price Index (HPI) Composite benchmark dropped by 4.6% year-over-year. The average selling price of $1,074,425 was down by 0.8% compared to August 2023. On a seasonally adjusted month-over-month basis, both the MLS® HPI Composite and the average selling price were slightly up compared to June 2024.

Sales & Average Price by Major Home Type

	Sales			Average Price		
August 2024	416	905	Total	416	905	Total
Detached	484	1,734	2,218	$1,692,239	$1,336,427	$1,414,070
Semi-Detached	133	294	427	$1,204,678	$945,801	$1,026,435
Townhouse	169	703	872	$906,594	$888,358	$891,892
Condo Apt	922	495	1,417	$681,835	$661,427	$674,706
YoY % change	416	905	Total	416	905	Total
Detached	8.3%	-3.3%	-1.0%	3.2%	-2.0%	-0.3%
Semi-Detached	-2.2%	-3.9%	-3.4%	-2.6%	-4.8%	-3.9%
Townhouse	-18.4%	-2.6%	-6.1%	-6.6%	-3.9%	-4.6%
Condo Apt	-14.8%	-4.4%	-11.4%	-6.0%	-0.8%	-4.5%

Vancouver

- The MLS® Home Price Index composite benchmark price for all residential properties in Metro Vancouver is currently $1,195,900. This represents a 0.9% decrease compared to August 2023 and a 0.1% decrease compared to July 2024.

- The total number of properties currently listed for sale on the MLS® system in Metro Vancouver is 13,812, a 37% increase from August 2023 (10,082). This is 20.8% above the 10-year seasonal average of 11,432.

- Greater Vancouver REALTORS® (GVR) report that residential sales in the region totaled 1,904 in August 2024, a 17.1% decrease from the 2,296 sales recorded in August 2023. This was 26% below the 10-year seasonal average of 2,572.

Year-Over-Year Summary

	2024	2023	% Chg
Sales	4,975	5,251	-5.3%
New Listings	12,547	12,358	1.5%
Active Listings	22,653	15,492	46.2%
Average Price	$1,074,425	$1,082,881	-0.8%
Avg. LDOM	28	20	40.0%
Avg. PDOM	44	28	57.1%

Quebec

Province of Quebec — August 2024

Residential: Summary of Centris Activity

	August			Year-to-date		
	2024	2023	Variation	2024	2023	Variation
Total sales	6,517	5,927	↑ 10%	60,882	54,055	↑ 13%
Active listings	36,660	30,981	↑ 18%	36,810	30,890	↑ 19%
New listings	10,043	9,761	↑ 3%	93,884	81,252	↑ 16%
Sales volume	$3,231,618,650	$2,822,545,503	↑ 14%	$30,028,134,179	$25,004,356,883	↑ 20%

SHAREEF GHALEB KATTAN
Head of IQI Saudi Arabia

SAUDI ARABIA REAL ESTATE AND INFRASTRUCTURE PROJECTS

As part of Saudi Arabia's strategy to diversify its economy away from oil and become a global hub for living, working, and travel, the Kingdom has launched an ambitious $1.3 trillion wave of real estate and infrastructure projects.

This development spree includes over one million new residential units and megaprojects, such as the futuristic NEOM on the Red Sea coast, all aimed at enhancing the quality of life for locals while attracting foreign investment and tourism.

NEOM is now open for business, preparing for its first wave of tourists this year, and showcasing progress through the unveiling of new locations and ongoing construction. Alongside projects like The Line, Trojena, Oxagon, and Sindalah, NEOM is developing luxurious, modern living spaces with the goal of enabling human progress without compromising the health of the planet, with a strong emphasis on sustainability and prosperity.

Another landmark project, valued at $4.586 billion (SAR 17.2 billion) and now 44.5% complete, is The Avenues–Riyadh. Situated in the northern region of Riyadh, The Avenues–Riyadh will offer a gross leasable area of approximately 370,000 square meters. In addition to its retail offerings, the project is expected to create over 20,000 job opportunities for Saudi nationals, further contributing to the Kingdom's Vision 2030 goals.

Saudi Arabia's real estate market is experiencing unprecedented growth, driven by ambitious projects and government initiatives. The demand for branded residences as an asset class is increasing, with luxury vacation destinations in the Kingdom swiftly incorporating branded residences into their development strategies.

Looking ahead, Saudi Arabia's real estate market is poised for continued expansion. The Kingdom's population, including expatriates, is expected to reach 40 million by 2030, driving demand across all asset classes. The government's focus on infrastructure and residential development, coupled with favorable policies for foreign investors, creates a conducive environment for investment.

From the growing urban landscapes of Riyadh and Jeddah to the culturally rich areas of Makkah and Madinah, the Kingdom presents a diverse selection of investment opportunities. Supported by government initiatives and a strong economic outlook, investing in Saudi Arabia's real estate market is a promising endeavor for those looking to tap into this rapidly advancing sector.

DUBAI Q4 2024 OUTLOOK

Dubai's residential real estate market continues to be a dynamic and highly sought-after sector. As of August 2024, it is witnessing robust activity, marked by a surge in transactions driven by sustained economic growth, favorable government policies, and a continuous influx of international investors and residents. Let's explore the market's performance in August and the key trends influencing demand, with an outlook for the remainder of the year.

A. Market Performance: Transaction Volume and Value

Dubai's residential real estate market recorded another stellar performance, with the total number of transactions growing by 9.5% compared to the same period in 2023. The total value of transactions reached AED 30.2 billion (USD 8.22 billion), marking a 12.3% year-over-year (YoY) increase. This sharp rise in transaction value was driven by a mix of both primary (off-plan) and secondary (ready) sales, with off-plan sales accounting for a larger proportion of overall activity.

The off-plan sector, in particular, has been bolstered by an increase in new project launches by major developers, with buyers capitalizing on attractive payment plans and post-handover payment options. Meanwhile, the secondary market continued to thrive due to high demand for ready-to-move-in properties, particularly in popular areas such as Dubai Marina, Downtown Dubai, and Palm Jumeirah.

B. Key Drivers of Demand

Several factors contributed to the strong performance of Dubai's residential real estate market in August 2024:

- **Strong Economic Growth:** Dubai's economy has successfully recovered from the global pandemic, with growth in tourism, trade, and financial services driving higher disposable incomes and consumer confidence. As the city's global stature grows, demand for residential properties has increased, particularly from international buyers seeking second homes or investment properties.

- **High Influx of Expats and Investors:** Dubai remains a prime destination for expatriates, with high-net-worth individuals (HNWIs) and families from Europe, Asia, and the Middle East showing increased interest in the city's luxury real estate. The UAE's Golden Visa program and property-linked residency incentives have further attracted global investors, driving demand for high-end villas and apartments.

- **Government Initiatives and Policies:** Dubai's government has played a proactive role in ensuring the stability of its real estate market. Regulatory frameworks, including reduced transaction fees and eased mortgage lending rules, have boosted buyer confidence. Additionally, the government's focus on sustainability and green building initiatives has made the market more attractive to environmentally conscious buyers.

- **Increased Mortgage Lending:** The banking sector in Dubai has continued to provide favorable mortgage rates and flexible lending terms, making it easier for both first-time buyers and investors to enter the market. The average mortgage rate remained stable at around 4% for fixed-rate loans, significantly lower than in other major global cities. This has increased affordability and spurred a new wave of homeownership among residents.

MALAYSIA'S PROPERTY MARKET SNAPSHOT: A COMPREHENSIVE REVIEW OF H1 2024

As of the latest update on September 18, 2024, the first half of 2024 has revealed significant trends in Malaysia's property market, particularly in the residential, industrial, and commercial sectors. Drawing from the National Property Information Centre's (NAPIC) comprehensive data, this analysis highlights key movements and their implications.

Residential Sector: Stability Amidst Variability

The residential market, while resilient, has shown variability in activity levels across different property types, with a nuanced slowdown in growth compared to the previous year:

- **Transaction Volumes and Values:** The volume of transactions has decreased by approximately 5% year-over-year, indicating a slight cooling compared to the heated activity seen in previous years.

- **Overhang and Unsold Units:** The overhang in the residential sector has increased by 2% compared to the same period last year, signaling a slower absorption rate, particularly in the luxury and higher-priced segments.

Industrial Sector: Sustained Growth

The industrial property market continues to expand, fueled by recovery in both domestic and international markets:

- **Warehousing and Manufacturing Spaces:** Demand for these spaces has increased by about 10% over the last year, particularly in well-connected areas offering modern, efficient facilities.

- **Market Expansion:** The planning and development of new industrial properties have risen by around 15% compared to last year, reflecting strong investment appetite and strategic enhancements to Malaysia's logistical and manufacturing capabilities.

Commercial Sector: Adjusting to New Norms

The commercial sector, particularly office and retail spaces, has undergone an adjustment period due to evolving work and consumer behaviors:

- **Office Spaces:** The Purpose-Built Office Rental Index (PBO-RI) has shown a decrease of 0.5% in Klang Valley, indicating a market in search of equilibrium as businesses reassess their space needs post-pandemic.

- **Retail Spaces:** Recovery in the retail sector remains slow, with foot traffic still down by about 3% compared to last year, underscoring the lasting impact of e-commerce on traditional shopping behaviors.

Conclusion

The first half of 2024 has illuminated the evolving dynamics of Malaysia's property market, with each sector reflecting unique trends and challenges. The residential sector is adjusting to a slightly cooled market, the industrial sector continues to thrive with significant growth, and the commercial sector is finding its footing amid new work and shopping norms. Stakeholders, including investors and developers, must remain adaptable and well-informed to navigate these changes effectively and capitalize on emerging opportunities in this evolving landscape.

Source: napic2.jpph.gov.my

PHILIPPINES GDP SET TO REBOUND

The Philippines continues to outpace its neighbors in terms of economic expansion. Colliers believes that optimism in the country's economy will persist and spill over into other sectors, including property development. A highly anticipated interest rate cut from the central bank is expected to further boost the country's growth. In our view, this rate cut will have a substantial impact on key segments, including office, residential, retail, hotel, and industrial markets. With improving consumer sentiment, bolstered by a declining unemployment rate, there's little doubt that both the Philippine economy and its property sector are poised for a rebound.

DMCI, RLC: First Tower of Sonora Garden Residences 56% Sold

DMCI Homes and Robinsons Land Corp. (RLC) Residences have announced that the first tower of their joint venture (JV) development, Sonora Garden Residences, is now 56% sold. The project offers one- to three-bedroom units ranging in size from 28 to 83.5 square meters (301 to 900 square feet), with an average price per square meter of PHP 128,000 (USD 2,200). Sonora Garden Residences is conveniently located near Robinsons Place Las Piñas and the upcoming LRT-1 Cavite extension.

Colliers recommends that developers explore partnerships with foreign and local players to differentiate their residential projects. Data from Colliers shows that the average take-up rate of condominium projects developed through JVs with local and foreign developers ranged from 40% to 100% as of Q2 2024. Property firms should highlight projects located within integrated communities and near infrastructure developments to attract demand from young buyers and affluent investors seeking units with strong rental potential and capital appreciation.

Marcos Targets 350 Airport and Seaport Projects by End of Term

President Ferdinand Marcos Jr. aims to complete 350 airport and seaport projects by the end of his term in 2028, with the rehabilitation of Ninoy Aquino International Airport (NAIA) as a priority. The president also emphasized improvements to General Santos and Bicol International Airports, as well as the Batangas Port Passenger Terminal Building (PTB). The Marcos administration has allocated PHP 8.3 trillion (USD 143 billion) for its "Build, Better More" program, which covers 194 flagship infrastructure projects.

Colliers encourages developers to capitalize on the government's "Build, Better More" initiative, particularly within the property market. In our view, the hospitality sector is likely to benefit from the development and modernization of airports nationwide. We recommend that hotel operators and leisure stakeholders planning to expand their footprint maximize their projects' proximity to major airports and mass transit systems. The improvement in infrastructure connectivity in both popular and emerging tourist destinations should also increase the viability of new investment products, such as leisure-themed developments and hotels.

SOMSAK CHUTISILP
Country Head of Thailand

The rise in land prices in Bangkok's inner-city locations was among the top five largest increases in both Q1 and Q2 of 2024, reflecting a trend of higher volumes of new condo supply in these areas. Land prices in Bangkok's inner-city locations have been continuously increasing, which can be attributed to large-scale development projects by both the government and private sector. These developments often include mixed-use projects featuring office buildings, retail spaces, and high-rise residential towers. Many of these projects were developed as condos, aligning with the REIC's residential market data for Q1 2024, which showed a year-on-year surge of 269% in new condo launches in Bangkok's inner-city areas.

According to REIC, the year-on-year rise in land prices in Bangkok's inner-city locations in Q2 2024 was 17.8%, the second-largest increase, following Nakhon Pathom, which posted growth of 82.1%. The inner-city areas comprise 12 districts: Chatuchak, Huai Khwang, Yannawa, Watthana, Klong Toey, Phaya Thai, Bang Kholaem, Pomprab Sattruphai, Bang Sue, Din Daeng, Ratchathewi, and Bang Rak. Q2 was the second consecutive period in which land price increases in these locations ranked among the top five, following a fourth-place ranking in Q1 2024 with a 10.1% increase. Recent instances when these areas ranked among the top five include Q3 2023, placing fifth with a gain of 6.8%, and Q4 2022, ranking fourth with growth of 16.6%. Other locations in the top five were mostly in Bangkok's neighboring provinces: Nakhon Pathom, Pathum Thani, Samut Prakan, Samut Sakhon, and Nonthaburi.

Condo Market

New condo launches in Greater Bangkok this year are expected to fall short of projections, primarily due to weak demand amid an economic slowdown. The condo market in Greater Bangkok was quiet in Q2 2024 due to sluggish Thai economic growth and a weakening global economy. Overall, the Bangkok condo market has slowed due to a lack of strong demand drivers. In the mid-to-lower-end segment, buyers are struggling with high household debt, elevated interest rates, and a high mortgage rejection rate from banks. In the second quarter, 5,386 new condo units from 15 projects, with a combined value of 35.6 billion baht, were launched in Greater Bangkok.

Of this total, roughly 1,000 units from four projects were in the upper-end segment, located in inner-city areas, and achieved a sales rate of 65%. The remaining units, located outside the city center, had a sales rate of only 30%. In total, the number of new condo units launched in Greater Bangkok in the first half of 2024 was 8,674 units, with a combined value of 49.3 billion baht. This represents nearly a 50% decrease compared to the 15,413 units launched during the same period last year.

Source: Bangkok Post

TECH BOOM DRIVES HOUSING SURGE: IQI INDIA'S INSIGHTS ON BENGALURU AND HYDERABAD'S REAL ESTATE MARKETS

In recent years, the housing markets in Bengaluru and Hyderabad have witnessed an unprecedented surge, driven largely by IT/ITeS professionals seeking to capitalize on their stable incomes and the growing need for homeownership. According to a report by Anarock, since 2020, certain areas in these cities have experienced price increases of over 80%, a testament to the robust demand in these markets.

For instance, in Bengaluru, Bagaluru recorded an astounding 90% price appreciation from the end of 2019 to June 2024, while Whitefield, a key tech hub, saw prices climb by almost 80% during the same period. Similarly, Sarjapur Road experienced a 58% rise in residential property prices. In Hyderabad, the trend is equally strong, with Kokapet witnessing an 89% price increase.

Developers have responded by significantly expanding their land banks, preparing for even higher demand, particularly in the premium and luxury segments. Notably, several large, listed developers have been on a land-buying spree in 2024, with their balance sheets remaining strong.

Looking ahead, the housing market in both cities is expected to maintain its upward trajectory, with demand for premium and luxury properties leading the charge. Developers, sensing this shift, have taken the opportunity to increase prices—most notably from 2022 onwards—as the market continues to grow. As more professionals flock to these cities and developers continue to cater to evolving preferences, Bengaluru and Hyderabad will remain prime hotspots for real estate investment.

How Infrastructure is Elevating NCR's Real Estate Boom

India's real estate market is undergoing a massive transformation, much of which is being fueled by the government's dedicated focus on infrastructure development. Across the country, strategic projects are laying the groundwork for long-term property appreciation, with cities like Faridabad in the National Capital Region (NCR) emerging as prime examples of how infrastructure can unlock real estate potential. With an 8% annual appreciation in property values, Faridabad is becoming a prime destination for real estate investors.

One of the key catalysts behind this growth is the upcoming Jewar Airport, which is expected to transform the entire region. Projected to handle 12 million passengers annually, Jewar Airport is attracting multinational corporations and boosting economic activity in Faridabad. Demand for corporate office spaces has already surged by an impressive 15% in the past year, and this trend is set to continue as the city positions itself as a future business hub. In the next five years, Faridabad is expected to attract 30,000 professionals annually, highlighting its rapidly expanding corporate sector.
The proposed Faridabad-Jewar Expressway will enhance connectivity for daily commuters traveling between Delhi, Noida, Greater Noida, and Faridabad. This development will further bolster Faridabad's reputation as a business-friendly city, fueling demand for premium office spaces. The result is a sustained upward trajectory in real estate prices, with cities like Faridabad becoming models for how infrastructure can catalyze growth.

In the coming years, as India continues to expand its infrastructure footprint, real estate investors will find more opportunities in emerging hubs nationwide.

New home sales declined in August after reaching a four-month high in July 2024, which was unsurprising. The slower sales can be attributed to the customary practice of developers holding back new launches during the seventh lunar month, as prospective buyers usually delay major purchase commitments due to perceived inauspiciousness.

According to data from the Urban Redevelopment Authority (URA), new home sales dipped 63.6 percent to 208 units in August 2024, down from 571 units in July. Compared to August 2023, new home sales decreased by 47.2 percent, from 394 units.

There were no project launches last month. Due to the lack of new launches, demand for new homes primarily stemmed from existing projects, especially those located in suburban and city fringe areas, which are considered more affordable and well-located.

The best-selling projects were Tembusu Grand, Hillock Green, Lentoria, Hillhaven, Lentor Hills Residences, and The Botany at Dairy Farm.

Last month's sales were primarily in the Outside Central Region (OCR), accounting for 59.1 percent, or 123 units, of the total transactions. This was followed by the Rest of Central Region (RCR) at 31.3 percent, or 65 units, and the Core Central Region (CCR) at 9.6 percent, or 20 units.

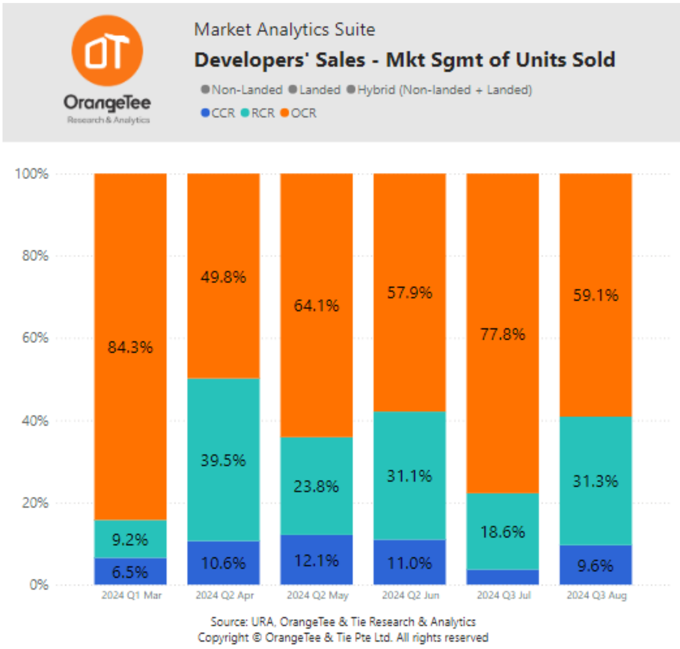
Demand for luxury homes remained low at the upper end of the market. According to URA Realis data, only one new non-landed home was sold above S$10 million. This unit was a 4,198 sqft fifth-floor freehold apartment at 32 Gilstead, which transacted for S$14.713 million, or S$3,505 psf. Meanwhile, six other new non-landed homes were sold for at least S$5 million but less than S$10 million.

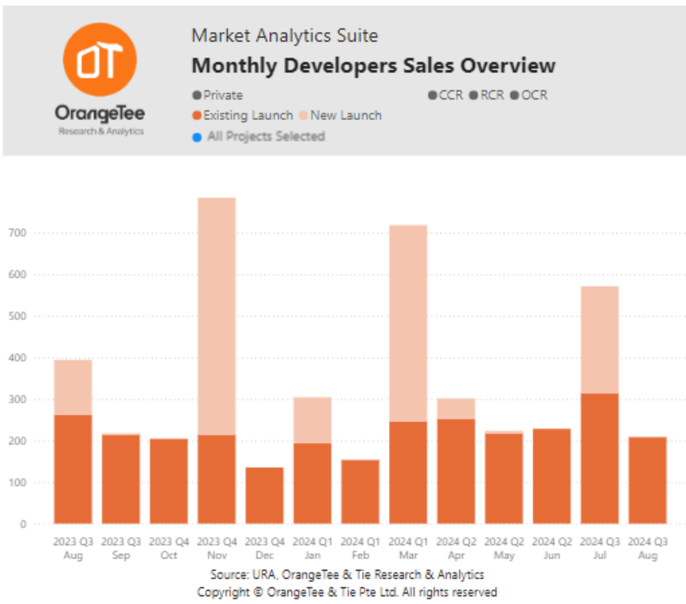
URA Realis data showed that the proportion of Singaporean buyers reached 88.5 percent of new non-landed and landed (excluding EC) home purchases last month, up from 87.2 percent in July 2024, marking the highest proportion since March this year.

Following the seventh lunar month, developers are set to launch several projects, including Union Square Residences, Emerald of Katong, The Chuan Park, Norwood Grand, Nava Grove, and Arina East Residences.

The influx of new property launches could lead to a surge in sales activities and more transactions in the second half of 2024, potentially exceeding the 1,889 new homes sold in the first half of the year.

Additionally, the anticipated reduction in interest rates, expected to be announced in September, is likely to make mortgages more accessible. Buyers purchasing new condos typically opt for floating mortgage packages, and they are more likely to benefit from any decrease in interest rates.



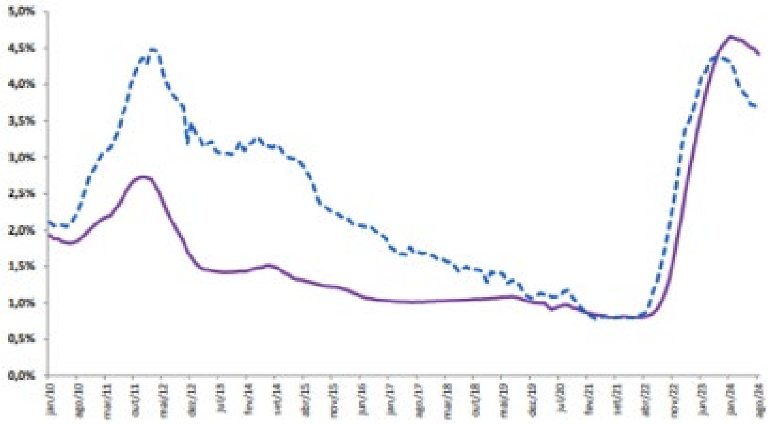


THE PORTUGUESE SUMMER OF 2024: LOWER INTEREST RATES AND SALES GROWTH

The summer of 2024 in Europe was marked by significant changes in the real estate market, particularly the decline in implicit interest rates for housing loans and its impact on consumer behavior and property transactions. This article explores the trajectory of these rates and their direct effects on the housing market, including average monthly payments, increased demand, and rising property prices.

Decline in Interest Rates on Housing Credit

In August 2024, the implicit interest rate on housing credit fell to 4.417%, representing a decrease of 7.0 basis points (b.p.) compared to the previous month, when the rate stood at 4.487%. Since the peak recorded in January 2024 (4.657%), the rate has seen a total reduction of 24.0 b.p., signaling an easing of financing conditions for property acquisition.



For contracts signed in the last three months, the interest rate dropped from 3.713% in July to 3.665% in August, marking a decrease of 4.8 b.p. in a short time frame.

These variations reflect not only a more favorable economic environment but also the impact of recent public policies aimed at facilitating access to housing and stimulating the real estate market.

Impact on Mortgage Payments

The reduction in interest rates had a direct effect on average mortgage payments for housing credit contracts. In August 2024, the average monthly payment was 404 euros, one euro lower than the previous month but 25 euros higher than the same period in 2023. This 6.6% increase compared to August of the previous year shows that, despite the drop in interest rates, the overall rise in property prices and the increase in outstanding debt resulted in higher payments.

For contracts signed in the last three months, the average monthly payment increased by 6 euros compared to July, reaching 617 euros. However, compared to August 2023, there was a slight decrease of 1%. This recent rise in payments is directly linked to the increase in the average outstanding debt, which grew by 345 euros in August, reaching 66,874 euros. It is also worth noting that, in terms of composition, the portion allocated to interest payments represented 60% of the average payment in August 2024, compared to 57% in the same month of 2023. This means that even with lower interest rates, the increase in total payment amounts and the persistence of an inflationary environment led to a higher share of payments going toward interest.

The easing of interest rates since June, coupled with new government measures for housing, provided renewed momentum to the European real estate market. During the summer of 2024, transactions picked up pace, with a 3.3% increase in sales, resulting in 34,500 properties sold over the period.

This rise in housing demand reflects a more favorable economic environment, where consumers are encouraged to make real estate investments, driven by the expectation of stable financing rates and the desire to secure good opportunities before a potential new cycle of interest rate hikes.

PAKISTAN'S REAL ESTATE MARKET: TRENDS AND INVESTMENT OPPORTUNITIES

Pakistan's real estate sector has experienced slow growth due to high interest rates and economic instability. However, the market is expected to recover, driven by an urbanization rate of 3.7% (2020-2025), infrastructure development investments totaling PKR 1.3 trillion (2020-2023), and increasing demand for modern living spaces. The government's initiatives to boost foreign investment and offer tax incentives have also improved the investment climate.

Key Investment Opportunities

Grade A Office Spaces

The office sector has shown resilience, with multinational corporations (MNCs) occupying 40% of Grade A office space. Large local groups have driven occupancy rates to 85% in 2024, with average rental yields of 8-10% per annum.

Hospitality Sector

Pakistan's hospitality sector has recovered to pre-COVID levels, with occupancy rates reaching 65% in 2024 and average daily rates (ADRs) increasing by 15% year-on-year (YoY). The tourism industry is expected to grow at a rate of 10.4% from 2020 to 2025.

Industrial Sector

The industrial sector has seen increased activity due to import substitution and the localization of production. Warehouse occupancy rates have risen to 90% in 2024, with the sector expected to grow at a rate of 5.5% from 2020 to 2025.

Retail Sector

Regional malls in major cities have maintained high occupancy rates of 95% in 2024, with average rental yields of 12-15% per annum. The retail sector is projected to grow at a rate of 8.2% from 2020 to 2025.

Waterfront Properties

Waterfront properties, particularly those developed by reputable builders, offer a unique investment opportunity. These properties, located in prime areas with stunning views of the Arabian Sea, feature luxury amenities such as high-end apartments, gyms, swimming pools, and shopping centers.

Demand for waterfront properties remains strong, driven by expatriates and affluent locals seeking luxurious living spaces. Strong rental yields of 8-12% per annum and a 25% year-on-year capital gain over the last five years further enhance their appeal.

Several factors contribute to this trend, including the limited supply of luxury waterfront properties, increasing demand from high-net-worth individuals (both domestic and international), and government initiatives promoting tourism and coastal development.

Regional Market Analysis

Karachi's real estate market is expected to grow, driven by infrastructure development investments totaling PKR 500 billion (2020-2025), a population growth rate of 3.5% (2020-2025), and increasing demand for modern living spaces. Lahore and Islamabad also offer investment opportunities, particularly in the office and retail sectors.

Investment Strategy

To maximize returns, investors should focus on:

- Prime locations with excellent connectivity
- Properties with luxury amenities and modern facilities
- Reputable developers with a strong track record of quality and timely delivery
- Government incentives and tax benefits
- Diversification across sectors

Statistics Summary

- Urbanization rate: 3.7% (2020-2025)
- Infrastructure development investments: PKR 1.3 trillion (2020-2023)
- MNC occupancy rate: 40% (Grade A office space)
- Hospitality sector growth rate: 10.4% (2020-2025)

Pakistan's real estate market presents significant opportunities for growth and attractive returns on investment, particularly in Grade A office spaces, hospitality, industrial, retail, and waterfront properties. By understanding market trends, statistics, and investment strategies, investors can navigate Pakistan's real estate market and achieve promising returns.

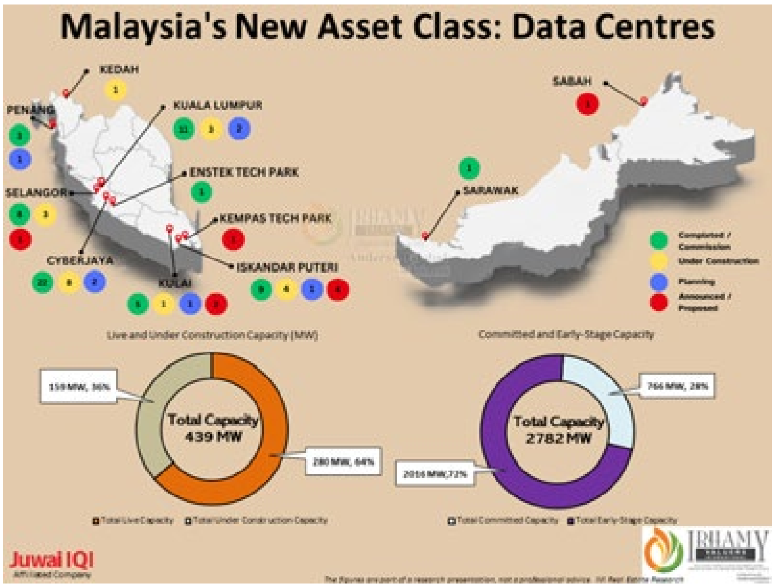
MALAYSIA –THE FUTURE DATA CENTRE POWERHOUSE

The data center sector in Southeast Asia has experienced rapid growth, with Malaysia emerging as a key hub for development. Its strategic location, well-developed infrastructure, and favorable conditions—including a stable power supply, abundant water resources, and a robust telecommunications network—make it an attractive destination for companies looking to establish or expand data center operations. Malaysia's stable political climate and progressive policies further enhance its appeal to investors, fostering an environment conducive to uninterrupted data center activities and attracting both domestic and international players.

Since the early 2000s, when NTT Global Data Centres established the first data center in Cyberjaya, the Malaysian market has grown significantly, now boasting 35 existing and 33 upcoming facilities. The data center market is projected to expand at a compound annual growth rate (CAGR) of 13.92%, from US$1.81 billion in 2023 to US$3.97 billion by 2029. While Kuala Lumpur and Selangor initially dominated the market, Johor has seen a surge in development due to spillover from Singapore, which faces limitations in water, power, and land. The demand for larger facilities is increasing, driven by trends in cloud computing, artificial intelligence (AI), and other advanced technologies. The Malaysian government is supporting this growth by developing industrial parks like Sedenak Tech Park and Nusajaya Tech Park, along with new renewable energy projects, positioning Johor as a prime location for future data center investments.

In just five years, data center campus sizes have increased from around 50 megawatts (MW) to over 100 MW, driven by the rising demand for AI and significant computing capabilities. Johor is emerging as a prime location for data centers due to its abundant land, reliable power grid, and commitment to renewable energy, supported by the development of industrial parks like Sedenak Tech Park and Nusajaya Tech Park. The Malaysian government, along with private entities like YTL Corp, is investing in infrastructure projects, including the 275-acre solar-powered YTL Green Data Centre Park, further enhancing Johor's appeal in the data center landscape.

The figure below provides an overview of the data center landscape in Malaysia, highlighting the emergence of data centers as a new asset class and detailing their distribution across key regions. It categorizes them based on their development stages, offering insights into their current and future capacities across various locations in Malaysia.



Malaysia's data center industry has rapidly grown into a significant force in Southeast Asia, attracting major players such as AirTrunk, Equinix, and tech giants like Microsoft and Google, which have invested billions in hyper scale facilities. The country is focusing on developing high-standard data centers, including Tier IV facilities like IRIX Santubong 1 and NEXTDC KL1, to meet increasing demands for high availability and reliability.

With a strategic emphasis on innovation, renewable energy, and robust infrastructure, Malaysia is well-positioned to sustain its growth and become one of the largest data center hubs in Asia, especially as planned capacities come online.

DATA SHOWS CHINESE BUYING MORE LUXURY HOMES IN MALAYSIA

More than a dozen major media outlets cited Juwai IQI data last month regarding the surge in inquiries from Chinese buyers about multimillion-ringgit luxury homes.

Why are Chinese buyers interested? They appreciate Malaysia's stronger economic growth, attractive culture and lifestyle, political stability, international schools, proximity to China, and relatively affordable property. While Malaysia has welcomed foreign students to its universities and international high schools, countries such as Australia and the United States have made students feel less welcome.

Juwai IQI Co-Founder and Group CEO Kashif Ansari stated, "In the first quarter of 2024, the number of inquiries from Chinese buyers for Malaysian residential real estate jumped by 42 percent compared to the previous quarter." He added, "We believe there was a similar increase in the number of Chinese buyer transactions. They made up the largest segment of foreign buyers in Malaysia."

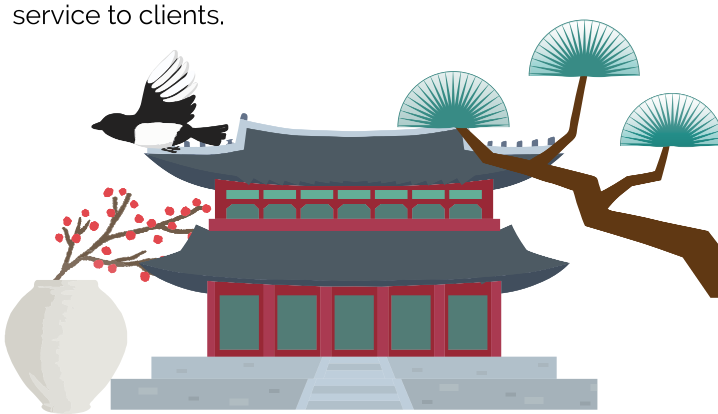
Chinese buyers have made Malaysia their second most popular market in Southeast Asia, up from third in 2022, following only Thailand, according to data from Juwai IQI.

Among the major media outlets that covered this story were the New Straits Times, The Financial Times, Yahoo!, the Malay Mail, and The Sun.

IQI Moments

IQI Expands Its Global Network to Korea

IQI Global has expanded into South Korea, aiming to introduce international standards of service and technology to the country's dynamic real estate market. The Korean residential market is expected to reach a value of US$8.29 trillion this year, attracting growing interest from international buyers. IQI Korea will leverage its global expertise and local knowledge to offer high-quality listings and provide exceptional service to clients.



IQI Brings Global Expertise to the Italian Real Estate Market

Real estate giant IQI has expanded into Italy, marking its 26th global market. The Italian market, with its cultural heritage, favorable climate, and affordable prices, attracts international investors, particularly in the luxury segment. IQI aims to leverage its global network and technology to connect foreign buyers with Italian properties, led by experienced expert Diego Moretto.