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AUGUST 2021

MONTHLY NEWSLETTER

Global Economic Outlook
2021 (H2): Long Haul

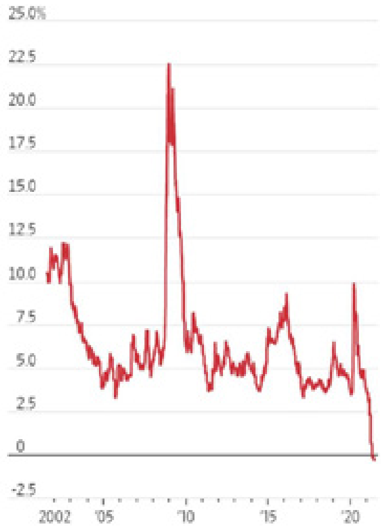
Weak recovery and lack of confidence are dragging the economies into slow growth or zero growth. Investors are perplexed and nervous, as uncertainty comes with huge variables.

According to WSJ, the Junk-Bond rally pulls yields below inflation.

Investors are piling into debt from riskier companies, seeking extra yield amid ultra-low interest rates. According to ICE Bank of America data, a rally in corporate debt rated below investment grade has pushed yields to record lows around 4.57%. In comparison, consumer prices rose by 5% in May compared to the year earlier. This marks the first time on record junk-bond yields have dropped below the rate of inflation.

The move upends the conventional logic of investing in bonds, which are typically prized for protecting investors' money. Junk-rated companies include those most likely to miss interest payments or go bankrupt. Buying bonds that yield less than inflation means locking in a loss.

Junk-bond yields minus consumer-price index



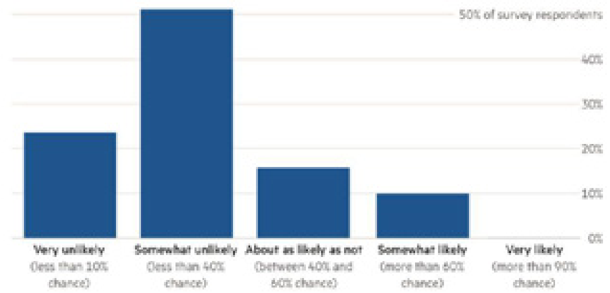
Source: Bespoke Investment Group

Interest Rates Outlook:
Coming Sooner in the Market

The financial markets are looking towards FED as to when they are going to increase the interest rates. According to the survey done by FT from various Economists, two rate hikes look imminent before 2024 as per market participants.

Economists expect Fed to keep inflation under control

Likelihood of market inflation expectations exceeding 3% in 2022



Note: Survey asked: 'As of June 18, the level of five-year five-year forward inflation compensation (from TIPS) is 2.18%. What is your estimate of the likelihood that five-year five-year forward inflation compensation will exceed 3% at the end of the first week of January 2022?' Five-year five-year forwards indicate what five-year inflation expectations will be in five years' time, derived from the expected difference between yields on Treasuries and inflation-protected government bonds.
Source: FT-IGM survey of 52 economists from June 25 to 28
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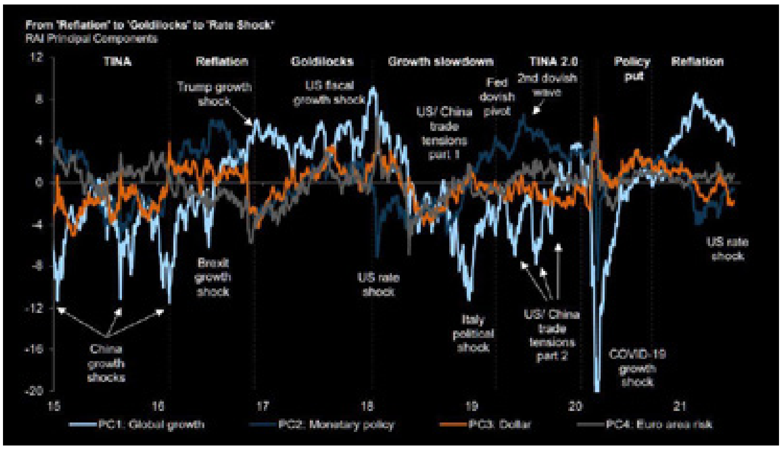

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Oil Market: Bouncing Back

Oil prices have come back very sharply in 2021 after trading at a negative $37.63 / barrel on April 20, 2020. Oil has appreciated 48.34% as of July 12, 2021. It has become one of the best commodities to upsurge in 2021. Goldman Sachs shared the chart of various commodities, equities and bond performance this year, dated July 6, 2021.

Change in Commodity Prices Since:*	One year ago	Jan. 2020
Energy	+81%	+20%
Crude Oil	+85%	+23%
Natural Gas	+113%	+74%
Industrial Metals	+52%	+42%
Aluminum	+49%	+28%
Copper	+54%	+52%
Precious Metals	+3%	+20%
Gold	+0%	+17%
Silver	+45%	+47%
Agriculture	+52%	+36%
Wheat	+33%	+17%
Corn	+72%	+51%
Soybeans	+56%	+46%
Cotton	+38%	+26%
Livestock	+41%	+11%
Lumber	+69%	+83%

Ringgit Outlook: Stable for 2021 (H2)

Ringgit will maintain its stability despite financial fragilities in the exogenous environment. It may lose its momentum due to stronger dollar movement in the short run. However, we at Juwai IQI maintain the stance that we shared in Jan '21, i.e., 3.67 to 4.10 against USD in the current year. The Ringgit will strengthen by the year-end thanks to higher export numbers, higher oil prices and a surge in trade figures.

Global Real Estate Investment Outlook

Perspective on Commercial Real Estate Analysis

We have often heard cliches about real estate investment. For example: when buying a house, the three most important factors to consider are: location, location, and location, or buy land, they're not making it anymore. So, when we plan about investing in real estate, how should we assess the investment using the criteria of experts. Having said that, a certain amount of flexibility is needed, and we cannot be too rigid, but we should know the range is for things like price, shortfall, cash flow, and ROI before we start looking. Here are some thoughts that you may want to consider when making an intelligent decision.

All those who make decisions regarding real property rely upon real estate market analysis at various levels of sophistication.

Developers: they commit to a large-scale commitment to develop and bring their project to the market. They must understand factors such as lease requirements, rent levels, absorption, construction costs, gaps in supply and demand, and the cost of capital to make intelligent choices about when, where, and how to move forward on a development decision.

Investors: they often as landlords, or even as speculators, in existing properties also need to know trends in supply and demand, change in demographic trends, rent levels and absorption because this will impact both future rents as leases roll over and the speed at which they will be able to sell or lease the vacant space.

Financing by lenders: they will want to know valuation assumptions made to estimate the loan value vis-à-vis market liquidation value that is supported by a thorough and unbiased market analysis. When external funding is used, decisions cannot be made on intuition. The viability of the project must be defended and explicitly documented. All direct and indirect risks must be assessed, with mitigants, and documented. Real estate market analysis provides the information required by those making the financial decisions.

Lessee: For those who lease, a deeper understanding is needed to comprehend and conduct professional due diligence that includes the analysis of current market rents and the likely future trajectory of rents. It is also location-specific. It provides insights on rent, budgets and for how long they should contract the lease. Rent projections and risk at one location may differ substantially from another, even if nearby. Due diligence for real estate asset purchasers relies upon the evaluation of current market values and the likely future direction of market values.

Government: Often government officials carry out planning of cities and towns in advance to manage the growth requirements and associated infrastructure requirements. Planners often disclose this information publicly. While this information is subject to change until it is finally approved, this does provide directional information and can benefit the real estate market analysis to anticipate how the city or town is likely to grow as a result of new developments and to have a forward-looking view for opportunities that may become available as an outcome of these initiatives.

This broader market analysis leads to a more specific project-based financial analysis. The basis of the financial analysis hinges on the quality and specificity of real estate market analysis. For financial analysis, the numbers are not pulled from the air but come from the data and insights gained from real estate market analysis.

Financial Elements of Real Estate Investments

The next step is to look at the numbers. For a successful analysis of property investment, we must consider many critical elements that are not easily reflected in the calculation of financials. Some of these are, (a) the time horizon involved, (b) the impact on liquidity and associated costs of liquidation, and (c) the effects of an ever-changing economic, political, and regulatory environment. In short, the investor must carefully review and analyse the assumptions behind the financial analysis with an understanding of the risks involved before proceeding. Largely the task of analysing a real estate investment can be divided into six components:

1. **Acquisition:** This looks at all costs of acquiring the real estate investment, including taxes, legal fees, brokerage commission etc. to understand the net cost of investment.
2. **Time Horizon:** what is the targeted or intended time horizon to hold the investment to achieve the desired yield or return on investment.
3. **Cash-flow:** The amount of cash annually received by the investor, including revenues generated and financing proceeds realized, minus all cash and property expenses incurred, except for income taxes.
4. **Tax effect:** The amount by which the investment affects the taxes payable in the current year by the investor.
5. **Ownership Structure:** An often overlooked yet critical factor for efficient tax planning is the ownership structure of the entity i.e., personal capacity, limited liability company or a trust.
6. **Growth:** The amount by which the capital position of the investor is affected by the sale or refinancing of the property on an after-tax basis. It considers prior mortgage amortization and the change in the value of the asset.

All these elements must be studied and their use in establishing an overall rate of return and valuation of the property as well as the effects the passage of time may have on all of the above factors. In conclusion, real estate market analysis seeks to address the following key areas:

- **New Developments:** That is, which locations are suitable for the new projects, what is trending and is likely to emerge as the most suitable area for growth, and what effect the location would have on our investment decisions.
- **Investment Options:** Not everything we desire or want is accessible to us in the time frame available to us. Using the assessment metrics, what and where are the best opportunities available to us for the most profitable investment considering risk associated factors.
- **Suitable Markets:** Where are the opportunities within mature, emerging, or active markets for specific product types? Which sub-markets are most defensive from the perspective of supply and demand balance? What are the attractive market niches?
- **Right Opportunity:** What specific locations and real estate asset types are likely to experience the greatest level of appreciation and/or be most resilient if the market turns during a downturn or adverse market conditions.

Juwai IQI Insight

Surveys Show Resilience of Real Estate

Here is the latest data on the home markets in Malaysia and Thailand from Juwai IQI's two most recent Property Survey and Index reports. The reports presented the data from a survey of more than 600 real estate agents in the two countries.

What did we learn?

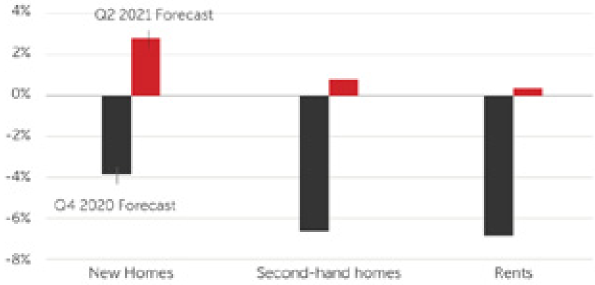
A year ago, Malaysian agents forecasted doom, but today they see stability and modest 3% price growth in the year ahead. Furthermore, in 2022, they expect even more robust growth and a revitalised market, with prices to climb by 12%.

Thai agents have a similar outlook and expect new home prices to climb by 2.8% in the year ahead.

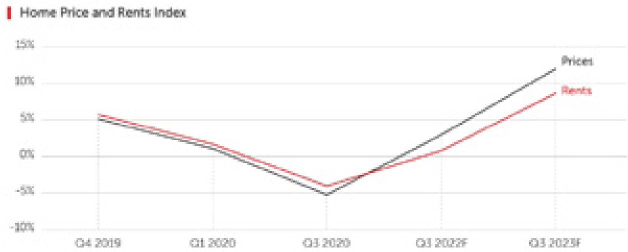
In the Thai resort island of Phuket, prices may climb more quickly. After vaccinating most adults on the island, Thailand has thrown open the doors to tourists who have proof of vaccination against COVID.

Because Phuket is dependent on buyers from overseas, the Phuket reopening could be a big boost for the market.

Thailand



Malaysia



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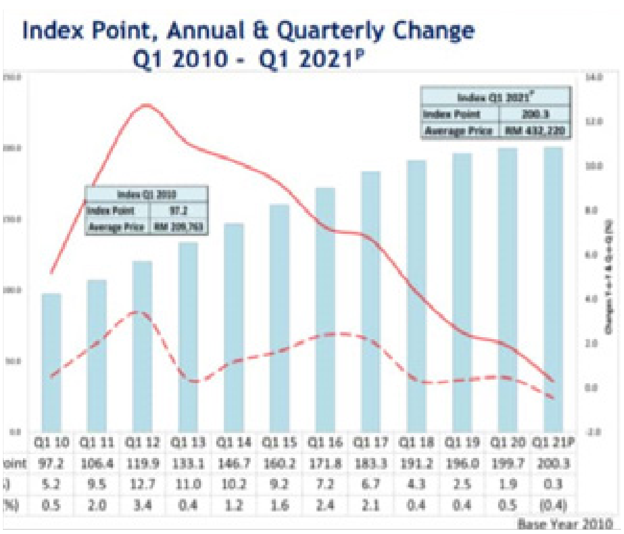
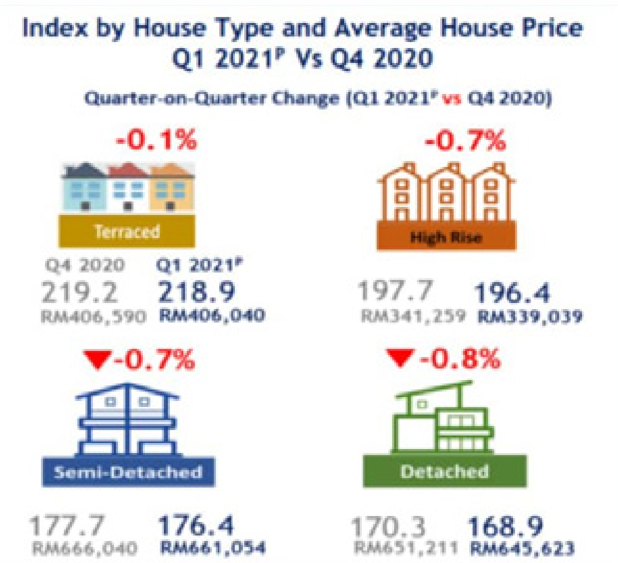
Jitters on New Waves of COVID-19





Source: MHP Index

In order to gauge the market pulse, we will continue looking at the latest housing index of 2021 issued by Valuation and Property Services Malaysia. We will see from the chart that the property market, in general, keeps dipping down until Q1 2021. The average house price hovers around RM432,000. As we have crossed the halfway mark of 2021 and despite the hopes and prayers, the COVID-19 infection figures keep growing daily to date. This may drive the average price down again in the next quarter as the national lockdown continues.

Most house types have recorded a general decline in the quarter-on-quarter change (Q1 2021 v Q4 2020). The most significant declines are the high-rise, semi-detached and detached housing subsector, recording minuses 0.7% to 0.8%. This is a no brainer because people would cut the luxuries during the economic downturn as opposed to the bread-and-butter issues. The up-graders would wait for a better time to commit purchases. The bedrock of the housing market in Malaysia, the terraced housing subsector, has remained resilient, only recording a 0.1% decline.

These declines are in concert with the declines in salaries surveyed by the Department of Statistics Malaysia from 2019-2020 below, which is self-explanatory.

Source: Salaries and Wages Statistics 2020

Some jittery situations have emerged lately due to the prolonged and new mutations of the coronavirus across the world, including Malaysia. The infection figures continued to rise despite the increased rollout of vaccines across the country. However, as time goes by, the country would achieve herd immunity, the market would be active again, making up lost grounds, as shown in the past downturns.

Residential

In June 2021, home values Australia-wide rose by 1.9%, taking annual growth to 13.5% for the 2020-2021 financial year. This annual growth is since April 2004, the most evident and highest annual growth rate recorded across the entire Australian residential property.

In Perth, even though the home value index had a small increment of 0.2% in June, the cumulative growth of 7% over the first six months of the year has been substantial. According to REIWA's record on listings available for sale plus median selling days, it is concluded that Perth is still performing well, and REIWA anticipated that Perth's market recovery would continue throughout the second half of 2021 and into 2022.

Index results as at June 30, 2021

	Change in dwelling values				
	Month	Quarter	Annual	Total return	Median value
Sydney	2.6%	8.2%	15.0%	17.8%	$994,298
Melbourne	1.5%	4.6%	7.7%	10.7%	$753,100
Brisbane	1.9%	5.7%	13.2%	17.9%	$586,142
Adelaide	1.6%	5.6%	13.9%	18.5%	$508,712
Perth	0.2%	2.1%	9.8%	14.7%	$526,166
Hobart	3.0%	7.4%	19.6%	25.3%	$607,960
Darwin	0.8%	6.3%	21.0%	27.6%	$475,083
Canberra	2.3%	6.1%	18.1%	22.5%	$770,873
Combined capitals	1.9%	6.2%	12.4%	15.9%	$727,427
Combined regional	2.0%	6.0%	17.7%	23.1%	$478,212
National	1.9%	6.1%	13.5%	17.3%	$645,454

Another interesting report from CoreLogic suggests servicing a mortgage is now cheaper than paying rent on 36.3% of Australian properties, which is higher than the pre-COVID proportion of 33.9% back in February 2020. Since November 2020, the Reserve Bank of Australia has reduced the cash rate to 0.1%, and this has significantly helped first home buyers and investors as their mortgage interest rate has fallen from 3.21% (Feb 2020) to 2.4% (May 2021). This report is a good nudge to the tenants renting in Australia to weigh up their housing costs and savings and ride the wave to expedite their property purchase.

Greater Capital city or rest of state region	Portion of Cheaper to Buy	Portion of Cheaper to Rent
National	**36.3%**	**63.7%**
Combined Capital Cities	**26.2%**	**73.8%**
Perth	**59.6%**	**40.4%**
Brisbane	**55.3%**	**44.7%**
Adelaide	**47.4%**	**52.6%**
Melbourne	**7.3%**	**92.7%**
Sydney	**4.9%**	**95.1%**

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Toronto

- Greater Toronto Area REALTORS® reported 11,106 sales through TRREB's MLS® System in June 2021 – up by 28.5% compared to June 2020.

- The June 2021 MLS® Home Price Index composite benchmark was up by 19.9% year over year. The average selling price for all home types combined was up by 17% over the same period to $1,089,536.

Sales & Average Price By Major Home Type

June 2021

	Sales			Average Price		
	416	905	Total	416	905	Total
Detached	1,085	4,084	5,169	1,699,881	1,329,873	1,407,540
Semi-Detached	422	634	1,056	1,267,044	914,926	1,055,640
Townhouse	425	1,546	1,971	941,474	836,851	859,411
Condo Apt	1,901	899	2,800	717,466	611,610	683,479

Year-Over-Year Per Cent Change

Detached	21.9%	15.9%	17.1%	11.5%	29.4%	24.8%
Semi-Detached	61.7%	19.8%	33.7%	-1.9%	21.5%	13.4%
Townhouse	17.4%	28.5%	25.9%	9.9%	21.0%	17.8%
Condo Apt	48.6%	78.4%	57.0%	6.7%	15.9%	8.3%

Year-Over-Year Summary

	2020	2021	% Chg.
Sales	8,645	11,106	28.5%
New Listings[2]	16,208	16,189	-0.1%
Active Listings[3]	14,001	11,297	-19.3%
Average Price[1]	$931,131	$1,089,536	17.0%
Avg. LDOM[5]	18	13	-28%
Avg. PDOM[5]	26	17	-34.6%

Vancouver

- The MLS® Home Price Index composite benchmark price for all residential properties in Metro Vancouver is currently $1,175,100. This represents a 14.5% increase over June 2020 and a 0.2% increase compared to May 2021.

- The Real Estate Board of Greater Vancouver (REBGV) reports that residential home sales in the region totalled 3,762 in June 2021, a 54% increase from the 2,443 sales recorded in June 2020 and an 11.9% decrease from the 4,268 homes sold in May 2021.

- The total number of homes currently listed for sale on the MLS® system in Metro Vancouver is 10,839, a 5.1% decrease compared to June 2020 (11,424) and a 1.2% decrease compared to May 2021 (10,970).

Montreal Metropolitan Area

Summary of Residential Activity

	June			Year-to-date		
	2021	2020	Variation	2021	2020	Variation
Total sales	4,619	4,950	⬇ -7%	31,426	24,633	⬆ 28%
Active listings	11,183	13,321	⬇ -16%	11,302	14,022	⬇ -19%
New listings	5,444	6,286	⬇ -13%	38,088	30,677	⬆ 24%
Sales volume	$2,553,130,645	$2,196,179,705	⬆ 16%	$16,402,337,246	$10,237,914,530	⬆ 60%

The Highest Property Deals in 8 Years Recorded in June

In June, Dubai recorded the highest real estate sales transaction volume since December 2013 with 6,388 deals worth Dh14.79 billion, taking the year-to-date total deal value to Dh61.97 billion, according to the latest data from Property Finder.

The eight-year high monthly property sales transactions soared 44.33 per cent in June compared to May 2021 in terms of volume and 33.2 per cent in terms of value, the region's leading property portal said.
According to realty pundits, the spectacular rebound was driven by strong demand from end-users and investors on the back of economic buoyancy spurred stimulus packages, visa reforms, and a successful vaccination.

"High sales transaction volumes in April and May of 4,824 and 4,426 respectively made for a great Q2, which had the highest quarterly volume of sales transactions since Q4 2013. Q2 2021 had a total of 15,638 transactions worth Dh36.86 billion, 33.26 per cent more than Q1 2021 in terms of volume and 46.76 per cent more in terms of value," the portal said in its report.

"This brings the year-to-date total to 27,373 transactions worth Dh61.97 billion. To put this into perspective, all of 2020 had a total number of 35,041 sales transactions worth Dh71.87 billion," it said.

The rebounding of Dubai's super-prime market echoes a more comprehensive global trend, signalling the start of a 'Roaring Twenties' for global real estate. Dubai's luxury home sales have already exceeded last year's total as economic activity, particularly tourism, has rebounded in the past six months on the back of one of the world's fastest vaccination campaigns.

Almost 62.2 per cent of all transactions in June were for secondary/ready properties, and 37.8 per cent were for off-plan properties. "When we look at the volume of transactions, the off-plan market transacted 2,418 properties worth a total of Dh 3.5 billion and the secondary market transacted 3,970 properties worth a total of Dh11.29 billion. Comparing this to May 2021, the number of off-plan transactions in June increased by 44.44 per cent and the secondary/ready property transactions increased by 44.26 per cent," said the portal report.

Residential

- The recovery of the country's real estate industry in the second half of this year may be dampened by issues in the construction sector, which is facing raw materials supply pressure.
- However, the rental market in Malaysia is expected to be flat as the research firm is expecting only a mild decline in rents of less than five per cent for 2021.
- Narrowing on office rentals in the future, landlords would need to re-think the user experience as occupiers would no longer only be using the space due to rent and location but would also lean more on the attributes of the buildings.
- This includes flexible office options, shared meeting spaces, sustainable and latest technology settings. These will be among the pre-requisites for the blue-chip tenants.
- Investments in the real estate sector in the region continue to grow, as research has shown that 96% of respondents will increase their investment levels, mainly in Australia, Hong Kong and Singapore.
- This strongly implies an opportunity in logistics, value-adding or refurbishments in specific segments, namely for cold storage, retail and hotels.
- The new real estate investment volume increases by 10% this year, which is still a decent amount of growth, although less than the pre-crisis level.

- The recovery in occupiers' demand would be more permanent in the second half of 2021, particularly when more people are going back to the office and have a better understanding of what hybrid work will look like.
- The overall markets will still favour the tenants but not for much longer, as many markets will start recovering in the leasing and rental segments.
- The occupiers will have to act before the full recovery of the market and investment activities that are gaining momentum. It could become more competitive.

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Remittance growth fastest since 2016

Overseas Filipino Workers known as OFWs are an integral part of the Philippine economy. With more than 10% of the Philippine economy in 2018 made up of incoming remittances, it is no surprise that OFWs send much money home. According to Colliers, Overseas Filipino Worker (OFW) remittances grew by 12.7% in April, the fastest since November 2016 (+18.5%) due to prospects of a global economic recovery. Data from the Bangko Sentral ng Pilipinas (BSP) or the central bank show that cash remittances reached USD2.3 billion (PHP112 billion) in April, up from the USD2.0 billion (PHP97 billion) recorded in the same period of last year. Remittances have reached USD9.9 billion (PHP482 billion), higher by 4.8% than 4M 2020. In 2021, the central bank expects remittances to grow by 4% after declining by 0.8% in 2020. Anecdotally, OFWs partially drive the demand for affordable to mid-income (PHP1.7 to PHP6 million) condominiums. In 2020, these price segments accounted for 57% of the total take-up of pre-selling condominiums in Metro Manila. Colliers believes that developers will likely continue to cater to families that receive remittances from abroad. Colliers recommend that developers monitor the COVID-19 situation in countries that are primary sources of remittances. In the 4th Quarter of 2021, the United States, Singapore and the United Kingdom accounted for about 53% of total OFW remittances. Aside from vertical developments, developers should also explore the viability of horizontal projects such as House & Lot and Lot Only units in urban areas outside of Metro Manila.

BPO industry eyes $29-billion revenue, more jobs by 2022

The Information Technology and Business Process Outsourcing (IT-BPO) sector are poised to grow its revenue to about USD29 billion (PHP) and 160,000 jobs by 2022. The industry remained resilient despite the pandemic. IT & Business Process Association of the Philippines (IBPAP) chair Benedict Hernandez said that the sector generated USD26.7 billion in 2020, with an employee headcount reaching 1.32 million. Despite firms' implementation of cost-cutting measures, the IT-BPO sector was able to hire 23,000 in 2020. During the pandemic, IT-BPM firms could invest in work-from-home setup configurations such as the provision of pocket Wi-Fis and laptops. Hernandez added that the successful adoption of work models, vaccination rollout will likely allow the country to remain competitive in the outsourcing industry. In Q1 2021, Colliers recorded 8,000 sq meters (86,100 sq feet) of office deals from outsourcing firms, down 77% from the 35,000 sq meters (376,600 sq feet) in Q1 2020. The Department of Trade and Industry (DTI) recommends the extension of the work-from-home authorisation given to IT-BPM companies beyond September 2021. IBPAP is also considering implementing hybrid working models such as a mix of remote working and reporting on-site for BPO firms in the long term to stay competitive. In a survey conducted by IBPAP, 87% of IT-BPM firms are projecting a 5-15% growth in 2021, while only 13% expect a flat growth. In our view, office leasing recovery will likely hinge on the pace of the Covid-19 vaccination program.

Residential

- Amid a property market slowdown and travel obstacles, developers are adopting digital tools to boost residential sales from local and foreign demand and tap into a new generation of buyers offering sales via cryptocurrency.
- The value of the digital asset market hit US$1.64 trillion (52 trillion baht) globally and 213 billion baht in Thailand in May 2021, up from 165 billion baht in April.
- This month, Sansiri PLC plans to allow customers to pay for home purchases and standard area fees with four digital currencies available through Bitazza, a local digital asset broker.
- Since April last year, online sales channels, which many developers had sped up, and will become a standard tool in the post-pandemic period.
- Furthermore, virtual tours should be conducted with sincerity because customers will eventually visit projects to see physical units before nailing down their decision.

Office

- The Bangkok office market continues to push through the storm as tenants consider using less space to reduce rental expenses while promoting work-from-home policies.
- The total supply of office space in Q1 increased by 25,000 sq.m. to 9.26 million sq.m.
- Despite new demand for office space from some growing industries, net take-up for the first quarter was negative 23,521 sq m.
- The most significant impact was on Grade B buildings in the CBD, as some tenants had relocated to non-CBD locations where rents are lower and to reduce the amount of space leased.
- Grade A non-CBD sector remained strong, and the average overall occupancy rate dropped by 0.5 percentage points quarter-on-quarter to 90.6%.

Retail

- Many shopping centre operators have extended their relief measures to help tenants continue with their businesses amid the unabated Covid-19 crisis.
- Some measures include reducing the rental fee by between 30-70% to mitigate the impact of the fresh wave of Covid-19 on the tenants.
- They also developed various sales channels to help tenants raise their sales opportunities and reach new customer groups to combat the drop in their revenue.
- It is hoped that the government speeds up inoculations as fast as possible to revive the economy and consumer confidence, as seen in the UK, China, the US and Singapore.

Residential

- Housing demand in the second quarter of 2021 shows signs of recovery, with price growth of 1.7%, rebounding to March 2021 levels.
- Growth in demand share reaches an all-time high of more than 65% in Delhi-NCR, Kolkata, and Hyderabad due to the second wave of coronavirus as buyers accommodate Work-From-Home (WFH) policies.
- New launches reveal a rise in supply across pan-India by about 8% in the second quarter, with a peak surge of 20% in Hyderabad.
- Property rates in eight prime residential markets in India experience minor increments in Q2 2021. Ahmedabad and Hyderabad have the highest increase by 5% compared to its prices in the same period in 2020.

City	Average price as on June 30, 2021 (in Rs per sq ft)	Annual growth in %
Ahmedabad	3,251	5
Bangalore	5,495	4
Chennai	5,308	3
Hyderabad	5,790	5
Kolkata	4,251	2
MMR	9,475	No change
NCR	4,337	2
Pune	5,083	3
National average	6,234	3

Source: Real Insight: Q2 2021

Office

- The second quarter shows a net office absorption of 4.39 million sq. ft in major cities, accounting for 32% year-on-year (YoY) growth.
- Almost 60% of the absorption was accounted for by Bengaluru and Pune, with the cities being the only ones with increased net absorption in the first half of 2021 alongside Kolkata.
- A decrease of 16% in vacancy levels was observed in the second quarter compared to the previous quarter due to strict lockdowns nationwide.
- Despite this, the market has shown improved resilience as the quarter-on-quarter (QoQ) drop was less than the 61% seen during the first wave of lockdowns in the same quarter last year.

With vaccination efforts in place, developers expect vacancy rates to drop and office leasing to be restored after lockdowns end.

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Real estate prices set to rise in Mongolia

In June of 2021, new apartment prices rose by 1.2 per cent from the previous month, reaching 2.6 million on average per square meter. In most capital city districts, Ulaanbaatar housing prices rose in the first half of the year. According to research conducted by DCG Mongolia LLC, the main factor pushing real estate prices is the increased cost of materials, mostly imported from China.

Industry leaders believe that new housing prices are set to increase continually for the remainder of the year as building material cost is unlikely to decrease. Even as costs rise, there is still enough demand in the market. The government's initiative to combat economic downturn through eased lending requirements and a robust construction sector is still in effect.

The coverage of government support has increased, with many businesses expecting to receive it soon.

Two-thirds of businesses have received or expect some form of government support, up from 47 per cent in August 2020. This is primarily due to an increase in expectations; 26 per cent of businesses expect support in the next three months, up from 12 per cent in August 2020. The government appears to use many levers of support, with some targeting construction firms in need of extra cash flow.

Office market demand declines

The Business Council of Mongolia reports that nearly half of small, medium enterprises are in financial difficulty. On top of that, during the Covid-19 outbreak, many offices shifted to remote working schedules, which lowered office demand. Nevertheless, the Business Council of Mongolia predicts that as regular economic activity returns, most organisations will resume working from the office, making the next two months an excellent opportunity to invest in office spaces as prices are likely to reach the bottom. DCG Mongolia analysts predict a sharp recovery in the office market by next January.

VIETNAM

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Residential

The new Covid wave has hit HCM city hard this month. We expect at least 20% of investors willing to lower their property price by 5-10% (both in terms of re-selling and rental) to have money for restructuring their portfolios or making instalment payments. They will be forced to lower their selling price quickly to get the needed money.

However, our studies show that there is absolutely no evidence of primary market prices falling, as the supply and new launch of projects continue to be limited, which will keep the price of the primary market away from falling to the secondary market.

Due to Covid, as more and more people are becoming aware of physical health and a healthy lifestyle, we observe a significant rise in interest and investment in eco-property which emphasises green, spacious and healthy living, away from the crowds such as the over 10 million population of big cities like HCMC and Ha Noi.

Commercial

As for the office market, our projections for the fall of the rental price in May and June were accurate. We will be expecting another fall of at least 5-10% more on rental prices as the Covid situation in HCM continues to get complicated.

However, we have observed and recorded a significant increase in the consumption of smaller and more flexible office property called SOHO, or better known in Vietnam as Officetel. We recorded an increase of at least 20% in the central area of HCM and Hanoi, where SMEs start turning to this kind of lower rental and flexible conditions, having just enough space for the team to work or conduct meetings at a smaller scale and more flexible timing. Thus, the price of Officetel remains the same and has withstood the fall of rental prices across Vietnam, and in some areas such as District 3 and District 4, we have observed a slight increase in rental for Officetel property.

SINGAPORE

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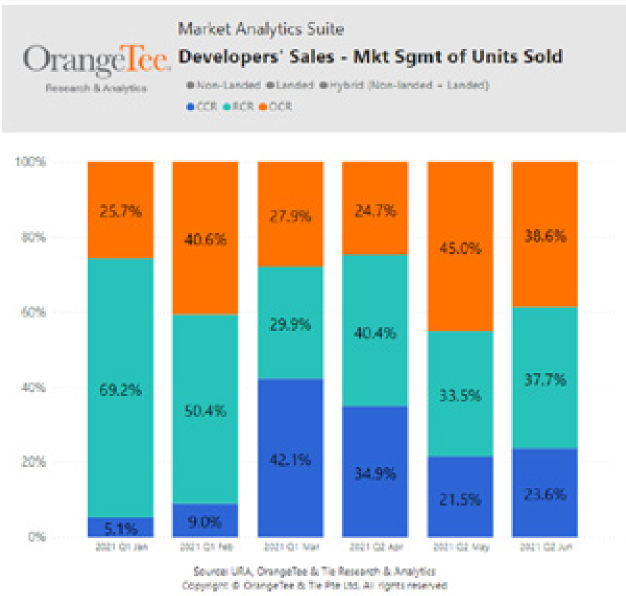
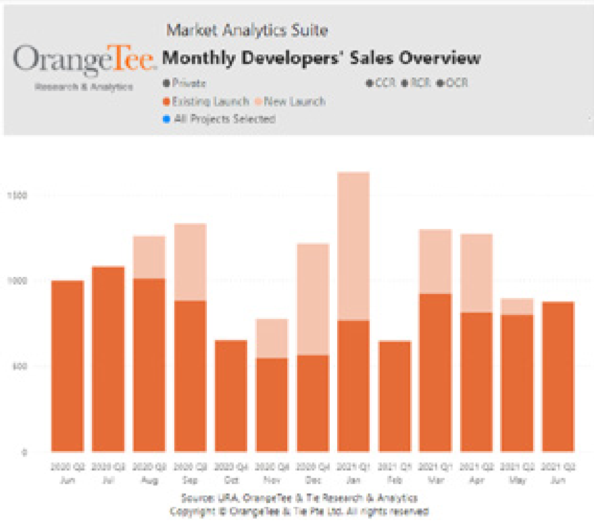
Residential

- New home sales remained resilient last month despite a lack of project launches and measures being tightened during the heightened alert. Most developers avoided launching new projects as strict viewing measures remained in place at property sales galleries.
- According to the Urban Redevelopment Authority (URA) sales survey, new home sales slipped slightly by 2.6 per cent from 895 units in May to 872 units in June. Compared to a year ago, new sales declined by 12.6 per cent.
- Sales were almost on par with the level seen in May. Compared to a year ago, developers and property agencies were more prepared to roll out new marketing activities and launch new projects after restrictions were further eased from the second half of June.
- Sales were boosted by sales at specific projects that were launched earlier. Last month, Hyll on Holland moved 87 units at a median price of S$2,387 psf, inking the top spot among the best-selling projects. Sales were brisk at Hyll on Holland as some promotional activities were held for selected units which attracted many keen buyers. Comparatively, two units were sold at a median price of S$2,458 psf in March 2021.
- Many of the buyers were Singaporeans, with a good mixture of investors and owner-occupiers. The good sales at Hyll on Holland indicate that many high net-worth individuals are streaming back to the luxury market, and attractively priced properties will continue to draw strong buying interest.
- Besides Hyll on Holland, another 119 luxury homes were sold at other projects in the CCR, including Leedon Green which moved 31 units, and Fourth Avenue Residences sold 12 units, and Irwell Hill Residences sold 11 units. Other launched projects like Midtown Modern, Martin Modern, The Avenir, Royalgreen, Juniper Hill and Kopar at Newton had consistent sales last month.
- The flood of super-wealthy investors may trigger the exponential growth in luxury home sales, and foreign buyers flushed with cash snapping up luxury apartments, villas, penthouses and multimillion exclusive properties here. The hot streak in the luxury segment can be similarly observed in many other advanced cities.
- According to URA caveats, 1,483 new private homes (landed and non-landed) were sold in the CCR in the first half of this year, and the highest half-year sales recorded since 2010 when 2,506 units were transacted. H1 2021 sales were higher than the full-year sales of 2014 to 2020.





CAMBODIA

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87 investment projects worth nearly 3 billion USD approved in the first half of this year

Phnom Penh

The official report of the Council for the Development of Cambodia (CDC) confirmed that in the first half of 2021, through the Cambodian investment committee and the Cambodian special economic zone committee approved the company to invest in 87 new projects and production expansion projects with a total investment capital of 2,969,629,338 US dollars and can create 50,029 jobs. Compared to the same period in 2020, the number of investment projects decreased by 63 projects while investment capital increased by about 315 million US dollars, due to the presence of some significant investment projects such as coal-fired power plants Huadian Sihanoukville Power Generation Co. Ltd.'s 700 MW investment of approximately $1.3 billion, Shunying Pulp and Paper Company Limited's $504 million paper mill project and Cart Tire Co. Ltd. with an investment of 350 million US dollars. Out of 87 investment projects, 53 new investment projects outside the special economic zone with a total investment capital of 941,593,180USD can create 37,429 jobs, 11 production expansion projects with a total investment capital of 159,573,542USD can create 2,803 jobs, and 23 new investment projects in the special economic zone with a total investment capital of 1,868,462,616 USD can create 2,803 jobs and 23 new investment projects in the special economic zone with a total investment capital of 1,868,462,616 USD can create 9,797 jobs. In the first half of 2021, investment from China ranked first, accounting for about 69% of total investment. Domestic investment ranked second with about 21% of total investment; Mr Sok Chandansophea, Deputy Prime Minister and Secretary-General of the Council for the development of Cambodia, confirmed.

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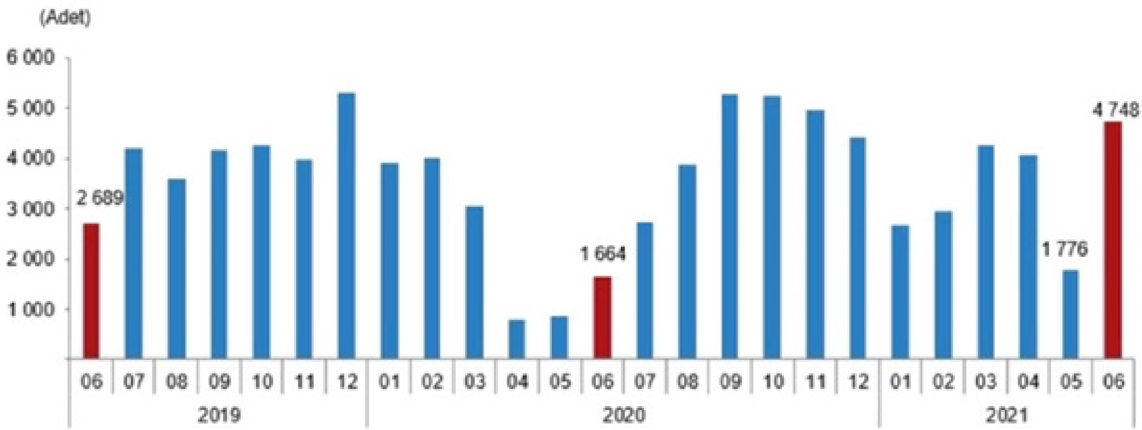
As of June, with the normalisation steps being taken, the removal of restrictions, and economic incentive packages' effect, the real estate sector started to become active.

The rise in exchange rates in Turkey and the luxury projects implemented after the pandemic created an explosion in the housing demand of foreigners. This year, it is expected to break a record with sales of 50 thousand houses.

The number of foreigners who want to own a house is increasing day by day in Turkey, which has created a rapid start to tourism to eliminate pandemic measures. The number of residences sold to foreigners in the first six months of the year increased by 44 per cent compared to the same period in the previous year. The increase in June alone broke a record of 185 per cent. Sector representatives state that the number of houses to be sold to foreigners by the end of 2021 will break a record of 50 thousand.



In Turkey, 134,731 houses were sold in June. The number of houses sold in June increased by 127.7 per cent compared to May. Istanbul had the highest share, with 25,833 house sales at 19.2 per cent. According to the number of sales, Istanbul was followed by Ankara with 13,401 houses and a share of 9.9 per cent, and Izmir with 7,522 houses and a share of 5.6 per cent.

In Turkey, 4,748 houses were sold to foreigners in June. Housing sales to foreigners increased by 185.3 per cent on an annual basis in June. In the housing sales to foreigners, Istanbul took first place in June with sales of 2,257 houses. Istanbul was followed by Antalya with 906 house sales, Ankara with 300 house sales, Mersin with 221 house sales and Bursa with 148 house sales.

Housing purchases of Russian citizens increased by 197 per cent in May 2021 compared to May 2020, 480 per cent from Germany, 433 per cent from Kazakhstan, 671 per cent from Azerbaijan, USA and 125 per cent from England.

The Golden Visa Rules for Portugal are changing in 2022

- Portugal Golden Visa's new rules initially suspended due to the COVID-19 pandemic in 2020, are now scheduled to go ahead. Indeed, the legislative amendments to Portugal's Golden Visa program will come into effect in January 2022, blocking investors from buying properties in high-density areas like Lisbon, Porto, and the Algarve, as well as in coastal areas. These changes are designed to drive investment in Portugal's low-density areas, relieve pressure from metropolitan locations, and encourage foreign investment into other areas of the country.

- Fantastic Portugal Golden Visa's low-density areas with high growth potential, such as the Douro Valley, Alentejo, and Dão, provide excellent property locations for investors and their families.

Will the changes affect existing investments?

- The previous law will protect existing investors. Therefore, those who make the investment and apply for the Golden Visa will benefit from the Programme with lower investment amounts or properties located in regions with higher demand. However, be aware that applications must be submitted by December 31 2021, not just the investment itself! So, if you are interested in taking advantage of this window of opportunity, make your investment as soon as possible so that you have time to complete, raise all the necessary documentation and submit your application by the end of this year. Otherwise, you will already be subject to the new, less favourable rules that will come into force from 2022.

- Portugal is a safe and stable country with an excellent and affordable quality of life, good health care and education options, well-connected airports, and the best climate in continental Europe.

Highlights

- *"Lisbon: the most vibrant European city"*
  Cultural and Creative Cities Monitor 2019

- *"Portugal: best tourist destination in the world"*
  World Travel Awards, 2019

- *"Portugal: fourth safest country in the world"*
  Global Peace Index, 2021

Golden Visa Program – Statistics from October 2012 ▶ June 2021

- 9834 resident permits (4943 China/1024 Brazil/467 Turkey/407 South Africa/383 Russia)
- 16698 resident permits for family members
- Real estate property purchasing – 9230 - in a total investment of 5 317 394 161,44€
- Capital transfer – 584 - in a total investment 559 239 689,64 €
- 20 creation of job positions
- Total investment: 5 876 633 851,08 €

Juwai IQI Moments

The Juwai IQI Festival 2021 was an astounding success! We commemorated the passion, hard work, creativity and accomplishments of Juwai IQI Warriors across the globe with awards, incredible prizes, surprises and performances while reminiscing and looking back at the fulfilling journey we have had so far.

Even with the pandemic and the lockdowns holding us from celebrating together, we utilised our technology and platform to give a sense of togetherness no matter how far we were! There is always a solution with Juwai IQI.

SWAG IT!
YOU GOT STYLE! BE THE CHANGE!