



Cambodia adopts law to let foreigners own property

By Reuters

Monday, 05 April 2010 18:26

PHNOM PENH: Cambodia's parliament adopted a law on Monday (April 5) allowing foreigners to own property directly, one of the aims being to attract more investors to the Southeast Asian country.

"This law will surely benefit Cambodia economically, socially, legally, and integrate our country into the region and the world," Im Chhun Lim, minister responsible for construction and urban planning, told parliament after 85 lawmakers out of 96 voted for the law.

Im Chhun Lim said the law would bring an end to the complicated process through which foreigners could buy apartments through a Cambodian representative.

"This will encourage investment in the construction of luxury buildings and high-price apartments," he said.

The law allows foreigners to own apartments above the ground floor in buildings 30km from the country's borders. Foreigners will only be able to buy a maximum 49% of any building.

The law also gives foreigners who already own apartments two years in which to regularise their position and put their property in their own name.

Although the new law will benefit mainly the top end of the property market, Im Chhun Lim said Cambodia's poor would not be left out.

The government and private sector will begin drafting a new policy soon on housing projects, particularly for low- and middle-income people, Im Chhun Lim said.

Cambodia's economy enjoyed several years of double-digit growth before tourism and the garment sector took a hit from the global economic crisis.

The economy was flat in 2009, managing growth of just 0.1% according to a finance ministry estimate. Output in the construction sector slumped 42% in 2009 to US\$1.7 billion, according to the Land Management Ministry. -- Reuters