

Demand for condos driven by foreigners



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I want to:

Title: Demand for condos driven by foreigners

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Location Phnom Penh

Description Demand for condos driven by foreigners

Although the supply for Phnom Penh's condominiums currently outstrips demand, their numbers are expected to more than triple from 3,090 today to around 10,000 by 2018, according to real estate firm Century 21's Condominium Report 2014.

Driving this growth are large projects such as the \$700 million, 900-unit DI Rivera development on Diamond Island, scheduled for 2017, the report says.

Prices grew 6 per cent year on year, with an average price per square metre at \$1,900.

But despite this expansion, the majority of the capital's completed condominiums are vacant, as most sales go to foreign speculators and Cambodians remain culturally reluctant to purchase the units. Developers' claims of selling out 70 per cent of their projects may be too rosy as well.

"Despite the high rate of reported sales by condominium developers, it is found that the some of the reported figures are bookings with small deposits rather actual sales transactions whose rate remains low," the report reads.

Nevertheless, developers remain confident, with Century 21 Cambodia CEO Kevin Goos comparing Phnom Penh to Thailand 20 years ago.

"Before, developers expected that condo market would be driven by expats, but the growing interest of local residents towards relocating to condominiums changed that perception because now most of the condo residents are Thai nationals," he said.

Source: The Phnom Penh Post_Thu, 25 December 2014