

# Residential For Sale Snapshot

## Q4 2016

Ho Chi Minh City, Vietnam



### HO CHI MINH OFFICE

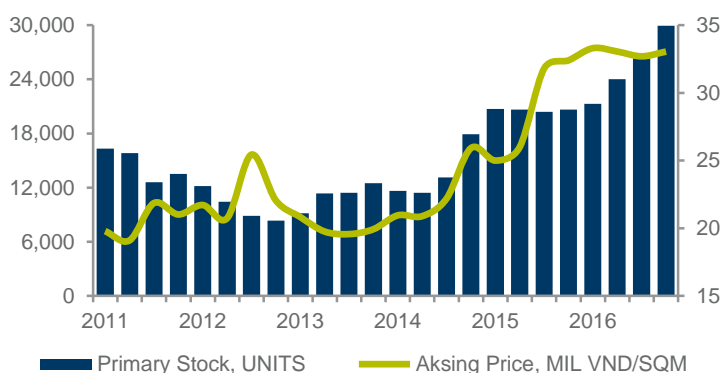
#### Economic Indicators

	2015	2016	12-Month Forecast
GDP Growth (%)	6.68	6.21	▼
CPI (%)	0.63	2.66	▲
Inward FDI (billion US\$)	22.76	24.37	▲

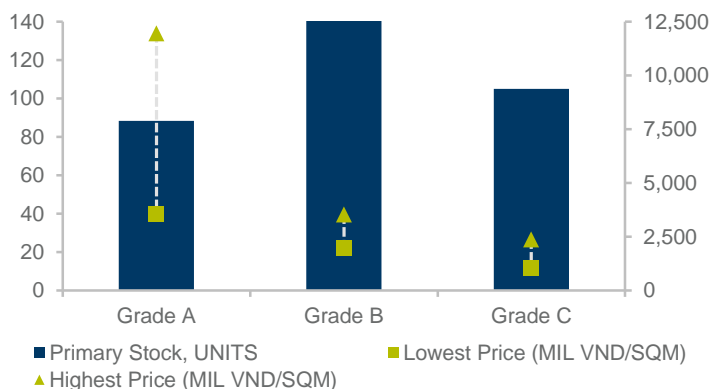
#### Market Indicators

	Q4 15	Q4 16	12-Month Forecast
Primary supply (units)	20,049	29,950	▲
Overall Absorption Rate (%)	35.0	28.0	▼
Overall Average Price (mil VND/sq.m)	32.7	33.1	▲

#### Overall Primary supply/Asking Prices Q4 2016



#### Primary Stock/Price Range by Grade Q4 2016



\* ALL PRICES ARE VAT EXCLUDED

### Economy

Despite difficulties in agricultural production caused by natural disasters and falling industrial growth, as well as certain impacts from the unstable global economy and politics, Vietnam's GDP for 2016 was still recorded an acceptable growth at around 6.2%; while inflation was still well under control at 2.66%. Vietnam also recorded trade surplus of around \$2.6 billion, an improvement over the trade deficit of around \$3.5 billion in 2015.

Total inward FDI into Vietnam (both newly registered and adjusted capital) reached US\$24.37 billion, up 7.1% y-o-y; implemented FDI was estimated to have reached US\$15.8 billion, up 9% y-o-y. The manufacturing and processing industry attracted the largest shares to comprise 64.6% of registered capital, followed by real estate with 10.1%. Korea was the leading investor, contributing 36.3% of total new investment.

### Market Overview

**There was a significant increase by 10% q-o-q in new supply this quarter, totaling 9,800 units from both new and active projects, of which more than 40% are concentrated in the Eastern region.** As of Q4 2016, there are nearly 30,000 available units for sale across all grades in the primary market, up 11% q-o-q and 49% y-o-y, of which Grade B led the market, accounted for 42%, whilst Grade C and Grade A contributed 31% and 27% respectively. Districts 2, 7, 8 and Binh Thanh dominated the market, accounting for over half of the total primary stock.

**Market performance showed an improvement on both a quarterly and yearly basis, with transaction volume rose 11% q-o-q and 19% y-o-y, of which 75% constituted by Grade B and Grade C.** District 2 led the market share, accounting for one-third of total transactions this quarter.

**Price level across all grades recorded an increase on year, mainly due to the higher prices being offered by new projects.** Whilst Grade B's price up nearly 5% q-o-q and 1% y-o-y, stood at VND30.7 million per square meter (/sq.m) (US\$1,348/sq.m); and Grade C's up 3% q-o-q and over 7% y-o-y, to nearly VND20.3 million/sq.m (US\$889/ sq.m), that of Grade A's down by 4% on quarter but rose nearly 12% on year; reaching VND52.4 million/sq.m (US\$2,303/sq.m).

### Outlook

In 2017, over 30,000 units are expected to be launched, of which nearly 70% of the total future stock is concentrated in Eastern region. There remains huge demand in the affordable segment, however, mid to high-end projects that situated in prime location will continue to attract the investors. Market sentiment is expected to continually improve in the short to medium term.

MARKETBEAT

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SUMMARY BY GRADE	TOTAL PROJECTS	INVENTORY (UNITS)	NET ABSORPTION	AVERAGE PRICE LEVEL* (MIL VND/SQM)
Grade A	37	7,900	26.6%	52.4
Grade B	56	12,680	27.1%	30.7
Grade C	54	9,380	30.5%	20.2
<b>TOTAL</b>	<b>147</b>	<b>29,950</b>	<b>28.0%</b>	<b>33.1</b>

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### Significant Projects Launched In Q4 2016

PROPERTY	LOCATION	EXPECTED COMPLETION DATE	UNITS LAUNCHED	MARKET APPROACH
Saigon South Residence	District 7	2019	960	New launch
Palm Heights	District 2	2019	800	New launch
Empire City – Linden Residences	District 2	2020	520	New launch
The View – Riviera Point Phase 2	District 7	2019	500	New launch
Viva Riverside	District 6	2018	460	New launch
La Astoria 2	District 2	2019	400	New launch
Terra Royal	District 3	2019	370	New launch
Duc Long Gia Lai	District 7	2018	360	Added
Lancaster Lincoln	District 4	2019	350	New launch
Park Vista	Nha Be	2019	320	New launch
Homyland 3	District 2	2019	300	New launch
Him Lam Phu An	District 9	2018	300	New launch
Diamond Island Phase 2	District 2	2019	260	Added
Saigon Pearl – Opal Tower	Binh Thanh	2019	220	New launch
Park Hills	Go Vap	2018	220	New launch
Feliz En Vista	District 2	2019	250	New launch
Sarina Condominium	District 2	2018	190	New launch
City Garden Phase 2	Binh Thanh	2019	160	Added

### Significant Projects Under Construction Q4 2016

PROPERTY	EST. NUMBER OF UNITS	LOCATION	DEVELOPER	EXPECTED COMPLETION DATE
Vinhomes Golden River	3,000	District 1	VinGroup	2017 - 2018
Empire City	3,000	District 2	JV	2020 - 2022
Saigon South Residences	1,800	District 7	Phu My Hung Corporation	2019
Palm Heights	800	District 2	Keppel Land	2019

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