HO CHI MINH CITY
CONDominium and buy-to-let MARKET

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CONDOMINIUM MARKET
2017

LUXURY: >US$3,500 psm
HIGH END: US$1,500 - $3,500 psm
MID END: US$800 – $1,500 psm
AFFORDABLE: <US$800 psm
HCMC: The drop in new launches results in sold units decreasing

New launches, HCMC

Sold units, HCMC

Source: CBRE Vietnam

However, high absorption rate at new launch projects

| LUXURY: | >US$3,500 psm |
| HIGH END: | US$1,500 - $3,500 psm |
| MID END: | US$800 – $1,500 psm |
| AFFORDABLE: | <US$800 psm |

Absorption rate at mid-end projects 84%
Absorption rate at high-end projects 77%
Absorption rate at mid-end projects 81%
Mid-end segment continues to expand

Accumulated supply until 2014

Mid-end
37,335 units

Accumulated supply until 2017

Mid-end
85,559 units

CAGR (Mid-end) = 35%
CAGR (Market) = 25%

*Accumulated supply from 1999 to Q3 2017.
HCMC - Supply continue to be concentrated in the South and East

Source: CBRE Vietnam, Q3 2017
Primary price - Slightly adjusted in all segments

HCMC

Luxury ▲ 9% y-o-y
High-end ▲ 5% y-o-y
Mid-end: ▲ 4% y-o-y
Affordable: ▲ 2% y-o-y

Selling Price (USD/sqm)


Primary price calculated on NSA and without VAT
Source: CBRE Vietnam.
### More foreign buyers with diverse nationalities *

#### Buyers by Origin

<table>
<thead>
<tr>
<th>Country</th>
<th>1H 2016</th>
<th>1H 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vietnam</td>
<td>63%</td>
<td>41%</td>
</tr>
<tr>
<td>Singapore</td>
<td>13%</td>
<td>13%</td>
</tr>
<tr>
<td>Taiwan</td>
<td>13%</td>
<td>11%</td>
</tr>
<tr>
<td>Hong Kong</td>
<td>10%</td>
<td>8%</td>
</tr>
</tbody>
</table>

#### Buyers by Purpose

<table>
<thead>
<tr>
<th>Purpose</th>
<th>9M 2016</th>
<th>9M 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Owner</td>
<td>20%</td>
<td>40%</td>
</tr>
<tr>
<td>Buy-to-let Investors</td>
<td>74%</td>
<td>42%</td>
</tr>
<tr>
<td>Buy-to-gain Investors</td>
<td>6%</td>
<td>15%</td>
</tr>
</tbody>
</table>

(*) Note: The analysis above is based on CBRE Vietnam’s residential closed deals and should not be used as a marketwise benchmark.

CBRE’s residential closed deals: asking for larger unit size *

Buyers by unit size (sm)

- >90 m²
- 60-90 m²
- <60 m²

Buyers by unit type

- Studio
  - 1H 2016: 1%
  - 1H 2017: 0%
- 1-PN
  - 1H 2016: 14%
  - 1H 2017: 8%
- 2-PN
  - 1H 2016: 38%
  - 1H 2017: 71%
- 3-PN
  - 1H 2016: 37%
  - 1H 2017: 21%
- 4-PN
  - 1H 2016: 7%
  - 1H 2017: 0%
- Office-tel
  - 1H 2016: 3%
  - 1H 2017: 0%

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In HCMC: New launch supply and sold unit forecasts are higher than 2017

Primary price stable except for the luxury segment

Selling price in HCMC

The emergence of Thu Thiem

With numerous projects preparing to launch:

- **Khanh Hoi Complex**: 180 units
- **Saigon M&C**: 180 units
- **Thủ Thiêm EcoSmart City Complex**: 3,000 units, sold rate: 94% launch units
- **GS Thu Thiem Condominium**: 3,000 units
- **Empire City**: 3,000 units, sold rate: 94% launch units
- **Thu Thiem Lake View Condominium**: 1,229 units, sold rate: 73% launch units
- **Sala Đại Quang Minh**: 529 shophouses/villas, sold rate: 100%
- **Sala Đại Quang Minh**: 2,596 units, sold rate: 73% launch units
- **VHGR**: 5,050 units, sold rate: 90%
- **VHGR**: 63 villas, sold rate: N/A
- **Marina Bay Complex**: 63 villas
- **Sunwah Pearl**: 789 units, sold rate: 70% launch units
- **New City**: 1,229 units, sold rate: 80% / launched units
Outlook 2018…

1. **Absorption rate still good**
   High-end products with good location will still enjoy good absorption rate

2. **Mid-end segment continues to expand**
   The market is more balanced. There are still many opportunities for developers to develop.

3. **Competition in rental market**
   Competition in the rental market will increase with a series of units being handed over. Buy-to-let investors should be cautious.

4. **The rise of Thu Thiem**
   The new CBD will be an attractive destination for investors.
RENTAL MARKET
2017
CBRE
Supply increased rapidly in the mid and high end segments

~ 48,000 condominium units on the market will be handed over in 2017

Leading to reduced rental income in some areas

Rental yield in selected high-end projects.
Source: CBRE Vietnam.
Monthly Rental Rate across Districts

2BR unit rental rates in selected high-end projects
Rents are quoted on US$/unit/month.

Source: CBRE Vietnam.
Tenants’ Preferences *

Number of bed-rooms

- 1BR: 50%
- 2BR: 20%
- Others: 30%

Tenants' Nationalities

- Foreign: 90%
- High-income Locals: 10%

(*) Note: The analysis above is based on CBRE Vietnam’s residential closed deals and may not represent the whole market.
