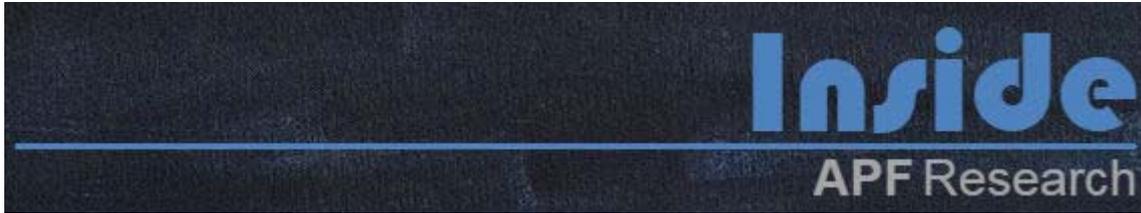


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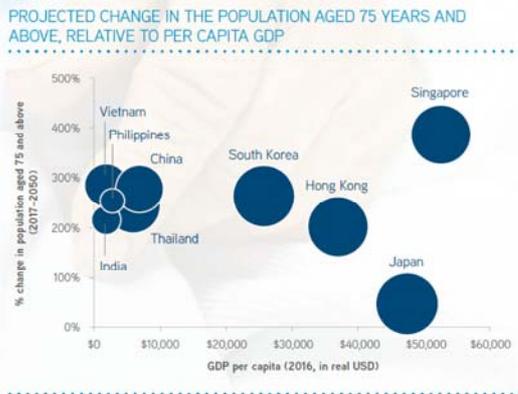
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31 May, 2018 - 13 June, 2018

**We thought we should share with you some reports that we have been mulling over in the past weeks, <<First Name>>. Hope you will find them useful.**

**Asia Property**



Source: World Bank staff estimates based on United Nations Population Division's World Population Prospects, Oxford Economics  
 Note: Marker size indicates the proportion of the population aged 75 and above versus the total population as of 2050. For comparison, Japan's population aged 75 and above is 23% of total, while India's senior population is 5%.

**The rise of senior housing asset class in Asia**

According to a recent Colliers [report](#), Asia is facing a massive demographic shift as the region's senior population (aged 65 and above) will be tripling to 945mil by 2050. Beyond its implications on healthcare and infrastructure, this wave of 'silver tsunami' is also unleashing new opportunities for the real estate sector.

**South-East Asian Property**

South East Asian markets: economic snapshot

	Singapore	Malaysia	Thailand	Indonesia	Philippines	Vietnam
Population (mil)	5.6	31.2	66.9	201.5	103.5	94.5
GDP/capita (USD)	52,963	9,566	5,976	3,570	2,951	2,131
Real GDP 2018E	3.1%	5.3%	3.2%	5.2%	6.4%	6.6%
Real GDP 2020E	2.6%	4.1%	3.0%	5.4%	5.6%	6.2%
Real est. rate 2017	0.5%	-0.4%	0.9%	2.5%	-0.2%	2.8%
Real est. rate 2020E	0.9%	1.4%	0.7%	3.5%	0.6%	2.5%
Political situation	Very stable	Mixed	Uncertain	Fairly stable	Mixed	Fairly stable

Source: Oxford Economics, political assessment by Colliers International

**'One-Belt-One-Road' (OBOR) on track for South-East Asian economies<sup>[1]</sup>**

In the latest OBOR [report](#) by Colliers, the Malaysian government has announced that it plans to renegotiate agreements with China regarding the East Coast Rail Link, which is the core element of the OBOR development in Malaysia. This brings uncertainty to the estimated USD13-14bil project, even though Malaysia remains the most popular

The senior housing market in the West has been relatively matured with its integrated retirement housing developments that allow senior citizens to progress through the stages of ageing all in one housing community. Various financing models are also in place to cater to the different affordability needs.

In recent years, many governments in Asia have started to expand their senior population policies. In its latest 13th Five-Year Plan, China has redefined its targets for senior care and enacted new policies that facilitate foreign investment in senior housing projects.

*In our view*, given the varying and diverse economic stages of Asian economies, investment opportunities still exist in developed markets, e.g., Australia and Japan featuring institutional-grade senior housing markets. Ageing is a structural trend that is here to stay and senior housing will continue to gain stronger foothold across Asia. Investors should consider taking some exposure to this unique asset class which reportedly generates a yield of about 5% in Japan.

investment target for China OBOR investors.

Singapore remains the top property investment market in the near-term due to its GDP growth and recovery of its office and residential markets. It is also poised to be the natural location for the regional headquarters of Chinese enterprises in the long run as OBOR unfolds.

Amongst other South East Asian emerging markets, Indonesia, Philippines and Vietnam are the standouts for medium-term property investment. While Indonesia is preferred for its long-term growth potential, Philippines is chosen due to its breadth of development opportunities. Notably, Vietnam is highlighted for its continual infrastructural developments and a regulatory change that now allows sales and leaseback transactions for foreign buyers.

*In our view*, the recent changes in Malaysia's infrastructural plans are unlikely to have major implications to the overall OBOR project and we remain positive over the South East Asian markets as an attractive region for real estate investments.

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[1] One Belt One Road (OBOR) was renamed to Belt and Road Initiative (BRI) by China since 2015



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