PROPERTY INSIGHT

HCMC
Residential Market

LUXURY: > US$4,000 psm
HIGH END: US$2,000 – 4,000 psm
MID END: US$1,000 – 2,000 psm
AFFORDABLE: < US$1,000 psm

(Not incl. VAT)


Binh Thanh


District 4


Thu Thiem
SIEMENS
2010


CBD


District 5

Population

7.2 million ppl

Landed house (*)

2,414 units

Condominium (*)

58,150 units

(*) Accumulated Supply

2010


Binh Thanh
District 4
Thu Thiem
CBD
District 5
2019

Population

8.9 million ppl ▲ 23%

Landed house (*)

16,665 units ▲ 7x

Condominium (*)

286,784 units ▲ 5x

2019

(*) Accumulated Supply
Compared to 2010 stats

2019 KEY STORIES

1 Licensing Issue

Limited New Launch Supply Due to Licensing Issue

2 Good Performance

Inventory was Absorbed Gradually

3 New Price Level

Selling Prices Increase Across All Segments

4 Secondary Market

More Active Secondary Market Due To Lack Of Primary Supply

5 Further Locations

Expansion to neighboring provinces and suburban districts

MARKET SNAPSHOT 2019

Total sold units: 29,874
Newly launched units: 26,692 from 36 projects

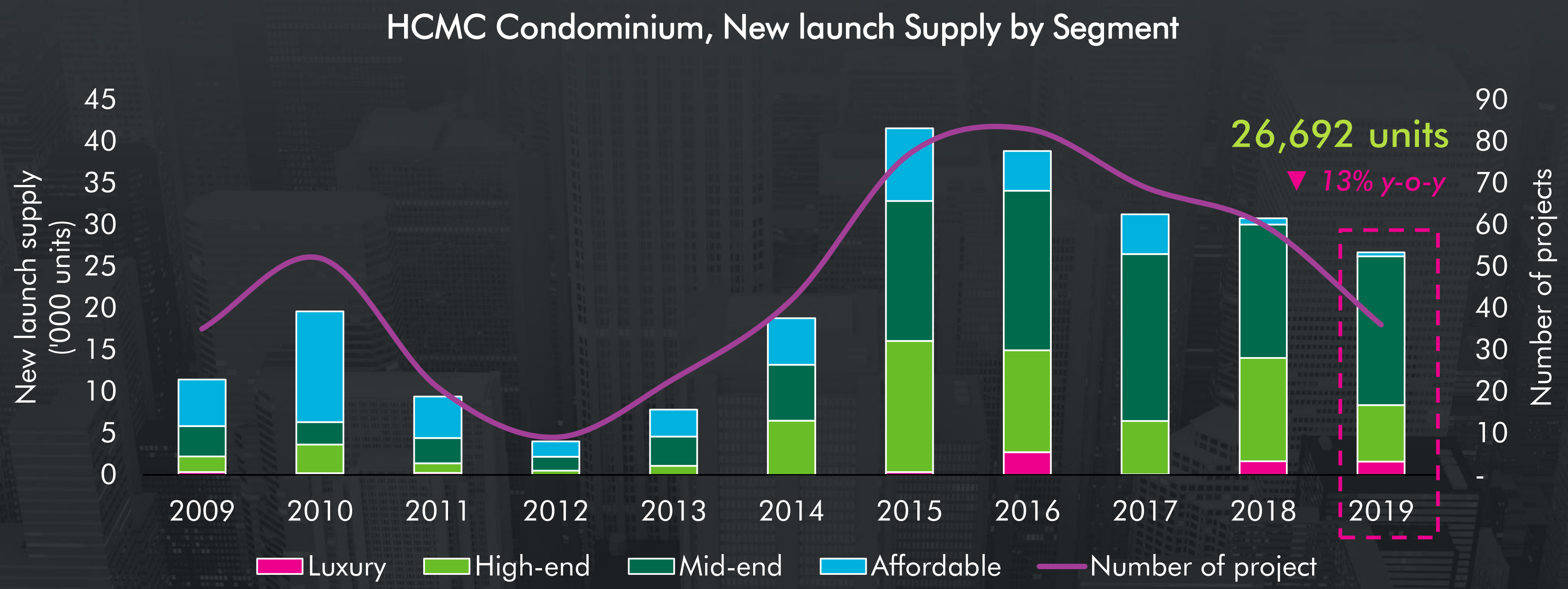
	Luxury	High-end	Mid-end	Affordable
NEW LAUNCH	**6 projects** 1,605 unit ▲ *30% y-o-y*	**14 projects** 6,755 units ▼ *17% y-o-y*	**15 projects** 17,852 units ▲ *21% y-o-y*	**1 project** 480 units ▼ *92% y-o-y*
SELLING PRICE (*)	**6,308 US$ psm** ▲ *12% y-o-y*	**2,549 US$ psm** ▲ *10% y-o-y*	**1,442 US$ psm** ▲ *14% y-o-y*	**898 US$ psm** ▲ *8% y-o-y*
SOLD UNITS	**1,270 units** ▲ *21% y-o-y*	**6,910 units** ▼ *23% y-o-y*	**20,014 units** ▲ *29% y-o-y*	**1,680 units** ▼ *72% y-o-y*

(*) Selling price: US$ psm (exclude VAT and quote on NSA)

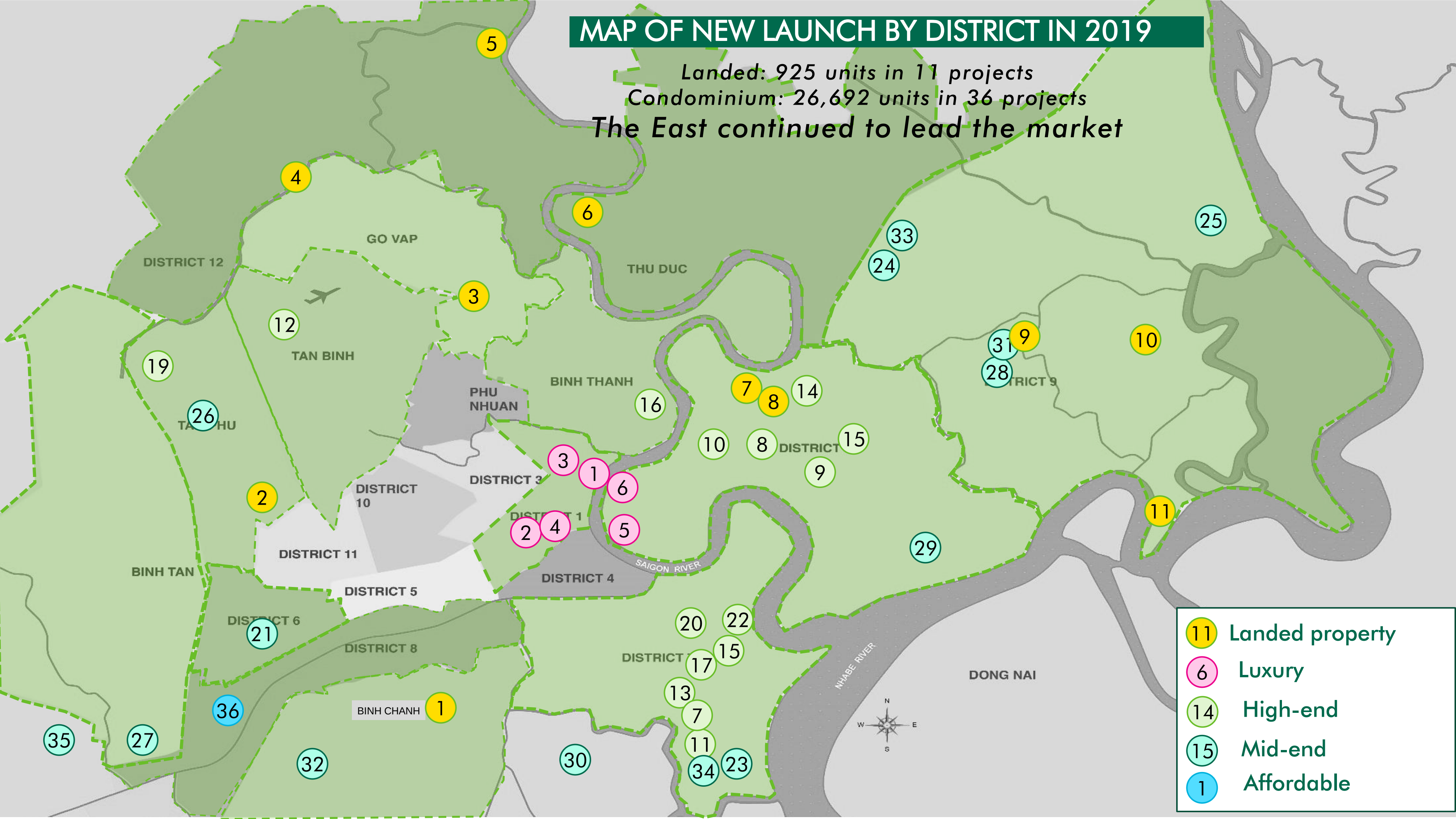
Source: CBRE Research.

Limited New Launch Supply Due to Licensing Issue

LIMITED NEW LAUNCH SUPPLY DUE TO LICENSING ISSUE



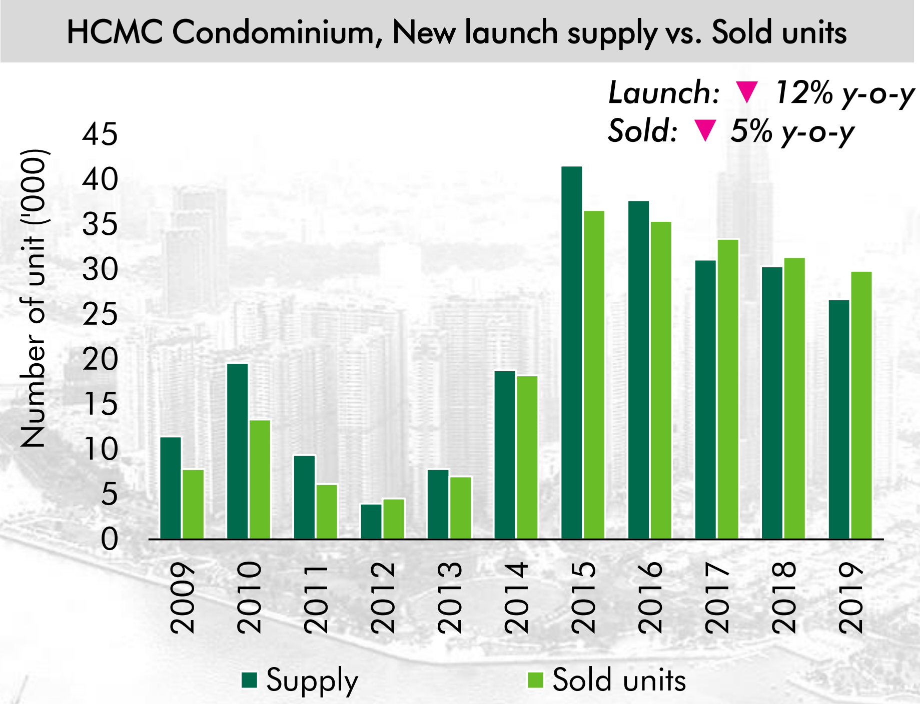
Source: CBRE Research.



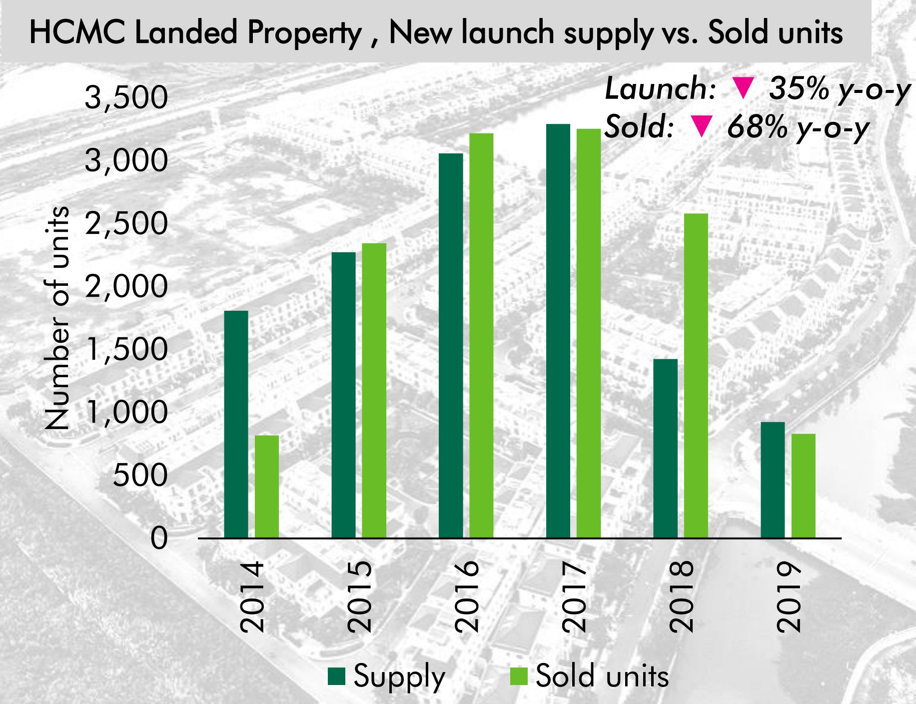
MAP OF NEW LAUNCH BY DISTRICT IN 2019
Landed: 925 units in 11 projects
Condominium: 26,692 units in 36 projects
The East continued to lead the market
DISTRICT 12
GO VAP
THU DUC
TAN BINH
BINH THANH
PHU NHUAN
DISTRICT 3
DISTRICT 10
DISTRICT 11
DISTRICT 5
DISTRICT 4
DISTRICT 6
DISTRICT 8
BINH TAN
BINH CHANH
SAIGON RIVER
NHABE RIVER
DONG NAI
N
S
E
W
Landed property
Luxury
High-end
Mid-end
Affordable

Inventory was Absorbed Gradually

STRONG DEMAND



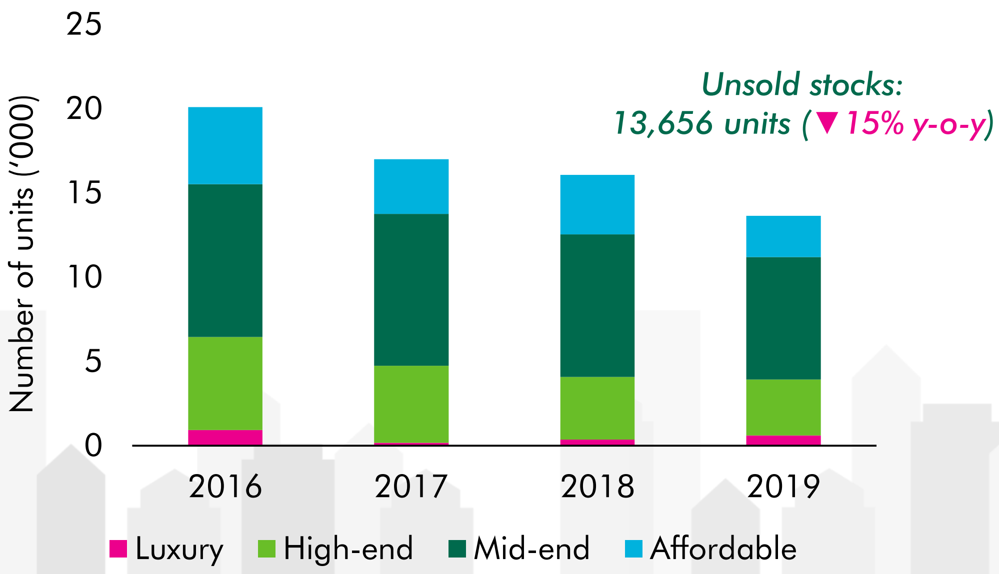
Source: CBRE Research.



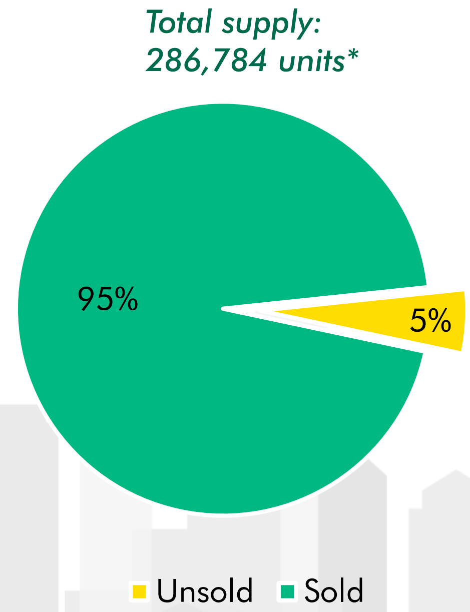
Source: CBRE Research.

INVENTORY ABSORBED GRADUALLY

HCMC Condominium, Inventory By Year

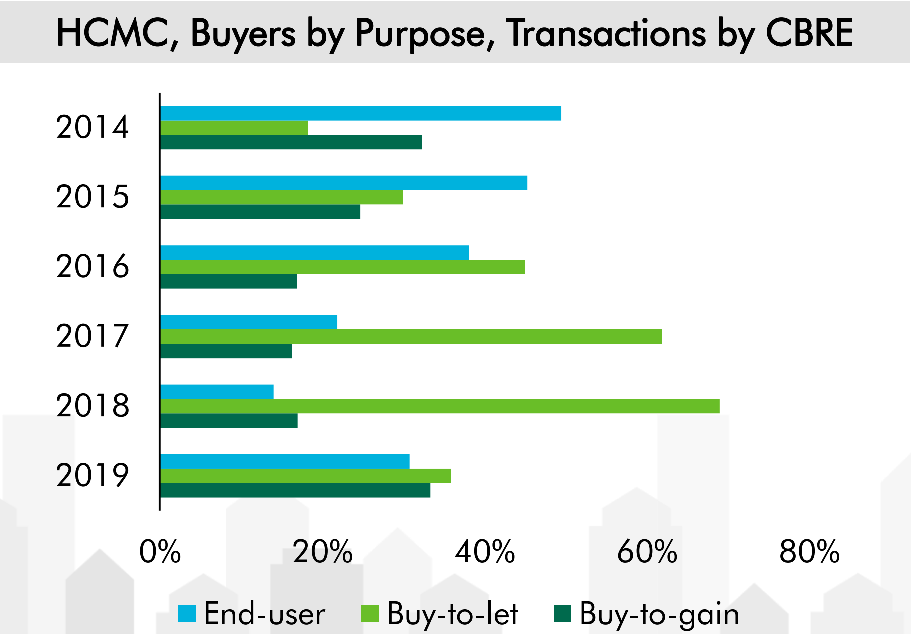


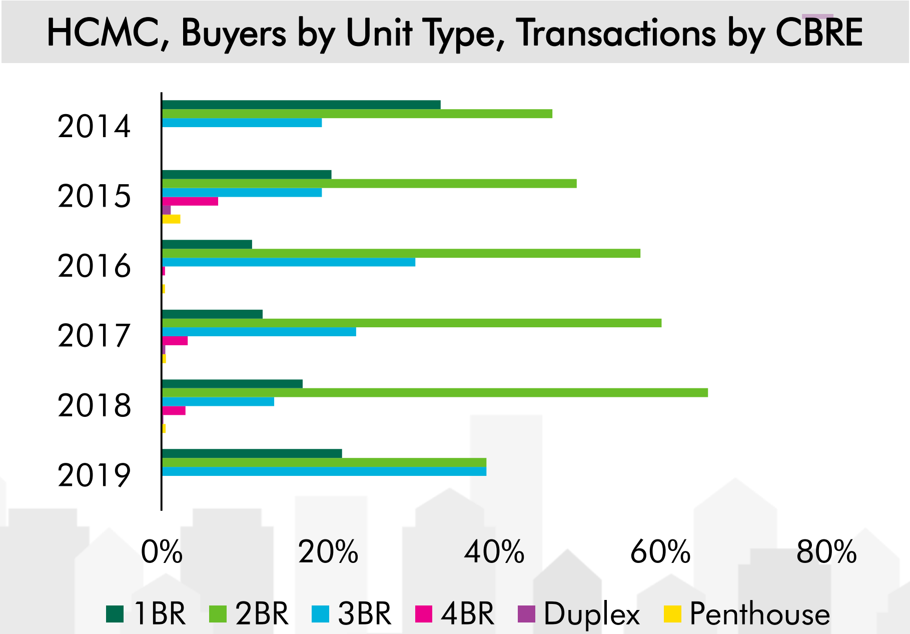
HCMC Condominium, Inventory In Q4 2019



* Accumulated supply since 1999.
Source: CBRE Research.

BUYERS PROFILE BY CBRE'S TRANSACTIONS



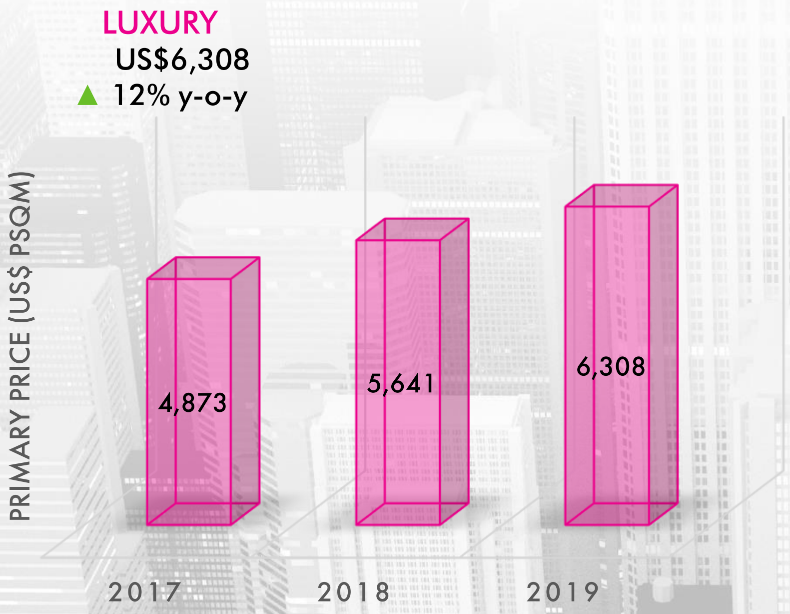


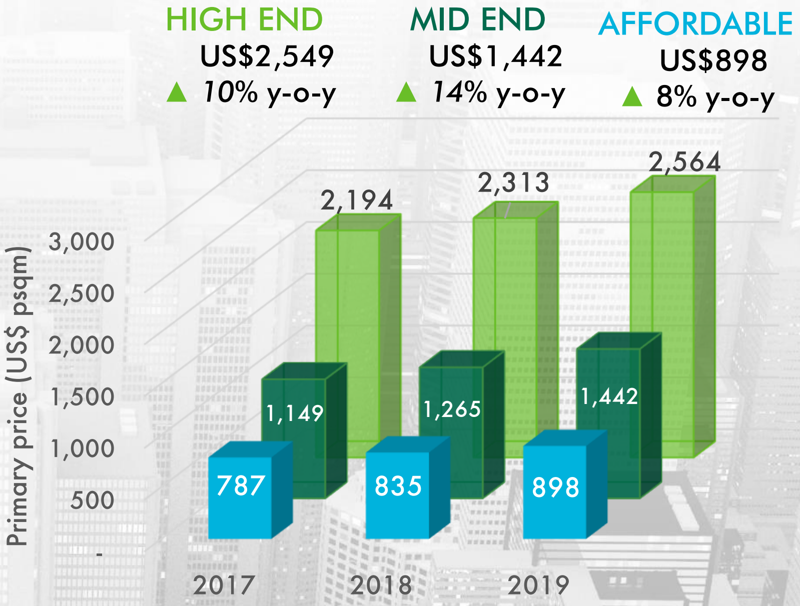
(*) Note: The analysis above is based on CBRE Vietnam's residential closed deals and should not be used as a marketwise benchmark
Source: CBRE Research.

New Pricing Level Across The Market

PRIMARY PRICES INCREASE DUE TO LACK OF NEW SUPPLY

HCMC Condominium, Primary Selling Price





(*) Selling price: US$ psm (exclude VAT and quote on NSA)
Source: CBRE Research.

PRIMARY PRICES INCREASE IN KEY AREAS

District 4
▲ 10% - 14%

Thu Thiem, D.2
▲ 18% - 23%

District 1
▲ 10% - 15%

Binh Thanh
▲ 14% - 18%

Thao Dien, D.2
▲ 10% - 15%

An Phu, D.2
▲ 15% - 20%

(*) Selling price: US$ psm (exclude VAT and quote on NSA)
Source: CBRE Research.

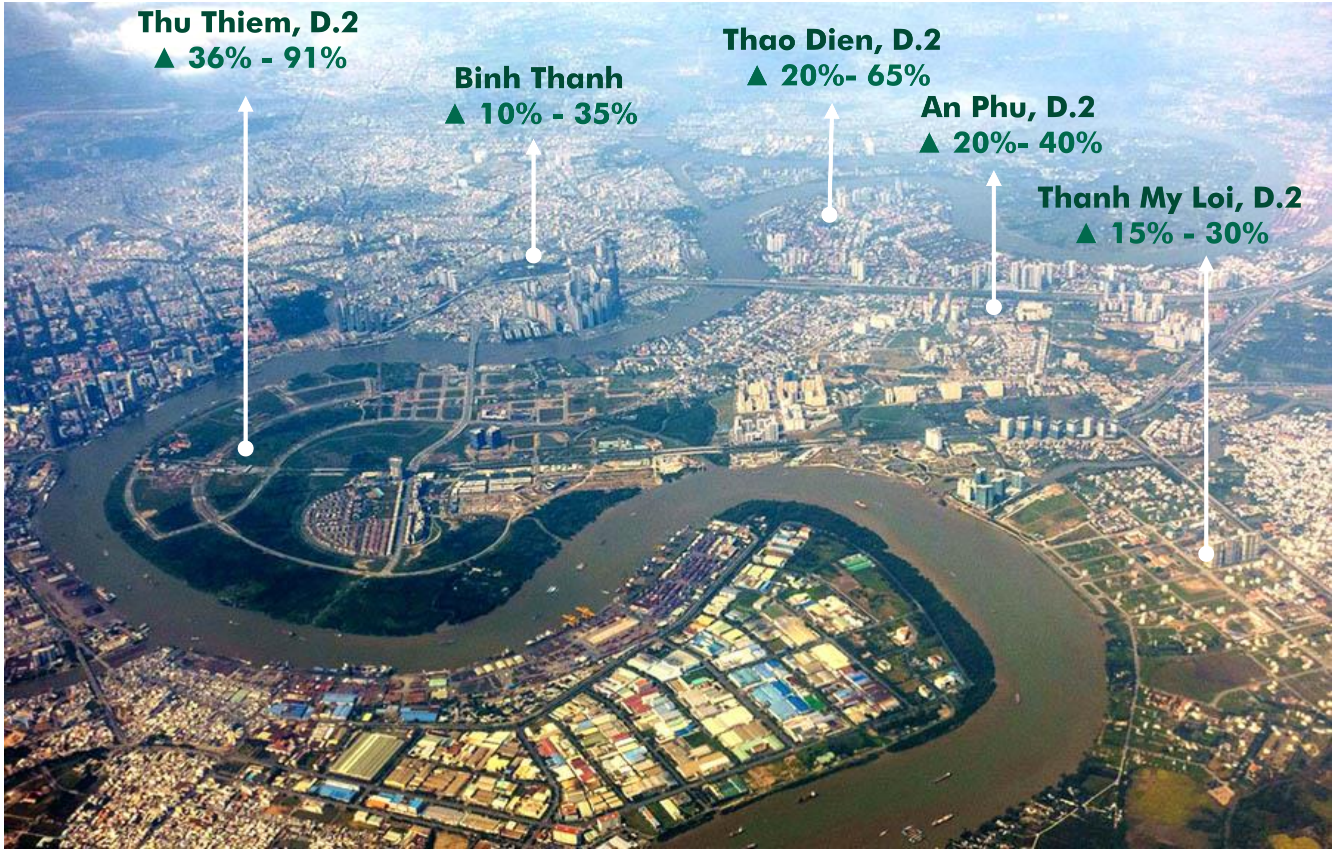
Image: https://thongtincanho.com.vn

PRIMARY PRICES INCREASE IN KEY AREAS

(*) Selling price: US$ psm (exclude VAT and quote on NSA)
Source: CBRE Research.

Image: Cafef Bat Dong San

SO DO SECONDARY PRICES



(*) Selling price: US$ psm (exclude VAT and quote on NSA)
Collected from anecdotal evidences
Source: CBRE Research.

MARKETING CAMPAIGNS AND ADDED VALUE FEATURES

Vingroup offers VinFast cars to home buyers


Vinhomes residents received Vsmart phone as a New Year gift

Sunshine Group designed 'smart city' in the 1.2 billion USD project

JAPANTODAY

Model home provides model wife and model daughter so you can feel the joy of family life (Japan)

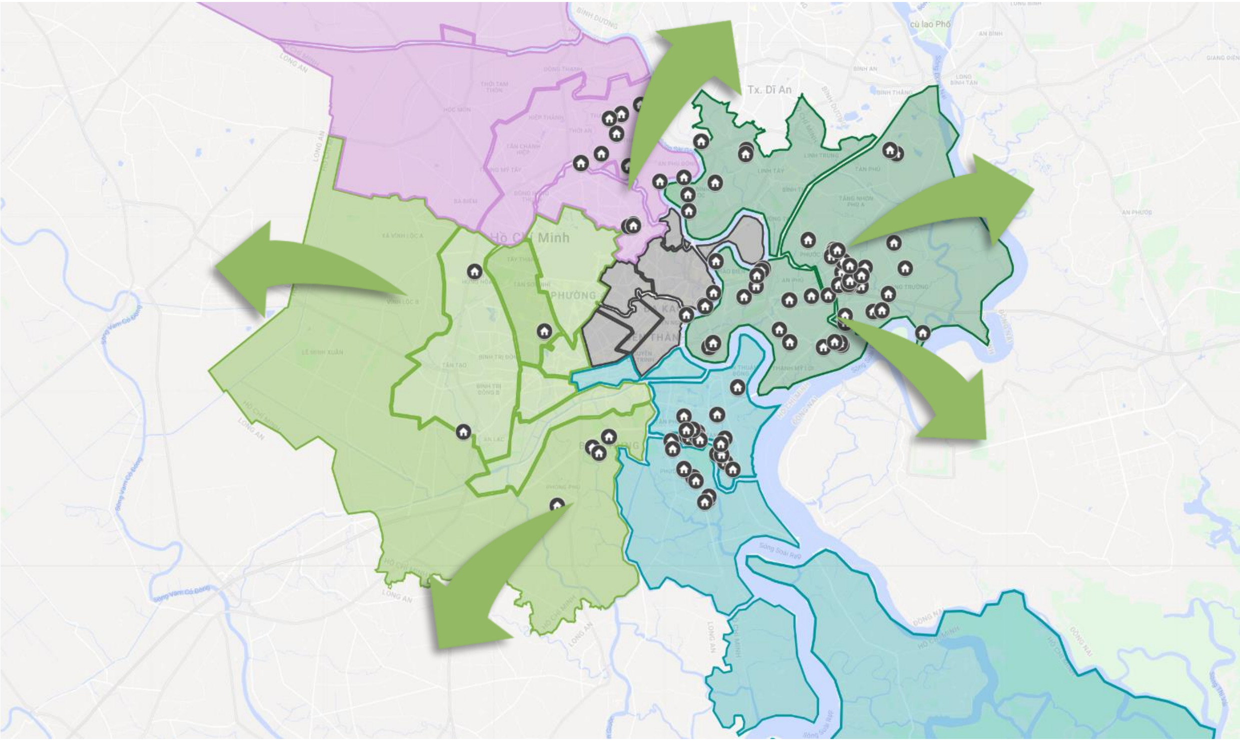
Smart parking apps

Artificial ocean in township project

Expansion to suburban districts and neighbouring provinces

EMERGENCE OF SUBURBAN DISTRICTS AND PROVINCIAL MARKETS

New township projects has been continuously launched in provinces surrounding HCMC



VnExpress International

PM greenlights $310 mln HCMC-Dong Nai bridge

By Huu Nguyen August 29, 2019 | 07:30 pm GMT+7

Vietnam+

Novaland opens real estate centre in Dong Nai province

Novaland Group has just officially launched a real estate centre, the ninth of its kind of the group, at the Aqua City project, Bien Hoa city, the southern province of Dong Nai.

VNA - Monday, October 14, 2019 11:00

VIR Vietnam Investment Review

Nam Long kicks off Waterpoint township in Long An province

17:12 | 27/06/2018

Vietnamnet Bridge

Last update 20:55 | 17/02/2019

Cleared land in suburbs lead investment trend in HCMC's real estate market

Source: CBRE Research, Q3 2019.


Aqua City
Sân bay Long Thành
Hương Lộ 2
Aqua Central Mall
Kayak
Sân golf
Hệ Thống Sông Xanh Bao Bọc
Aqua sport complex
Bến Du thuyền
THE STELLA
THE ELITE
THE GRAND VILLAS
Vườn Ươm Aqua
Quốc Lộ 51
Sơn Tiên

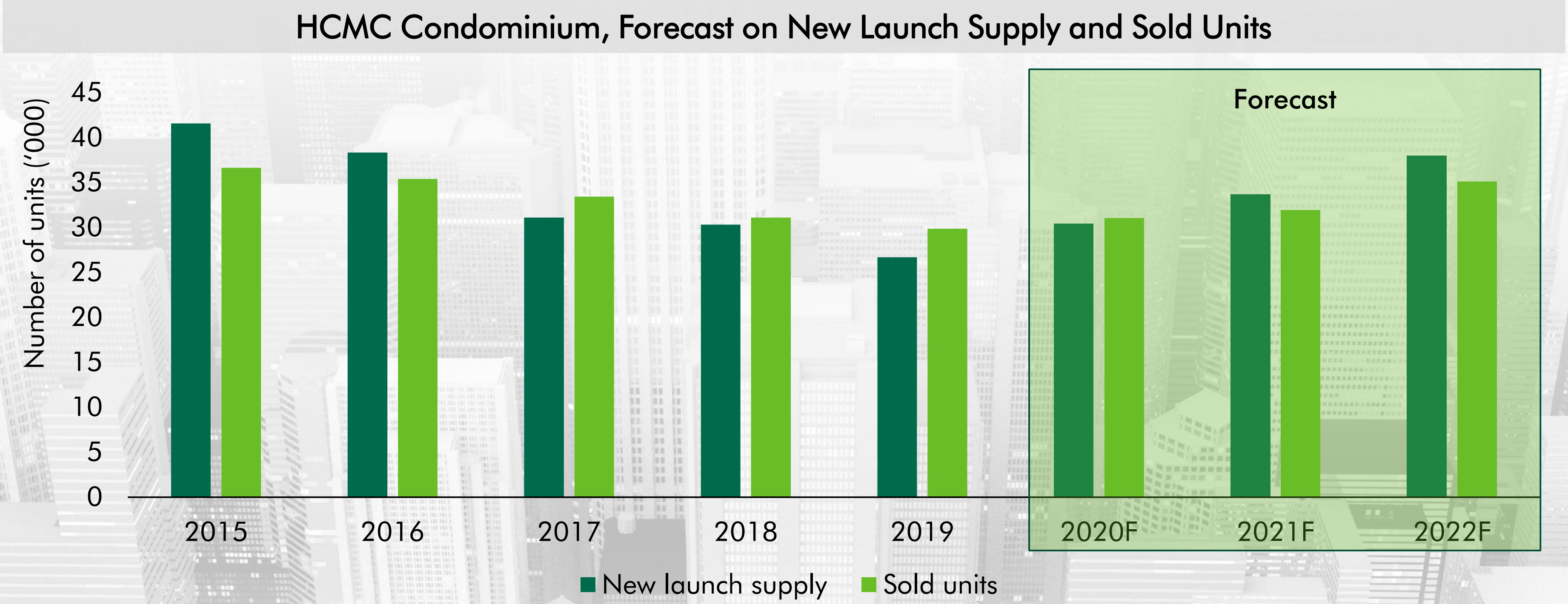

Vinhomes Grand Park


Swan Park


Waterpoint City

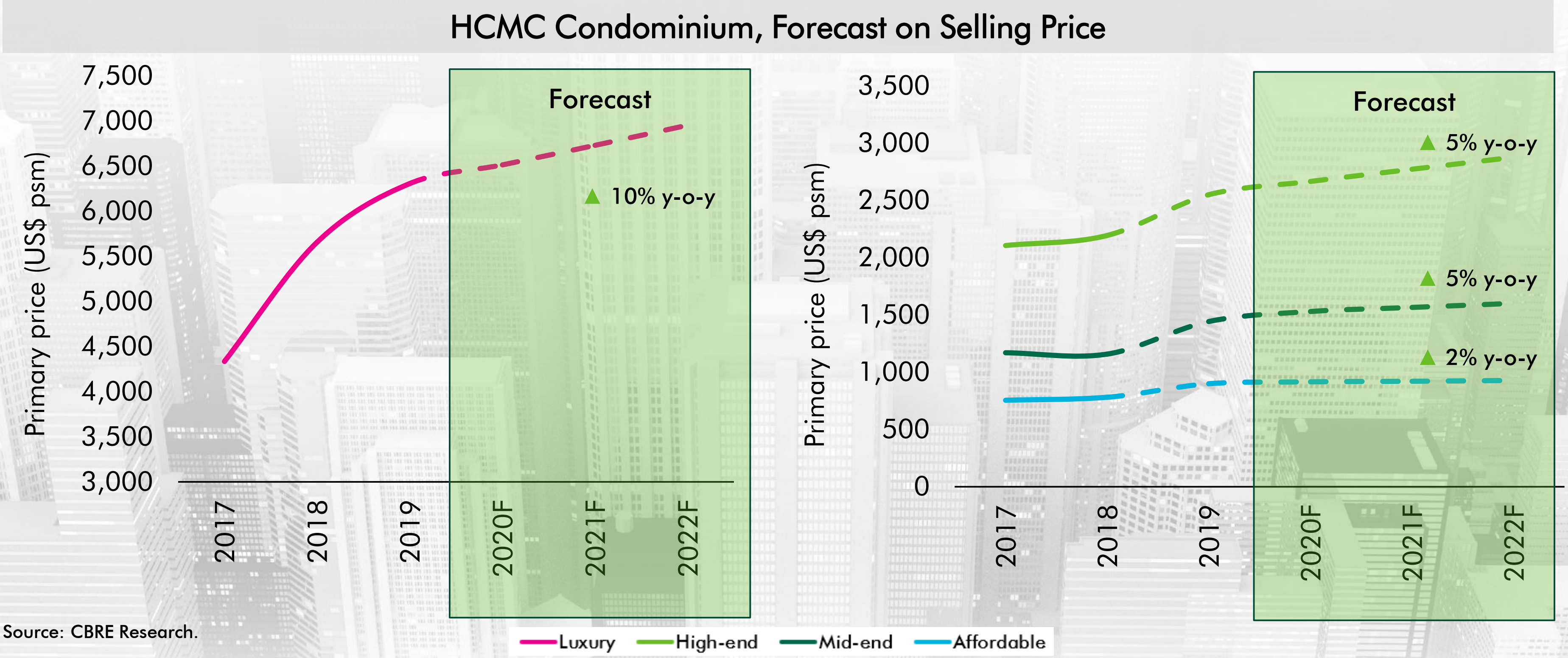

Swan Bay

MARKET OUTLOOK



Source: CBRE Research.

MARKET OUTLOOK



Source: CBRE Research.

TO SUM UP 2019

MARKET SLOWDOWN

SCENARIOS FOR 2020

1 OBSTACLES REMOVED

- Lack of control
- Burden of supply

→

- Competitive selling price
- Inventory increases
- Weak secondary market
- Weak rental market
- Concern on product quality

2 CONTINUED LACK OF SUPPLY

- Active secondary market – threat of overvaluation
- Investors looking for other channels/markets

→

- Suburban/ regional market
- Inventory drying up
- High selling price

MARKET OUTLOOK 2020

Demand heats up, driven by the growing number of **millennials** entering the market.

Developers are **well-positioned to increase profits** thanks to the shortage of existing condos for sale

2020 will be a **challenging year for buyers,** not because of what they can afford but rather what they **can't find**

Investor has **more incentive to sell** due to **higher margin** on the secondary market

VIETNAM 2030

HOME AUTOMATION IS THE NORM

FOREIGN BUYER CAP INCREASES TO 50%

WAITING FOR METRO TO COME HOME

VIETNAM NATIONAL FOOTBALL TEAM TO PLAY IN WORLD CUP


PROPERTY
INSIGHT

AN INSIGHT INTO THE LUXURY SEGMENT

WHAT DEFINES LUXURY?

Source: Luxury Defined 2018, Christie's International Real Estate

LOCATION, LOCATION AND LOCATION

PERFECT VIEW

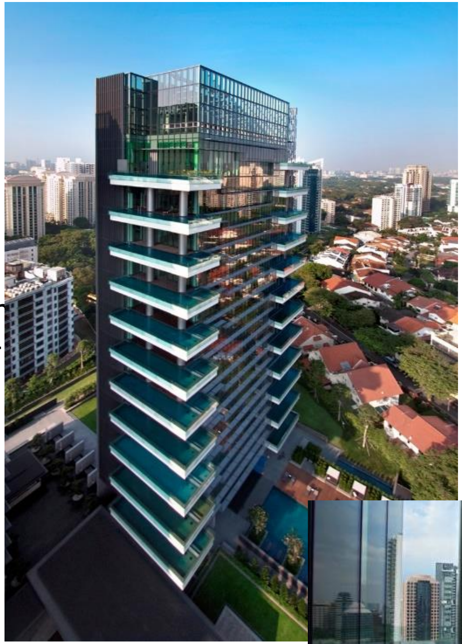
TOP-OF-THE-LINE QUALITY & DESIGN

Infinity pool with a private water slide
@ Odeon Penthouse, Monaco

The World Tallest Vertical Garden
@ One Central Park, Sydney

An unique column-free curving design
@ One Thousand Museum, Miami

A UNIQUE LEVEL OF EXCLUSIVENESS



Or
64

The Marq On Paterson Hill, Singapore

- Private elavator
- Private lap pools

Porsche Design Tower, Miami

- Automated car elevators
- No valet required, residents' vehicles are self-accessible, allowing highest level of privacy

ULTRA MODERN AMENITIES

Tech Lover's Paradise

- Home automation:
- Smart thermostat: use phone to change the temperature in apartment and adjust it to fit your schedule and habits.
- Rollable TV

Unparalleled Convenience

- rooftop running tracks
- dog parks,
- outdoor movie theaters,
- residents-only bars and restaurants.
- Feng shui consultant

Hotelisation

- Hotel-style room service
- In house fashion style coordinator
- Doorman
- Bellman
- Dry cleaning pick up

100% SAFETY AND SECURITY

Face ID system

Camera and Face ID system

Fully automated mechanised car-park system

BRANDED

Branded Residences

THE RITZ-CARLTON RESIDENCES
BANGKOK

FOUR SEASONS
PRIVATE RESIDENCES
BANGKOK AT CHAO PHRAYA RIVER
A COUNTRY GROUP DEVELOPMENT

8 CONLAY
BRANDED SERVICED RESIDENCES
yoo8
SERVICED BY
Kempinski

MANDARIN ORIENTAL

Branded Décor Material


Living room decorated by Hermès


Ralph Lauren styled home option

Branded Finishing Material

GESSI

GAGGENAU

Küppersbusch
FÜR KÜCHEN MIT STIL

LUXURY MEANS ...

CBRE

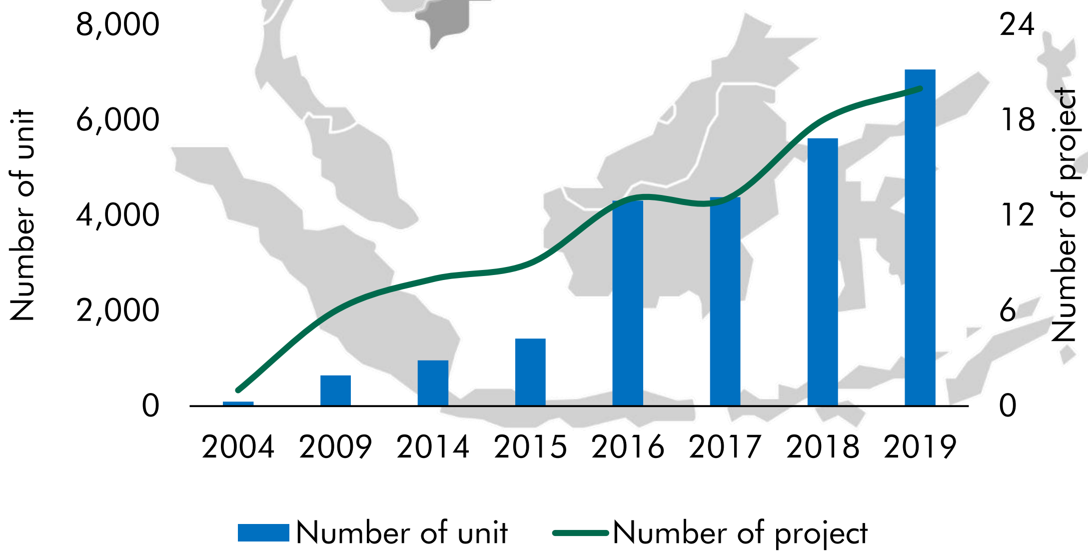
VIETNAM LUXURY CONDOS

VIETNAM: DEFINED MAINLY BY PRICING LEVEL

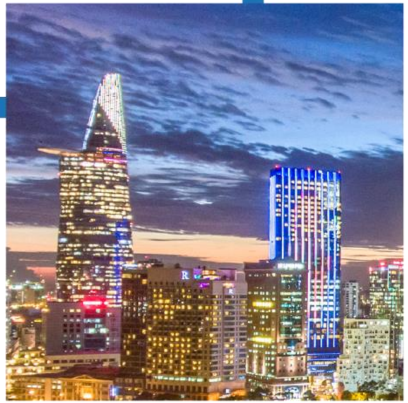
Any product launched at US$4,000 psm and above is a luxury

A DAWN OF THE LUXURY SEGMENT IN HCMC

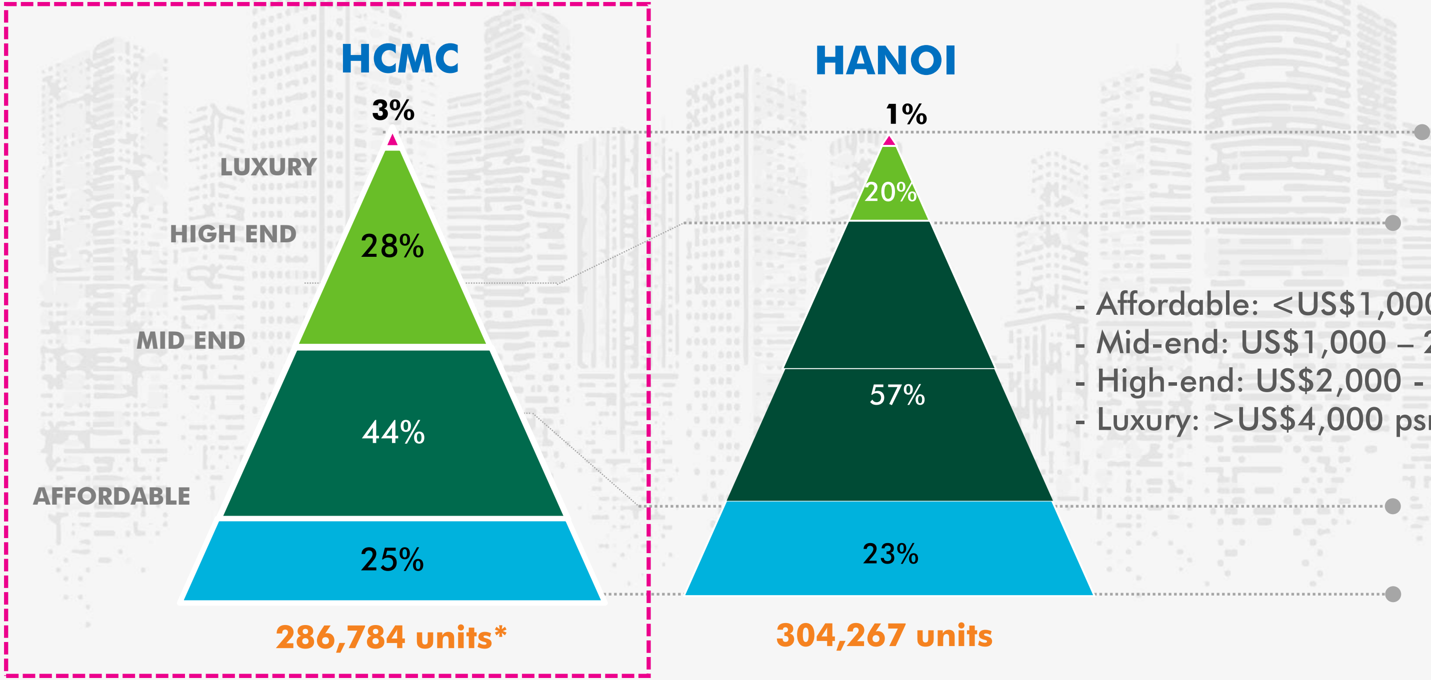
Luxury segment, New launch supply vs. Sold units



20
PROJECTS
AND
7,000
UNITS



LUXURY SUPPLY ACCOUNTS FOR ONLY 3%



- Affordable: <US$1,000 psm
- Mid-end: US$1,000 – 2,000 psm
- High-end: US$2,000 - $4,000 psm
- Luxury: >US$4,000 psm

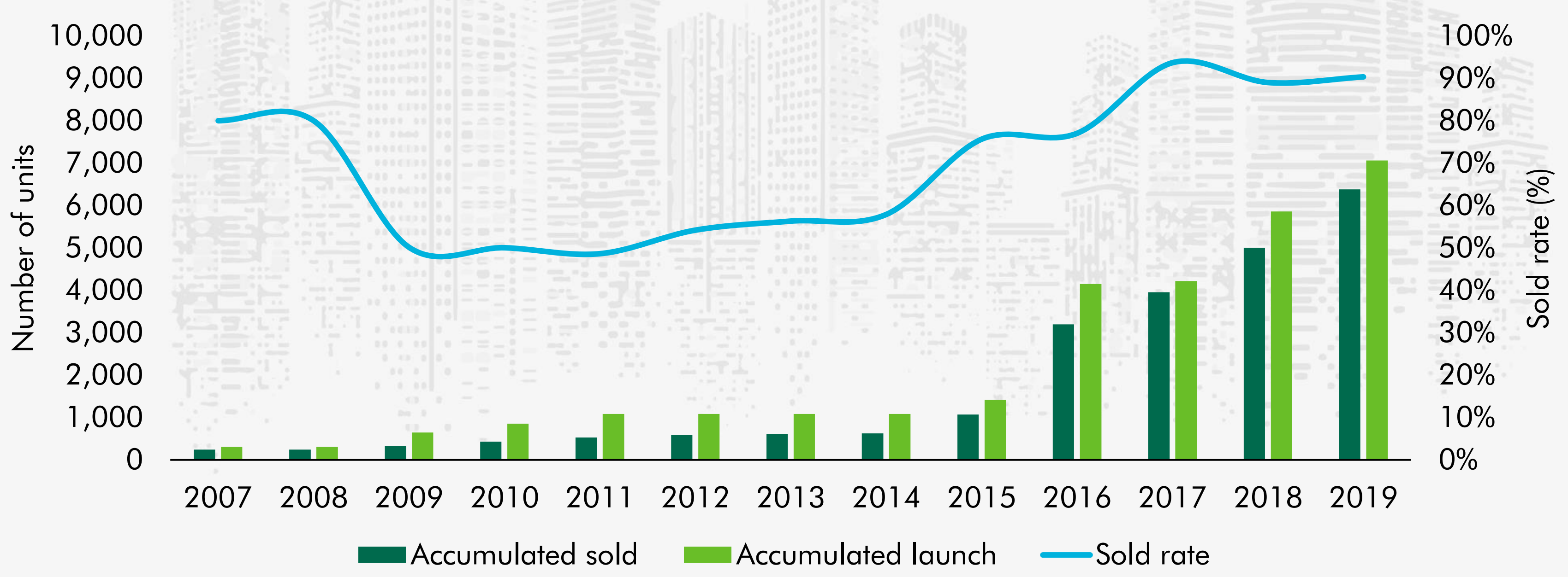
(*): Accumulative launches since 1999, including both completion and under construction units, sold and unsold units.

Source: CBRE Vietnam, Q4 2019.

Vinhomes Golden River
Landmark 81
Vinhomes Dong Khoi
The VERTEX
The Metropole
Empire City
Grand Manhattan

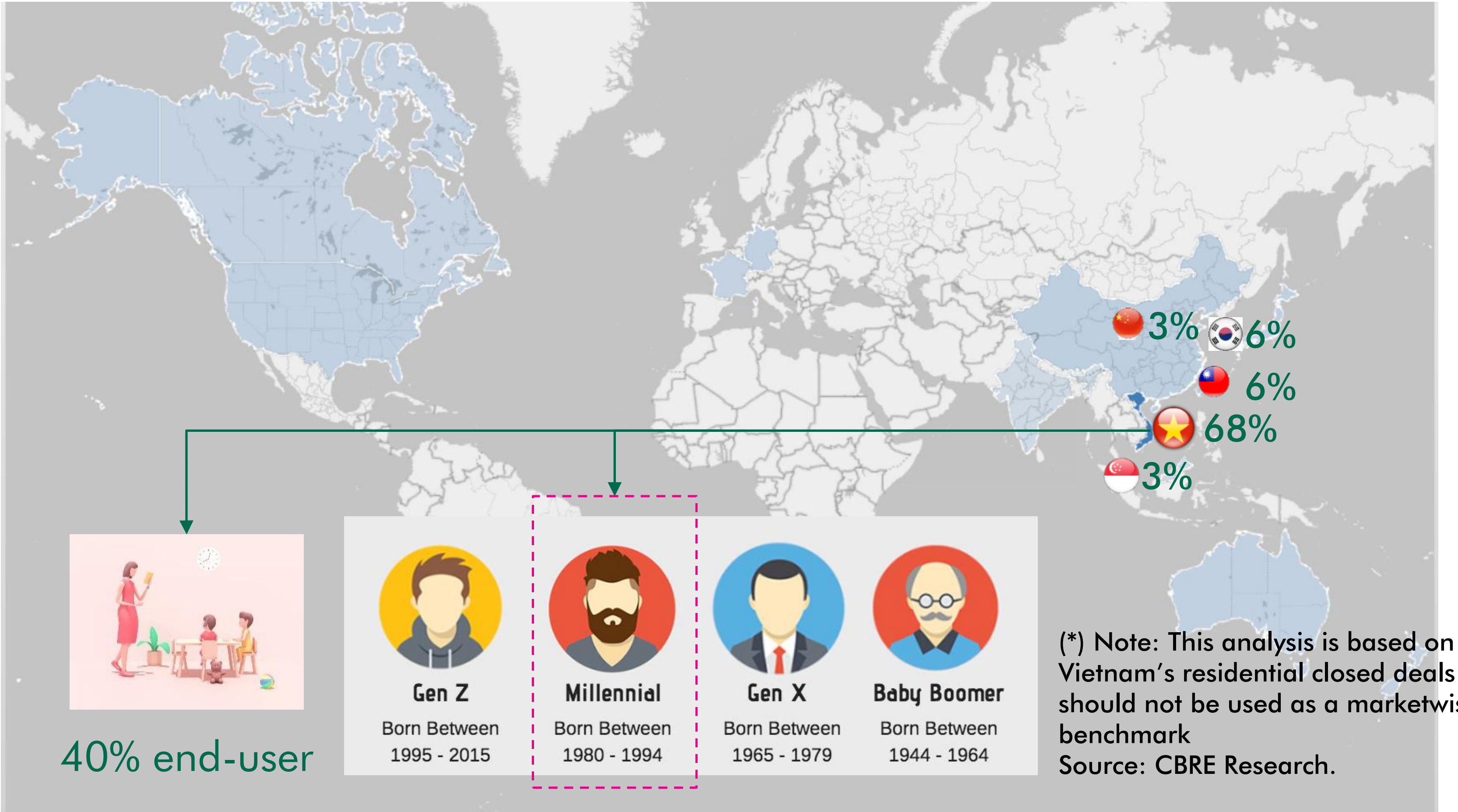
SOLD UNITS – FUTURE CBD IS NEW HOT SPOT

Luxury segment, New launch supply vs. Sold units



Source: CBRE Research.

LUXURY BUYER PROFILES BASED ON TRANSACTIONS BY CBRE



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

A POSITIVE PRICE GROWTH AND CAPITAL GAIN

Average Price

US$6,308 psm

Price Growth

12% y-o-y

Capital Gain

~30% in three years

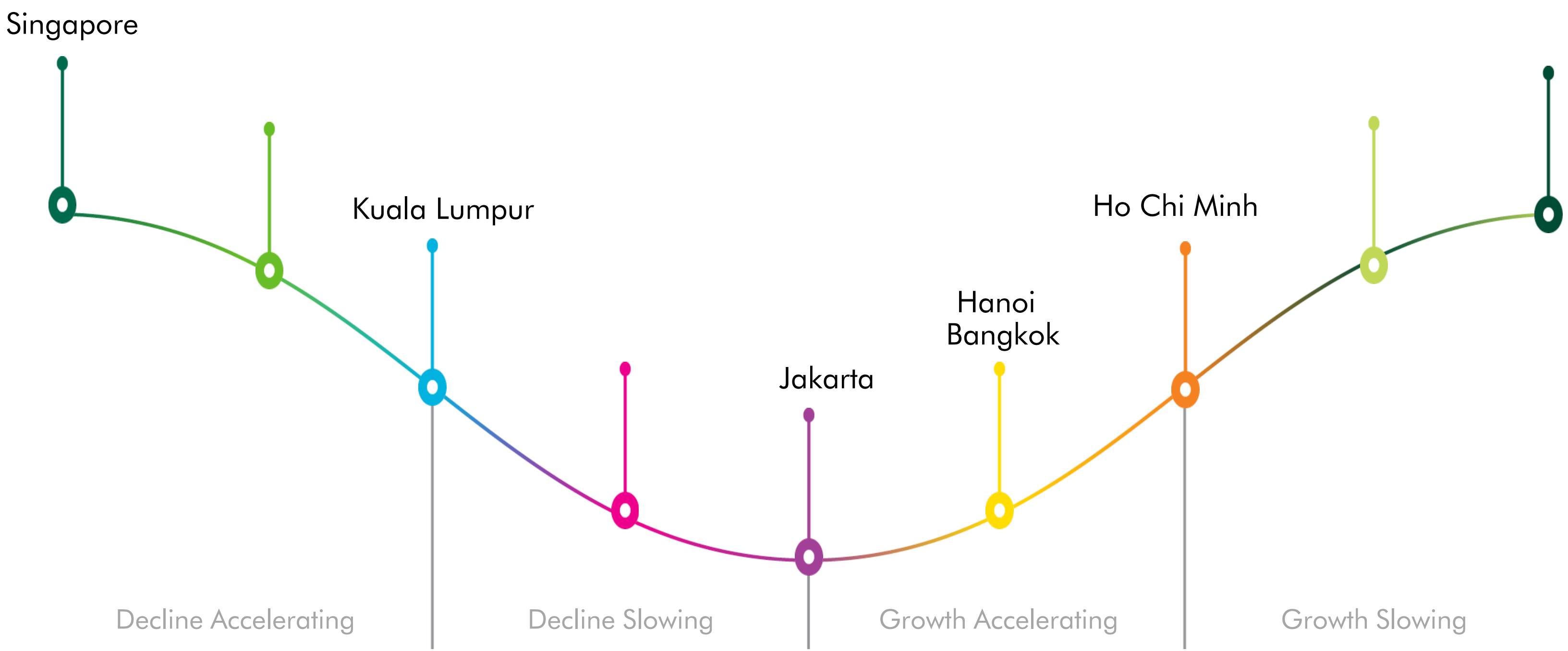
Rental Yield

3% - 4%

CBRE

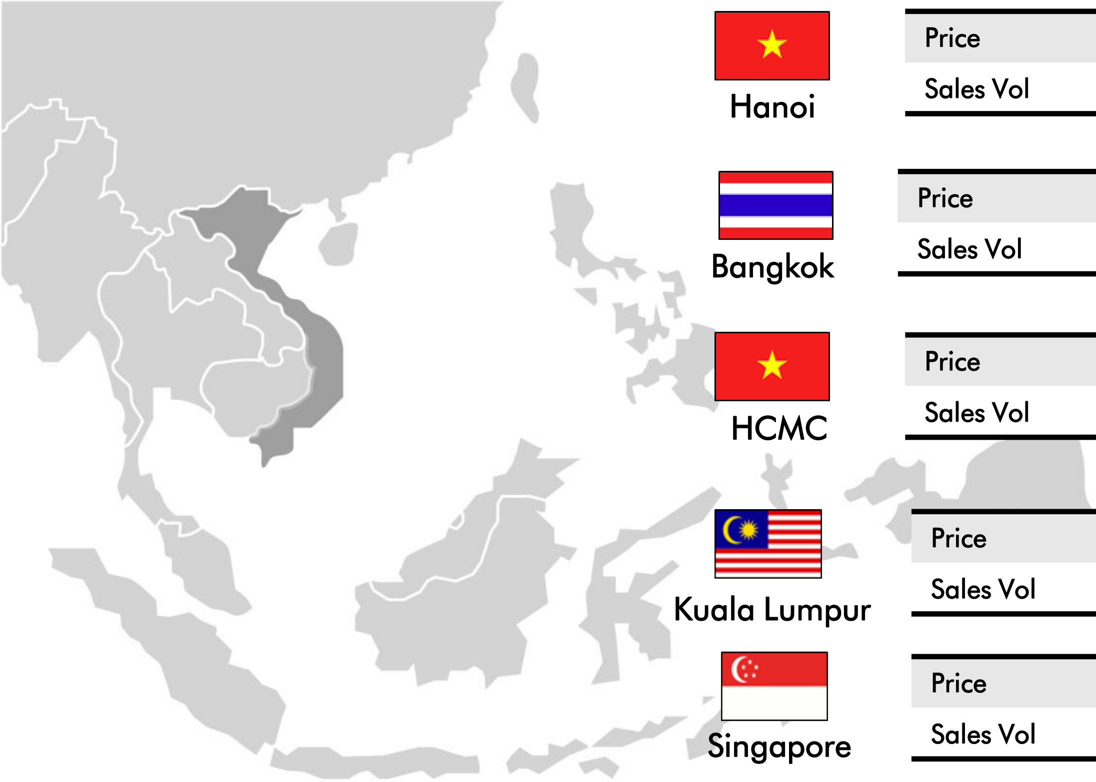
REGIONAL COMPARISON

SEA PRIME RESIDENTIAL PRICE CYCLE (Q3 2019)



Source: CBRE Research.

HCMC IS STILL ATTRACTIVE AMONG SEA MARKET



	Price	Sales Vol
Hanoi	→	↓
Bangkok	↑	↓
HCMC	↑	↑
Kuala Lumpur	→	
Singapore	↓	↑
Jakarta	↓	↓

MARKET OUTLOOK

A HIGH VALUE MARKET TO FOREIGN INVESTORS

BUSINESS INSIDER 16/03/2019

The luxury real-estate market in Vietnam is heating up — and it's luring foreign buyers in with 'sky mansions' at a fraction of what their cost would be in NYC or Hong Kong

Real Estate 19/02/2019

The Hot New Market for Luxury Property Is Vietnam

Bloomberg

The Saigon Times 10/04/2019

Vietnamese property most attractive in Southeast Asia: Japanese exec

Source: retrieved from Bloomberg, The Saigon Times, Business Insider, date 28th June, 2019.

HCMC IS A TOP MARKET TO WATCH

City	2020 ranking
Singapore	1
Tokyo	2
Ho Chi Minh City	3
Sydney	4
Melbourne	5
Shenzhen	6

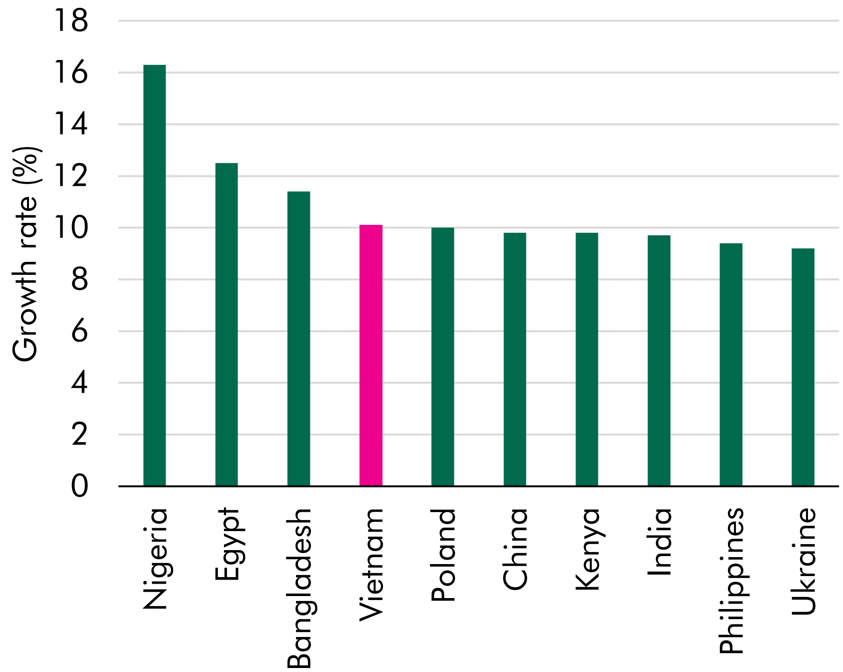
The Korea Times 30/09/2019

Korean billionaires eye Vietnamese real estate

Source: PwC, Urban Land Institute

RISING HIGH NET WORTH INDIVIDUALS

Top 10 fastest-growing high net worth countries (2018-2023)



Source: Wealth-X

Luxury car set up showrooms

Image: CBRE Research.

LUXURY HOME TRENDS

Hotelisation of home space: hotel-like living in the house

Branded Residence to attract foreign buyers

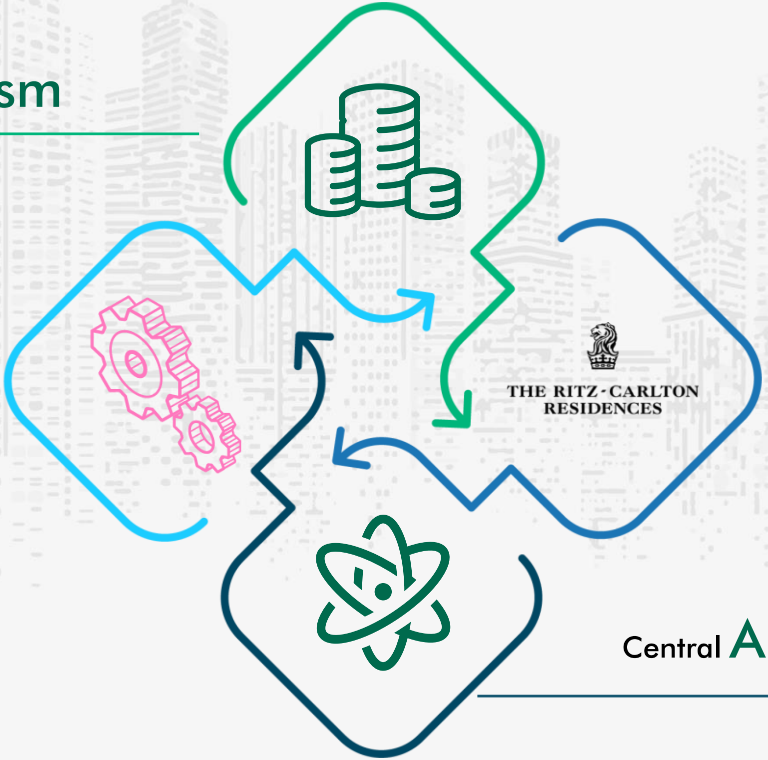
Eco-friendly lifestyle will lead the market

Luxury no longer means spacious, rather it is a state of mind

VIETNAM LUXURY CONDO 2030

Selling Price
US$35,000 psm

PRIVATE LIFT is a Norm



The first
RITZ-CARLTON residence

Central AIR PURIFIER

LUXURY IS UNLIMITED

THANK YOU

For more information regarding this presentation please contact:
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