

# Macao Property Market Outlook 2024

Vigers Research | March 2024



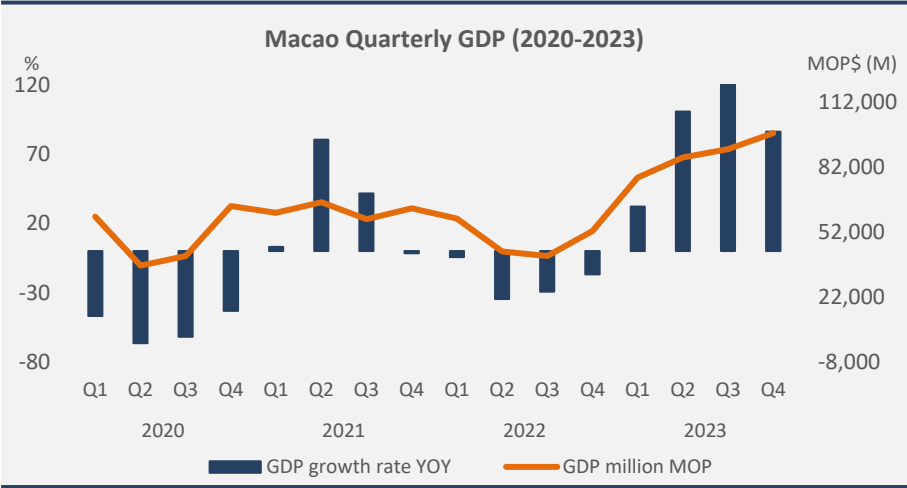
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# 1. Economic Outlook



Source: Vigers Research, Statistics and Census Service (DSEC)

## Macao's economy has gradually recovered

- Latest GDP Growth rate +86.4% year-on-year in Q4/2023
- Unemployment rate of Macao fell back to 2.3%
- Gaming revenue in Macao totaled approximately MOP183.06 billion in 2023, with a year-on-year increase of 333.8%
- Visitor arrivals to Macao in 2023 reached about 28.213 million, up 394.9% year-on-year. Total visitor arrivals to Macao, which is back to the pre-epidemic level of about 70%
- High interest rates, stock market volatility, and slower-than-expected recovery of the Mainland economy put pressure on the property market

		2023 (YoY)
 GDP Growth Rate	86.4% in 2023 Q4	 80.5%
 Unemployment Rate	2.3% in 2023 Q4	 -1.2 ppt
 Gaming Revenue	MOP 183.06 Bn 2023 Full-Year	 334%
 Visitors Arrivals	28,213,003 ( From Mainland China: 19,049,147; From Hong Kong: 7,195,801) 2023 Full-Year	 395%
 Per-Capita Spending	MOP 2,525 in 2023 Q4	 -20.8%

# 2. Residential

Total Transaction Volume in 2023

2,879 cases

+2.5% ▲  
vs 2022

Total Transaction Value in 2023

\$18.3 billion

+1.8% ▲  
vs 2022



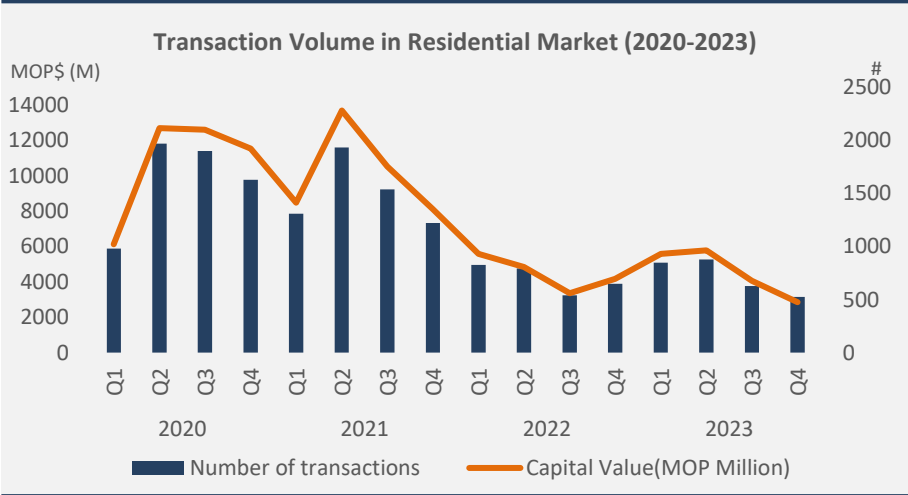
The Macao Government has eased property cooling measures by *exempting* the purchase of a second home from the *5% stamp duty* and a *loan-to-value* ratio for residential buildings of 70% across the board will replace the present tiered system



Second-hand transactions were active, whereas *new home sales were slow*



Residential property prices *remain subdued*, while rents show signs of bottoming out



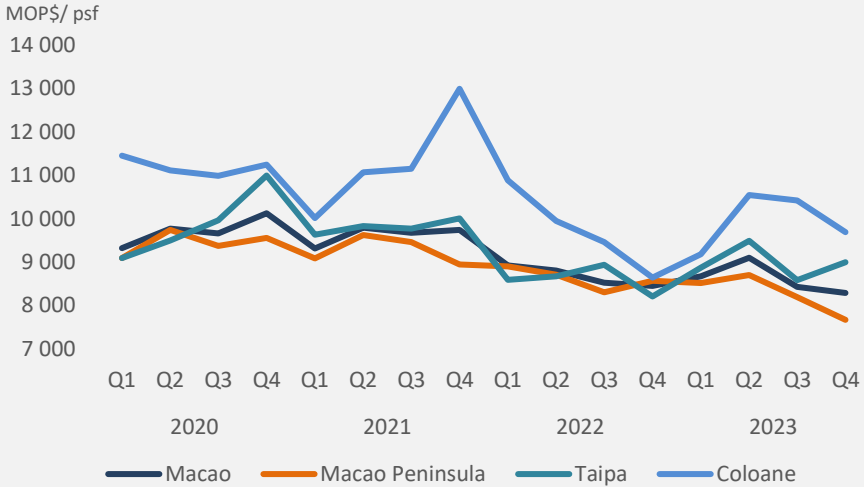
Source: Vigers Research, Statistics and Census Service (DSEC)



Average Price of Residential Units, by District

	2023Q4	2022Q4	Change in % (YoY)
Macao	\$8,292 psf	\$8,454 psf	-1.9%
Macao Peninsula	\$7,675 psf	\$8,571 psf	-10.5%
Taipa	\$9,001 psf	\$8,210 psf	+9.6%
Coloane	\$9,688 psf	\$8,644 psf	+12.1%

Average Price of Residential Units, by District (2020-2023)



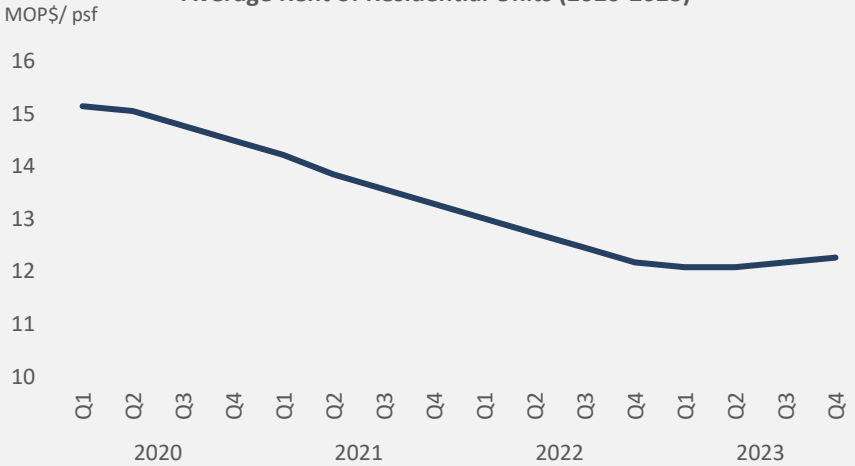
Average Rent of Residential Units

2023Q4	2022Q4	Change in % (YoY)
\$12.3 psf	\$12.2 psf	+0.8%



We expect that the anticipated interest rate cuts this year, along with the steady recovery of the Chinese economy, will lead to *stabilised residential property prices*. Additionally, the government's relaxation of mortgage *loan-to-value ratios* for high-end properties could *stimulate the recovery of the luxury property market*.

Average Rent of Residential Units (2020-2023)





## Significant Transactions in 2023

Type	Date	Property Name	Unit	Size (sq ft)	Price/ Rent (MOP\$)	Unit Price/ Rent (MOP\$/ psf)
S&P	05/2023	Coloane, One Oasis 路環-金峰南岸	Tower 4 Mid floor	3,333	\$35 million	\$10,501 psf
S&P	05/2023	NATAP, La Marina 黑沙環新填海區-海上居	Tower 6 High floor	3,384	\$32 million	\$9,456 psf
Leasing	06/2023	NAPE e Aterros da Baía da Praia Grande, Mandarin Oriental 外港及南灣湖新填海區-文華薈	High floor	3,419	\$130,000	\$38 psf
Leasing	10/2023	Cidade e Hipódromo da Taipa, Co-tai Star Prestige 氹仔舊城及馬場區-星匯豪庭	Tower 1 Low floor	466	\$13,000	\$28 psf

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# 3. Office

Total Transaction Volume in 2023

59 cases

-41% ▼  
vs 2022

Total Transaction Value in 2023

\$0.41 billion

-42% ▼  
vs 2022



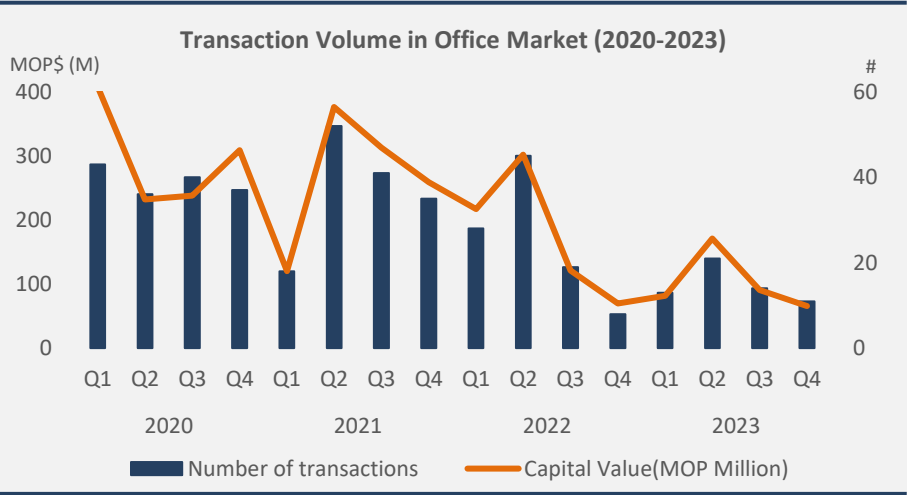
Continuous pressure on office rentals. Leasing demand was mainly from the financial and insurance sectors, which were actively looking for quality office *upgrading or relocation opportunities*



Macao's office *vacancy rate was over 12%* by the end of 2023



*Economic diversification* has the potential to create demand



Source: Vigers Research, Statistics and Census Service (DSEC)



Average Price



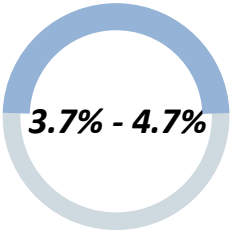
-25.6% vs 2022Q4

Average Rent



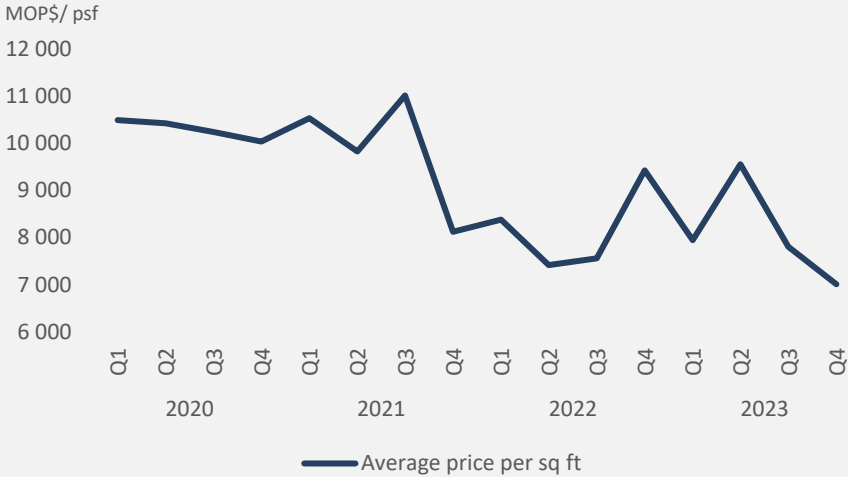
-4.2% vs 2022Q4

Rental Yield

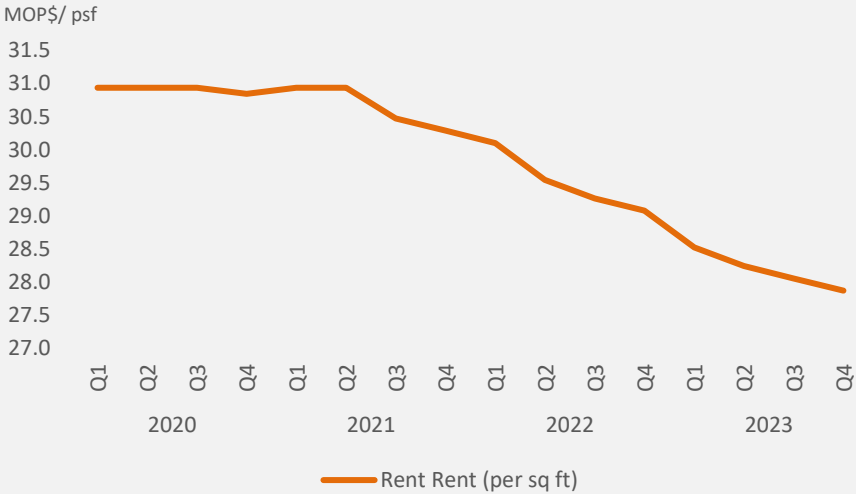


We expect the office market to *continue to decline* in 2024 due to the *slow external economic recovery* and the government's move out from the private office market.

Average Price of Office Spaces (2020-2023)



Average Rent of Office Spaces (2020-2023)





# 4. Retail

Total Transaction Volume in 2023

260 cases

-27% ▼  
vs 2022

Total Transaction Value in 2023

\$2.54 billion

-33% ▼  
vs 2022



Transactions remained sluggish throughout the year



Property values remain under pressure due to the weakened investment climate in a high-interest rate environment



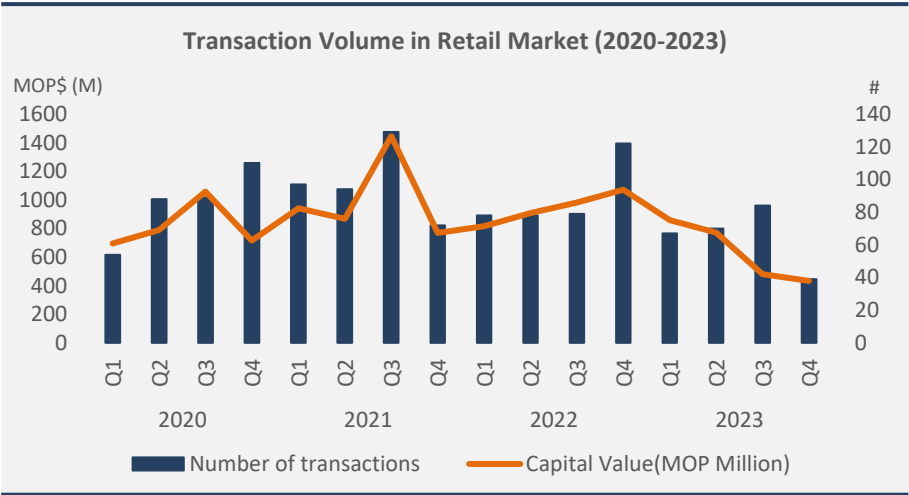
Shop rents in core districts have significantly rebounded, benefiting from the strong recovery of the tourism industry



“Northbound Travel for Macao Vehicles” scheme encourages residents to drive north to spend money



Investors are adopting a cautious attitude towards property investment.



Source: Vigers Research, Statistics and Census Service (DSEC)

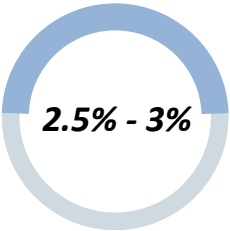


Average Rent



+5% vs 2022Q4

Rental Yield

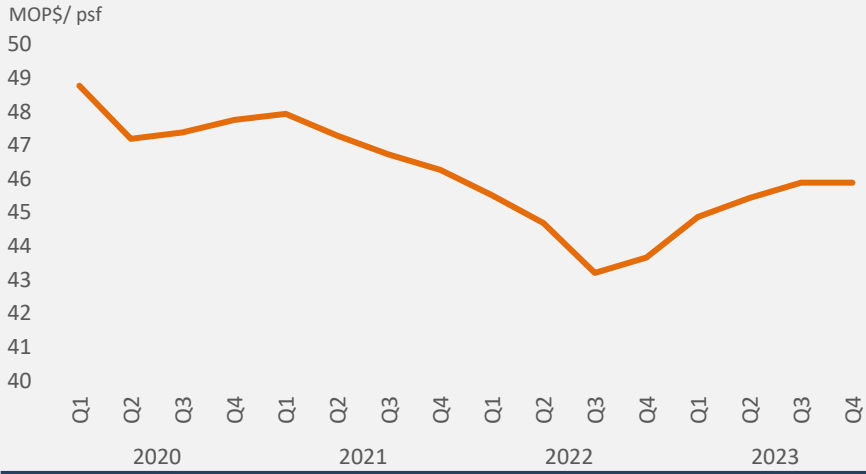


in 2023Q4



We expect changes in residents' consumption patterns due to 'Northbound Travel for Macao Vehicles' scheme are expected to keep rents in livelihood districts under pressure. However, the *significant growth in visitor arrivals* to Macau will help *sustain the recovery of shop rentals in tourist districts*.

Average Rent of Retail Shops (2020-2023)



Average Rent of Retail Shops, by District

District		2023Q4	2022Q4	Change (Y-o-Y)
Patane & São Paulo	(沙梨頭及大三巴區)	\$34 psf	\$27.8 psf	+22%
ZAPE	(新口岸區)	\$65.5 psf	\$57.2 psf	+14%
Baixa de Macau	(中區)	\$63.8 psf	\$56.1 psf	+14%
Baixa da Taipa	(氹仔中心區)	\$70.9 psf	\$69.2 psf	+2%



## Significant Transactions in 2023

Type	Date	Property Name	Unit	Size (sq ft)	Price/ Rent (MOP\$)	Unit Price/ Rent (MOP\$/ psf)
S&P	03/2023	NATAP, R. Nova da Areia Preta 黑沙環新填海區-黑沙環新街	G/F shop	1,392	\$36 million	\$25,862 psf
S&P	03/2023	Baixa da Taipa, R. de Évora 氹仔中心區-埃武拉街	G/F shop	630	\$28.7million	\$45,524 psf
Leasing	07/2023	Areia Preta e Iao Hon, Istmo de Ferreira do Amaral 黑沙環及祐漢區-亞馬喇土腰	G/F shop	297	\$150,000	\$505 psf
Leasing	3/2023	Baixa de Macau, R. de São Domingos 中區-板樟堂街	En-bloc	1,935	\$582,000	\$301 psf

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# 5. Industrial

Total Transaction Volume in 2023

29 cases

-29% ▼  
vs 2022

Total Transaction Value in 2023

\$0.44 billion

-20% ▼  
vs 2022



Wide range of applications and low thresholds support the industrial property

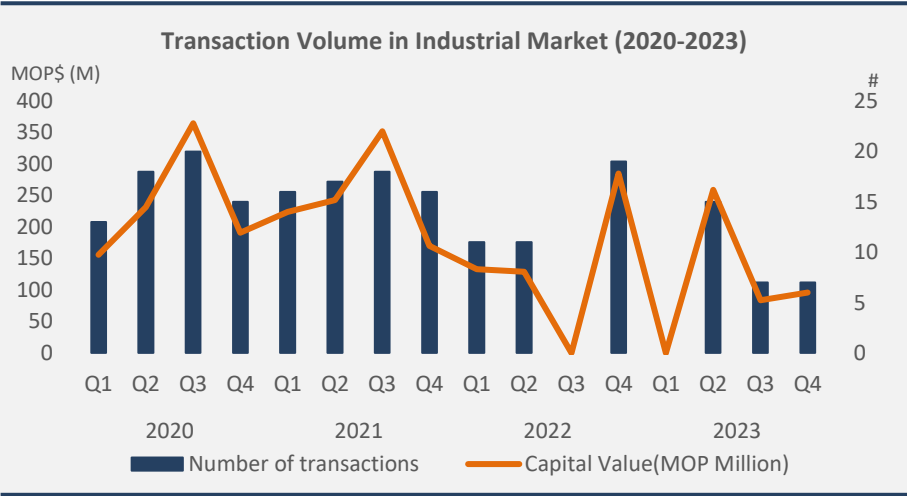


Demand improves, rents rise moderately



Some property owners are offering steep discounts as they race to offload their properties quickly

For instance, the average price of an industrial building in Fai Chi Kei has fallen to about MOP\$1,650 per sq ft, reaching a 10-year low



Source: Vigers Research, Statistics and Census Service (DSEC)



Average Price



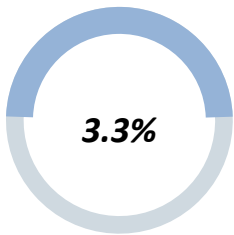
-5.1% vs 2022Q4

Average Rent



+3.3% vs 2022Q4

Rental Yield

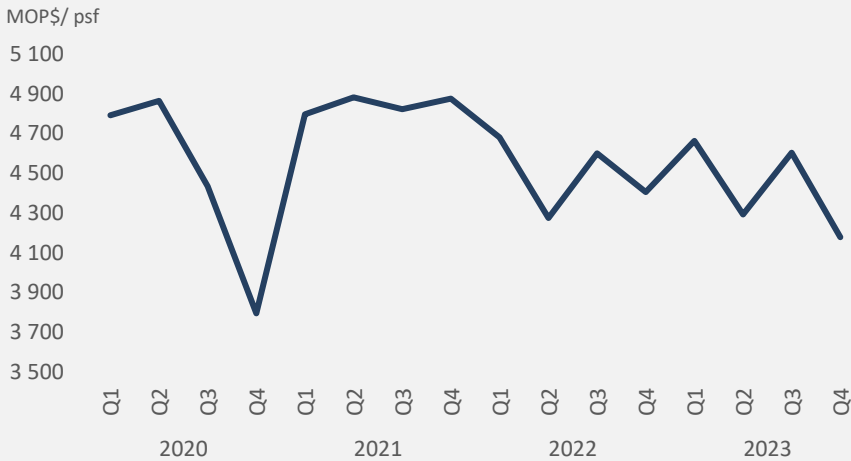


in 2023Q4

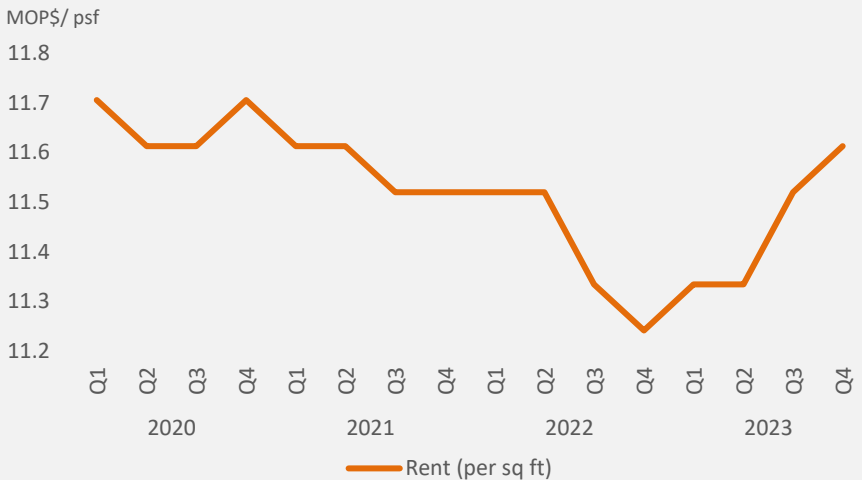


We expect *industrial property prices to stabilize* in 2024, while *rents could rise modestly*. This is due to potential interest rates cut, a lack of new supply of industrial buildings, and sector-specific demand support.

Average Price of Industrial Units (2020-2023)



Average Rent of Industrial Units (2020-2023)



# 6. Parking Spaces

Total Transaction Volume in 2023

1,148 cases

-6% ▼  
vs 2022

Total Transaction Value in 2023

\$1.17 billion

-14% ▼  
vs 2022



For the whole year of 2023, *new registration of motor vehicles grew by 12.9% year-on-year* to 11,974



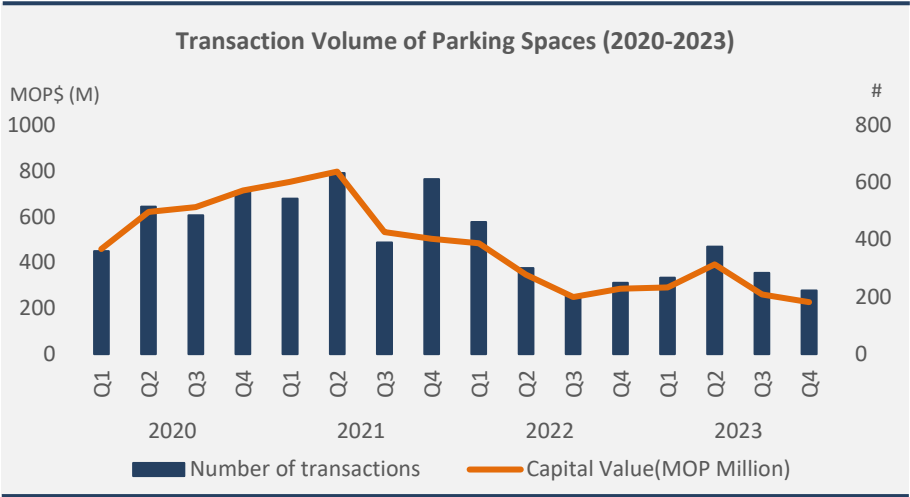
*Investment sentiment dampened* by fall in residents' income

In 2023, the average transaction price per car park ranged from MOP\$0.9 million to MOP\$1.1 million

The monthly rent for a parking space in the Fai Chi Kei district is currently around MOP\$2,500 to MOP\$2,800



Despite indications of economic recovery and eased property market regulations by the government, it may be challenging for parking space prices to *return to pre-pandemic levels* in the near future due to *weak demand*.



Source: Vigers Research, Statistics and Census Service (DSEC)





# 2024 Macao Property Market Forecast



*Residential market will stabilize after the government lifts restrictions, and the luxury property market is expected to outperform*

## Residential

## Office



*Office market is expected to remain subdued due to uncertainties in the external economy and weaker demand*



*Rebound in visitor arrivals to Macau will help sustain the recovery of shop rentals in tourist districts*

## Retail

## Industrial



*Industrial property prices to stabilize in 2024, while rents could rise modestly*



*It may be challenging to return to pre-pandemic levels in the near future due to ongoing weak demand*

## Parking Spaces

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