

REAL ESTATE & CONSTRUCTION

# GO REGIONAL

A QUICK GUIDE TO GETTING STARTED





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No	Questions	Response
1	What is the current market outlook for the Indonesian property market?	<p>With exception of growth seen in large projects and the office building sector, Indonesian real estate market is still relatively stagnant. Indonesia's property market has slowed down in the past few years, after experiencing a sharp growth from the end of 2012 and throughout 2013. The average price increase has slipped from 14% in 2013, down to around 3% in 2017 and 2018. Four main reasons for this decline include:</p> <ol style="list-style-type: none"><li>Political uncertainty</li><li>Lower occupancy rates</li><li>Introduction of a new luxury property tax</li><li>Drop in GDP per capita between 2012 and 2015</li></ol> <p>The market will most likely improve in 2019 and in the coming years. According to Colliers, the expected price increase for apartments in Jakarta will remain at 4.5% to 5.5%. Price increase in Surabaya will remain at 5% to 6%. Some key reasons why most real estate experts believe that Indonesia's property market will improve include:</p> <ol style="list-style-type: none"><li>Indonesia has a steady economic growth<ul style="list-style-type: none"><li>Indonesia's economy has grown steadily in the last couple of years. As mentioned, there was a big decline in the GDP per capita from 2012 to 2015, reducing the purchasing power among locals. However, the GDP per capita increased from USD3,330 to USD3,840 between 2015 to 2017. Significantly, more young and middle-class urban Indonesians can now afford to buy homes.</li></ul></li><li>Mega infrastructure projects planned<ul style="list-style-type: none"><li>Indonesia invests heavily in big infrastructure projects in hubs like Jakarta. Some of the new projects in Jakarta include the new Jakarta MRT and LRT projects, the Jakarta to Bandung High-Speed Rail, the Ring Roads, and more. The new MRT and LRT lines will revamp the current real estate landscape. Thus, people can buy apartments and houses further away from the central areas, where many expatriates and local professionals are forced to live due to traffic congestions.</li></ul></li><li>Increased inflow of Chinese property investors<ul style="list-style-type: none"><li>Chinese buyers are famously known for snapping up property in places like Bangkok, Ho Chi Minh City, Phnom Penh, and many other places around Asia. They have started to open their eyes for Indonesia as well. According to Colliers International, the Chinese invested USD169 million into Indonesia's property market in 2017. This makes Indonesia the third most popular destination for Chinese investors in Southeast Asia, after Singapore (USD2.1 billion) and Malaysia (USD246 million).</li></ul></li></ol>

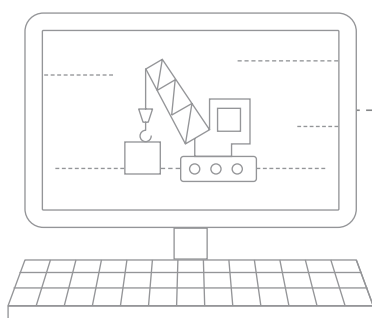
No	Questions	Response
2	What is the current market outlook for the Indonesia construction industry?	<p>The Indonesia construction industry has positive growth in 2017 and 2018, with the increase of Government infrastructure projects (mostly for transportation infrastructure which are led by state owned enterprises as main contractors).</p> <p>Since March and April 2019, several mega projects, which have been completed and are in operation, include: Trans Java Toll Road and Mass Rapid Transit (MRT) in inner Jakarta.</p>
3	What is the Indonesia Government's stand on the construction industry?	<p>In general, there are still many major projects that have not started such as the construction of airports and seaports, especially outside the island of Java as announced by the Government.</p> <p>However, several projects under construction to be built include: the Light Rail Transit (LRT) project which involves the KSO with several companies outside Indonesia, toll roads outside Java mega project, project of Jakarta to Bandung High Speed Rail and construction of several airports and sea ports in several cities in Indonesia.</p>
4	What Government initiatives are available for foreign players in this industry, especially for infrastructure?	The Government has issued a regulation in 2016 relating to the establishment of entity for construction services for foreign investment.
5	<p><u>Construction Companies</u></p> <p>a. Which governmental body monitors/regulates the Indonesia construction industry?</p>	Kementrian Pekerjaan Umum dan Perumahan Rakyat (Ministry of Public Works and People's Housing)
	b. What licences do local construction companies need?	Surat Izin Usaha Jasa Konstruksi (SIUJK) – Business Permit Letter for Construction Services.
	c. What are the requirements and/or certifications a local construction company must have?	Sertifikat Tenaga Ahli/Tenaga Trampil (Expert Certificate) and Sertifikat Badan Usaha (Corporate Certificate) issued by Lembaga Pengembangan Jasa Konstruksi (Construction Services Development Board).
	d. Are there different requirements and/or restrictions for different parts of the country?	Yes. These requirements may vary in different regions.
	e. What are the practical challenges that construction companies face?	For local contractors, the challenges faced include high technological needs, expertise and financing sources for large/high cost projects.



No	Questions	Response
5	f. How can foreigners participate?	Foreign investors are given the opportunity to set up a construction company with a maximum of 55% ownership, of which the other 45% are owned by a local resident or company. Foreign investment company only performs construction services work that meet the criteria of high-tech work, high risk and high cost (value more than IDR100 billion or USD7.5 million).
6	<u>Developers</u> a. Who monitors/regulates this sector?	<ul style="list-style-type: none"> <li>i. Ministry of Public Works and Housing, Republic of Indonesia</li> <li>ii. Real Estate Indonesia (REI) – Real Estate Developer Association in Indonesia</li> </ul>
	b. What licences do local developers need?	<ul style="list-style-type: none"> <li>i. Principle Permit – Izin Prinsip <ul style="list-style-type: none"> <li>• This permit is issued by BAPPENDA (Regional body for Planning and Development). It is a prerequisite that the proposed location has been approved for the construction of a building or housing.</li> </ul> </li> <li>ii. Permit Land Utilization – Izin Pemanfaatan Tanah (IPT) <ul style="list-style-type: none"> <li>• IPT is issued by the National Land Agency (Badan Pertanahan Nasional, or BPN). IPT also includes the use of land from the yard to housing.</li> </ul> </li> <li>iii. Permission Site Plan – Izin Site Plan <ul style="list-style-type: none"> <li>• This permit is issued by the Kimpraswil Agency (Settlement, Infrastructure, and Regional Facilities). Kimpraswil will check whether the composition or composition of land designated for commercial purposes with public facility land is in compliance.</li> </ul> </li> <li>iv. Pell Flood Permit – Izin Pell Banjir <ul style="list-style-type: none"> <li>• This permit is issued by the Kimpraswil Agency for the recommendation of the height of the area from the highest point of the average flood in the area.</li> </ul> </li> <li>v. Drying Permit – Izin Pengeringan <ul style="list-style-type: none"> <li>• If the existing location is certified rice field, there is obligation to obtain the drying permit. This permit is issued by the local agricultural service.</li> </ul> </li> <li>vi. Building Height permit – Izin Ketinggian Bangunan <ul style="list-style-type: none"> <li>• The permit is required for property to be built adjacent to the airport. This permit is issued by the local Airport Manager.</li> </ul> </li> <li>vii. Building Permit – Izin Mendirikan Bangunan (IMB) <ul style="list-style-type: none"> <li>• There are 2 kinds of IMB namely IMB parent and IMB broke. The main IMB is the IMB issued to the owner of the parent land, while the IMB broke is issued on the behalf of the consumer. IMB is issued by Dinas Kimpraswil or Dinas Cipta Karya. It can also be issued by the one roof services, and even the village or local sub-district is also authorised. These regulations vary in different regions.</li> </ul> </li> </ul>

No	Questions	Response
6	c. What are the practical challenges that developers face?	The challenges faced include financing sources, home building requirements, interest rate and terms of credit for house ownership.
	d. What are the requirements for foreign housing developers?	Additional permits for foreign companies are: <ul style="list-style-type: none"> <li>i. Foreign ownership capped at 55%</li> <li>ii. Obtain an investment licence from the Investment Coordinating Board</li> </ul>
	e. Foreign ownership of properties	Based on Government Regulation no. 103 Year 2015, foreigners are allowed to have property in Indonesia provided that they: <ul style="list-style-type: none"> <li>i. Only buy property With Used Right Certificate</li> <li>ii. Have KITAS (Temporary Stay Permit Card)</li> <li>iii. Can only buy houses and apartments</li> <li>iv. Buy property at a price above IDR5 billion</li> <li>v. Married Indonesian citizens</li> </ul>
7	How can RSM help businesses who are interested in entering the REC industry in Indonesia?	<p>The market in Indonesia is still quite large where foreign investors are given the opportunity to invest in REC Industry. RSM can contribute to assist in obtaining funding, business restructuring, licensing arrangements, and other services.</p> <p>RSM Indonesia also became the External Auditor of the financial statements of the 3 Big State Owned Enterprise (SOE) Contractors Company for the year 2018, namely: PT Waskita Karya (Persero) Tbk, PT Wijaya Karya (Persero) Tbk and PT Adhi Karya (Persero) Tbk.</p>

*Contributions from RSM Indonesia, 24 April 2019*





No	Questions	Response
1	What is the current market outlook for the Malaysian property market?	<p><u>Residential</u></p> <p>Housing affordability remains a key issue in Malaysia, particularly in the capital and key cities. Increase in housing prices has outpaced the rise in income levels. This poses an oversupply situation in the Malaysian property market which has seen the number of unsold properties increased over the years. To address weaker sales number, many developers have turned their focus to the affordable housing segment. Developers engaged in the luxury residential sector (priced RM1 million and above) are expected to hold the properties as stocks until the property market sentiment turns positive.</p> <p><u>Commercial</u></p> <p>Completion of the public infrastructure such as MRT and LRT extension has improved connectivity within the Klang Valley region. Hence, there is positive demand for office space in established and upcoming decentralised locations along the rail transportation routes.</p> <p><u>Overall</u></p> <p>Since 1 November 2017, approval for development of shopping complexes, offices, serviced apartments and luxury condominiums priced above RM1 million will be granted on a "case-by-case" basis.</p> <p>Source: <a href="https://www.knightfrank.com/research/malaysia-real-estate-highlights-2h-2018-6065.aspx?search-id=&amp;report-id=179&amp;rank=1">https://www.knightfrank.com/research/malaysia-real-estate-highlights-2h-2018-6065.aspx?search-id=&amp;report-id=179&amp;rank=1</a></p>
2	What is the current market outlook for the Malaysian construction industry?	<p><u>Residential and Commercial</u></p> <p>Due to correlation, the prospect for the construction sector in these areas is very much dependent on the demand for Malaysian residential and commercial properties.</p> <p><u>Infrastructure</u></p> <p>Major source of the infrastructure projects is Government. As the new Government's administration (after the 9 May 2018 election) has yet to touch on this area, it depends on the new Government's plan for the infrastructure. Nevertheless, the new governmental plan is to have open tenders for all infrastructure projects.</p>
3	What is the Malaysia Government's stand on the construction industry?	<p>Major policies changes are expected after the people of Malaysia have elected the previous opposition parties on 9 May 2018 to form a completely new federal Government since independence in 1957.</p>
4	What Government initiatives are available for foreign players in this industry, especially for infrastructure?	<p>The new Government's administration has yet to touch on this area.</p>

No	Questions	Response
5	<u>Construction Companies</u>	
	a. Which governmental body monitors/regulates the Malaysia construction industry?	Construction Industry Development Board (CIDB) is established under the Construction Industry Development Board Act 1994 (Act 520) to monitor and regulate the construction industry in Malaysia.  Source: <a href="http://www.cidb.gov.my/index.php/en">http://www.cidb.gov.my/index.php/en</a>
	b. What licences do local construction companies need?	All local construction companies need to register with CIDB before undertaking and completing any construction work in Malaysia.  Source: <a href="http://www.cidb.gov.my/index.php/en">http://www.cidb.gov.my/index.php/en</a>
	c. What are the requirements and/or certifications a local construction company must have?	All local construction companies need to register with CIDB before undertaking and completing any construction work in Malaysia. In order to register with CIDB, a construction company needs to have and maintain various range of paid up share capital depending on the grade of project undertaken (there are 7 grades determined by the value of projects).  New registrant must:  i. Attend and pass the Contractor Integrity and Code of Ethics Course ii. Accumulate the minimum Continuous Contractor Development (CCD) points iii. Attend and pass the Business Management Course (for Grade 1 to 3 without a technical certificate)  Source: <a href="http://www.cidb.gov.my/index.php/en">http://www.cidb.gov.my/index.php/en</a>
	d. Are there different requirements and/or restrictions for different parts of the country?	No.
	e. What are the practical challenges that construction companies face?	Volatility of material price such as steel, cement, etc. Anticipation of increase in minimum wages.
	f. How can foreigners participate?	Foreigners can participate as single contractor and/or via consortium/joint venture with local construction company. Nevertheless, both requires registration with CIDB. Besides, foreigners must apply for the Provisional Registration Certificate before participating in any tenders in Malaysia.  Source: <a href="http://www.cidb.gov.my/index.php/en">http://www.cidb.gov.my/index.php/en</a>



No	Questions	Response
6	<u>Developers</u>	
	a. Who monitors/regulates this sector?	<ul style="list-style-type: none"> <li>i. Property developers in West Malaysia are regulated by Housing Development (Control and Licensing) Act 1966.</li> <li>ii. Property developers in Sarawak are regulated by Housing Development (Control and Licensing) Ordinance, 2013.</li> <li>iii. Property developers in Sabah are regulated by Housing Development (Control and Licensing) Enactment 1978</li> </ul>
	b. What licences do local developers need?	Local developers require Housing Development Licence to carry out the development activity.
	c. What are the practical challenges that developers face?	<p>Increase in cost of living and obscure economic environment have led to greater consumer caution in committing towards long term financial burdens. Rising property prices have also led financial institutions to tighten borrowing requirements. These conditions pose an oversupply situation in the Malaysian property market which have seen the number of unsold properties increased over the years.</p> <p>Source:  <a href="http://www.cidb.gov.my/images/content/pdf/bisnes/const-review-2016-2017-update/CIDB----Construction-Industries-Review---Chapter-4.pdf">http://www.cidb.gov.my/images/content/pdf/bisnes/const-review-2016-2017-update/CIDB----Construction-Industries-Review---Chapter-4.pdf</a></p>
	d. What are the requirements for foreign housing developers?	Foreign housing developers have to incorporate a local entity with Companies Commission of Malaysia (CCM) before applying for the housing developer licence to carry out the development activity in Malaysia.
	e. Foreign ownership of properties	<p>Foreigner can own any type of properties in Malaysia with exception of:</p> <ul style="list-style-type: none"> <li>i. Properties valued less than RM1 million</li> <li>ii. Low and medium cost residential units as defined by the state authority</li> <li>iii. Properties standing on Malay Reserved land</li> <li>iv. Properties distributed to Bumiputera interest in any property development project as determined by the state authority</li> </ul> <p>Source:  <a href="https://www.iproperty.com.my/guides/guidelines-for-foreigners-buying-a-house-in-malaysia">https://www.iproperty.com.my/guides/guidelines-for-foreigners-buying-a-house-in-malaysia</a></p>
7	How can RSM help businesses who are interested in entering the REC industry in Malaysia?	RSM provide services in auditing, accounting, payroll outsourcing and taxation services for companies in REC.



# MYANMAR

No	Questions	Response
1	What is the current market outlook for the Myanmar property market?	<p>Based on Colliers International, Myanmar's overall real estate industry remains at a nascent stage. They believe that the opportunities awaiting developers and investors remain promising despite the handful of risks and challenges that currently reside in the Myanmar market.</p> <p>Source: <a href="https://www.retalkasia.com/news/2019/03/01/navigating-myanmar-property-market-opportunities-risks-and-outlook/1551390621">https://www.retalkasia.com/news/2019/03/01/navigating-myanmar-property-market-opportunities-risks-and-outlook/1551390621</a></p>
2	What is the current market outlook for the Myanmar construction industry?	<p>Foreigners who do not hold a National Registration Card can purchase condominium units in Myanmar, with the exception of those who have been blacklisted by the country. The purchase can only be done via official foreign currency remittance from overseas.</p> <p>The law allows not only purchasing rights but also construction rights and joint venture investments as well. Units of a joint venture development can be sold only after this is reported to the Management Committee via a registration officer.</p> <p>If a condominium unit holder, both foreign and local, wishes to resell his property, this unit can be sold to another foreigner, until foreign ownership in the project hits the 40% threshold.</p> <p>Based on Yangon Regional Condominium Management Committee, units registered under the Condominium Law will be in the market within the next 2–3 months and can be sold to foreigners.</p> <p>Source: <a href="https://www.mmtimes.com/news/property-investments-now-more-clear-cut-foreigners.html">https://www.mmtimes.com/news/property-investments-now-more-clear-cut-foreigners.html</a></p>
3	What is the Myanmar Government's stand on the construction industry?	<p>Myanmar Investment Commission and other Ministries seek to encourage private investment in infrastructure development under public private partnership for the construction of roads, inland cargo depots, ports and airports.</p>
4	What Government initiatives are available for foreign players in this industry, especially for infrastructure?	<p>Government is planning to invest in infrastructure development programs. Foreign investors are invited to participate in the infrastructure development programme.</p> <p>Foreign investments in Myanmar's real estate and construction industry are from countries such as Singapore, Thailand, Japan, Hong Kong and China. Many developers bring their own architects, project managers and urban planners with them to Myanmar.</p> <p>As foreign companies cannot buy land in Myanmar, they tend to partner with large local conglomerates.</p>

No	Questions	Response
5	<p><u>Construction Companies</u></p> <p>a. Which governmental body monitors/regulates the Myanmar construction industry?</p>	<ol style="list-style-type: none"> <li>i. Ministry of Construction</li> <li>ii. Ministry of Transport and Communication</li> <li>iii. Ministry of Rail Transportation</li> <li>iv. Directorate of Investment, Company Administration (DICA) <ul style="list-style-type: none"> <li>• DICA is in charge of handling company registrations for local and foreign businesses under the Myanmar Companies Law. DICA also serves as a secretary to the Myanmar Investment Commission (MIC), which is the body responsible for investment applications.</li> </ul> </li> <li>v. Myanmar Investment Commission (MIC) <ul style="list-style-type: none"> <li>• MIC is responsible for verifying and approving investment proposals and regularly issuing notifications about sector-specific developments. While most projects no longer need MIC approval, those meeting certain criteria will continue to do so. Project proposals continuing to require a MIC permit include businesses that are strategic to the Union; have large capital investments; have a large potential impact on the environment and local community, involve State-owned land, or are designated by the Government as needing a permit.</li> </ul> </li> <li>vi. Special Economic Zone</li> </ol>
	<p>b. What licences do local construction companies need?</p>	<ol style="list-style-type: none"> <li>i. Company registration</li> <li>ii. MIC permit</li> <li>iii. Land title certificate and a cadastral map at the Yangon City Development Committee (YCDC) Land Development</li> <li>iv. Soil Investigation Report (Obtained from private company)</li> <li>v. Consent from the neighbours</li> <li>vi. Construction permit obtained from the YCDC Engineering</li> </ol>
	<p>c. What are the requirements and/or certifications a local construction company must have?</p>	<ol style="list-style-type: none"> <li>i. RSE (Registered Senior Engineer) from Myanmar Engineering Council</li> <li>ii. Sending proposal to Yangon City Development Committee (YCDC) <ul style="list-style-type: none"> <li>• YCDC is responsible for municipal service delivery and public works (waste management, water supply, roads and bridges, parks and sports grounds, street lighting, funeral services, firefighting, etc.), city planning, urban land administration, tax collection (including business licensing and registration), public health, and urban development.</li> </ul> </li> <li>iii. Structure</li> </ol>
	<p>d. Are there different requirements and/or restrictions for different parts of the country?</p>	<p>According to the Investment Law 2016, there are three different regions in Myanmar:</p> <p>Zone 1: Less Developed Region (7 years for IT exemption)</p> <p>Zone 2: Moderate Developed Region (5 years for IT exemption)</p> <p>Zone 3: Developed Region (3 years for IT exemption)</p>

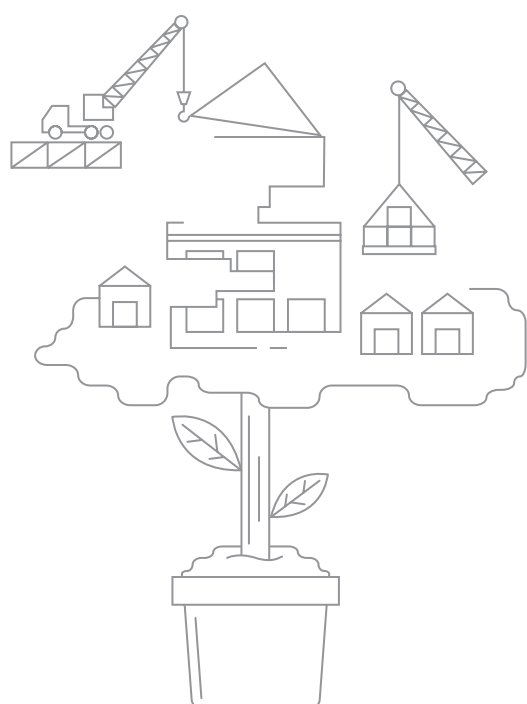
No	Questions	Response
5	e. What are the practical challenges that construction companies face?	No significant challenges so far except for the availability of land at cheaper prices and market is now facing stagnation.
	f. How can foreigners participate?	As per the new Companies Law, company can be recognised as a Myanmar company with foreign investment of up to 35%.
6	<u>Developers</u>	
	a. Who monitors/regulates this sector?	<ul style="list-style-type: none"> <li>i. Ministry of Construction</li> <li>ii. Ministry of Transport and Communication</li> <li>iii. Ministry of Rail Transportation</li> <li>iv. Directorate of Investment, Company Administration</li> <li>v. Myanmar Investment Commission</li> <li>vi. Special Economic Zone</li> </ul>
	b. What licences do local developers need?	<ul style="list-style-type: none"> <li>i. Company registration</li> <li>ii. MIC permit</li> <li>iii. Land title certificate and a cadastral map at the Yangon City</li> <li>iv. Development Committee (YCDC) Land Department</li> <li>v. Soil Investigation Report (Obtained from private company)</li> <li>vi. Consent from the neighbours</li> <li>vii. Construction permit obtained from the YCDC Engineering. The following documents are required for the application of this permit: <ul style="list-style-type: none"> <li>• Owner ID and family certificate</li> <li>• Application forms</li> <li>• Land title certificate from the YCDC Land Department</li> <li>• Certified Cadastral map from the YCDC Land Department</li> <li>• Neighbour consent form completed</li> <li>• Drawings and structural designs (3 sets)</li> <li>• Bills of quantity (BQ) (3 sets)</li> <li>• Recommendation letter from the Ward verifying that the application is filed by the applicant who is alive</li> <li>• Soil Investigation Report</li> </ul> </li> </ul>
c. What are the practical challenges that developers face?	No significant challenges so far except for the availability of land at cheaper prices and market is now facing stagnation.	

No	Questions	Response
6	d. What are the requirements for foreign housing developers?	<p><u>Land Ownership</u></p> <p>The state is the “ultimate owner” of land in Myanmar; citizens do not hold absolute property rights.</p> <p>Land ownership and land use in Myanmar are regulated under various laws depending on whether the land is designated grant land, freehold land, permit land, urban area land, forest land, farmland, or fallow land. Private individuals may hold land in the form of grants from the Government, which are granted for a specific period of time, and are transferrable and leasable, subject to registration at the local land authority. Most land authorities issue grants of lease for 30, 60, or 90 years.</p> <p>Foreigners and their Myanmar-registered companies cannot own land. There is an exception for registered condominium projects.</p> <p>An investor who obtains a Permit or an Endorsement under the MIL (Myanmar Investment Law) can get a long term land lease from private owners for private owned land/building or from the relevant Government organisations for the state owned land/buildings. The initial leasing period is up to 50 years and it can be extended twice for 10 years respectively (a total of 20 years). Therefore, to get the right to use land, it is required that the investor undergo either the MIC Permit process or endorsement application process.</p> <hr/> <p>Sources:</p> <ul style="list-style-type: none"> <li>Regulatory reforms set to heighten real estate activity in Myanmar: <a href="https://www.mmtimes.com/news/regulatory-reforms-set-heighten-real-estate-activity-myanmar.html">https://www.mmtimes.com/news/regulatory-reforms-set-heighten-real-estate-activity-myanmar.html</a></li> <li>Directorate of Investment and Company Administration: <a href="https://www.dica.gov.mm/en/faq">https://www.dica.gov.mm/en/faq</a></li> </ul>
	e. Foreign ownership of properties	<p>Land cannot be owned by foreigners and foreign companies.</p> <p>Foreign individuals and companies are not currently allowed to own real estate in Myanmar, except for condominiums, of which foreigners may own up to 40% of the total units of a condominium building.</p> <p>The law before August 2018 considers companies as “foreign” if one or more shares in the company are held by foreign companies or individuals. However, the new Myanmar Companies Law (2017), (which came into force in August 2018), allows Myanmar companies to have up to 35% foreign shareholding before being considered “foreign” and not eligible to own land.</p> <hr/> <p>Source:</p> <p>Regulatory reforms set to heighten real estate activity in Myanmar: <a href="https://www.mmtimes.com/news/regulatory-reforms-set-heighten-real-estate-activity-myanmar.html">https://www.mmtimes.com/news/regulatory-reforms-set-heighten-real-estate-activity-myanmar.html</a></p>

No	Questions	Response
7	How can RSM help businesses who are interested in entering the REC industry in Myanmar?	<p>RSM can help businesses who are interested in entering REC industry in the following areas:</p> <ul style="list-style-type: none"> <li>i. Company registration</li> <li>ii. MIC Application process</li> <li>iii. Meeting with relevant ministries</li> <li>iv. Application of licences and permits</li> </ul>

*Contributions from MAT Audit & Professional Services, 21 May 2018*

*Revised on 16 April 2019*







# PHILIPPINES

No	Questions	Response
1	Does the member firm have a REC vertical?	We have no REC vertical but we have partners who handle clients that are key players in the industry. These partners have extensive experience, knowledge and access to the developments and regulations of the REC industry.
2	What is the current market outlook for the Philippines property market?	<p>The Philippines' real estate industry's steady growth in the past decades is attributed to the increase in demand for residential and commercial properties driven by various factors. These demand drivers, according to a report by Leechiu Property Consultants, include rising urban population growth; housing needs of Business Process Outsourcing (BPO) employees, since a growing number of these workers need to live near their workplace; and remittances from Overseas Filipino Workers (OFWs), more than half of which are real estate-related.</p> <p>Oxford Business Group (OBG) stated in a 2017 report that years of investment and strong economic development in the Philippines have fostered a robust real estate sector that now extends outside of the greater Metro Manila region and into secondary markets around the country. Economic development and a growing middle class continue to fuel demand for new, high-grade residential units, while commercial investment drives an ever-increasing amount of retail and office space.</p> <p>The bullish performance of the country's real estate sector is projected to further thrive in the years to come. Buoyed by a strong macroeconomic environment, cash-laden investors and a full pipeline of projects scheduled to be built over the next decade, the real estate sector will continue to exhibit strong growth in the coming years. A steady stream of new residential and mixed-use projects is under way at locations across the Metro Manila area, as well as other fast-growing secondary cities around the country.</p> <p>Improvement of road networks and expansion of airports in major urban areas in the country will further unlock land values, making it more feasible for residential projects.</p> <p>Colliers International, a real estate consulting services firm, expects developers to continue venturing into residential projects in second-tier and third-tier cities all over the country, where demand primarily comes from end-user buyers. These markets may be smaller as compared to Manila but are more stable in terms of end-user housing demand.</p> <p>The Housing and Land Use Regulatory Board released 232,500 licences to sell in 2017, which is a 1.7% decrease from 2016. There was an overall decline in all segments except for mid-income and economic segments.</p> <p>The number of mid-range to high-end residential condominium units reached 289,300 at the end of 2017.</p>

No	Questions	Response
2		<p>With mobility, connectivity, and flexibility becoming the norm, a greater demand for flexible office spaces from 1.3 million freelancers in the Philippines is expected over the near to medium term.</p> <p>Opportunities also arise from the popularity of e-commerce, which is expected to drive warehousing and logistics demand. According to Colliers, this demand will particularly propel the economy of Northern and Central Luzon, especially due to Clark Airport's planned expansion and the construction of the Subic-Clark cargo railway.</p> <p>Northern and Central Luzon is also set to be an industrial hub as major developers are developing industrial parks, thereby increasing industrial lease rates, especially in areas such as Cavite, Laguna, and Batangas.</p> <p>With unlocking of land values by an aggressive expansion of road networks anchored on the Government's initiative to generate economic opportunities outside Metro Manila, Colliers also projects townships to rise in areas such as Cavite, Laguna, Bulacan, Pampanga, Cebu, and Davao over the near to medium term.</p> <p>Cebu, in particular, experiences a continued surge of tourists, thereby resulting in an increase in occupancy rate. With rising attractiveness as a tourist spot and growing competitiveness as an investment destination, Colliers encourages industrial locators in Visayas to consider this province.</p> <p>Colliers encourages investors to build more budget hotels to cater to the growing domestic market driven by millennial travelers.</p> <p>Since malls will still constitute an important part of the Filipino lifestyle to continue to attract consumer traffic, Colliers encourages the retail segment to provide more lifestyle amenities.</p> <p>The hotel sector is in a state of expansion, which arises from the pick-up in the tourism industry after the initial constraints presented by the Government's declaration of Martial Law.</p> <p>Sources:</p> <ul style="list-style-type: none"> <li>• <a href="https://www.leechiu.com/market-insights-july-2018/">https://www.leechiu.com/market-insights-july-2018/</a></li> <li>• <a href="https://www.oxfordbusinessgroup.com/philippines-2017/construction-real-estate">https://www.oxfordbusinessgroup.com/philippines-2017/construction-real-estate</a></li> <li>• <a href="https://www.colliers.com/en-gb/philippines/insights/marketintelligence/august312018">https://www.colliers.com/en-gb/philippines/insights/marketintelligence/august312018</a></li> <li>• <a href="https://www.prnewswire.com/news-releases/philippines-real-estate-market-outlook-to-2020---driven-by-rapid-growth-of-bpo-sector-and-increased-demand-of-retail-and-commercial-properties-300338394.html">https://www.prnewswire.com/news-releases/philippines-real-estate-market-outlook-to-2020---driven-by-rapid-growth-of-bpo-sector-and-increased-demand-of-retail-and-commercial-properties-300338394.html</a></li> </ul>

No	Questions	Response
3	What is the current market outlook for the Philippines construction industry?	<p>Philippines' improved economic conditions and the "Build Build Build" infrastructure plan of the Duterte Administration have led to a compounded annual growth rate of 10.18% in 2018 for the construction industry.</p> <p>There was an increase in the number of tourist arrivals in the country amounting to 6.6 million in 2017. This drives demand for hotel developments, with 10,000 hotel rooms forecasted to be added to the total hotel stock by the end of 2022.</p> <p>The Philippine Statistics Authority reported 20.8% increase in the number of building permits approved in 2018. Residential-type buildings experienced faster expansion rate of 17.1% in 2018 as compared to 15.2% for non-residential buildings. The expansion rate of residential-type buildings is correlated to demand in housing units to meet the country's growing population. Residential sales are stronger among the high-end market as foreigners are more prone to leasing and renting property. Overall, the Construction industry grew by 21.3% in the fourth quarter of 2018, faster than the 4.3% growth recorded in the previous year. The growth was driven by increases in both public and private construction</p> <p>Source:  <a href="https://www.psa.gov.ph/nap-press-release/sector/Construction">https://www.psa.gov.ph/nap-press-release/sector/Construction</a></p>
4	What is the Government stand on the Philippines construction industry?	<p>The Philippines Government has invested heavily in infrastructure projects. In February 2017, the Government launched the Philippines Development Plan 2017– 2022 which aims to make the Philippines an upper middle-income country by 2022.</p> <p>The budgeted infrastructure spending for 2017 is 5.4% of the country GDP, which is the highest allotment since the Marcos Administration. The Government aims to provide more railways, urban mass transport, airports and seaports, bridges and roads, and cities to address pressing issues such as unemployment, increasing prices of goods, and traffic and transportation.</p> <p>Over the next decade, the Government is set to embark on an ambitious USD180 billion infrastructure spending bonanza, to transform the Philippines' economy.</p> <p>Sources:</p> <ul style="list-style-type: none"> <li>• <a href="https://www.reportlinker.com/p01634372/Construction-in-the-Philippines-Key-Trends-and-Opportunities-to.html">https://www.reportlinker.com/p01634372/Construction-in-the-Philippines-Key-Trends-and-Opportunities-to.html</a></li> <li>• <a href="https://www.forbes.com/sites/outofasia/2018/02/28/dutertes-ambitious-build-build-build-project-to-transform-the-philippines-could-become-his-legacy/#6892c1231a7f">https://www.forbes.com/sites/outofasia/2018/02/28/dutertes-ambitious-build-build-build-project-to-transform-the-philippines-could-become-his-legacy/#6892c1231a7f</a></li> <li>• <a href="https://www.bloomberg.com/news/articles/2018-01-23/duterte-s-180-billion-building-boom-may-be-expats-ticket-home">https://www.bloomberg.com/news/articles/2018-01-23/duterte-s-180-billion-building-boom-may-be-expats-ticket-home</a></li> </ul>

No	Questions	Response
5	What Government initiatives are available for foreign players in this industry, especially for infrastructure?	<p>Philippine policies and mechanisms still remain to be one of the most restrictive when it comes to non-Filipino construction companies.</p> <p>Under the amendments to the Implementing Rules and Regulations (IRR) of the Contractors' Licence Law, a foreign contractor may be issued a Regular Licence with Annotation provided that it is duly incorporated as a domestic corporation and has a capitalisation of at least PHP1 billion (USD20 million) in cash. Further, a foreign contractor issued a Regular Licence with Annotation may only engage in 'Vertical Projects' (this refers to buildings such as offices or residential condominiums, hotels, malls, hospitals, schools, warehouses and the like; airport terminals, marine terminals, international transport terminals, power generation plants and manufacturing and assembly facilities; tourism resorts, country clubs and golf courses) that have a minimum contract value per single project of at least PHP5 billion (around USD100 million) and in 'horizontal projects' (this includes roads, expressways and toll road systems; light rail systems, heavy rail systems and monorail systems; water distribution system; bulk water systems; sewage and sewerage systems; power transmission system and power distribution system, telecommunications distribution system, bridges, flyovers, viaducts; overhead carriageways, piers, wharves and interchanges, tunnels, underground carriageways and storm cisterns; dams, dikes, seawalls and breakwater system; and reclamation) that have a minimum contract value per single project of at least PHP3 billion (USD60 million).</p> <p>In early 2018, the Philippine Competition Commission (PCC) raised several concerns regarding the nationality restriction imposed on construction activities. The PCC, which was created under Republic Act No. 10667 or the Philippine Competition Act, was created to promote and maintain market competition by regulating anti-competitive conduct in the Philippines. In its first policy note issued for 2017, the PCC raised concerns on how the nationality restrictions in the construction industry violate the Philippine Constitution's policy against unfair competition. Article XII, Section 19 of the Philippine Constitution states that no combinations in restraint of trade or unfair competition shall be allowed. According to the PCC, the PCAB's nationality requirement in the granting of licences, as provided in the Contractors' Licence Law IRR, 'institutes a substantial barrier to entry of foreign contractors in the construction industry'. Accordingly, the PCC believes that these restrictions imposed on the granting of licences propagates an uneven playing field between local and foreign contractors, which discourages foreign construction groups from venturing into the Philippines.</p> <p>Participation of foreign entities in economic and commercial activities in the Philippines is regulated under Republic Act No. 7042, as amended, otherwise known as the Foreign Investments Act of 1991 (FIA).</p> <p>The FIA indicates limitations on certain areas of investments for foreign ownership.</p>

No	Questions	Response
5		<p><u>For the Real Estate Industry</u></p> <p>The general rule is that only Filipino citizens and corporations or partnerships at least 60% Philippine owned are entitled to acquire land in the Philippines. As an exception to this rule, an alien acquisition of Philippine real estate is allowed in the following cases:</p> <ol style="list-style-type: none"> <li>i. Acquisition before the 1935 constitution.</li> <li>ii. Acquisition through hereditary succession if the foreign acquiree is a legal heir.</li> <li>iii. Purchase of not more than 40% interest as a whole in a condominium project.</li> <li>iv. Purchase by a former natural born Filipino citizen subject to the limitations prescribed by law.</li> <li>v. A Filipino who is married to an alien retains his/her Philippine citizenship, unless by his/her act or omission he/she is deemed to have renounced his/her Philippine citizenship.</li> </ol> <p><u>For the Construction Industry</u></p> <p>Foreign players are only allowed to have up to 25% of equity on contracts for the construction and repair of locally-funded public works, except for the following:</p> <ol style="list-style-type: none"> <li>i. Infrastructure/development projects covered in RA 7718 (This is an act amending the RA 6957, entitled as the act authorising the financing, construction, operation and maintenance of infrastructure projects by the private sector and for other purposes).</li> <li>ii. Projects which are foreign-funded or assisted and required to undergo international competitive bidding of contracts for construction of defence-related structure.</li> </ol> <p>Sources:</p> <ul style="list-style-type: none"> <li>• <a href="https://www.iflr1000.com/NewsAndAnalysis/Regulation-of-the-construction-industry-in-the-Philippines/Index/7119">https://www.iflr1000.com/NewsAndAnalysis/Regulation-of-the-construction-industry-in-the-Philippines/Index/7119</a></li> <li>• <a href="https://www.kittelsoncarpo.com/foreign-investment-negative-list">https://www.kittelsoncarpo.com/foreign-investment-negative-list</a></li> </ul>
6	<p><u>Construction Companies</u></p> <p>a. Which Government body monitors/regulates this industry?</p>	<p>The Government bodies which monitor/regulate the construction industry:</p> <ol style="list-style-type: none"> <li>i. Construction Industry Association of the Philippines (CIAP) <ul style="list-style-type: none"> <li>• CIAP's functions include evolving an overall strategy for the optimum development of the construction industry, monitoring both domestic and international construction industries to identify areas where there can be improvement and to recommend and/or implement changes which can support the development of the industry, and formulating criteria for the classification and categorisation of contractors which reflect their contracting capacity and performance capacity.</li> </ul> </li> </ol>

No	Questions	Response
6		<ul style="list-style-type: none"> <li>ii. Securities and Exchange Commission – the Government agency tasked with approving corporate and partnership registration in the Philippines</li> <li>iii. Bureau of Internal Revenue</li> <li>iv. International Standards Organisation</li> <li>v. Local Government units</li> </ul> <p>The CIAP implements its policies through the following Government agencies:</p> <ul style="list-style-type: none"> <li>i. Philippine Construction Accreditation Board (PCAB) <ul style="list-style-type: none"> <li>▪ CIAP's licensing arm, which performs regulatory and quasi-judicial functions, is tasked with the registration and licensing of contractors intending to engage in the construction business.</li> </ul> </li> <li>ii. Philippine Overseas Construction Board</li> <li>iii. Philippine Domestic Construction Board</li> <li>iv. Construction Manpower Development Foundation</li> </ul> <p>Source:  <a href="https://www.iflr1000.com/NewsAndAnalysis/Regulation-of-the-construction-industry-in-the-Philippines/Index/7119">https://www.iflr1000.com/NewsAndAnalysis/Regulation-of-the-construction-industry-in-the-Philippines/Index/7119</a></p>
	b. What licences do local construction companies need?	<ul style="list-style-type: none"> <li>i. A Regular Licence authorises the licensee to engage in construction contracting within the scope and field of its licence classification for as long as the licence is valid (i.e., renewed annually, and not suspended, cancelled or revoked). The Regular Licence is reserved for domestic construction firms that are at least 60% owned by Filipinos.</li> <li>ii. A Special License, on the other hand, is issued to a joint venture, consortium, foreign contractor or a project owner, authorising the licensee to engage in the construction of a single specific undertaking or project. In practice, the PCAB usually issues a Special Licence to foreign contractors if the project, which is the subject of the Special Licence application, is either a foreign financed/internationally-funded project which requires international bidding or allows the participation of foreign contractors, or is a project implemented through Republic Act No. 7718, or the Philippine Build-Operate-Transfer (BOT) Law (see PCAB Resolution No. 214, Series of 1997).</li> </ul> <p>In 2015, however, the CIAP issued Board Resolution Number 08, series of 2015, approving the PCAB's proposed amendments to the Implementing Rules and Regulations (IRR) for the Contractors' Licence Law. Through the said amendment, the PCAB introduced a new licence sub-category under the Regular Licence category: Regular Licence with Annotation. Under the revised IRR, the CIAP Regular Licence with Annotation now allows corporations incorporated in the Philippines, irrespective of foreign ownership, to regularly engage in specific types of construction projects.</p>



No	Questions	Response
6		<p>In view of the introduction of a Regular Licence with Annotation, Philippine domestic corporations, which are majority or wholly-owned by non-Filipinos, are now allowed to engage in more than one project – subject to several stringent requirements and only for specific types of constructions projects.</p> <p>Source:  <a href="https://www.iflr1000.com/NewsAndAnalysis/Regulation-of-the-construction-industry-in-the-Philippines/Index/7119">https://www.iflr1000.com/NewsAndAnalysis/Regulation-of-the-construction-industry-in-the-Philippines/Index/7119</a></p>
c.	What are the requirements and/or certifications a local construction company must have?	<ul style="list-style-type: none"> <li>i. Business Permit</li> <li>ii. Contractor's Licence</li> <li>iii. Certificate of Registration with the BIR</li> <li>iv. Articles of Incorporation</li> </ul>
d.	Are there different requirements and/or restrictions for different parts of the country?	<p>There are different requirements and restrictions for different parts of the country due to the legislations issued by local Government units (LGUs). LGUs are responsible in issuing the business permit of the construction company and the building permits for every project ventured on.</p> <p>In January 2018, Cebu city withheld 31 permits for the construction of medium and high-rise buildings in the city's plan to ban medium and high rise buildings due to safety issues. However, in May 2018, instead of banning the construction, the mayor had issued a memorandum to the Office of the Building Official and City Planning and Development Office to ensure that design of the new buildings will follow the most updated National Building Code issued in 2005.</p> <p>Source:  <a href="https://www.philstar.com/the-freeman/cebu-news/2018/05/13/1814850/Ods0wRl8yq8XuR3Z.99">https://www.philstar.com/the-freeman/cebu-news/2018/05/13/1814850/Ods0wRl8yq8XuR3Z.99</a></p>



No	Questions	Response
6	e. What are the practical challenges that construction companies face?	<p>Major challenges for construction companies, among others, include:</p> <ol style="list-style-type: none"> <li>i. Shortage of qualified workers <ul style="list-style-type: none"> <li>• The Philippines has been losing its best construction workers to higher-paying jobs abroad. Due to the lower pay for labourers in the Philippines, many are opting to go out of the country in search of greener pastures in which their skills can be compensated to a much higher return. This causes a detriment on the availability of such skilled workers here in the Philippines, causing contractors a slowdown on its projects, and ultimately halts infrastructure developments in the country.</li> </ul> </li> <li>ii. Generational Differences <ul style="list-style-type: none"> <li>• Another potential conflict is the conflict between generations. More and more millennials are entering the job force who have very different work ethics and sets of skills than different generations in the field. This difference of opinions may cause conflicts to arise, in particular between veteran employees and new employees.</li> </ul> </li> <li>iii. Institutional Framework for Private Sector Participation in Infrastructure Projects <ul style="list-style-type: none"> <li>• In the past, private sector involvement in the Philippines' priority infrastructure projects has been minimal. The current Philippine Government recognises the importance of engaging the private sector in financing and operating infrastructure facilities, but it is far from well practised in infrastructure development, and the bulk of infrastructure projects still adopt the traditional procurement model.</li> <li>• Nonetheless, the Philippines is now taking a keen interest in promoting the use of PPP. The Public Private Partnership Unit (PPPU) is currently tasked with optimising the institutional framework for adoption of the PPP model. Current procedures involve numerous Government departments and agencies, and there is no clear guideline as to which Government unit serves as the key contact for any individual infrastructure project. The PPPU is in charge of drafting such guidelines and deciding which body will work with consultants on developing PPP projects.</li> <li>• Although it is showing a greater intention to explore the PPP model, the Philippine Government still seems more inclined to build the physical infrastructure itself and allow private companies to operate and manage the facilities afterwards. The Government is keen to apply this model to the construction of transport facilities, including airports, railways and ports. The Build-Operate-Transfer (BOT) is another preferred model for education facilities and transport and water infrastructure, in which ownership of the built facilities and infrastructure will eventually be transferred back to the Government.</li> </ul> </li> </ol>

No	Questions	Response
6		<ul style="list-style-type: none"> <li>Foreign companies should also be aware that they are not allowed to take full ownership of any infrastructure project in the Philippines. The local-foreign ownership ratio of 6:4 applies in all sectors related to infrastructure development. In any case, local partners are considered to be crucial as infrastructure projects involve regular contacts with local parties and Government agencies. It would be very difficult for foreign businesses to deal with these parties by themselves, without support from Philippine partners with direct local contact and on-the-ground knowledge. However, collaboration opportunities abound in the Philippines as local companies often lack the technical capability to take up large-scale and/or complex infrastructure projects, and they are willing to partner with foreign firms able to bridge the gaps with specialised construction skills and expertise.</li> </ul> <p>Sources:</p> <ul style="list-style-type: none"> <li><a href="https://hkmb.hktdc.com/en/1X0ABULX/hktdc-research/The-Philippines-Infrastructure-Opportunities-and-Challenges">https://hkmb.hktdc.com/en/1X0ABULX/hktdc-research/The-Philippines-Infrastructure-Opportunities-and-Challenges</a></li> <li><a href="https://esub.com/top-issues-facing-the-construction-industry-2017">https://esub.com/top-issues-facing-the-construction-industry-2017</a></li> </ul>
f.	How can foreigners participate?	<p>Republic Act (RA) No. 7042, or the Foreign Investments Act of the Philippines, as amended by Republic Act No. 8179 (FIA) governs foreign investments in the Philippines. It provides that foreigners can generally invest up to 100% equity in domestic market enterprises, except in areas of investment listed in the Foreign Investment Negative List (FINL) (see Section 7, FIA).</p> <p>Under the FIA and the current FINL, construction companies that plan to engage in construction activities that do not involve contracts for the construction and repair of locally-funded public works, or contracts for the construction of defence-related structures may be 100% foreign owned.</p> <p>Source:  <a href="https://www.ifr1000.com/NewsAndAnalysis/Regulation-of-the-construction-industry-in-the-Philippines/Index/7119">https://www.ifr1000.com/NewsAndAnalysis/Regulation-of-the-construction-industry-in-the-Philippines/Index/7119</a></p>



No	Questions	Response
7	<p><u>Developers</u></p> <p>a. Who monitors/regulates this sector?</p>	<ol style="list-style-type: none"> <li>i. Housing and Land Use Regulatory Board (HLURB) <ul style="list-style-type: none"> <li>• The HLURB is the lead agency in the provision of technical assistance to local Government units in the preparation of comprehensive land use plans; regulation of housing, land development and home-owners association; and adjudications of disputes related thereto. They are tasked to promulgate and enforce policies on land use, housing and home-owners associations which promote inclusive growth and economic advancement, social justice and environmental protection for the equitable distribution and enjoyment of development benefits.</li> </ul> </li> <li>ii. National Housing Authority <ul style="list-style-type: none"> <li>• Agency formed to develop and implement a comprehensive and integrated housing program which shall embrace, among others, housing development and resettlement, sources and schemes of financing, and delineation of Government and private sector participation. It formulates and enforces general and specific policies for housing development and resettlement. Its functions are to prescribe guidelines and standards for the reservation, conservation and utilisation of public lands identified for housing and resettlement, exercise the right of eminent domain or acquire by purchasing privately-owned lands for purposes of housing development, resettlement and related services and facilities, develop and undertake housing development and/or settlement projects through joint ventures or other arrangements with public and private entities and promote housing development by providing technical assistance.</li> </ul> </li> <li>iii. Department of Public Works and Highways (DPWH) <ul style="list-style-type: none"> <li>• The DPWH functions as the engineering and construction arm of the Government tasked to continuously develop its technology for the purpose of ensuring the safety of all infrastructure facilities and securing for all public works and highways the highest efficiency and quality in construction. DPWH is currently responsible for the planning, design, construction and maintenance of infrastructure, especially the national highways, flood control and water resources development system, and other public works in accordance with national development objectives.</li> </ul> </li> <li>iv. Securities and Exchange Commission <ul style="list-style-type: none"> <li>• The Government agency tasked with approving corporate and partnership registration in the Philippines.</li> </ul> </li> <li>v. Bureau of Internal Revenue (BIR) <ul style="list-style-type: none"> <li>• The BIR is mandated by law to assess and collect all national internal revenue taxes, fees and charges, and to enforce all forfeitures, penalties and fines connected therewith, including the execution of judgements in all cases decided in its favor by the Court of Tax Appeals and the ordinary courts.</li> </ul> </li> </ol>

No	Questions	Response
7	b. What licences do local developers need?	<ul style="list-style-type: none"> <li>i. HLURB <ul style="list-style-type: none"> <li>▪ Certificate of Site Zoning Classification</li> <li>▪ Certificate of Registration and License to Sell</li> </ul> </li> <li>ii. Local Government Units <ul style="list-style-type: none"> <li>▪ Development Permits</li> </ul> </li> <li>iii. Department of Agrarian Reform (DAR) <i>(for processing and grant of applications for conversion and exemption of lands devoted to or suitable for agriculture)</i> <ul style="list-style-type: none"> <li>▪ Conversion Order or Exemption Order</li> <li>▪ Municipal Agrarian Reform Officer (MARO) Certification</li> <li>▪ Center on Land Use Planning and Policy (CLUPP 1) Certification</li> </ul> </li> <li>iv. Department of Environment and Natural Resources (DENR) <ul style="list-style-type: none"> <li>▪ Environmental Compliance Certificate (ECC)</li> <li>▪ National Integrated Protected Area System (NIPAS)</li> <li>▪ Certification Verification and Approval of Survey Returns</li> <li>▪ Approved Engineering Geological and Geohazard Assessment Report (EGGAR)</li> </ul> </li> <li>v. Department of Agriculture (DA) <ul style="list-style-type: none"> <li>▪ Certification for Reclassification of Agri</li> <li>▪ Land Irrigation Clearance Certificate</li> <li>▪ Philippine Coconut Authority (PCA) Clearance</li> <li>▪ Certification Sugar Regulatory Administration (SRA)</li> <li>▪ Clearance Certification</li> </ul> </li> </ul>
	c. What are the practical challenges that developers face?	<p>Among the many challenges that developers face are the following:</p> <ul style="list-style-type: none"> <li>i. Government regulations and mandates <ul style="list-style-type: none"> <li>▪ Developers are affected by any sudden Government regulations and mandates relating to urbanisation and development, including those not yet formally implemented. An example would be the decentralisation in Metro Manila wherein recently, the President has suggested closing Manila for a decade (in terms of real estate and other developments), so that the Government can focus on developing provinces similar to Pampanga, Batangas and Cavite. This was brought about by the results of the hyper urbanisation of the region which include pollution, overpopulation and traffic congestion. This, however, might be an advantage rather than a challenge to developers in nearby provinces.</li> </ul> </li> </ul>

No	Questions	Response
7		<ul style="list-style-type: none"> <li>• On the other hand, other local Government restriction affects development plans of developers, such as that in Davao city wherein the local Government is taking things seriously in ensuring the safety of passengers in line with the issues raised by the Civil Authority of Philippines which raised discussions on setting height restrictions within Davao city. Implementing height limitations is a double-edged sword in the case that investors are keen to build higher given great demands, but will be limited to doing so given the restriction. Higher developments return the investments faster, and limiting this is unfavorable for investors.</li> <li>ii. Negative perceptions and perceived threats               <ul style="list-style-type: none"> <li>• Developers may find it difficult for investments to come in and to intensify their marketing strategies by the different negative perceptions and threats assumed by almost the general public for a particular area they want to expand in. An example would be in Mindanao where a negative perception about its safety has been instilled in the minds of the public. This was brought about by the attacks of the rebels, the recent war in Marawi and the declaration of martial law in Mindanao. Although there are still some areas to be avoided, developers try their best to lift the negative perception and prove that there are many opportunities despite the perceived threats. Fortunately for Davao city, as detailed in the publication entitled "Business As Usual", the real estate landscape was generally unfazed, and citizens remain to feel very safe in the city. Lastly, after the declaration of martial law in the island, locals have high respect for the measures taken by the Government to prioritise the safety of the community based on a certain survey conducted.</li> </ul> </li> <li>iii. Expensive property prices               <ul style="list-style-type: none"> <li>• Developers are concerned about expensive real property prices in areas in the Philippines which hinder investment from prospective investors. In Davao city specifically, the issue on expensive property prices remains as a major concern. Several developers however, have convinced investors to still consider Davao properties for acquisition. These high prices however, can be justified after the promise infrastructure developments in the pipeline will be realised within the current administration which includes projects on Mindanao Railway System, road expansion, among others.</li> </ul> </li> <li>iv. Growing demand for properties               <ul style="list-style-type: none"> <li>• It is necessary to solve the problem of housing backlog in the market. Moreover, the Government needs to boost the infrastructure spending and provide more incentives to the real estate developers so that they shift their focus towards socialised housing. The fear of property bubble has been around for some time now and has limited the growth of the market.</li> </ul> </li> </ul>



No	Questions	Response
7		<p>v. Shifting demand in residential sector</p> <ul style="list-style-type: none"> <li>• While yield compression is on-going for luxury and high-end residential properties, demand for middle- income residential properties remains high due to overseas Filipino workers and BPO employees investing in condominiums. Previously, the gains in the residential market were largely due to luxury and high-end properties, but now we are starting to see attractive returns for lower-end product. The growing demand and the shortage of residential units in this sector have led to a shift among developers, who are now focusing on providing more developments catering to the middle-income sector.</li> </ul> <p>vi. Financing</p> <ul style="list-style-type: none"> <li>• Despite the strong demand, financing remains a challenge for prospective developers. The majority of the growing middle class still does not qualify for bank loans. Developers try to work around this by taking on the bank loans and offering more affordable payment schemes; however, tightening from the Central Bank might scale back the lending.</li> </ul> <p>vii. Infrastructure</p> <ul style="list-style-type: none"> <li>• The lack of solid infrastructure, however, is still a major roadblock to the sector's growth. To encourage more people to visit and invest in the Philippines, improvements need to be made in land and air transportation, from upgrading the metro rail system to building new roads, highways and airports.</li> </ul> <p>_____</p> <p>Sources:</p> <ul style="list-style-type: none"> <li>• <a href="http://www.sunstar.com.ph/article/148866/High-land-prices-in-Davao-City-a-concern-for-investors">http://www.sunstar.com.ph/article/148866/High-land-prices-in-Davao-City-a-concern-for-investors</a></li> <li>• <a href="http://www.manilatimes.net/philippine-property-sector-remains-vibrant-amid-challenges/377315/">http://www.manilatimes.net/philippine-property-sector-remains-vibrant-amid-challenges/377315/</a></li> <li>• <a href="http://edgedavao.net/special-supplement/2017/12/30/rise-davao-city-real-estate/">http://edgedavao.net/special-supplement/2017/12/30/rise-davao-city-real-estate/</a></li> <li>• <a href="https://businessmirror.com.ph/2018/01/30/mindanao-real-estate-primer-davao-region-marawi/">https://businessmirror.com.ph/2018/01/30/mindanao-real-estate-primer-davao-region-marawi/</a></li> <li>• <a href="https://kmcmaggroup.com/resources/media/press-release">https://kmcmaggroup.com/resources/media/press-release</a></li> </ul>

No	Questions	Response
7	d. What are the requirements for foreign housing developers?	<p>The typical common way for foreign nationals to best protect themselves in purchasing and investing in Philippine real estate is for the foreign national and/or foreign corporation to create a Philippine corporation to hold title. This allows the Philippine corporation of a foreign national or foreign corporation the lowest investment risk and more control of their Philippine real estate investments, and other Philippine investment assets. For private land, residential home with land lot and/or commercial building with land lot ownership, the foreign national and/or corporation forms a Philippine Corporation to take ownership of the property.</p> <p>A Philippine Corporation with foreign nationals as required by Philippine law will be a maximum of 40% foreign owned, and a minimum of 60% Filipino owned. A foreign national may be the sole person on the Philippine corporation bank account once after the Philippine corporation has been created provided the foreigner has the proper Philippine Visa status, and power of attorney agreements. This structure allows the foreign national total control over the funds derived and paid out from the Philippine Corporation and from the income or sale of the asset or real estate property within the corporation. This method is by far the most complete and secure way for foreigners to purchase and hold Philippine real estate assets.</p> <p>Source:  <a href="https://www.dakbayan.ph/property-guide.html">https://www.dakbayan.ph/property-guide.html</a></p>
	e. Foreign ownership of properties	<p>Foreign nationals may indirectly own private lands by taking a minority interest (up to the extent of 40%) in corporations that are considered Philippine national. A corporation is considered a Philippine national if it is at least 60% owned by Filipinos. As a Filipino corporation, it can then buy private lands.</p> <p>Foreign nationals and foreign companies may own condominium units in condominium projects which are registered with the HLURB. Subject to the provisions of the law under Republic Act 4726 - "The Condominium Act", wherein the foreign nationals can own condominium units provided that total saleable units are at least 60% owned by Filipinos and ownership by foreign nationals will not exceed 40%.</p> <p>Foreign nationals and foreign companies may opt to lease private lands. The Philippine constitution allowed foreign nationals to lease lands for a term of 25 years, renewable for another 25 years maximum. This was updated by another law, Republic Act 7652 - "Investor's Lease Act", which allows the long term lease of private lands to foreign investors. This was made to increase foreign investments in areas of manufacturing, tourism and other productive endeavours. It then allowed the foreign investor lease term of 50 years for business purposes (not for residential), renewable for another term of 25 years maximum. One of the requirements is to be registered with the Department of Trade and Industry (DTI) which will then monitor and assess if the foreign investor will be engaging in business.</p>

No	Questions	Response
7		<p>Foreign national who marries a Filipino and buys private land is a common practice. The name of the foreign national is reflected in the transfer certificate of title but holds no direct right to the private land. If the marriage turns sour and leads to a divorce or separation, the foreign national can have no right to his/her property. It can even be transferred or put to sale by the Filipino spouse without the consent of the foreign national. Indirectly, if the Filipino spouse dies and has no legal heir or natural heir then the private land and all its rights will be transferred to the foreign national as a hereditary succession.</p> <p>Source:  <a href="https://www.dakbayan.ph/property-guide.html">https://www.dakbayan.ph/property-guide.html</a></p>
8	How can RSM help businesses who are interested in entering the REC industry in Philippines?	<p>RSM can conduct forums and informative discussion with prospective investors to introduce the potential growth of the country's real estate industry, present market data, taxes, laws and regulations governing the country's real estate.</p> <p>RSM can also provide services in the processing of licences and registrations with the help of its network firm in the Philippines.</p>

*Contributions from Reyes Tacandong & Co, 1 June 2018*





# SINGAPORE

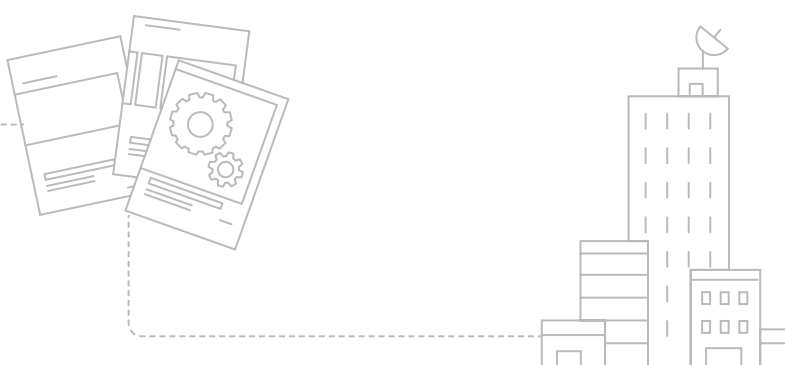
No	Questions	Response
1	What is the current market outlook for the Singapore property market?	<p>In recent years, the Singapore Government has taken a number of cooling measures to curb the increasing property prices in the local real estate market. One such measure is by increasing the Additional Buyer's Stamp Duty (ABSD) by 5 percentage points for individuals and 10 percentage points for entities. The loan-to-value limits have also been tightened. Overall, the Government measures have been very effective. Singapore property prices would have surged if the Government has not intervened to cool the property market.</p> <p>Based on the statistics released by Urban Redevelopment Authority (URA) on 26 October 2018, prices of private residential properties rose by 0.5% compared with 3.4% and 3.9% in the second and first quarter of 2018 respectively. Land sales and overall transaction volumes in 2018 have also moderated.</p> <p>Given the above context, analysts have forecasted that the Singapore property market will likely slowdown in 2019.</p> <hr/> <p>Sources:</p> <ul style="list-style-type: none"><li>• <a href="https://www.todayonline.com/singapore/property-prices-would-have-gone-15-cent-2018-without-cooling-measures-lawrence-wong">https://www.todayonline.com/singapore/property-prices-would-have-gone-15-cent-2018-without-cooling-measures-lawrence-wong</a></li><li>• <a href="https://www.asiapropertyhq.com/singapore-property-market/#singapore-property-market-4">https://www.asiapropertyhq.com/singapore-property-market/#singapore-property-market-4</a></li></ul>
2	What is the current market outlook for the Singapore construction industry?	<p>It is forecasted that Singapore's total construction demand will remain strong in year 2019. The Building and Construction Authority (BCA) projects the total construction demand (i.e. the value of construction contracts to be awarded) in 2019 to range between SGD27 billion and SGD32 billion, comparable to the SGD30.5 billion (preliminary estimate) awarded in 2018.</p> <p>The projected outlook is due to sustained public sector construction demand, which is expected to reach between SGD16.5 billion and SGD19.5 billion in 2019, contributing to about 60% of the projected demand for this year. Public construction demand is expected to be boosted by major infrastructure projects and a pipeline of major industrial building projects.</p> <p>The private sector's construction demand is expected to remain steady at between SGD10.5 billion and SGD12.5 billion in 2019, supported by projects including the redevelopment of past en-bloc sales sites concluded prior to the second half of 2018 and new industrial developments.</p> <p>BCA expects a steady improvement in construction demand over the medium term. Demand is projected to reach between SGD27 billion and SGD34 billion per year for 2020 and 2021 and could increase to between SGD28 billion and SGD35 billion per year for 2022 and 2023.</p> <hr/> <p>Source:</p> <p><a href="https://www.bca.gov.sg/newsroom/others/MR_Prospects2019.pdf">https://www.bca.gov.sg/newsroom/others/MR_Prospects2019.pdf</a></p>

No	Questions	Response
3	What is the Singapore Government's stand on the construction industry?	<p>The Singapore Government will continue to push for the adoption of advanced construction methods in both public and private sector projects to improve productivity and enhance infrastructure sustainability and maintainability.</p> <p>Firms are encouraged to invest in technology and innovation which will enable them to seize future opportunities. To help firms do so, BCA will expand the Building Innovation Panel (BIP) – an inter-agency platform that accelerates the regulatory clearance of technologies that improve construction productivity – to cover any type of innovation that can improve Singapore's built environment. Such innovations can include advanced and sustainable building materials, technologies for green buildings and automation for construction. The enhanced BIP will be implemented in February 2019 and benefit Singapore's built environment by supporting the innovation efforts of firms.</p> <p>Source:  <a href="https://www.bca.gov.sg/newsroom/others/MR_Prospects2019.pdf">https://www.bca.gov.sg/newsroom/others/MR_Prospects2019.pdf</a></p>
4	What Government initiatives are available for foreign players in this industry, especially for infrastructure?	<p>Foreign players are not restricted from participation as long as they meet the requirements set.</p>
5	<p><u>Construction Companies</u></p> <p>a. Which governmental body monitors/regulates the Singapore construction industry?</p>	<p>The regulatory body is the Building and Construction Authority ("BCA"). BCA is an agency under the Ministry of National Development, championing the development of an excellent built environment for Singapore. "Built environment" refers to buildings, structures and infrastructures in our surroundings that provide the setting for the community's activities.</p>
	<p>b. What licences do local construction companies need?</p>	<p>All builders in Singapore carrying out building works under the Building Control Act will have to apply for their builders licence. The Builders Licensing Scheme ("BLS") ensures that building works are carried out by builders who are conversant with the statutory requirements of the Building Control Act and conduct their duties competently and professionally.</p> <p>There are 2 types of licences:</p> <ol style="list-style-type: none"> <li>i. General Builder Licence</li> <li>ii. Specialist Builder Licence</li> </ol> <p>There are certain requirements such as qualification and experience of the approved person and/or technical controller for the different licences. Other requirements such as the financial capability of the company must also be fulfilled before the Builder's Licence will be granted. Under each builder licence, there is a corresponding type of contractor registry's workheads.</p> <p>Source:  <a href="https://www.bca.gov.sg/BuildersLicensing/builders_licensing.html">https://www.bca.gov.sg/BuildersLicensing/builders_licensing.html</a></p>

No	Questions	Response
5	c. What are the requirements and/or certifications a local construction company must have?	<p>Contractors need to be registered with BCA if they wish to participate in construction tenders or carry out construction projects (as main or sub-contractors) for the public sector, including Government ministries and statutory boards.</p> <p>There are 7 major groups of registration heads, namely:</p> <ul style="list-style-type: none"> <li>i. Construction (CW)</li> <li>ii. Construction Related (CR)</li> <li>iii. Mechanical &amp; Electrical (ME)</li> <li>iv. Maintenance (MW)</li> <li>v. Trade Heads for Sub-contractors (TR)</li> <li>vi. Supply Heads (SY) and</li> <li>vii. Regulatory (RW)</li> </ul> <p>Each workhead has its specific registration requirements which can be obtained from the BCA website. The main requirements are:</p> <ul style="list-style-type: none"> <li>i. Financial capability</li> <li>ii. Relevant technical personnel</li> <li>iii. Management certification</li> <li>iv. Track record</li> </ul> <p>There are other certifications that BCA may require of the company's Registrable Professional/Professional/Technical personnel ("RP/P/T"). When upgrading to a higher grade in the workhead, BCA may have specific requirements or additional certification for the company's RP/P/T.</p> <p>Source:  <a href="https://www.bca.gov.sg/ContractorsRegistry/contractors_registration_requirements.html">https://www.bca.gov.sg/ContractorsRegistry/contractors_registration_requirements.html</a></p>
	d. What are the practical challenges that construction companies face?	<p>Smaller SMEs may not have the means to invest in technology and may be forced out of the market. BCA and the Ministry of Manpower ("MOM") have rules and regulations that companies have to comply with in terms of quota, skills of workers, training, and levy costs. This often proves challenging since the industry is heavily reliant on foreign workers.</p> <p>Constant effort is needed to keep up with BCA's evolving certification requirements for companies and their employees. Low volume of work projected and work awarded at lower contract prices. During unfavourable economic conditions, contractors usually have problems with slow collection or non-payment which will affect the company's cash flow.</p>
	e. How can foreigners participate?	<p>A foreign company can either register a Singapore subsidiary company or a Singapore branch office. Licensing requirements do not discriminate against international/foreign contractors. However, it is still advisable to check with the relevant authorities.</p>



No	Questions	Response
6	<p><u>Developers</u></p> <p>a. Who monitors/regulates this sector?</p>	<p>The Housing Developers (Control &amp; Licensing) Act regulates the development and sale of uncompleted private residential properties in Singapore.</p> <p>The Real Estate Developers' Association of Singapore ("REDAS") is a professional and representative body for the real estate industry. It strives to lead the advancement of the Singapore real estate industry and contributes to Singapore's development by actively engaging various stakeholders (such as regulators, policy makers and private sector partners) to discuss and promote best practices.</p>
	<p>b. What licences do local developers need?</p>	<p>Based on Urban Redevelopment Authority (URA), developers who are developing a housing project with more than four units are required to obtain a licence from the Controller of Housing before commencing construction work.</p> <p>There are 2 types of licences:</p> <ol style="list-style-type: none"> <li>i. Sale licence – developer can commence construction and start selling the units upon the issue of building plan approval for the housing project.</li> <li>ii. No-sale licence – developer can commence construction, but is not allowed to sell any units in the development without the prior written approval of the Controller of Housing.</li> </ol> <p>There are other declarations and requirements such as track records and financial capability of the company that must also be fulfilled.</p> <p>Sources:</p> <ul style="list-style-type: none"> <li>• <a href="https://www.ura.gov.sg/uol/guidelines/housing-developers/Licence/FAQs/about/Requirements-for-a-Licence.aspx">https://www.ura.gov.sg/uol/guidelines/housing-developers/Licence/FAQs/about/Requirements-for-a-Licence.aspx</a></li> <li>• <a href="https://www.ura.gov.sg/uol/housing-developers/apply-check-submit/residential/apply-hdl">https://www.ura.gov.sg/uol/housing-developers/apply-check-submit/residential/apply-hdl</a></li> </ul>



No	Questions	Response
6	c. What are the practical challenges that developers face?	Singapore's real estate industry is ever-changing with new rules and evolving patterns of land use. Developers must continuously adapt to the changes and move with the market conditions.
	d. What are the requirements for foreign housing developers?	<p>A foreign housing developer needs to obtain a Qualifying Certification ("QC") before it is allowed to buy a private residential site for development and sale.</p> <p>Foreign housing developers who intend to purchase vacant residential land are required to apply for the QC with a security equivalent to 10% of the land price. They can apply from the Controller of Residential Property of the Singapore Land Authority ("SLA").</p> <p>The QC comes with conditions, including requiring the developer to complete construction of the project and obtain a Temporary Occupation Permit ("TOP") within a stipulated time frame, and to finish selling the project within two years from TOP. The rules aim to prevent foreign companies from hoarding or speculating in residential land. Failing which, the developers will pay hefty extension charges for the QC penalty, which is pro-rated to the proportion of unsold units. Based on fact sheet published by Inland Revenue Authority of Singapore (IRAS), Additional Buyer Stamp Duty ("ABSD") rules also require developers to fork out 25% (+5% non-remittable) of the land purchase price if they fail to sell all units in the project within 5 years from the date of contract purchase. Unlike the QC penalty, ABSD is not pro-rated for the amount unsold.</p> <p>However, residential land sold under the Government Land Sales ("GLS") programme is exempted from this requirement. Instead, foreign housing developers are required under the land sales conditions to sell all the dwelling houses within 2 years from the date of the TOP.</p> <p>_____</p> <p>Sources:</p> <ul style="list-style-type: none"> <li>• URA: Requirements for foreign developers who intend to purchase vacant residential land in Singapore <a href="https://www.ifaq.gov.sg/URA/apps/fcd_faqlmain.aspx?">https://www.ifaq.gov.sg/URA/apps/fcd_faqlmain.aspx?</a></li> <li>• IRAS: Fact sheet on adjusted ABSD rates for acquisition made on/ after 6 July 2018 <a href="https://www.iras.gov.sg/irashome/uploadedFiles/IRASHome/Other_Taxes/Stamp_Duty_for_Property/Other_services/ABSD%20Fact%20Sheet_2018-07-06.pdf">https://www.iras.gov.sg/irashome/uploadedFiles/IRASHome/Other_Taxes/Stamp_Duty_for_Property/Other_services/ABSD%20Fact%20Sheet_2018-07-06.pdf</a></li> </ul>
	e. Foreign ownership of properties	<p>Based on SLA, a foreigner who wishes to purchase a landed residential property needs to seek Government approval. Developers of landed residential sites cannot sell to a foreign entity (e.g. non-Singapore citizens, permanent residents, foreign companies and societies) unless these foreign entities first obtain approval under the Residential Property Act.</p> <p>_____</p> <p>Source: <a href="http://www.sla.gov.sg/Services/Restriction-on-Foreign-Ownership-of-Landed-Property">http://www.sla.gov.sg/Services/Restriction-on-Foreign-Ownership-of-Landed-Property</a></p>

No	Questions	Response
7	How can RSM help businesses who are interested in entering the REC industry in Singapore?	<p>Our REC professionals can assist in the following areas:</p> <ul style="list-style-type: none"> <li>i. Introduction to potential partners looking for strategic tie-ups.</li> <li>ii. Business advisory and local compliance services such as formation of company, corporate secretarial, audit, tax, accounting, payroll, IT solutions, etc</li> <li>iii. Application of work permit and work passes</li> <li>iv. Obtain business funding, business restructuring etc</li> </ul>

*Contributions from RSM Chio Lim LLP, 21 August 2018*





No	Questions	Response
1	What is the current market outlook for the Vietnam property market?	<p><u>Positive Economic Growth in the Real Estate Sector</u></p> <p>Vietnam achieved 7.08% GDP growth in 2018 which surpassed its GDP of 6.7% in 2017. The industrial and construction sectors augmented significantly at 8.8% for the whole year of 2018, followed by increase in the service sector and agro-forestry-fisheries sector of 7.03% and 3.76% respectively. According to the General Statistics Office (GSO), this outcome demonstrated the effectiveness of an industry restructuring orientation and other solutions of the Government to improve the growth of the economy.</p> <p><u>New Establishments Increased in the Real Estate Sector</u></p> <p>According to GSO, the number of companies in Real Estate and Construction industry increased rapidly in recent years, especially in year 2017 and the beginning months of year 2018.</p> <p>In the first 3 months of 2018, there are 8,082 newly established companies. In particular, the real estate sector has 1,226 enterprises with a total registered capital of VND79,153 billion.</p> <p>In 2018, the real estate sector attracted foreign investments of USD6.6 billion, behind the processing and manufacturing sector which attracted USD6.58 billion in foreign investment capital.</p> <p>It is expected in the next 5 years, the real estate market will continue to attract USD3 billion from foreign direct investment (FDI) per year, contributing to the development of market in the integration context.</p> <hr/> <p>Source: <a href="http://www.joneslanglasalle.com.vn/vietnam/en-gb/Research/Vietnam%20Property%20Market%20Overview%20Q4%202018.pdf?f1074307-f580-4a53-854e-e06153316409">http://www.joneslanglasalle.com.vn/vietnam/en-gb/Research/Vietnam%20Property%20Market%20Overview%20Q4%202018.pdf?f1074307-f580-4a53-854e-e06153316409</a></p> <p><u>Real Estate Market Trends</u></p> <p>In 2018, the real estate market for houses and residential lands continue to have the best consumption in all segments. Significant demand for the affordable housing sector is coming from low- to middle-income earners.</p> <p>i. Land</p> <ul style="list-style-type: none"><li>Land prices in Ho Chi Minh City continuously increased in the past four years (2014–2017), and kept an uptrend in 2018. In particular, when land fever spread throughout Saigon in 2017, land prices were pushed up high with no sign of cooling down.</li></ul> <p>As infrastructure improved in the vicinity of Ho Chi Minh centre area, many investors started to engage in the land development projects in these areas. Deals on project land in recent years have increased significantly.</p>

No	Questions	Response
1		<p>Metro lines in Ho Chi Minh City which are currently under construction, have generated a hike in land prices and a surge in real estate development in the suburban areas surrounding the stations. According to real estate advisors, the eastern part of Ho Chi Minh City has become popular with developers owing to its existing infrastructure and urban planning, and land prices have jumped on reports that several bridges will be built there, as well as flyovers and tunnels.</p> <p>In addition, the information that the State intends to put zones of Van Don, Bac Van Phong, Phu Quoc into the special economic zones has made land prices in Van Don, Bac Van, Phu Quoc increase rapidly, attracting many foreign and local investors.</p> <p>However, as prices go up and new supply hits the market, there are fears of another property bubble forming.</p> <p>ii. Affordable housing</p> <ul style="list-style-type: none"> <li>• Growth in the residential market has been spurred by rapid urbanisation and a growing middle class. Changing family demographics is also a factor in growth projections. By 2025 it is estimated that nearly half of the total population will live in cities, which will precipitate a need for an additional 5.1 million housing units, according to VinaCapital. Indeed, World Bank figures show that urban growth in Vietnam is the highest in South-East Asia at 2.6% in 2015–2020. Vietnam also boasts one of the fastest-growing economies in Asia.</li> </ul> <p>The rise of those with real needs has helped to sell a large quantity of apartments in 2017. It is estimated that the number of apartment sales exceeded over 40,000 in Ho Chi Minh City and 25,000 in Hanoi, leading these two cities to become the biggest apartment market in ASEAN in 2017.</p> <p>iii. Office</p> <ul style="list-style-type: none"> <li>• More office space is also needed in Ho Chi Minh City as it is still not sufficient to meet demand. According to the GSO, the occupied office space rose by 10% annually over the decade, tracking the increase in employment in the financial, insurance and business services of 11% per year.</li> </ul> <p>iv. Condominium</p> <ul style="list-style-type: none"> <li>• The condominium segment continues to thrive in the tourist cities. However, there can be excess supply in this type of development over the short term, leading to difficulty in price hike.</li> </ul>

No	Questions	Response
1		<p>Previously built condominium real estate projects when placed for sale in the market will lead to lower hotel room rates, improved quality of accommodation services, and encourage tourism development in Vietnam.</p> <p>The overwhelming development of condominium products may lead to the need to buy land to build small, spontaneous business hotel in the tourist cities in the coming years. Condominium investment has higher rate of return than buying land for self-construction of mini-hotels.</p> <p>v. Resorts</p> <ul style="list-style-type: none"> <li>• The real estate market in the tourist cities and new economic zones (e.g. Thanh Hoa, Ha Long, Quy Nhon etc) have been developed by the Government to become new economic growth drivers.</li> </ul> <p>Many new product models will appear and grow strongly, such as complex tourism resorts combined with recreation and healthcare, four seasons resort, theme resorts, resort models with experience and creativity.</p> <p>In addition, the growing interest of investors in the industrial real estate market is not only for new industrial zones but also for operating industrial zones, built-to-suit opportunities for enterprise's demand, or warehousing for the logistics process.</p>
2	<p>What is the current market outlook for the Vietnam construction industry?</p>	<p><u>Overview</u></p> <p>In 2018, the industry-construction sector grew at 8.85%, contributing 48.6% to the total growth. The construction sector grew at 9.16% while the mining sector continued its negative growth in 2018, slowing down by 3.11%.</p> <p>Major cities of Vietnam experienced rapid growth such as Hanoi, Ho Chi Minh City, Da Nang etc. Therefore, the construction industry is expected to continue to grow, in particular, the transport and construction works will dominate over the next five years.</p> <p><u>Opportunities</u></p> <p>Significant opportunities include the Thu Thiem New Urban Area, Long Thanh International Airport project, the new national highway No.1 project, and the metro/monorail related projects in Hanoi and Ho Chi Minh City. Given the growth projections, the demand for construction and related services, an increasing openness towards Build-Operate-Transfer (BOT), Public Private Partnership (PPP) with the Government, high regard for U.S. technology, design, and expertise, this sector offers significant future opportunities for U.S. companies. Especially, in architecture services, concept design, construction management, project management, and green building technologies.</p>

No	Questions	Response
2		<p><u>New Towns</u></p> <p>Vietnam is developing several “new towns” as satellites of major metropolitan or industrial areas. These master-planned developments will call for investments in projects of industrial parks, commercial areas, housing, hospitals, schools, and retail. The Thu Thiem New Urban Area is an example of this and is the next division in Ho Chi Minh City’s expansion. It encompasses 737 hectares of green-field development and is connected by the development of five bridges and a 1.49 kilometres tunnel linking Thu Thiem to the city.</p> <p><u>Hospitality/Resort Development</u></p> <p>Vietnam is attracting the vacationing and second-home demographics with more than 3,200 kilometres of coast-line, over one hundred beaches, beautiful landscapes, and a rich cultural heritage. Prominent areas that have been targeted for tourism development include Quang Ninh, Da Nang, Quang Nam, Nha Trang, Binh Thuan, Ba Ria-Vung Tau, and Phu Quoc Island. While many projects are underway (including top international hotels, and deluxe villas), there are many projects still in the planning stages or partially completed. There are also a few hotel and resort projects being developed in Ha Long Bay, Bai Tu Long, Van Don in Quang Ninh province, Do Son, and Cat Ba Island in Hai Phong. City planners are also citing needs for accompanying airports, roads, water and wastewater treatment and other tourism infrastructure to support these projects.</p> <p><u>Industrial Land and Warehousing</u></p> <p>U.S. companies will likely target the industrial land in the southern provinces of Vietnam, where some textile mills are located. It is predicted that manufacturers from other countries will certainly consider moving from countries like China, Thailand, Cambodia, Indonesia, and India to look at the favourable environment in Vietnam.</p> <p><u>Office and Housing</u></p> <p>The foreign investment and development needs of companies established in Vietnam will increase the demand for international standards. The expected growth of foreign companies will increase the demand for serviced apartments, rental, and sales of apartments in Vietnam. Due to the new Housing Law, which allows foreigners to buy houses in Vietnam, many foreign customers will be encouraged to own instead of renting, especially since the price of housing in Vietnam is significantly lower than prices in neighbouring countries.</p>



No	Questions	Response
3	What is the Vietnam Government's stand on the construction industry?	<p>The recovery of the real estate market has helped many sectors to grow, including the construction industry.</p> <p>The open-door policy of the Government has attracted foreign investments, and the capacity of real estate investment firms has improved significantly, creating a favourable environment for investors to develop construction industry in 2018.</p> <p>In addition, the construction industry is receiving the support from the Government, such as Law on house (2014), which allows foreign individuals and businesses to own commercial houses in Vietnam. Circular No. 06/2016/TT-BXD promotes the real estate market with more tightening conditions because the risk factor for real estate loan receivables has increased from 150% to 200%.</p> <p>The Ministry of Construction warrants the progress for two projects on law: Urban Development Management and the Law on Architecture, which is expected to be submitted to the National Assembly for approval in 2018 and 2019; to review and complete the dossiers of suggestion on building the Amendment and Supplement Laws for some articles in Construction Law, Law on House, Law on Real Estate Trading, Urban Planning Law and was passed by Government, put in to the Suggestion on amendment of Law building program.</p> <p>Administrative procedures and regulations were improved significantly after issuance of Decree No. 42/2017 / ND-CP on 5 April, 2017.</p> <p>The Prime Minister is considering to approve and promulgate many reforming policies such as: The scheme on completing the economic-technical norm system and prices in Construction Industry, the scheme on completing the system of standards and technical regulations on construction, contributing to limiting losses, combating corruption and waste.</p> <p>In the field of Construction Investment Management, the Ministry has submitted to the Government for promulgation new policies on management of construction investment projects, granting construction permits with contents of renovation in the direction of increasing decentralisation, reasonable authorisation to manage construction activities, especially for the two big cities of Hanoi and Ho Chi Minh City.</p>





No	Questions	Response
4	What Government initiatives are available for foreign players in this industry, especially for infrastructure?	<p>The Government has issued some laws such as Law on Real Estate Trading (effective in 2014), Land Law 2014 (effective in 2014), Law on Housing (effective in 2015), and the guidance documents with substantial improvements in simplification, curtailment of legal formalities, strengthening the equality between domestic and foreign investors.</p> <p>According to the Land Law 2013, Vietnamese residing overseas and foreign investors can be assigned the land to implement investment projects for house constructions for sale or for a combination of sale and lease.</p> <p>The regulations in the Real Estate Business Law, the Housing Law (amended) in 2014, especially the law permitting the transfer of part or whole of the project, is also an advantage to help the Vietnam real estate market attract foreign investors.</p> <p>Legal and policy support factors, the development of tourism, have greatly assisted in raising the profile of Vietnam in the eyes of investors, helping to further attract FDI inflows into the real estate market. In particular, M &amp; A will continue to serve as one of the key investment channels of real estate businesses.</p> <p>For infrastructure, the city is focusing on the development of new urban infrastructures, such as overhead elevated highways, metro lines, overhead railways and high quality buses. Upgrading airports in Tan Son Nhat will create a great opportunity for real estate market to develop, both in the medium and long term.</p> <p>Given this, the Vietnam Government focuses on improving the legal frameworks and encouraging investments in the form of Public-Private Partner (PPP), with special focus on attracting domestic and foreign investors with flexible capital contribution ratio and ventilation mechanism.</p>
5	<p><u>Construction Companies</u></p> <p>a. Which governmental body monitors/regulates the Vietnam construction industry?</p>	<p>According to Article 76, Decree 59/2015/NĐ-CP regulates the implementation of constructions project management:</p> <ol style="list-style-type: none"> <li>i. Civil constructions, light industry constructions, building materials constructions, technical infrastructure and transport constructions in urban areas (excluding urban area railways, bridges, and urban area highways) are under management of Ministry of Construction/ Department of Construction.</li> <li>ii. Transport constructions come under management of the Ministry of Transport/ Department of Transport (excluding constructions that are under management of the Ministry of Construction/Department of Construction).</li> </ol>

No	Questions	Response
5		<ul style="list-style-type: none"> <li>iii. Agriculture and rural development constructions are under management of the Ministry of Agriculture and Rural Development/ Department of Agriculture and Rural Development.</li> <li>iv. Mining or petroleum constructions, power plants, power transmission lines, electrical substations and specialised industrial constructions (excluding light industry constructions) are under management of the Ministry of Industry and Trade/Department of Industry and Trade.</li> <li>v. National Defence and security constructions are under management of the Ministry of National Defence or the Ministry of Public Security.</li> <li>vi. The Ministry of Finance</li> <li>vii. Ministry of Planning and Investment</li> <li>viii. People's Committees of provinces and cities under central authority.</li> </ul>
	b. What licences do local construction companies need?	<p>To establish a Foreign-invested Construction Company under the Law on Investment of Vietnam, two kinds of licences must be applied:</p> <ul style="list-style-type: none"> <li>i. Investment Registration Certificate ("IEC") presents the business lines relating to construction.</li> <li>ii. Enterprise Registration Certificate ("ERC")</li> </ul>
	c. What are the requirements and/or certifications a local construction company must have?	<p>Enterprise Registration Certificate ("ERC") &amp; Investment Registration Certificate ("IEC") are applicable for business lines related to construction.</p> <p>Subject to the conditions prescribed by the Law of Investment, to satisfy the conditions imposed by the business lines including complying with these conditions throughout the business operations.</p> <p>Any entity engaging in the following areas must obtain a certificate of eligibility for construction activities:</p> <ul style="list-style-type: none"> <li>i. Construction Survey</li> <li>ii. Construction Planning Formulation</li> <li>iii. Design and Design Assessment</li> <li>iv. Construction Project Formulation and Inspection</li> <li>v. Management Consultancy</li> <li>vi. Construction Execution</li> <li>vii. Construction Supervision</li> <li>viii. Construction Inspection</li> <li>ix. Construction Cost Management</li> </ul>

No	Questions	Response
5		<p>General requirements for issuance of certificates of eligibility for construction activities:</p> <ul style="list-style-type: none"> <li>i. Having a Business Registration Certificate or an Establishment Decision issued by the competent agency as prescribed.</li> <li>ii. Every individual occupying key position must conclude a labour contract with the applicant for issuance of the certificate of eligibility for construction activities.</li> <li>iii. With regards to particular projects or works, namely: nuclear power plants, harmful chemicals manufacturing plants, explosives manufacturing plants, the individuals occupying key positions shall participate in training courses related to the project field beside their required licences.</li> </ul> <p>The certificate of eligibility for construction activities shall remain valid for 5 years. The entity must apply for reissuance of the expired certificate of eligibility or upon its demand. In case of changes of the certificate of eligibility, an application for reissuance is required within 20 days from the date of change.</p> <p>For Construction Supervision, Construction Survey and Construction Planning Design: individuals who directly handle the works must have construction practice certificates relevant to each type of construction.</p> <p>The Decree on Construction Project Management No. 42/2017/ND-CP dated 05 April 2017, Article 1, Item 19 – General conditions apply to an organisation involved in construction activities.</p>
	d. Are there different requirements and/or restrictions for different parts of the country?	There are no different requirements and/or restrictions for different parts of the country.
	e. What are the practical challenges that construction companies face?	<p><u>Environmental and Climate Risks</u></p> <p>The construction industry is primarily characterised as "outdoor manufacturer" in the long-term. Factors as weather and climate have significant effect on the duration of execution, quality and costs of the project. In addition, the hot and humid weather can affect the quality of construction materials such as cement, sand, stone, etc. and machinery and equipment can easily get damaged. Likewise, the rain may delay construction works causing loss to both investor and client.</p> <p><u>Occupational Accident Risk</u></p> <p>As in any construction industry, especially for high-rise construction works, these are complicated and always contain occupational accident risk. Lower labour efficiency tends to follow unsafe feeling at the workplace after occurrence of accidents and contractors or project owners have to spend time finding substitutes.</p>

No	Questions	Response
5		<p><u>Regulatory and Administrative Procedure Risks</u></p> <ul style="list-style-type: none"> <li>i. Risks due to change in tax policies cause changes in earnings as well as the competitiveness of enterprises</li> <li>ii. Risks from change in administrative procedures, calculation method of area of an apartment, infrastructure planning, etc</li> <li>iii. Risks due to change in quotas, tariffs or other trade restrictions</li> <li>iv. Risks due to regulations relating to emission control, production process to protect the environment and protect workers' health</li> </ul> <p><u>Market Risk</u></p> <ul style="list-style-type: none"> <li>i. Price fluctuations of raw materials</li> <li>ii. Competitive risks come from rivals and other companies in the same industry</li> <li>iii. Risks from clients such as litigation, disputes, negative press, etc</li> </ul> <p>In addition, the Building &amp; Construction industry faces challenges at national, regional and international levels from increasingly more complex projects, declining project backlogs, and limited new project engagements due to ongoing economic uncertainty. As a result, the industry is experiencing increasing competition from existing and new, diversifying competitors.</p> <p>In the context of industrial revolution 4.0, internet of things and artificial intelligence; the challenge lies in how construction enterprises improve the application of high-technology auto-machinery to give a competitive edge over their competitors.</p> <p>Demand on high-end hotels and resorts, high-rise office towers, and mixed-use projects requires high-quality designs and construction. This is a challenge for local companies, but it presents the best opportunities for foreign investors who apply innovative technology.</p>
	f. How can foreigners participate?	<p>Foreigners could participate in construction industry through the following forms of investment:</p> <ul style="list-style-type: none"> <li>i. Establish a Foreign-invested Construction Company under the Law on Investment of Vietnam (as in 6b &amp; 6c above), or</li> <li>ii. Register to conduct construction activities as Foreign Contractor via Construction Operating Licence and Execute Office Licence</li> </ul>

No	Questions	Response
5		<p>In which, requirements for issuance of the Construction Operating Licence are:</p> <ol style="list-style-type: none"> <li>i. The foreign contractor involved in construction activities prescribed by law must post information on the website of the Ministry of Construction and Service of Construction in charge.</li> <li>ii. If bidding packages are subject to regulations of law on bidding in Vietnam, the foreign contractor must ensure that it is awarded the contract.</li> <li>iii. If bidding packages are not subject to regulations of law on bidding in Vietnam, the foreign contractor must satisfy following conditions: <ul style="list-style-type: none"> <li>• It is awarded the contract by the investor;</li> <li>• It is qualified to execute the contract as prescribed by law on construction.</li> </ul> </li> <li>iv. The foreign contractor must perform a joint venture with a Vietnamese contractor or employ Vietnamese sub-contractors, unless the Vietnamese contractor is not qualified to execute any tasks of the bidding package. Upon the joint venture or employment of Vietnamese contractor, it is required to clarify contents, quantity and value of tasks performed by Vietnamese contractor in the joint venture or Vietnamese sub-contractors.</li> <li>v. The Foreign Contractor must commit to comply with regulations of Vietnamese law on contract execution in Vietnam.</li> </ol> <p><u>Executive Office Licence</u></p> <p>The Foreign Contractor has obligations to register address, phone number, fax, email of Executive Office and the representative exercising the contract with respective agencies and abide by regulations as prescribed by the People's Committee of the province where the project is located. If the contractor executes bidding packages of construction planning formulation, construction project formulation, construction survey or construction design, it may register above packages at another local Government other than the local Government where the project is located.</p> <p>After registering the above packages, the contractor shall send notification directly or by post to the Ministry of Construction, the Ministry of Public Security, the Ministry of Finance, the Ministry of Industry and Trade, the State Bank of Vietnam, the People's Committee of the central-affiliated city or province where the construction work is located, according to the instructions of the Ministry of Construction.</p> <p>[The Decree on Construction Project Management No. 59_2015_ND-CP_282121 dated 18 June 2015, Article 71 &amp; Article 74]</p>

No	Questions	Response
6	<u>Developers</u>	
	a. Who monitors/regulates this sector?	<ul style="list-style-type: none"> <li>i. Ministry of Planning and Investment</li> <li>ii. Ministry of Construction</li> <li>iii. People's Committee of the province</li> <li>iv. Government</li> </ul>
	b. What licences do local developers need?	<p>Enterprise Registration Certificate ("ERC") &amp; Investment Registration Certificate ("IEC") are applicable for the Real Estate business line.</p> <p>To satisfy the business conditions as prescribed by the Law on Investment and sustained fulfilment of such conditions during the business operations are necessary. The legal capital should be an amount not smaller than VND20 billion.</p> <p>In addition, if the developer is also the contractor of construction, please refer to requirements of construction companies as presented above.</p> <p>[Item 1, Article 3, Chapter II, Decree 76/2015/ND-CP]</p>
	c. What are the practical challenges that developers face?	<p>According to experts, real estate, construction and building materials in the coming period will be associated with industrial revolution 4.0, Internet of things and artificial intelligence. In addition to traditional forms of marketing, customers are gradually accessing real estate information over the internet.</p> <p>As information on the market becomes more and more transparent and timely with increasing customer requirements, investors and contractors will increasingly pay attention to the long-term sustainability of the projects.</p> <p>Inefficient enterprises will gradually be eliminated under pressure of increasing domestic and international competition. In order to be able to complete in the market, developers are required to demonstrate actual ability and construction contractors need to continually improve their quality, and promote professionalism in their projects.</p> <p>Requirements of the modern real estate market require enterprises to reform and innovate themselves, build up corporate culture and spirit, assume corporate social responsibility and have good customer service.</p> <p>Although the real estate market is moving smoothly, not all investors have managed to create products to sell for profit. Due to the long cycle and capital intensive nature of real estate projects, investors are forced to withdraw from the project if they are incapable of planning and managing it. Therefore, mergers and acquisitions trend of real estate businesses, especially the transfer of projects, is predicted to continue.</p> <p>Developers need to build real estate which is environmentally friendly, safe and fully-fitted with amenities and utilities to meet new requirements of home buyers.</p>

No	Questions	Response
6	d. What are the requirements for foreign housing developers?	<p>Foreign housing developers must satisfy the conditions presented above under item 6b. A residential construction project may only be formulated, approved and implemented in the area which has the specific plan approved by the competent agency and comply with requirements pertaining to housing development as follows:</p> <ul style="list-style-type: none"> <li>i. Conform to housing demands of multiple entities and socio-economic conditions of the country, each local Government, each area or region in every period.</li> <li>ii. Conform to strategy for national housing development, construction planning, land-use planning and local housing development planning in every period.</li> <li>iii. Comply with regulations of law on housing; standards and quality of construction; conform to requirements pertaining to prevention of fire and explosion and response; satisfy requirements regarding architecture, landscape, hygiene, environment and safety during the construction progress and respond to disaster and climate changes; save energy and land resources.</li> <li>iv. With respect to urban areas, the housing development shall conform to specific construction planning and project requirements. The residential construction project must satisfy requirements prescribed in Clauses 1, 2 and 3 of this Article to ensure the allocation of population and gentrification. In special class, class 1, and class 2 urban areas, it is essential to develop apartment buildings and housing for lease.</li> <li>v. With respect to rural, mountainous, border, or island areas, the housing development shall conform to rural population planning, new countryside planning, custom of every ethnic group and natural conditions of every region, in order to eliminate gradually shifting cultivation and nomadic population, ensure sustainable rural development and encourage housing development projects and multi-storey housing.</li> </ul> <p>The investors in projects for commercial housing construction shall be selected through the following methods:</p> <ul style="list-style-type: none"> <li>i. Holding land auction prescribed by law on land</li> <li>ii. Inviting bids for land-using projects</li> <li>iii. Appointing investors who meet all requirements prescribed under item 6b above or having lawful land use rights in these cases: building commercial housing on lawful residential land plots</li> </ul> <p>[Article 14, 19, 23 Law on house No.65/2014/QH13]</p>

No	Questions	Response
6		<p>Foreign housing developers are allowed to:</p> <ul style="list-style-type: none"> <li>i. Build houses on the leased land from the State for leasing; build houses or constructions other than houses on such land for sale, for lease, or for lease purchase</li> <li>ii. Build houses on land which is allocated by the State for sale, for lease, or for lease purchase</li> <li>iii. Receive whole or a part of real estate project from investors to build buildings on it for sale, for lease, or for lease purchase</li> </ul> <p>[Pursuant to Item 1,3, Article 11 Law on Real Estate Trading 2014]</p> <p>The condition of financial capacity to ensure the land use according to the investment project's schedule is prescribed as follows:</p> <ul style="list-style-type: none"> <li>i. The developers must meet a minimum level of statutory equity capital. For example, for a project that has a land area of less than 20 hectares, the developer's equity capital must be at least 20% of the total estimated investment capital of the project. For a project of 20 hectares or more, the equity capital must be at least 15%.</li> <li>ii. Being able to raise capital for implementation of the project from credit institutions, foreign bank branches and other organisations and individuals.</li> </ul> <p>[Pursuant to Article 14, Decree 43/2014/ND-CP regulates requirements for developers (both local and foreign)]</p> <p>Regarding the payment for off-the-plan real estate sale or lease purchase:</p> <ul style="list-style-type: none"> <li>• The off-the-plan real estate sale or lease purchase shall be paid by instalments, the initial instalment do not exceed 30% of the agreement value, the next instalments shall be conformable with real estate construction progress provided that total instalment does not exceed 70% of the agreement value if the building has been not transferred to clients; if the seller or the lessor is a foreign-invested enterprise, the total instalment does not exceed 50% of the agreement value.</li> </ul> <p>[Note: As the regulations on REC (Developer) are substantial and often complicated, please contact RSM Vietnam for specific advice.]</p>



No	Questions	Response
6	e. Foreign ownership of properties	<p><u>Pursuant to Law on Housing</u></p> <p>Conditions applied for foreign entities and individuals for housing ownership in Vietnam, as follows:</p> <ol style="list-style-type: none"> <li>i. Foreign entities who invest in housing construction project in Vietnam: have an Investment Certificate (satisfy the conditions presented above under item 6b) and have houses which are built under a project.</li> <li>ii. For foreign-invested enterprises, branches, representative offices of foreign enterprises, foreign-invested funds and branches of foreign banks operating in Vietnam: is required to have an Investment Certificate or a Permission to run business in Vietnam issued by the competent agency in Vietnam.</li> <li>iii. Foreign individuals who are allowed to enter Vietnam: is required to have permission to enter Vietnam and he/she is not granted diplomatic immunity and privileges as prescribed.</li> </ol> <p><u>Forms of Ownership</u></p> <ol style="list-style-type: none"> <li>i. Invest in housing construction project in Vietnam as prescribed by this Law and corresponding regulations of law.</li> <li>ii. Purchase, lease – purchase, receive, or inherit in which: <ul style="list-style-type: none"> <li>• Individuals may only purchase, lease–purchase houses from owners of housing construction projects.</li> <li>• Individuals repurchase houses of the foreign entities.</li> <li>• Individuals may only receive houses as inheritance or gifts from households or individuals, or receive houses as gifts from organisations provided the quantity does not exceed the regulated limitation at the housing construction projects which they are eligible to own.</li> </ul> </li> </ol> <p><u>Areas in Which Foreign Entities May Own Houses</u></p> <p>Foreign entities may only own houses (including apartments and detached houses) of commercial housing construction projects, except for those in areas having national defence and security requirements prescribed by Vietnam's regulations of law.</p> <p><u>Limitation on Quantity of Houses for Foreign Ownership</u></p> <ol style="list-style-type: none"> <li>i. Foreign entities may own up to 30% of the total number of apartments of an apartment building. In an area whose population is equivalent to that of a ward, if there is more than one apartment building for sale or lease–purchase, foreign entities may own up to 30% of the number of apartments of each apartment building, and up to 30% of the total number of apartments of all these apartment buildings.</li> </ol>

No	Questions	Response
6		<p>ii. In an area whose population is equivalent to that of a ward, if there is a commercial housing construction project for sale or lease-purchase, the quantity of detached houses that may be owned by foreign entities is specified below:</p> <ul style="list-style-type: none"> <li>• Where the quantity of detached houses of an project is fewer than 2,500, foreign entities may own up to 10% of the houses of such project.</li> <li>• Where there is only one project whose quantity of detached houses is equivalent to 2,500 houses, foreign entities may own up to 250 houses of them.</li> <li>• Where there are two or more projects where the total quantity of detached houses does not exceed 2,500 houses, foreign entities may own up to 10% of the houses of each project.</li> </ul> <p><u>Limitation on Time of Ownership for Foreign Entities</u></p> <p>i. Foreign individual: 50 years and can be considered for another maximum 50 years (if required)</p> <p>ii. Foreign organisation: according to duration on Investment Licence and extension based on Amendment Investment Licence</p> <p>[Pursuant to Article 159, 160 Law on housing] [Pursuant to Item 2,3&amp;4, Article 76, Article 77 Decree 99/2015/ND-CP]</p>
7	How can RSM help businesses who are interested in entering the REC industry in Vietnam?	<p>RSM can help businesses in the following areas:</p> <ol style="list-style-type: none"> <li>i. Advice on overview of the real estate industry in Vietnam</li> <li>ii. Advice foreign investors and real estate businesses in Vietnam</li> <li>iii. Advice on tax planning related to real estate business activities</li> <li>iv. Advice on tax compliance relating to transfer of real estate in Vietnam</li> <li>v. Advice for tax issues relating to Transfer of whole/or a part of real estate projects</li> <li>vi. Advice for tax issues relating to Transfer of Capital attached to real estate</li> <li>vii. Advice for tax issues for off-the-plan real estate projects</li> <li>viii. Advice on mergers and acquisitions issues relating to real estate</li> <li>ix. Tax Review services relating to real estate business activities</li> <li>x. Assist to obtain the private Tax Ruling for the Company's tax issues relating to real estate</li> <li>xi. Advice on the practical challenges faced in inspection, tax finalisation relating to real estate.</li> </ol>

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