

Periodic survey on a real property appraisal industry and property market trends (As of January 2021)

**QUESTION2** "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 1: Commercial property market**

\*Listed in alphabetical order

No.	Organization	Nation / Region	City	Area	Main usage	Current market condition	COMMENT	Is it changed the current market condition from the previous term?	What exactly is changed the current market condition from the previous term? If yes, please give details.	Future outlook of market in next 12 months	COMMENT
1	Indonesian Society of Appraisers	Indonesia	Jakarta	CBD Jakarta	Commercial	Fair	With moderate demand levels, it is very possible landlords will provide very competitive rates on rental transactions to attract or retain tenants, especially for anchor tenants. Considering the patchy demand and several projects nearing completion, rents may continue facing downward pressure in 2021. Nevertheless, the lower rents may spur more pre-lease commitments. Other than that, limited supply beyond 2022 is expected to recalibrate the supply/demand dynamics in the office market. Latent demand is likely to lend support to rental rates.	Same as before		Stable	Current uncertain conditions impacted by the COVID-19 outbreak create a hurdle for developers. Other than a slower pace in building construction progress, we recorded a smaller number of transactions compared to previous years. Many companies continue to carry out a "Work from Home" policy. Several tenants will likely ask for an office space reduction in their next contract renewal. Landlords are expected to be open to negotiations in order to achieve a win-win solution and provide flexibility both in office space and leasing terms. Securing committed tenants will become an increasingly crucial factor for landlords before commencing construction.
2	Japan Association of Real Estate Appraisers	Japan	Tokyo	Marunouchi	Office	Fair	The Marunouchi district is the center of the domestic office area where the headquarters and banks of major companies are concentrated, and where strong demand is concentrated. The office leasing market in the Tokyo metropolitan area continues to be weak, but office rents in this district have remained flat. As for capitalization rate, the appetite for investment in this district, which is one of Japan's leading office districts, remains stable. Based on this situation, it is judged that land value in this district are flat.	Same as before		Stable	Although there is still uncertainty about the socio-economic situation due to the impact of the COVID-19 infectious disease, the willingness to invest in the district is predicted to remain stable, so land values are expected to remain flat for the time being.
3	Korea Association of Property Appraisers	Korea	Seoul	Gyeong-gi	Retail Store, Restaurant, Office, Financial, Shopping Center, Amusement, Hotel, etc.	Good	good, high level of the cycle in the market	Same as before		Stable	Stable
4	Royal Institution of Surveyors, Malaysia	Malaysia	Kuala Lumpur	Kuala Lumpur	Shopping centre, Office, Hotel	Bad	Commercial sectors especially hotel and retail sectors are badly affected by the MCO and closure of international borders	Yes	Lower footfalls affecting business profitability, extremely low hotel occupancies resulting in closure of some hotels	Declining	For retail centres and office to some extent, rentals are badly affected. For hotels, some may have to close for good if MCOs continue.
5	Federation of Colleges, Institutes and Societies of Valuation, Mexico	saima	Tijuana	Madero Sur	Mixed usage: commercial and housing in vertical condominiums	Good	Although this trend continues on the rise, the boom in construction has not slowed and the prices maintain increasing, the demand from national buyers seems to be diminishing, while foreign buyers appear to augment considerably	Yes	The recent increment in foreign investors, buyers and demand all together	Stable	As of recent, the market saturation has not been reached, the increment of investment both national and foreign on buildings developments maintains stability.
6	Philippine Association of Realty Appraiser	Philippines	Makati City	CBD	Office	Bad	Vacancy level has gone up due to the departures of Chinese operators of online gaming	Yes	Lowering market rents	Stable	Unless the vaccine is widely used, the market will remain the same