

QUESTION 2 "Please write down your opinions as a real estate appraisal expert on the trends of the real property market in your country/region. It should be noted that you are basically requested to assume the cities and districts, which are set by our association, in answering the questions."

Category 2: Residential property market

No.	Organization	Nation / Region	City	Area	Main usage	Current market condition	COMMENT	Future outlook of market in next 12 months	COMMENT
1	Australian Property Institute	Australia	Sydney	Metropolitan Area	Condominium (Multiple dwelling house)	Excellent	We are experiencing record construction of units and multiple dwelling houses and even so the building cannot meet demand. Strong annual growth in price is now in its third year and due to foreign investment, large population growth and low interest rates, its set to continue in 2017/18.	Stable : Strong with more growth	We don't impact any changes in the current growth in values unless there are increases in interest rates, which are not on the horizon in 2017 or 2018. The construction will continue in record numbers with all projects being sold within weeks of release plus foreign investment continues in strong numbers.
2	Indonesian Society of Appraisers	Indonesia	Jakarta	Jabodetabek	Highrise Residential (Apartment)	Fair	<ul style="list-style-type: none"> Measures introduced in 2016 were meant to boost property demand, relaxation for second home buyers and reduction of Seller's tax from all rate of 5% to : Regular property 2.5 % Subsidized Housing 1 % Government Acquired Property 0 % Nonetheless, the overall take-up rate, particularly for projects under construction, has not improved significantly. In the current soft market, developers tended to set the price carefully in order to keep sales active and attract potential buyer, but were unsuccessful. However, several developers still have positive perception toward the market, as reflected by the number of newly introduced and launched projects in Q4 of 2016 was more than doubled than the Q3 2016. 	Improving	The demand of residential in Jakarta will always be strong as the population of Jakarta is considered high and with a prudent preliminary study and preparation of the design and pricing policy, the demand of apartment in Jakarta is still promising.
3	Japan Association of Real Estate Appraisers	Japan	Tokyo	Ichibanc ho	Condominium (Multiple dwelling house)	Good	Persistent construction demands toward 2020 Tokyo Olympic Games underlie the rising construction costs. For this reason, the sales prices of newly built residential housings have been remaining at the high level and their sales have been declining at this stage. Under such circumstance, developers have a growing tendency to carefully select a project that is commercially viable.	Stable	The market trends described above are expected to continue for one year or so going forward. Please be aware, however, that there is a chance that continuous high sales prices of real properties cause a situation where the sales of newly built properties will deteriorate further, resulting in a decline trend of the market in the latter half of 2017.
4	Korea Association of Property Appraisers	Republic of Korea / Seoul	Seoul	Seoul	Condominium (Multiple dwelling house)	Fair	The sales prices of residential housings in metropolitan area, Jeju island and other parts of the country are driving the rise in the sales prices. In the metropolitan area, apartment prices are on the rise. But the price of apartments in the province is falling. This is because many apartments have been supplied to the province. On the other hand, the prices of the row and detached houses have continued to rise slightly.	Stable	In 2017, domestic and overseas uncertainties are widening, the sales prices of residential housings are expected to remain stable due to a slight rise in the metropolitan area. Also the rental prices of residential housings are expected to remain stable as the supply in the housing market is increasing.

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5	Royal Institution of Surveyors, Malaysia	Malaysia	Kuala Lumpur	Bangsar	Condominium (Multiple dwelling house)	Good	<p>Condominium dwelling in Malaysia is classified as stratified housing. Of late, stratified housing is developed integrally with commercial spaces, i.e. the podium is commercial usage while the tower blocks is dwelling. However, in Bangsar this type of housing is basically for dwelling purpose.</p> <p>Occupiers of condominiums in Bangsar are the upper income group of the Malaysians and the expatriates who come to work in Malaysia. This group of occupiers is insulated from the economic performance of a country/world.</p>	Stable	The occupancy of condominiums in Bangsar is not expected to waver in the next 12 months for the reasons stated above.
6	Property Institute of New Zealand	New Zealand	Auckland	Eastern Suburbs	Condominium (Multiple dwelling house)	Excellent	<p>Following years of sharp value increases, the multiple dwellings market in the Eastern Suburbs area is experiencing a moderation in value gains and a fall in sales activity, mirroring the wider Auckland residential market.</p> <p>Recent trends can be attributed to the latest round of higher deposit requirements imposed upon investors by the Reserve Bank of New Zealand, as well as tighter lending criteria of Banks and the slight edge up on mortgage rates.</p>	Stable	<p>Value gains are expected to continue at moderated levels.</p> <p>Region's housing shortfall is widening given the current levels of net migration and residential construction activity.</p> <p>Moreover, the combination of capacity constraints and the fact that development finance is also harder to source is limiting the ability of the development sector to meet the regional requirement as fewer projects proceed.</p> <p>Therefore, despite the moderation in value gains and fall in sales activity, the underlying drivers of the Auckland housing market remain in place providing support to values.</p>
7	Philippine Association of Realty Appraiser	Philippines	Manila	CBD	Residential	Bad	Market has softened as evidenced by increase in vacancies and less project launches	Declining	Both pre-selling and leasing take up in the CBDs slowing down in the next twelve months due to the completion of more projects in the fringes.
8	The Chinese Institute of Land Appraisal	Taiwan	Taipei	仁愛路一、二段	Condominium (Multiple dwelling house)	Fair	<p>Due to the potential housing price bubbling, government carried out the policies such as transaction price recordation, land-improvement unit-taxation system and residential tax base mark-up. Currently market price is marking down as a result, which is a healthy direction Taiwanese real estate market is heading in the long run. Despite the political issues between Mainland China and Taiwan, the impact should be limited in this active market.</p>	Stable	Relationship between Taiwan and Mainland China and the policy change with the new government will have influence on the real estate market. Uncertainty will remain relatively high for this year.

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9	Appraisal Institute	USA			Condominium (Multiple dwelling house)	Fair	<p>The apartment market continued to enjoy solid performance during the third quarter, with rents and values in a number of markets ahead of where they were going into the recession. Despite this performance, there are signs that the sector may be losing some steam. That is not to say the market is near a correction, but that in a number of markets the pace of new construction may have gotten ahead of the growth in demand. This is particularly true for luxury properties, which have been the darling of developers, lenders, and investors for some time. In many markets recent demographic trends and high employment growth in technology and other industries will help sustain the apartment market.</p> <p>In addition, some millennials and other apartment-seeking residents have turned their attention to the suburbs. However, these are not the far-flung suburbs but infill locations and nodes that have the scale and synergy to emulate urban living with the benefits of suburban living, including strong school systems and access to recreation, shopping, and other amenities.</p>	Declining	<p>Looking forward, there are signs the recent pace of rent growth may be tapering off along with occupancy rates, which have reached historical highs.</p> <p>This has occurred especially in the preferred markets of investors and developers, including San Francisco, San Jose, New York, and Houston. In some other markets, landlords are already feeling some of the pressure and are turning to incentives to attract tenants. To the extent this occurs, the corrections are likely to be more rapid than in past cycles due to the advent of technological innovations and new apps that make it easier for tenants to shop for apartments.</p> <p>While the outlook for apartments at the national level remains positive, the market is likely to become more competitive and stratified, with some markets and submarkets winning and others losing.</p> <p>This equation will operate across the spectrum of housing, including student housing and senior housing, which are niche plays in the broader apartment spectrum. In this environment, aligning market segmentation and product stratification will be the key to success.</p>