

# HO CHI MINH CITY CONDOMINIUM AND BUY-TO-LET MARKET

Speaker: Dung Duong, Senior Director, CBRE Vietnam

HCMC, 14 Dec 2017

**CBRE**



**TỔNG QUAN  
THỊ TRƯỜNG  
BẤT ĐỘNG SẢN  
Q2/2017**

**LUXURY:**  
**HIGH END:**  
**MID END:**  
**AFFORDABLE:**

>US\$3,500 psm  
US\$1,500 - \$3,500 psm  
US\$800 – \$1,500 psm  
<US\$800 psm

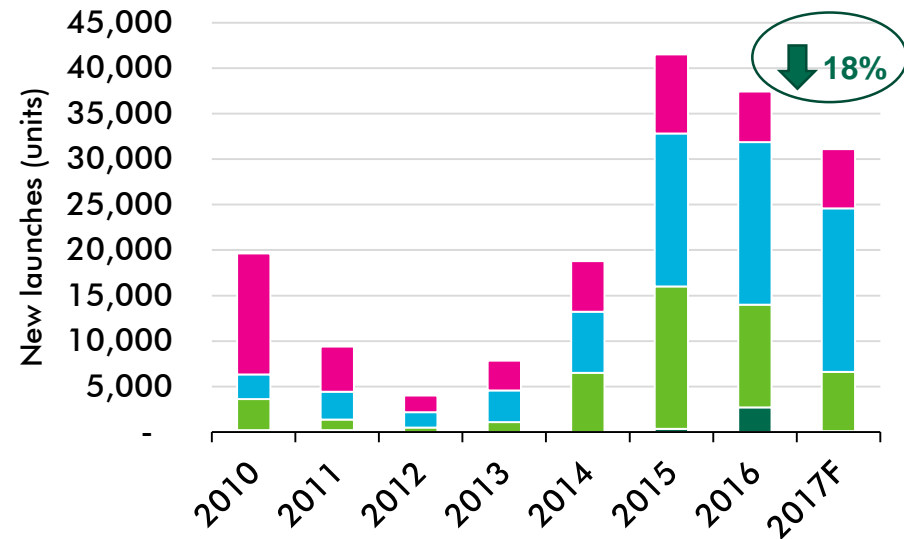
# CONDOMINIUM MARKET

## 2017

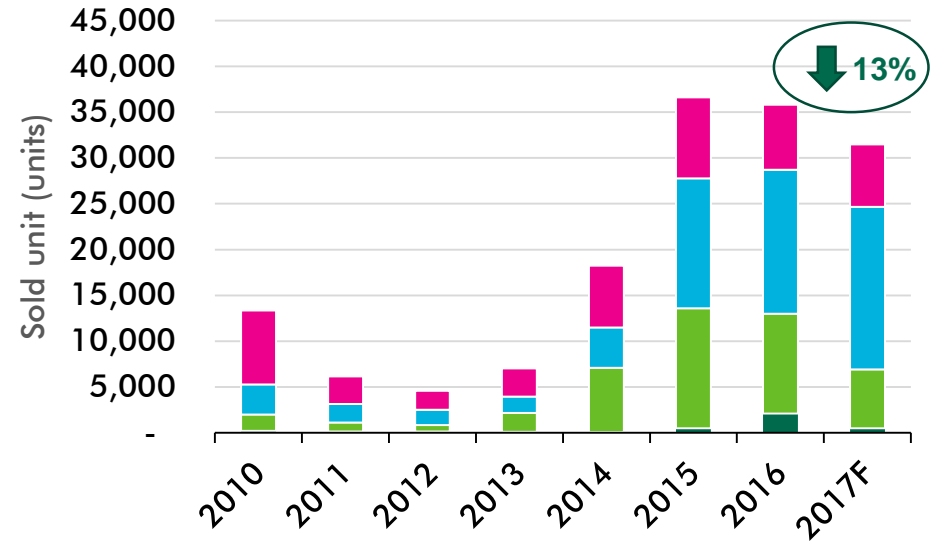
**CBRE**

## HCMC: The drop in new launches results in sold units decreasing

New launches, HCMC



Sold units, HCMC



Source: CBRE Vietnam

■ Luxury
 ■ High-end
 ■ Mid-end
 ■ Affordable

### However, high absorption rate at new launch projects

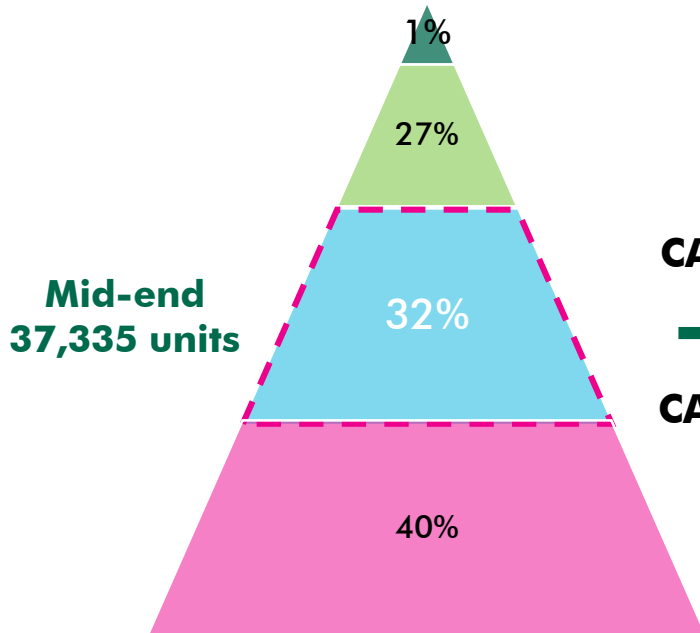
**LUXURY:** >US\$3,500 psm  
**HIGH END:** US\$1,500 - \$3,500 psm  
**MID END:** US\$800 - \$1,500 psm  
**AFFORDABLE:** <US\$800 psm

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

HCMC

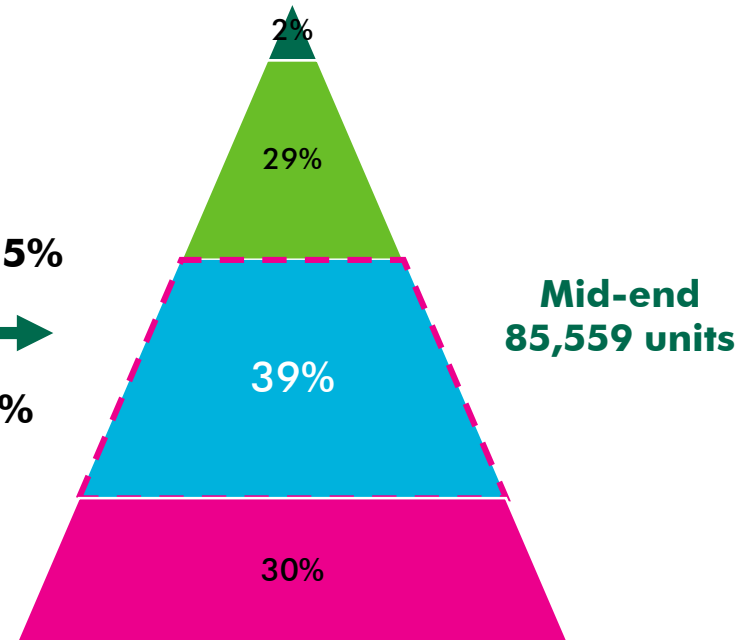
Accumulated supply until 2014



CAGR (Mid-end) = 35%

CAGR (Market) = 25%

Accumulated supply until 2017

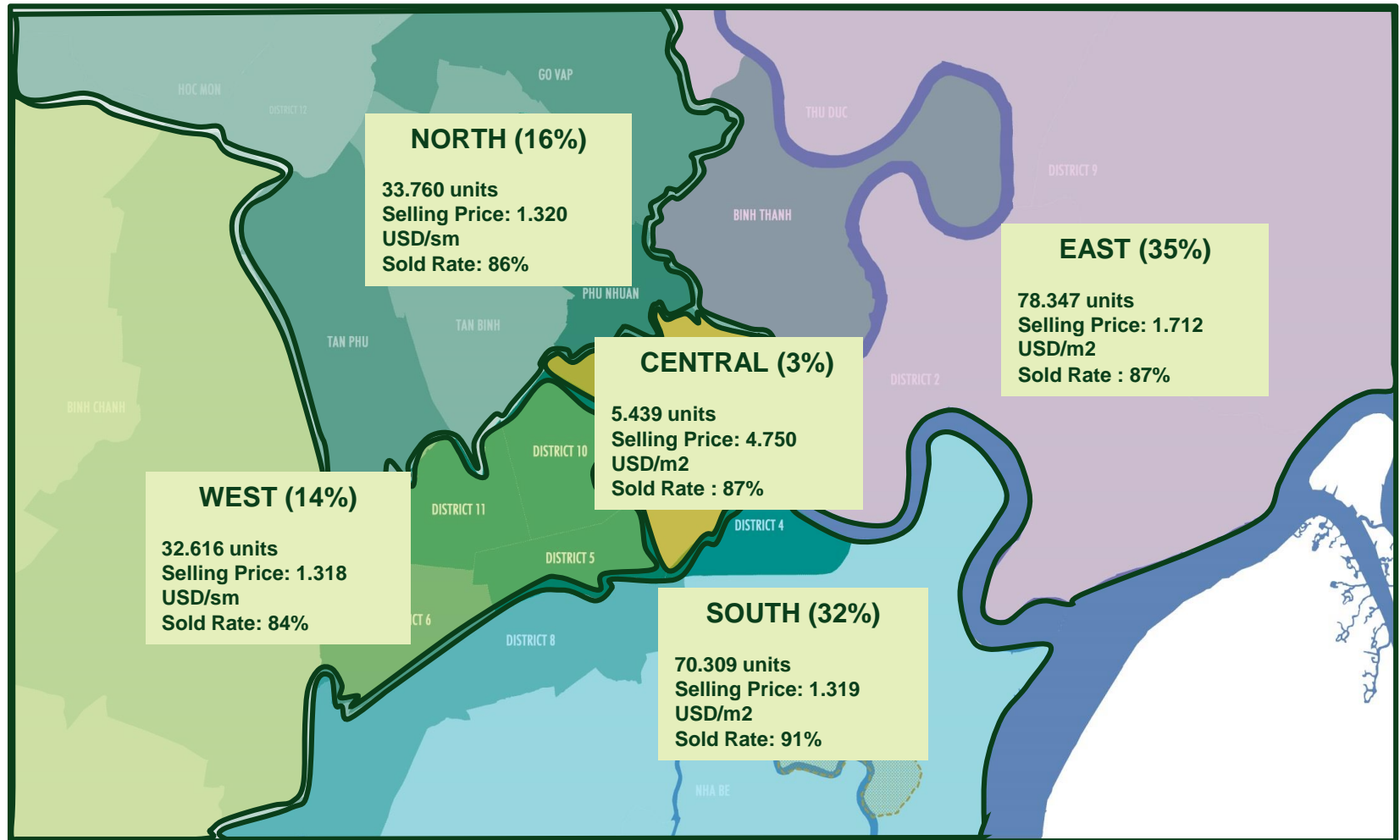


Luxury
  High-end
  Mid-end
  Affordable

\*Accumulated supply from 1999 to Q3 2017.

Source: CBRE Vietnam, Q3 2017.

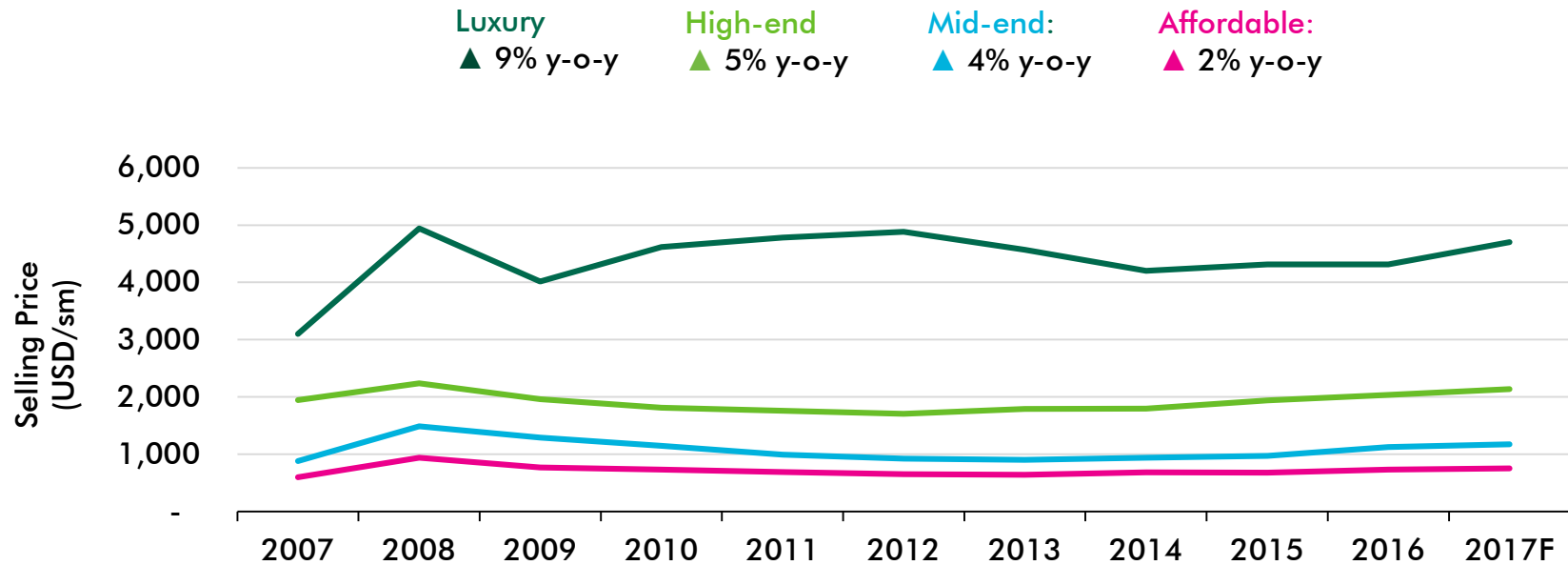
## HCMC - Supply continue to be concentrated in the South and East



Source: CBRE Vietnam, Q3 2017

## Primary price - Slightly adjusted in all segments

### HCMC



Primary price calculated on NSA and without VAT

Source: CBRE Vietnam.



## More foreign buyers with diverse nationalities \*

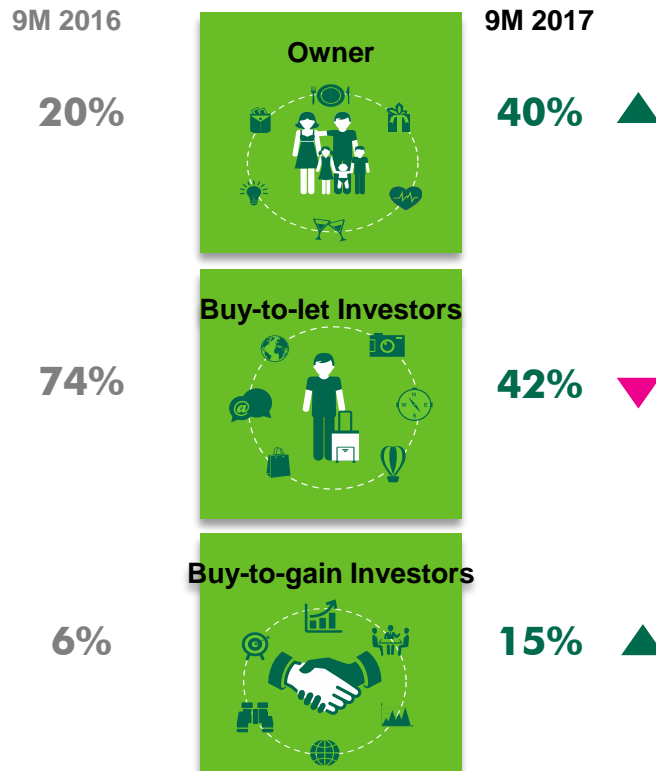
### Buyers by Origin



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

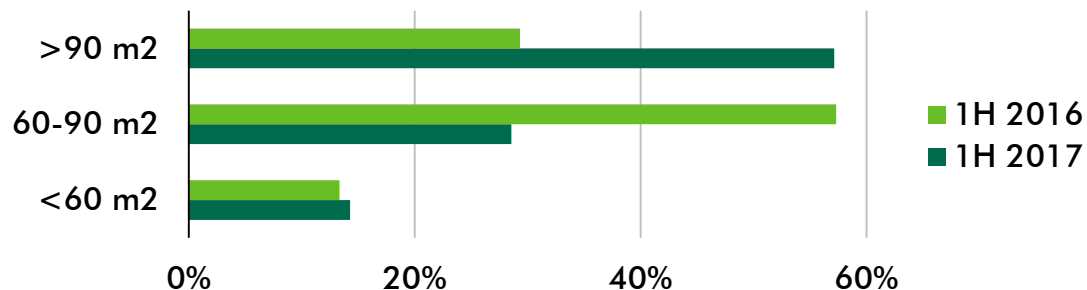
Source: CBRE Vietnam, Q3 2017.

### Buyers by Purpose

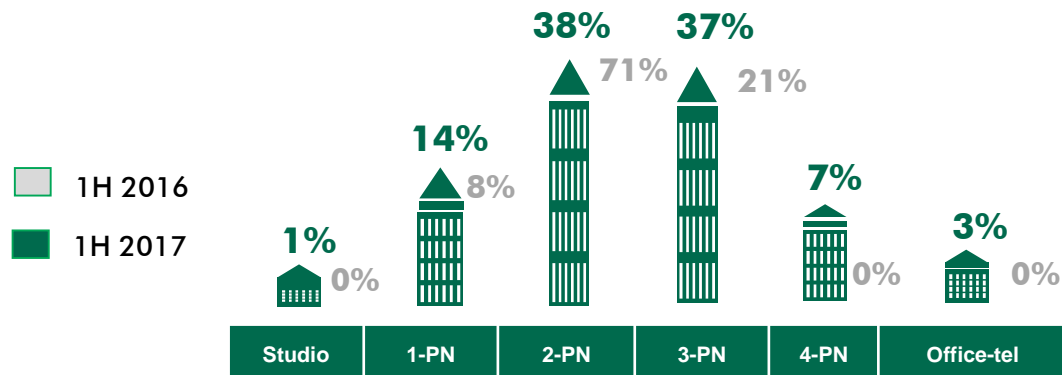


## CBRE's residential closed deals: asking for larger unit size \*

Buyers by unit size (sm)



Buyers by unit type



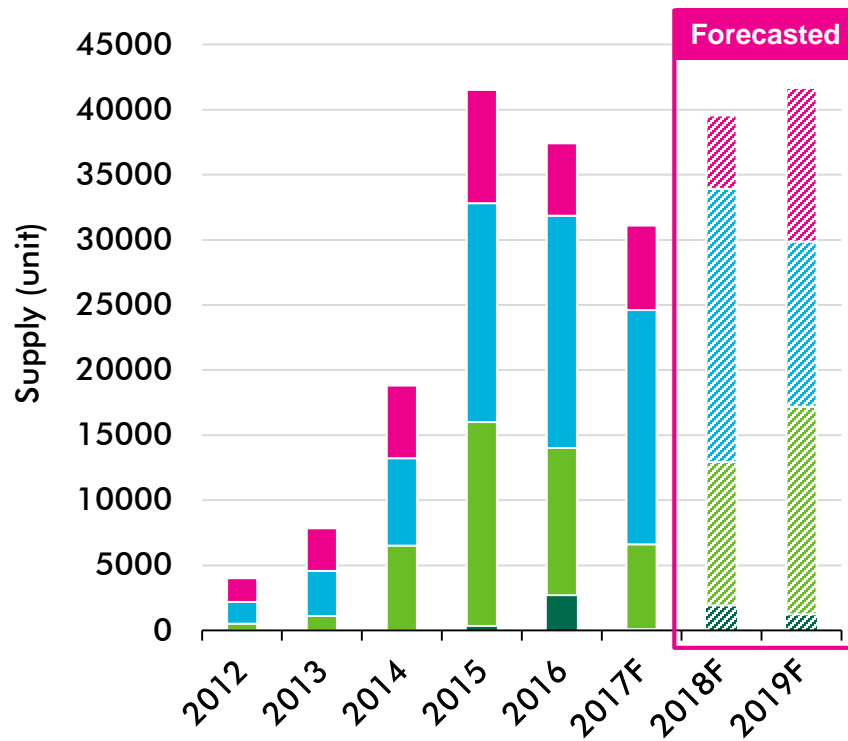
(\*) Note: The analysis above is based on CBRE Vietnam's residential closed deals and should not be used as a marketwise benchmark.

Source: CBRE Vietnam, Q3 2017.

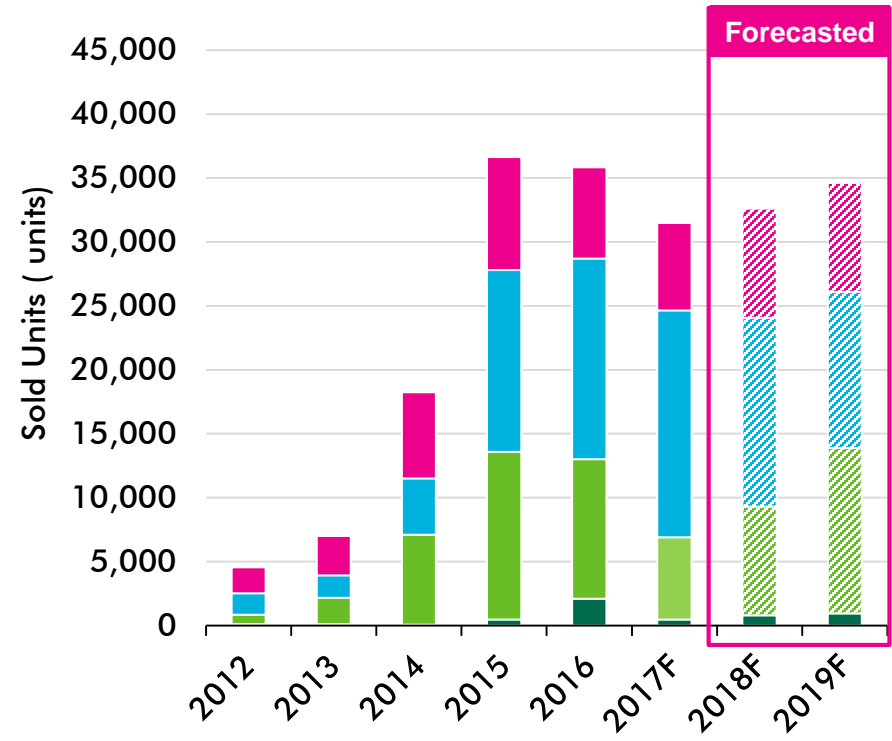


## In HCMC: New launch supply and sold unit forecasts are higher than 2017

New supply, y-o-y



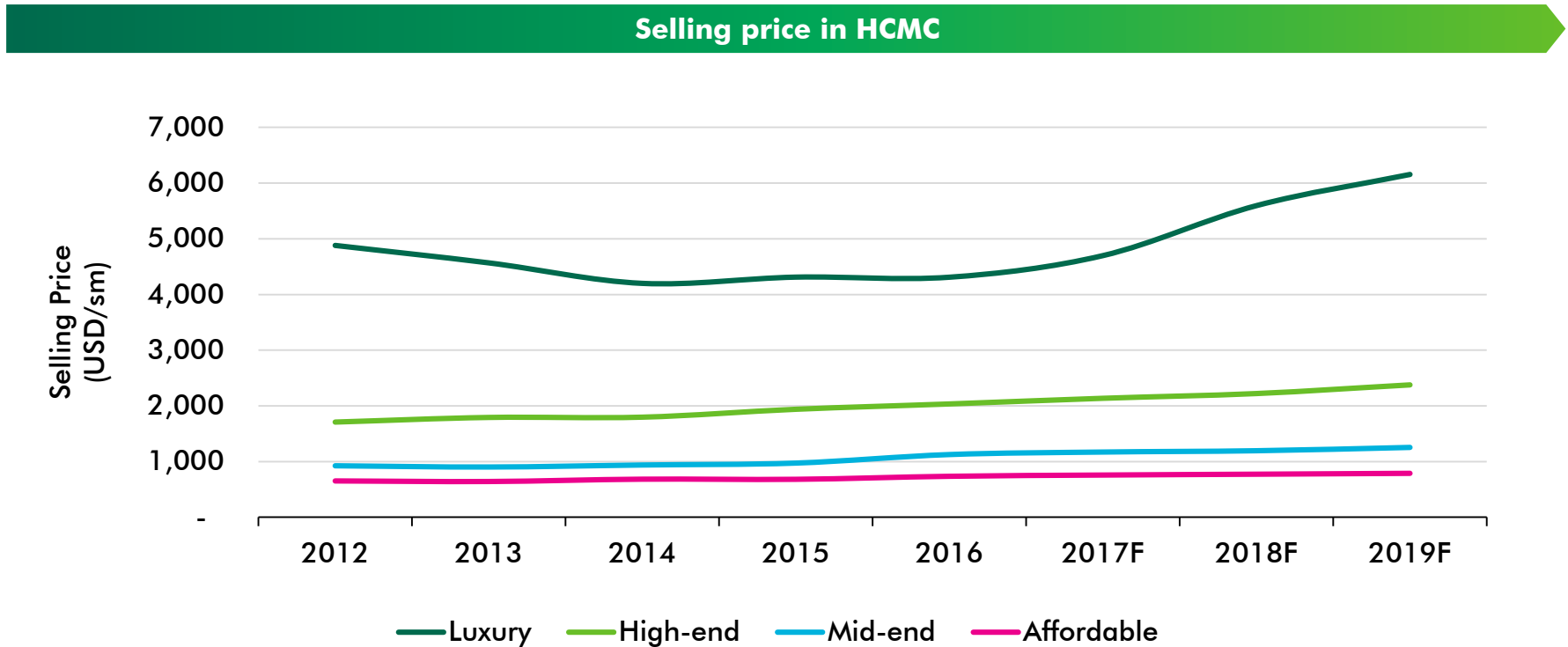
Sold units, y-o-y



Source: CBRE Vietnam, 2017.

Luxury
  High-end
  Mid-end
  Affordable

## Primary price stable except for the luxury segment



Source: CBRE Vietnam, 2017.

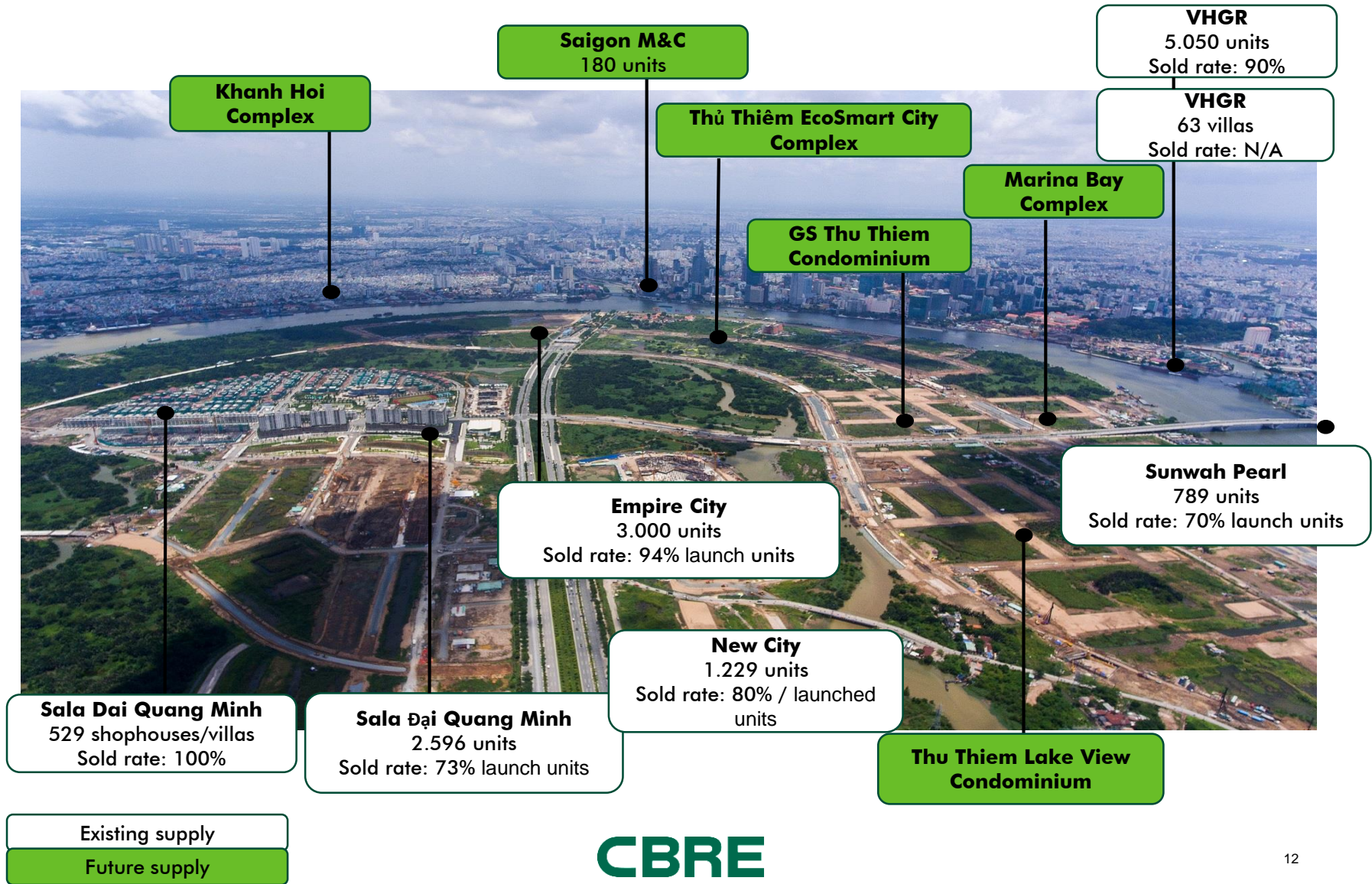
## The emergence of Thu Thiem



Source: Retrieved from the internet, 2017.



## With numerous projects preparing to launch



## 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.

**TỔNG QUAN  
THỊ TRƯỜNG  
BẤT ĐỘNG SẢN  
Q2/2017**

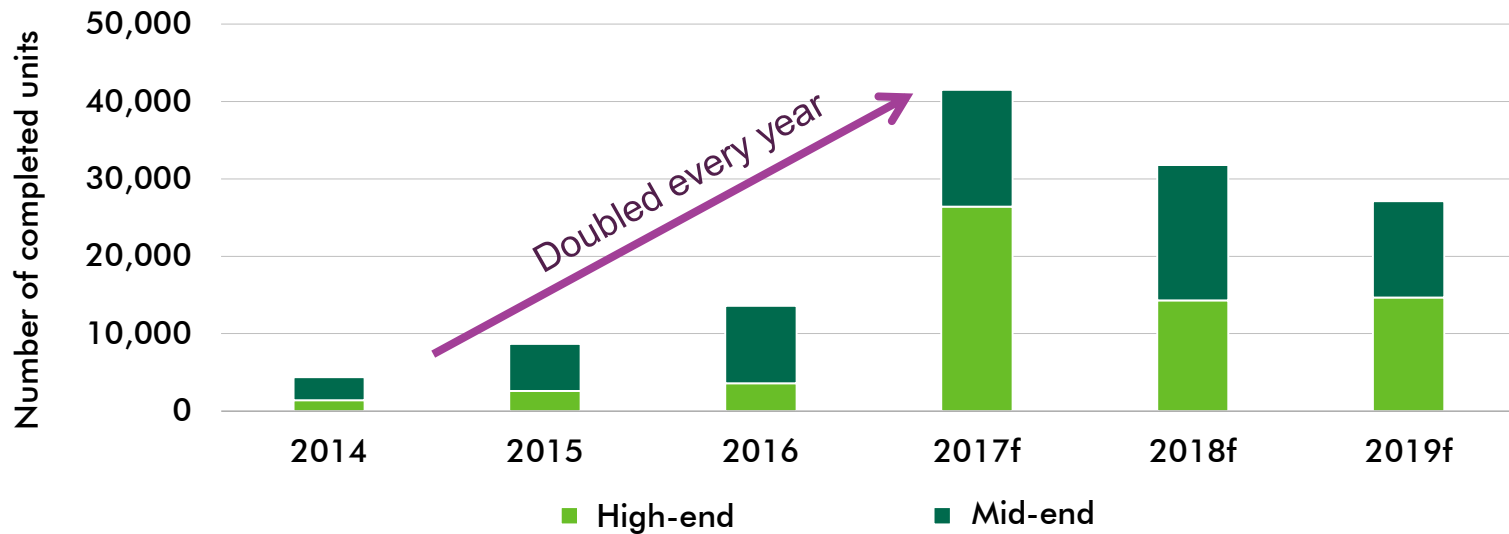
# **RENTAL MARKET**

## **2017**

**CBRE**

## Supply increased rapidly in the mid and high end segments

### Number of completed units expected in the high end and mid-end segments - HCMC



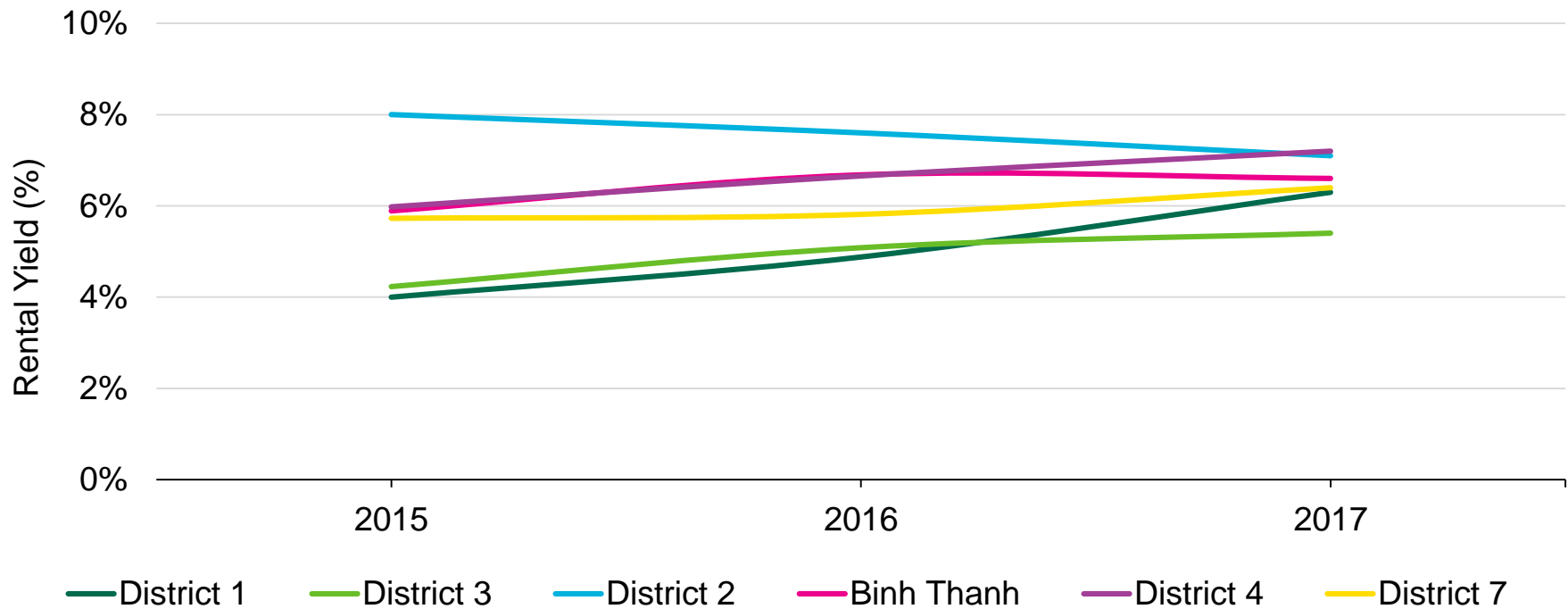
~ 48,000 condominium units on the market will be handed over in 2017

Source: CBRE Vietnam, 2017.



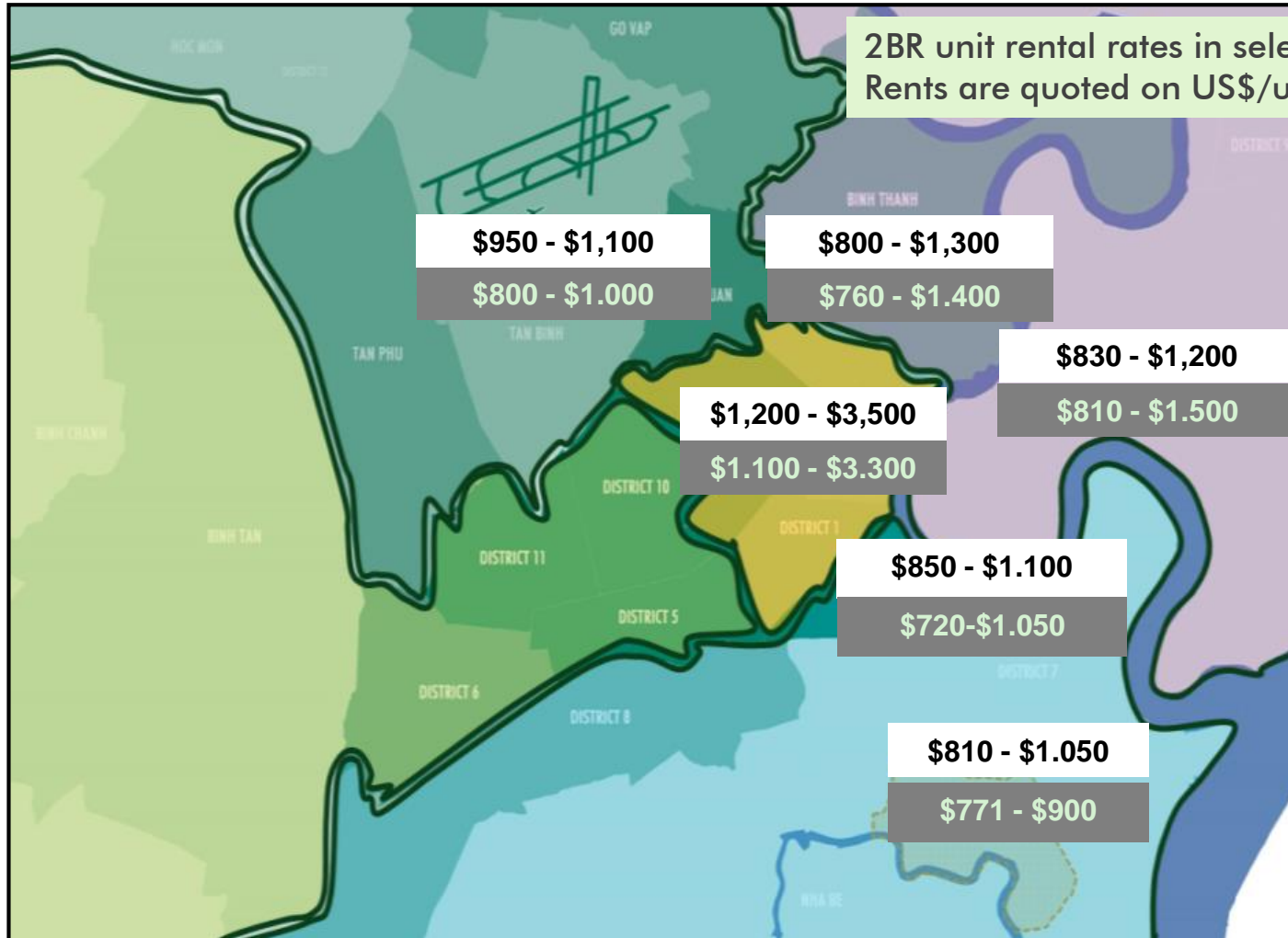
## Leading to reduced rental income in some areas

### Rental Yield



Rental yield in selected high-end projects.  
Source: CBRE Vietnam.

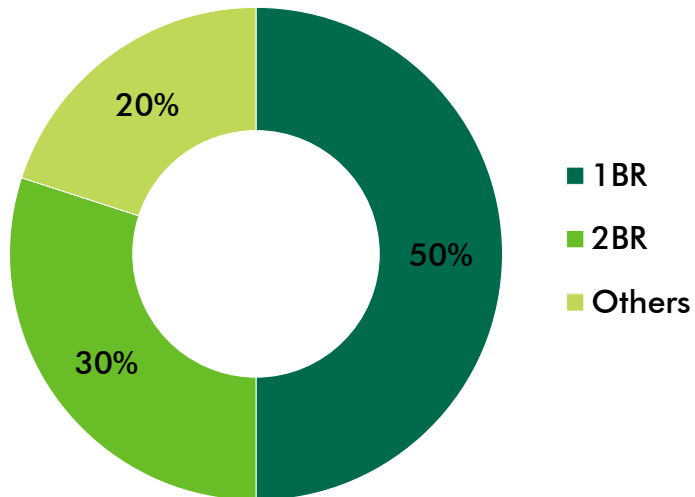
## Monthly Rental Rate across Districts



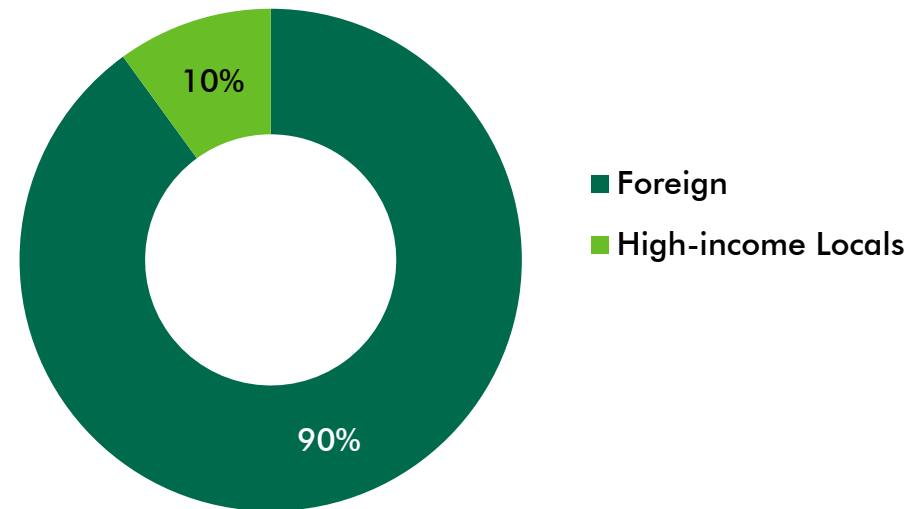
Source: CBRE Vietnam.

## Tenants' Preferences \*

### Number of bed-rooms



### Tenants' Nationalities



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

Source: CBRE Vietnam, Q3 2017.

# Thank You

For more information regarding this presentation please contact:  
CBRE Vietnam Co., Ltd. – Research & Consulting

T +84 28 3824 6125  
F +84 28 3823 8418  
Email: [research.vietnam@cbre.com](mailto:research.vietnam@cbre.com)

All materials presented in this report, unless specifically indicated otherwise, is under copyright and proprietary to CBRE. Information contained herein, including projections, has been obtained from materials and sources believed to be reliable at the date of publication. While we do not doubt its accuracy, we have not verified it and make no guarantee, warranty or representation about it. Readers are responsible for independently assessing the relevance, accuracy, completeness and currency of the information of this publication. This report is presented for information purposes only, exclusively for CBRE clients and professionals, and is not to be used or considered as an offer or the solicitation of an offer to sell or buy or subscribe for securities or other financial instruments. All rights to the material are reserved and none of the material, nor its content, nor any copy of it, may be altered in any way, transmitted to, copied or distributed to any other party without prior express written permission of CBRE. Any unauthorised publication or redistribution of CBRE research reports is prohibited. CBRE will not be liable for any loss, damage, cost or expense incurred or arising by reason of any person using or relying on information in this publication.



# CBRE