

# Real Estate Market Analysis

**There are many developers in Cambodia, both local and foreign.**

**There are serious companies with an impeccable reputation that build only high-quality projects according to world standards and there are (not many, but nevertheless) hacks or those who try to sell at Over Price (inflated cost).**

**There are also Chinese companies that entered the Cambodian market very powerfully and at great expense and built entire mini cities for the future Chinese expansion, which did not happen.**

**As a result, the houses are almost empty, because there are few Chinese, and a lot of real estate has been built for the Chinese.**



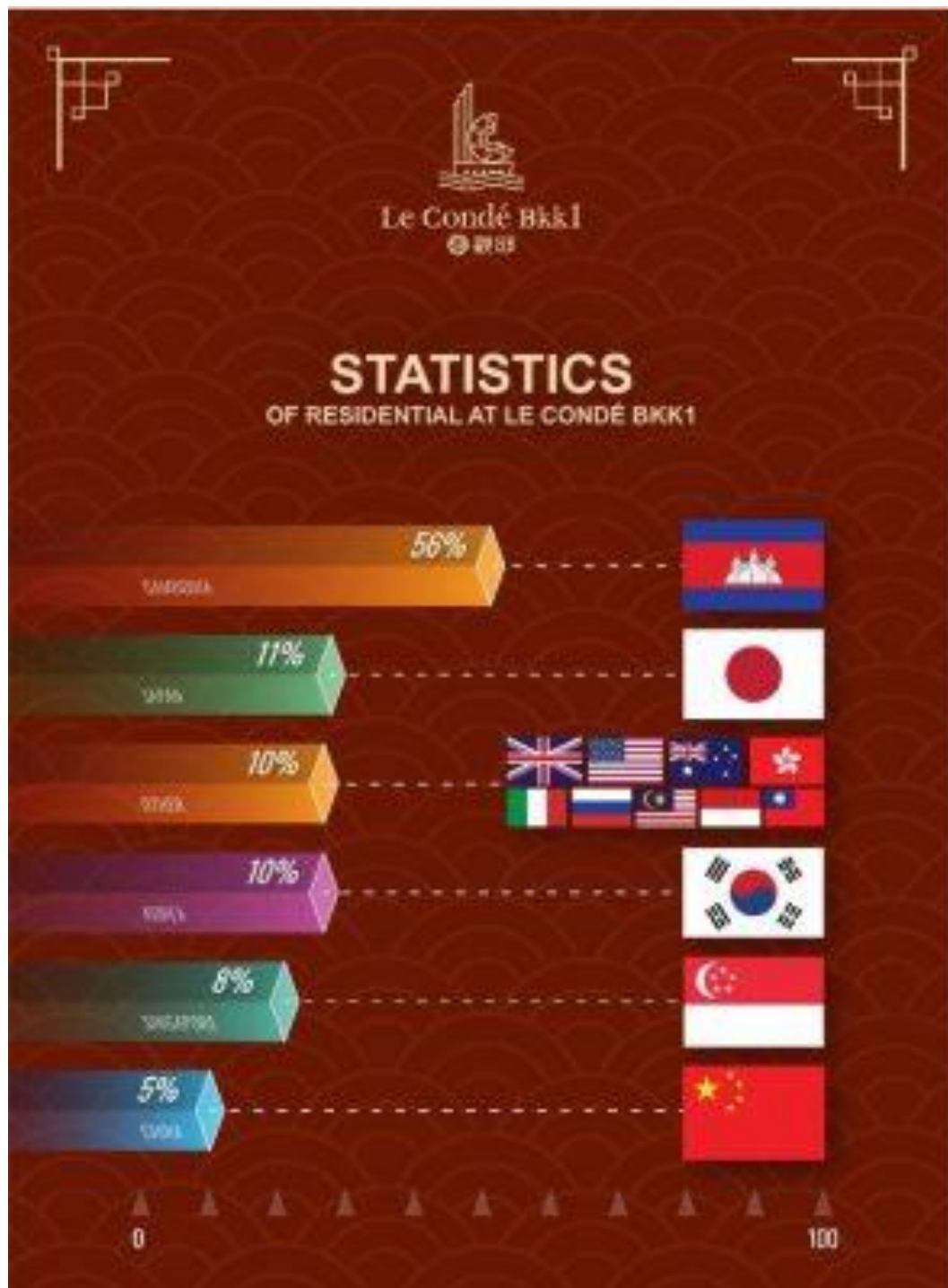
Foreigners and Khmers are rare buyers of such projects, since the layouts, design and much more are “tailored” for the Chinese, and living in a Chinese anthill in the future is a very dubious pleasure for people of non-Chinese nationality.

The construction market in Cambodia is more or less formed and there is healthy competition between developers.

A large amount of housing is bought by foreigners and, as a rule, the Chinese buy real estate in houses built for the Chinese.

The rest of the foreigners buy real estate in “international” condominiums, which are built according to modern world standards.

Below is an example of the nationalities of buyers of the Phnom Penh developer “Le Conde” (We sold several apartments there).



Naturally, there is a market and adequate price for each property, which depends on the location, design, "stuffing", name and reputation of the construction company and other Real Estate nuances, including the types of documents that establish the property rights of foreigners to purchase real estate in Cambodia.

**The analytics in this article only applies to those projects that we sell, because we select developers very carefully.**

## **ROI (Return of Investment) in Cambodian Real Estate**

We are periodically asked questions (especially when buying investment real estate) about:

1. ROI (Return Of Investment) – Calculation of return on investment
2. GRR (Guaranteed Rental Return) Guaranteed rental of the apartment to the developer
3. GBB (Guaranteed Buy Back) Guaranteed buy-out of the apartment by the developer
4. Rental Refund Money back through renting

Let's calculate these parameters using the example of the Odom project in the capital of Cambodia - Phnom Penh, but before that, a few words about this interesting project.

In our opinion, this is the most interesting investment project in Cambodia for a period of 5 years.

The most technologically advanced and "green" development project "Odom" consists of 2 premium class buildings connected by a bridge to each other in the very center of Phnom Penh at a height of 15-16 floors.

The first is a 45-storey class A office building "Odom Tower", which is connected with the Sky Bridge to the 30-storey residential building "Odom Living" (apartments from the 9th to the 22nd floor). The most central area of Phnom Penh is Tonle Basak (bordering the BKK1 area) and direct access to Norodom Street. ROI (Return of Investment) in Cambodian Real Estate

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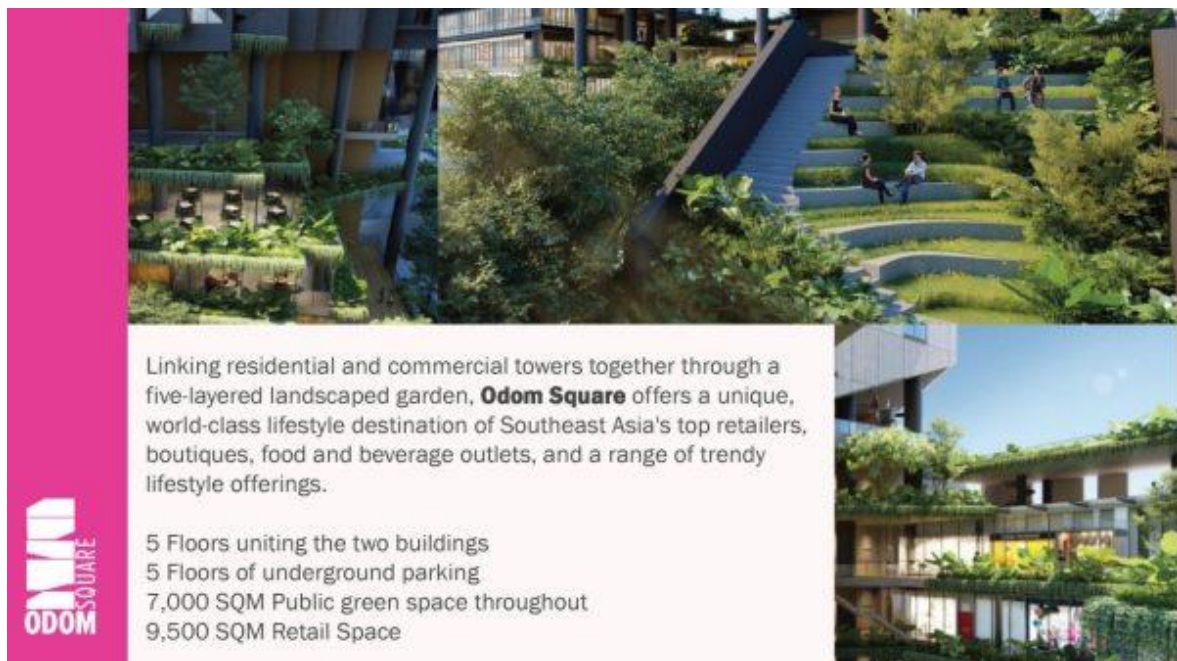


The plants will be watered using drip irrigation and collected rainwater, which saves water consumption by up to 94%.

The entire building from the parking lot (5 levels underground) to the roof of the 45th floor will be surrounded by tropical gardens with natural ventilation and public spaces directly in the building, where you can go out into the sunlight and take a walk in the fresh air.

Until now, there has not been a single project in Cambodia that would meet this standard.





### ***For comparison,***

*In Kazakhstan, the first project with "LEED Gold" is a 30-story office center of international class "A" "TALAN TOWERS*

*The project consists of 3 parts:*

1. **"Odom Square"** - 7,000 sq. meters of shops and food & beverage
  - a. The first 5 floors of these 2 buildings
  - b. 5-story underground parking
2. **"Odom Tower"**

a. 45-story tower above the 5th floor:

### 6 Sky Villages

b. 40,000 sq. meters of office space with Strata-title Office (Possibility of registration for a foreign citizen)

c. Singapore 5-star hotel IHG Hotels & Resorts

### 3. "Odom Living"

a. 30-story tower above the 5th floor:

b. 18,000 sq. meters of 1-2-3-4 room apartments with an area from 72 to 262 sq. meters.

**The two towers are designed according to all the canons of "green" construction. Only environmentally friendly materials are used in construction, locally produced if possible.**

### "Odom Living" (30-story tower above the 5th floor):

1-2-3-4 room apartments with an area of 72 to 262 square meters.

The cost of the apartment from 3500 USD per 1 square meter.

The price includes a kitchen with appliances, bathroom, air conditioners, parquet flooring, ceiling fans.

**The number of balconies from 2 to 4 and depends on the type of apartment.**



Fig. Comparison of the cost of apartments in "Odom Living" by prices with competitors in Phnom Penh.

## Interest-free installment plan for 3 years

### GBB (Guarantee Buy Back Option) 110% after 3 years.

At your request, after 3 years the developer undertakes to buy the apartment at a price of +10% of your purchase price after 100% payment and receipt of the keys

ROI (Return on Investment) in Cambodian real estate and other parameters we will consider using the example of the 45-storey class A office building "Odom Tower" (40,000 sq. meters of office space).

#### KEY FEATURES



- *Elevator system with two elevators per shaft*
- *24-hour access and security*
- *Reception from 8:00 to 19:00*
- *Raised floors (wiring and utilities from below)*
- *The premises are ready for air conditioning*
- *Unfurnished and unequipped, therefore fully adaptable to the needs of your business*
- *Access to a common pantry and kitchenette on each floor*



- *Free Wi-Fi in the main lobby of the tower*
- *Bicycle parking and showers*

**30-Sep-26 Completion of construction**

**31-Dec-26 Handing over keys to apartments**



This is what your office space will look like

- 1 office building in Cambodia, for which the state issues a cadastral Strata Title to foreign buyers.
- Foreigners will be 100% owners without any “pitfalls”.
- Cost of 1 sq. m. from 3600 usd
- Areas from 62 sq. m. and up to entire floors.
- Interest-free installments until the object is completed 31-Dec-26
- GRR (Guaranteed Rental Return) option up to 5 years. 8% per annum (40% for 5 years). GRR is a guaranteed rental of the apartment to the developer. GRR is provided only for floors 7–11.
- GRR+GBB (Guaranteed Buy Back) option GBB 110% Guaranteed buyout of the apartment by the developer for 110% of the purchase price of the apartment after 5 years (at the buyer’s request). GRR+GBB is provided only for floors 7-11.
- Only GBB (Guaranteed Buy Back) GBB 110% Guaranteed buyback of the apartment by the developer for 110% of the apartment purchase after 3 years (At the buyer's request). GBB is provided for all floors.



Below are 3 detailed calculations for GRR and GBB for areas of 62, 98, 148 square meters.



Fig. 1 GRR and GBB for areas of 62, 98, 148 square meters.



Fig. 2 Comparison of the cost of apartments in Odom Tower with competitors in Phnom Penh

**Below is some analytics on the demand for office real estate in Phnom Penh.**

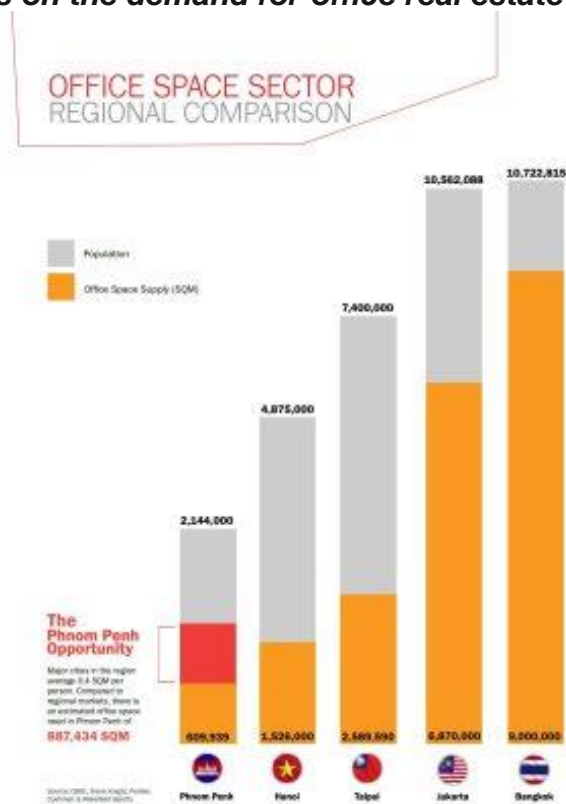
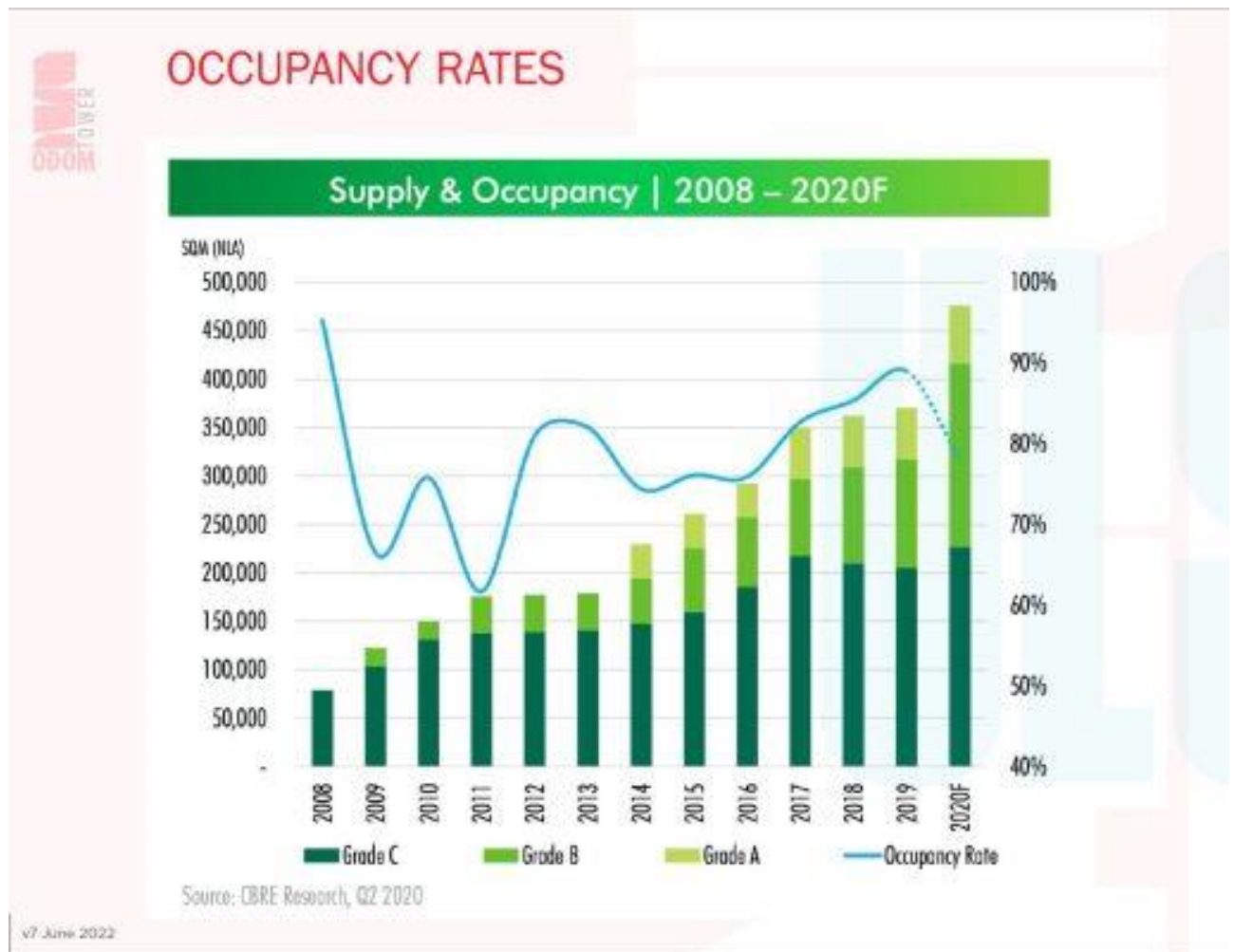


Fig. 3 Demand for office real estate in Phnom Penh.





*Fig. 4 Supply and Occupancy of office properties of different classes in Phnom Penh.*

## ROI (Return on Investment) in Cambodian Real Estate

### ROI ON OFFICE SPACE

Odom Tower has an ideal location, is LEED Gold-certified and has a unique design.

The developer has a strong track record, and the project is very attractive.

But what does this look like in terms of return on investment?

The breakeven point is expected to be 10 years.

## RENTAL REFUND

In recent years, office space has led the market in price per square meter of area.



Fig. 5 Rental prices in 2017-2021

*On average, office rent is 40% higher than similar residential premises.*

*This disparity continues to increase due to the large number of residential buildings.*

*More and more condominiums are entering the market.*

*In early 2027, "Odom Tower" will be built (delivery of the building on 31.12.26) and this will be the best in its class office space with the best location, respectively, will be in high demand.*

**ROI (Return on Investment) 500,000 USD when buying an office of 150 sq.m.**  
 Expected rent increase of 15% per year (fig. below).

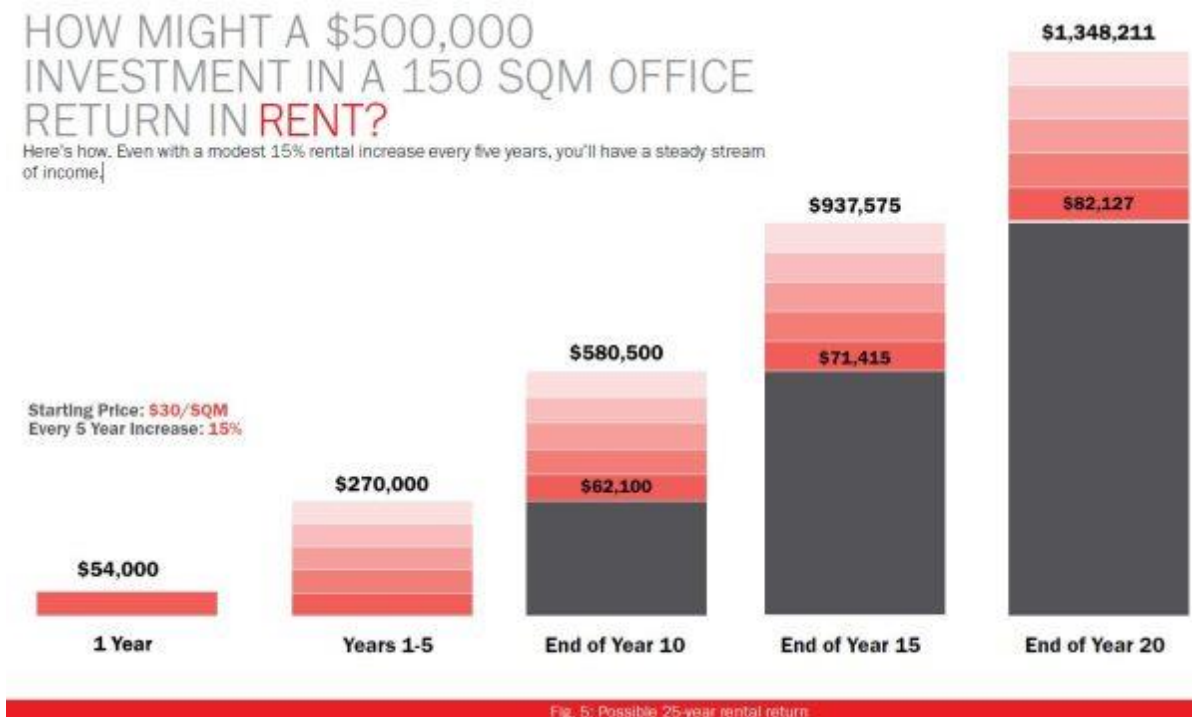


Fig. 6 Expected Rental Return of USD 500,000 for 150 sq. m. office space in 20 years.

## Real estate analysis for the last five years.

The cost of offices in the center is, on average, higher than the cost of residential buildings or land (Fig. below).



Source: Pointer Real Estate, projection based on past 5 year performance. Investment is not a guarantee of return.



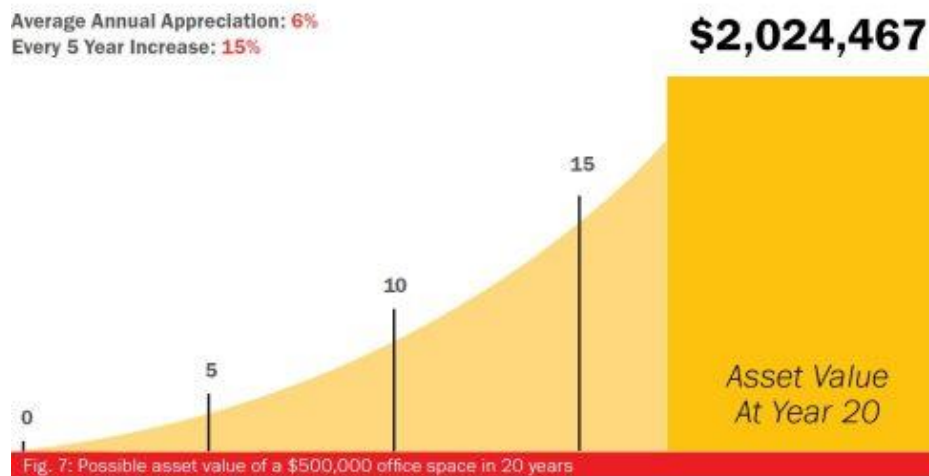
In the previous example, we considered the rental component of an investment of 500,000 USD for the purchase of 150 square meters.

**Now let's consider the market value of this asset over the next 20 years.**

We looked at the price dynamics of other office premises and assume an average increase in the value of real estate of 6% using a 25-year scale.

**In 25 years, the value may exceed 2 million.**

This amount is made up of Rental Return over 25 years (the dynamics of Rental Return are shown in Fig. 5) and the increase in real estate prices over the same period.



The most outstanding buildings serve as Beacons for the area, helping to establish and maintain its unique urban identity.

They become landmarks that people look to, meeting places for citizens and meccas for tourists.

And the value is not only in the building itself, but also in the community that lives and works in it.



**The Empire State Building still commands sky-high rents more than 90 years after it was built.**

**If you invest in iconic architectural masterpieces, you may just never want to sell....**