

Southeast Asia's Most Undervalued Property Condo Market Offers 8%+ Yields

New analysis reveals Cambodia's capital offers freehold condos 12x cheaper than in Hong Kong. Thailand crashes to a 16-year low while Vietnam hits record highs.

PHNOM PENH, PHNOM PENH, CAMBODIA, December 1, 2025 /EINPresswire.com/ -- As global property prices continue to climb and Southeast Asian markets move in very different directions, new research from [Riel Property](https://www.rielproperty.com) identifies Phnom Penh as the region's strongest investment opportunity for international buyers who want freehold ownership and solid rental returns.

The study, which compares ASEAN property markets with global benchmarks, shows that mid-range condominiums in Phnom Penh average about 2,050 dollars per square metre. This positions the city as the cheapest freehold condo market in Asia for foreign investors seeking perpetual ownership rather than leasehold structures.

The Value Gap: A 12x Price Differential

The price comparison highlights significant differences with established global markets. Hong Kong remains the most expensive at 25,300 dollars per square metre, more than twelve times higher than Phnom Penh. Singapore follows at 22,500 dollars, London at 19,700 dollars, and New York at 16,100 dollars. Even within Southeast Asia, Bangkok prime units range from



The Rise of the 'Pearl of Asia': Cambodia's capital, Phnom Penh

Global Rank	City	Prime Price per sqm (USD)	vs Phnom Penh
#1	Monaco	\$35.500	14.8 x more expensive
#2	New York City, USA	\$28.400	11.8 x more expensive
#3	London, UK	\$26.500	11 x more expensive
#10	Hong Kong	\$25.800	10x more expensive
#15-20	Geneva, Nice, Tokyo	\$14.400 – 15.300	6 x more expensive
—	Phnom Penh, Cambodia	\$2.400	Base Value

Source: Knight Frank Global Prime Index, [RielProperty.com](https://www.rielproperty.com)

Comparative analysis showing the significant price difference between prime freehold condominiums in Phnom Penh, Cambodia, and leading global markets.

4,100 to 8,200 dollars per square metre, while Ho Chi Minh City has risen to 4,691 dollars following a forty-seven percent annual price jump.

A spokesperson for Riel Property notes that Cambodia's uniqueness comes not only from its price point but from the combination of actual freehold ownership, rental yields of six to eight percent, and entry at the bottom of a recovery cycle rather than at peak pricing. Investors who buy mid-range units now position themselves for future appreciation as the economy stabilises.

Why the Market Is Undervalued, Not Just Cheap

The report outlines several reasons indicating that Phnom Penh is undervalued rather than simply low-priced.

Infrastructure investment is a major driver. The 1.5 billion dollar Techo International Airport, expected to be one of Southeast Asia's largest, will significantly improve national and regional connectivity. New expressways linking Phnom Penh and Sihanoukville, as well as regional corridors, are already in operation.

Economic fundamentals remain strong. Cambodia recorded nearly six percent GDP growth in the first half of 2025. Approved investment projects reached 3.4 billion dollars in just the first four months, marking a thirty-four percent year-on-year increase. Construction approvals are also up eighteen percent, with more than 1,300 new projects underway.

Market recovery signs are also evident. Knight Frank reports that condominium sales in the first half of 2025 reached their highest level since 2020, with Cambodian buyers now accounting for more than 18% of total transactions, signalling genuine end-user demand.

Additional stimulus measures support this trend. The Ministry of Economy and Finance continues to offer a full stamp duty exemption on properties up to 210,000 dollars through the end of 2025, cutting acquisition costs for first-time buyers by up to 8,400 dollars.

The Freehold Advantage

Cambodia is the only country in mainland Southeast Asia that allows foreigners to own condominium units above the ground floor on a full freehold basis with perpetual ownership rights and no per-building foreign ownership caps.

This stands in contrast with its neighbours. Vietnam restricts foreigners to a 50-year leasehold and limits foreign ownership to 30% of any building. Thailand limits foreign ownership to 49% through long-term lease structures. Singapore imposes a 60% stamp duty on foreign buyers, making entry heavily penalised.

For investors from the UK, US, UAE, and Europe who want actual asset ownership rather than

long-term leases, Cambodia offers a regulatory framework not found elsewhere in the region.

Regional Market Comparison

The analysis comes at a key point for Southeast Asian property markets.

Thailand is experiencing what many describe as a crash-like situation. New condo launches have dropped by more than 94% year-on-year to a 16-year low. Mortgage rejection rates have reached 70%, and the country has more than 1.6 million vacant housing units. Analysts expect recovery only in the next two to three years.

Vietnam, by contrast, is seeing sharp increases. Ho Chi Minh City prices have risen 47% year-on-year to 4,691 dollars per square metre, with luxury units rising between 30% and 50%. While fundamentals are strong, investors are entering at peak valuation levels and still face leasehold restrictions.

Cambodia remains in an early recovery phase, with mid-range prime condo prices stabilised at 2,050 dollars per square metre. This presents a favourable entry point ahead of a potential rise, as regional markets in Thailand and Vietnam face their own pressures.

Risk Considerations

The analysis does acknowledge challenges. Non-performing loans have risen above seven percent, compared with around two percent before the pandemic. Credit-to-GDP ratios remain high, and vacancy rates in the high-end condo sector range from 30% to 50%. However, government forbearance programmes, loan restructuring measures, and the growing share of local buyers provide stabilising effects.

About This Research

The full analysis references data from Knight Frank Cambodia, CBRE, IMF Article IV reports, the National Bank of Cambodia, Cushman and Wakefield, and international benchmark sources such as Visual Capitalist and Numbeo. It also includes in-house research conducted by Riel Property.

The complete investment guide includes district-by-district pricing, rental yield breakdowns, and developer recommendations. Interested readers can contact Riel Property for access to the complete 2025 Cambodia Property Investment Guide.

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