YANGON (MYANMAR)

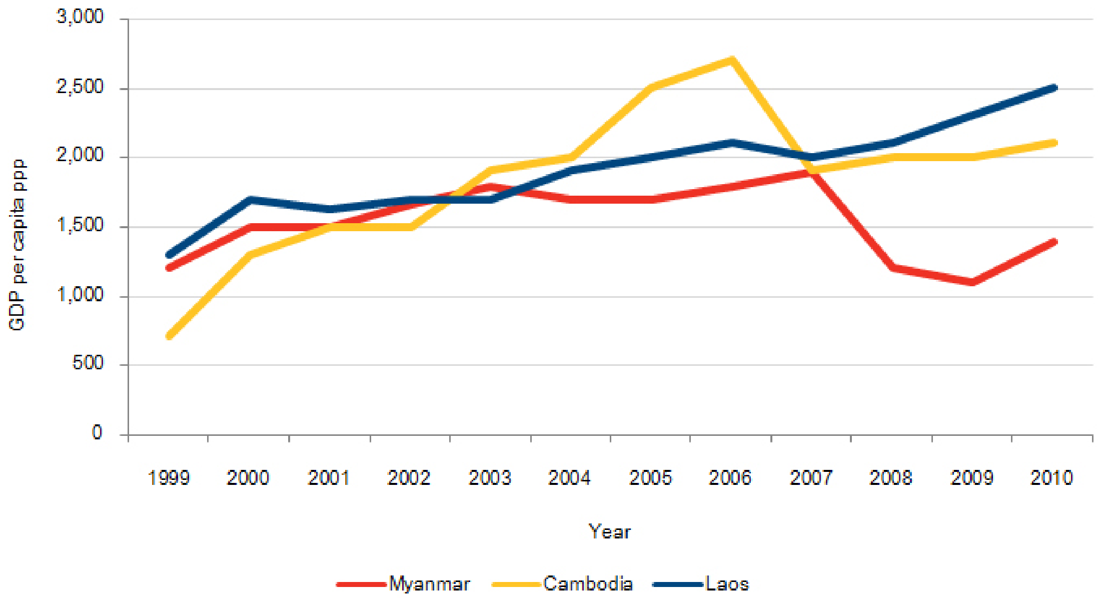
PROPERTY MARKET REPORT

BRIEF

MYANMAR OVERVIEW

ECONOMY

MYANMAR IN COMPARISON WITH CAMBODIA AND LAOS

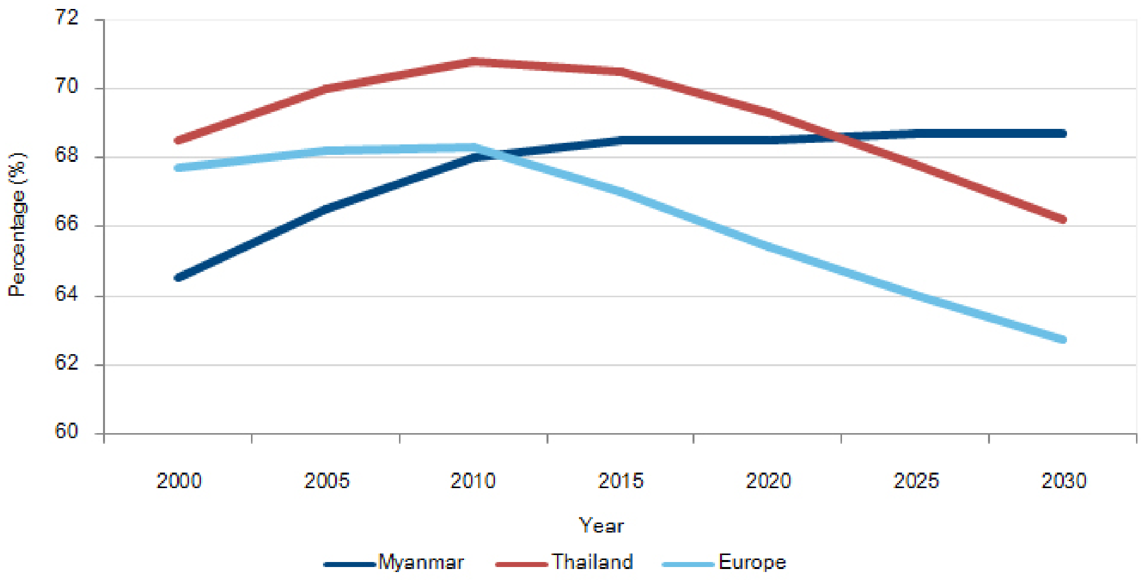


Source: CIA Fact book and Colliers International Thailand Research

Even compared to the poorest countries in South East Asia, Myanmar has fallen considerably behind. Both Cambodia and Laos emerged from devastating wars and extremist economic policies in the 1970's and 80's that wrecked their economies. Since the 1990's they have developed into market orientated economies and have begun on the export based development model that propelled so many other countries out of poverty. Myanmar is now ranked at the bottom of the economic league table where once it was at the top.

DEMOGRAPHICS

PERCENTAGE OF POPULATION BETWEEN 15-64

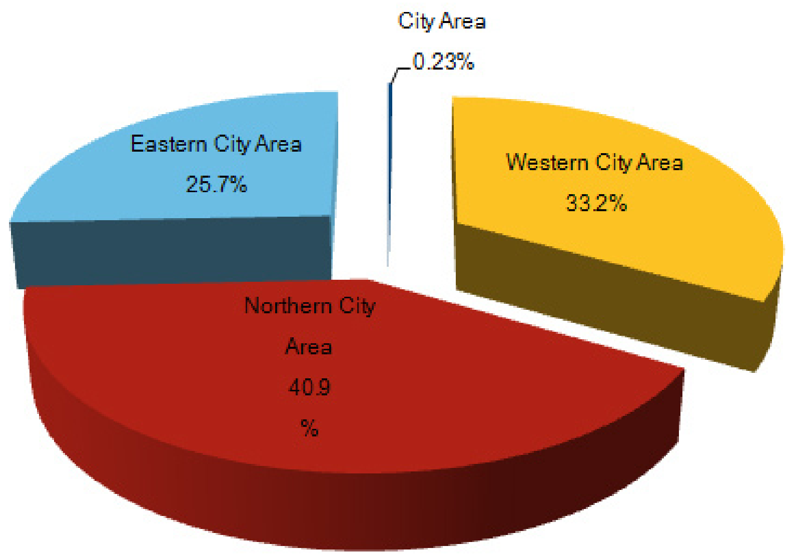


Source: UN Population Division and Colliers International Thailand Research

The population between the ages of 15-64 is seen as the most active in terms of productivity. Most have finished their education, especially in developing countries and have yet to retire. Economic growth in many countries can be traced to the period when the country had a significant ratio of its population potentially active economically. For Myanmar the next twenty years represent an opportunity for the country to progress with its youthful population.

INDUSTRIAL ESTATE

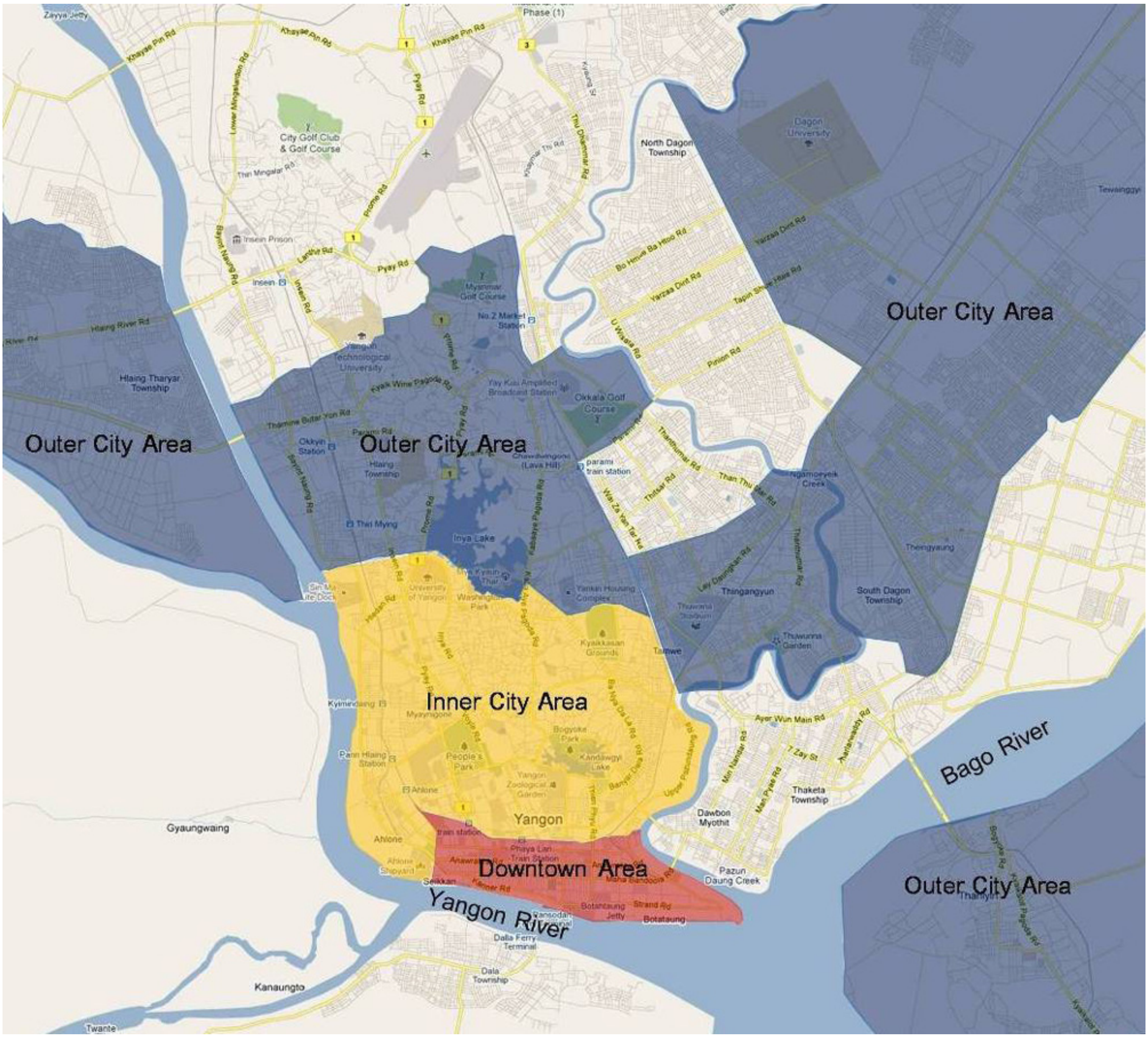
SUPPLY OF INDUSTRIAL ESTATE IN YANGON BY LOCATION, H1 2012



Source: Department of Human Settlement and Housing Development (DHSHD) and
Colliers International Thailand Research

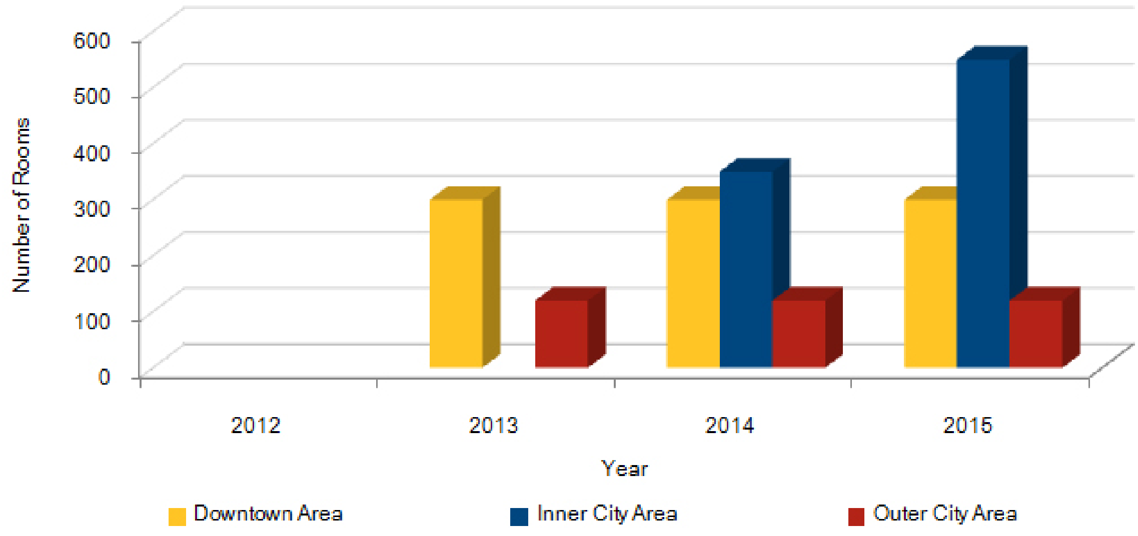
Almost100% of the total industrial estate area in Yangon is outside the Yangon City Area with just one small industrial estate being located in the City area. More than 40% of the industrial estate area in Yangon is located in the Northern City area, which is close to the airport.

ZOINNG


Outer City Area
Outer City Area
Outer City Area
Outer City Area
Inner City Area
Downtown Area
Yangon River
Bago River
Yangon
Inya Lake
Hlaing Tharyar Township
North Dagon Township
South Dagon Township
Thaketa Township
Dala Township
Gyaungwaing
Kanaungto
Twante
Thingangyun
Thanlyin

UPPER SCALE HOTELS

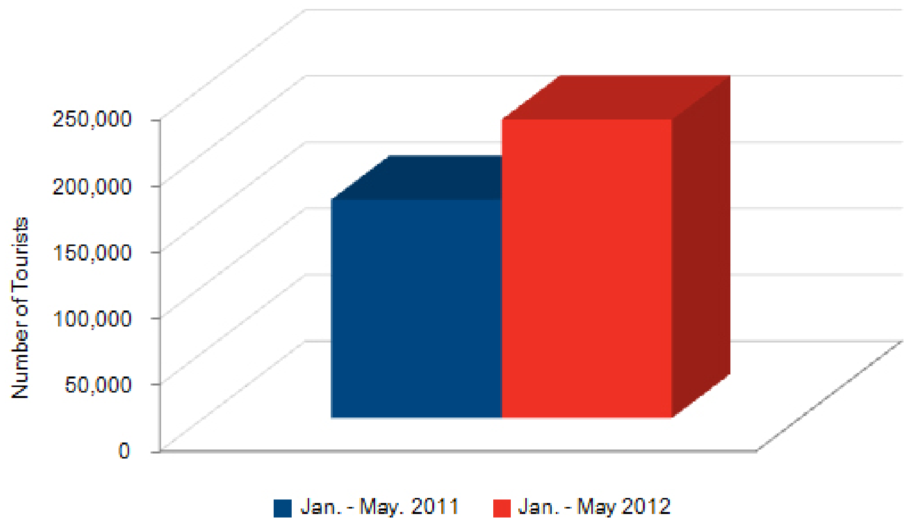
CUMULATIVE OF FUTURE SUPPLY BY YEAR AND LOCATION, H1 2012



Source: Colliers International Thailand Research

No new supply is scheduled to be completed in 2012, due to one hotel in the Downtown Area rescheduling their completion date to 2013. Two other hotels are in the pipeline and are expected to be finished in 2014 in the Inner City Area. area.

NUMBER OF TOURIST ARRIVALS TO YANGON FROM JANUARY TO MAY 2012

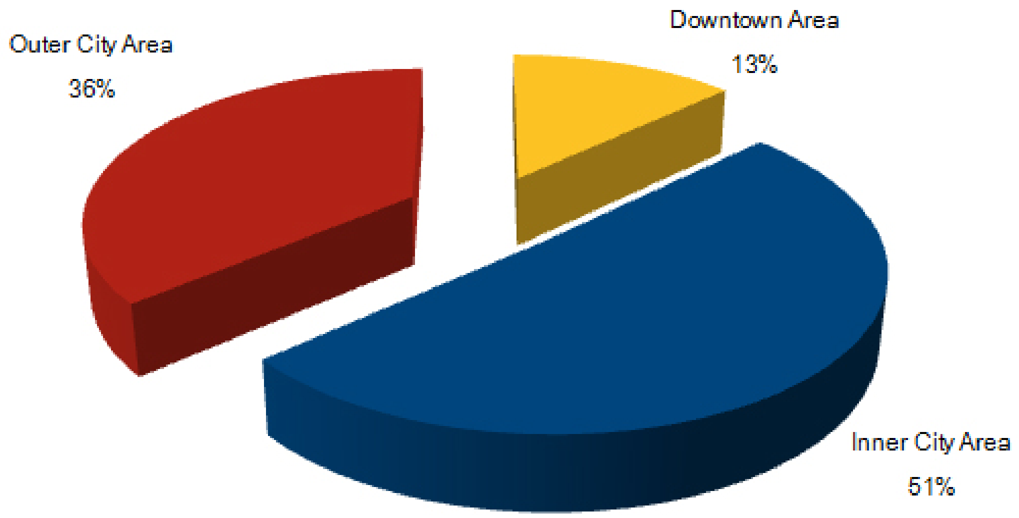


Source: Pacific Asia Travel Association (PATA) and Colliers International Thailand Research

The total number of foreign tourists arriving in Myanmar in the first four months of 2012 was approximately 225,300 an increase of 37% or more than 30,000, over the same period last year.

SERVICED APARTMENT

SUPPLY BY LOCATION

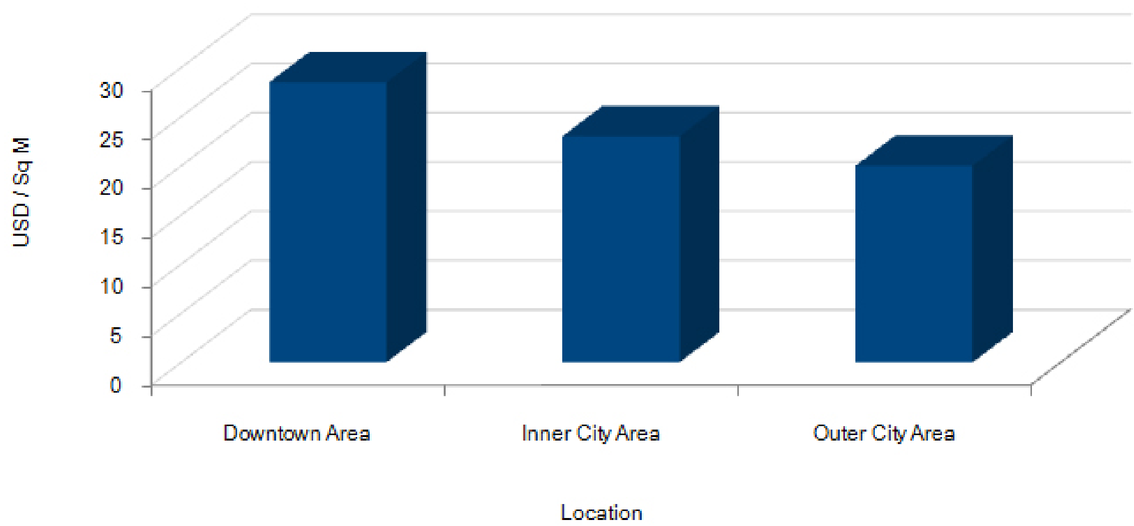


Source: Colliers International Thailand Research

The most popular area for the serviced apartment market in Yangon is the Inner City area, where supply increased within only three years from nothing to approximately 370 rooms. There is only one serviced apartment in Downtown, while the Outer City area remains popular partly on account of the location of many oil and gas companies that are operating in Myanmar around the Inya Lake area. All serviced apartment projects in Yangon recorded high occupancy rates because of limited supply and high demand. Two new serviced apartment projects in Yangon are in the planning stages.

SERVICED APARTMENT RATE

AVERAGE RENTAL RATE OF RETAIL BY LOCATION, H1 2012



Source: Colliers International Thailand Research
Note: The average rental rate is based on the rental rate located on the ground floor of the building.

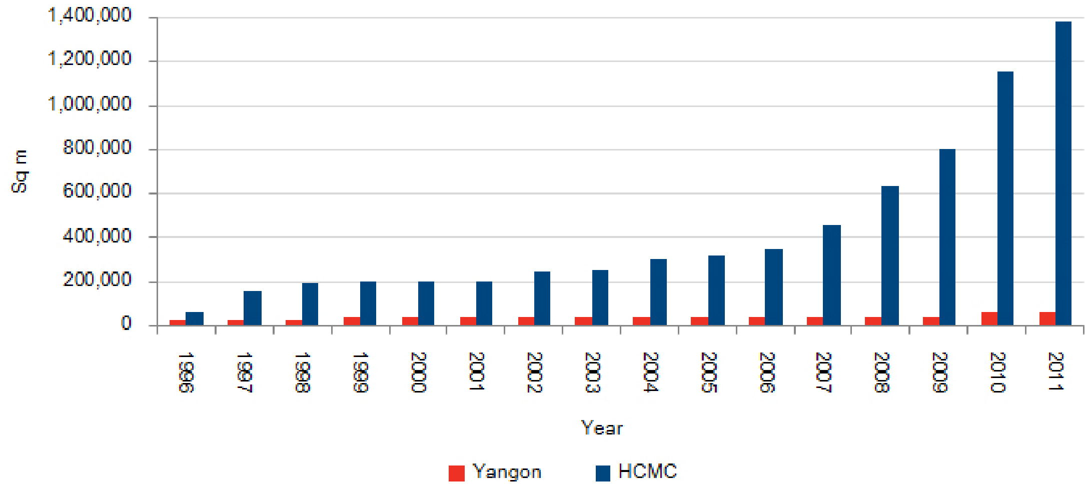
Average rental rates in the Downtown Area and Outer City Area increased by approximately 5 - 7% from the second half of 2011.

OFFICE BUILDING

CONDOMINIUMS/VILLAS AS OFFICE SPACE

A few condominium projects in Yangon have one or two floors for office space and they are usually sold rather than rented. The size of office space in condominium projects ranges between 20 - 65 sq m and the selling price is from US$2,250 to US$ 3,220 per sq m, although this kind of office space is still not popular with foreign companies, due to limited natural light, lack of parking space and normally no electricity back up apart from the common areas. Most Myanma and some international companies rent or purchase a house or villa unit and convert it to office space, for more privacy, easy accessibility and better parking in landed property.

COMPARISON BETWEEN HO CHI MINH CITY AND YANGON FOR SUPPLY, 2011

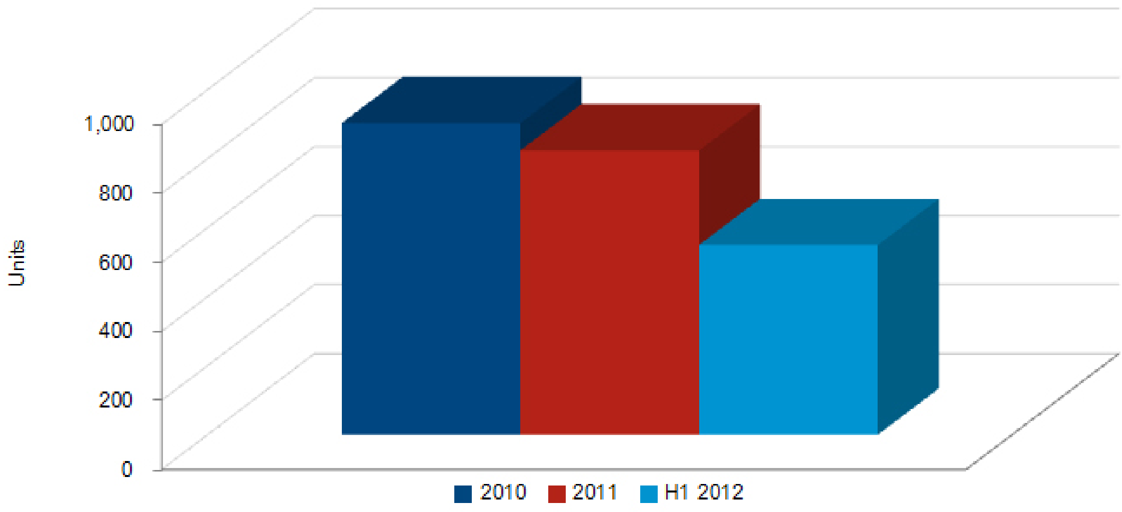


Source: Colliers International Thailand Research

In 1996 Ho Chi Minh recorded a similar amount of supply as exists in Yangon in 2012. Since 1996 supply in Vietnam's main commercial city has surged as a result of the opening up of the country to foreign investment. The graph may give an indication of how far the Yangon office market will develop over the course of the next fifteen years. It must also be mentioned that Yangon is very likely to remain the main commercial city while in Vietnam, Hanoi is also host to a significant amount of office space.

CONDOMINIUM

NEWLYLAUNCHED UNITS FROM 2010 UNTIL H1 2012 BY YEAR (REVISED)



Source: Colliers International Thailand Research

There were approximately 550 newly launched units in the first half of 2012 or around 66% of the total of newly launched units for all of2011.

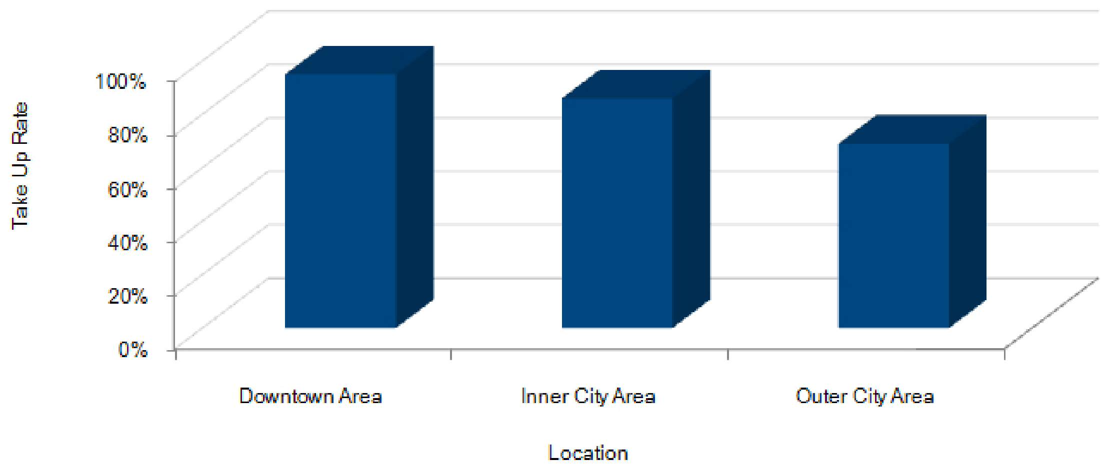
Most newly launched units in 2011 were sold out and many developers plan to launch new projects in the second half of 2012.

CONDOMINIUM/APARTMENT DISTINCTION

There is no legal definition of what constitutes a condominium as no law has been enacted to define it, as was the case in Thailand following the Condominium Act of1979. It is understood that legislation establishing a legal framework may be in the pipeline. At present the difference between a condominium and an apartment building is that the former contains a lift whereas the latter does not.

CONDOMINIUM DEMAND

COMPARISON OF TAKE-UP RATES OF ALL CONDOMINIUM UNITS IN THE MARKET BETWEEN IN H1 2012 BY LOCATION



Source: Colliers International Thailand Research

The average take-up rate of all available condominium units on the market was approximately 85%, an increase of approximately 8% from the second half of 2011.

COLLIERS INTERNATIONAL THAILAND MANAGEMENT TEAM

RESEARCH
Surachet Kongcheep | Senior Manager

RETAIL SERVICES
Asharawan Wachananont | Associate Director

PROJECT SALES & MARKETING
Monchai Orawongpaisan | Associate Director

RESIDENTIAL SALES & LEASING
Napaswan Chotephard | Manager

OFFICE & INDUSTRIAL SERVICES
Narumon Rodsiravoraphat | Associate Director

ADVISORY SERVICES | HOSPITALITY
Jean Marc Garret | Director

ADVISORY SERVICES
Napatr Tienchutima | Associate Director

REAL ESTATE MANAGEMENT SERVICES
Prasert Saiphrawan | Senior Manager

INVESTMENT SERVICES
Nukarn Suwatikul | Associate Director
Wasan Rattanakijjanukul | Senior Manager

VALUATION & ADVISORY SERVICES
Phachsanun Phormthananunta | Director
Wanida Suksuwan | Associate Director

PATTAYA OFFICE
Mark Bowling | Senior Sales Manager
Supannee Starojitski | Senior Business Development Manager / Office Manager

HUA HIN OFFICE
Sunchai Kooakachai | Senior Manager

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COLLIERS INTERNATIONAL THAILAND:

Bangkok Office
17/F Ploenchit Center,
2 Sukhumvit Road, Klongtoey,
Bangkok 10110 Thailand
TEL +662 656 7000
FAX +662 656 7111
EMAIL info.th@colliers.com

Pattaya Office
519/4-5, Pattaya Second Road (Opposite Central Festival Pattaya Beach), Nongprue, Banglamung, Chonburi 20150
TEL +6638 427 771
FAX +6638 427 772
EMAIL info.pattaya@colliers.com

Hua Hin Office
27/7, Petchakasem Road, Hua Hin,
Prachuap Khiri Khan 77110 Thailand
TEL +6632 530 177
FAX +6632 530 677
EMAIL info.huahin@colliers.com

Thailand Property Awards

Best Agent (Eastern Seaboard) 2010
Best Bangkok Agent 2010

Best Agency Deal 2011
Best Commercial Agent 2011
Best Property Management Company 2011
Best Property Consultancy 2011
Best Residential Agent (Resort) 2011

RESEARCHER:

Thailand
Tony Picon
Associate Director
EMAIL antony.picon@colliers.com

RESEARCHER:

Thailand
Surachet Kongcheep
Senior Manager | Research
EMAIL surachet.kongcheep@colliers.com

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