

# Cambodia Country Guide



Cambodia is without doubt one of the most exciting countries in SE Asia. Having endured hard years at the hands of the Khmer Rouge, the last 17 years of peace have brought significant developments to this land and its ever smiling people.

Cambodia is located in the heart of the tropics, bordering Thailand, Laos and Vietnam. Economically the country is a phoenix rising – foreign direct investment increased by 300% in 2006 and it is becoming Asia’s first choice for manufacturing companies. In particular, Cambodia’s garments industry rose by 20% in the last 12 months, with many fashion stores throughout the world now bearing the label “Made in Cambodia”.



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The low cost of land, labour and raw materials is giving Cambodia a real economic advantage over the traditional production hotspots such as Taiwan, Vietnam and even China. There is a rising middle class of Cambodians benefiting from this trend, this is clearly demonstrated by ANZ bank opening their first branch in the capital, Phnom Penh, in 2005 to meet the growing demand for mortgage finance amongst local nationals.

Cambodia, having been sleeping for many years is now fully awake and raring to go.

Land prices in the capital are rising at 20- 40% per year, there are truly sophisticated bars, cafes and boutique hotels opening up almost weekly along the beautiful Mekong riverside area, and though the city is fast becoming a modern metropolis, it is managing to retain its colonial charm, with the French influences still very apparent in the architecture, bakeries and wine bars of today. Tourism is also not to be overlooked, with a new airport in the coastal town of Sihanoukville allowing regional travelers the chance to enjoy Cambodia's unspoilt beaches as an alternative to Thailand, Bali or Malaysia.

Just a few years ago, purchasing property in Cambodia would have been thought of as highly speculative, but these days with a stable, democratic government, 50% of the population under the age of 21, tourism steeply on the rise and a shortage of high end property in the capital, it's a rare paradise for earlybird investors. You read it here first.

**Capital:** Phnom Penh

**Land size:** 181,040 km<sup>2</sup>

**Population:** 14,000,000

**Climate:** tropical, average temperature year round 32.5 degrees C, some rain in Nov/Dec

**Economics:** Average GDP rate for 2004 – 2006: 8.66%

**Tenure for foreign property purchasers:** Leasehold, 99 years renewable

**Availability of finance for foreign property purchasers:** Commercial loans are available to foreigners buying property, but raising finance elsewhere where lending is more competitive might make more commercial sense.



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