

CBRE RESEARCH | APAC

# REAL ESTATE MARKET OUTLOOK 2020

VIETNAM

HCMC

THURSDAY, 9 JANUARY 2020





## CONTENT

HCMC OFFICE SECTOR

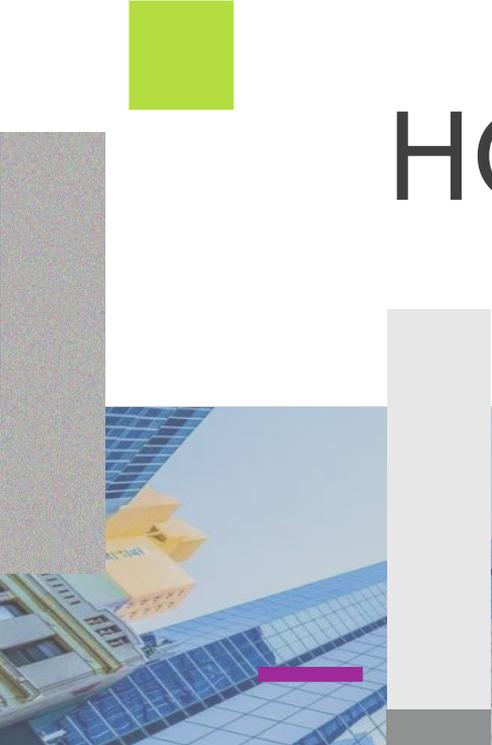
**01**

HCMC RETAIL SECTOR

**02**

HCMC RESIDENTIAL SECTOR

**03**



# HCMC Office Market

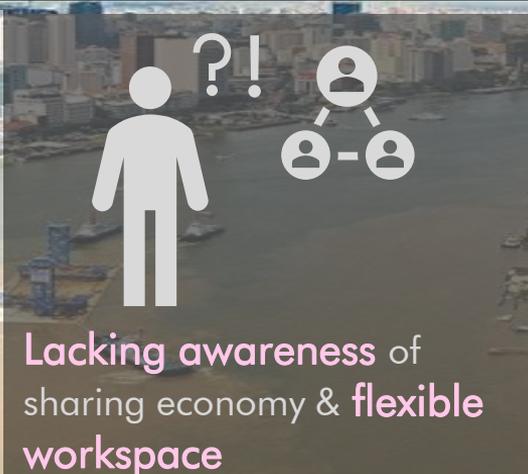
# LOOKING BACK TO THE LAST 10 YEARS



# LOOKING BACK TO THE LAST 10 YEARS



Total Supply: **>400k sqm**  
**NLA**, low quality buildings



Lacking awareness of sharing economy & **flexible workspace**



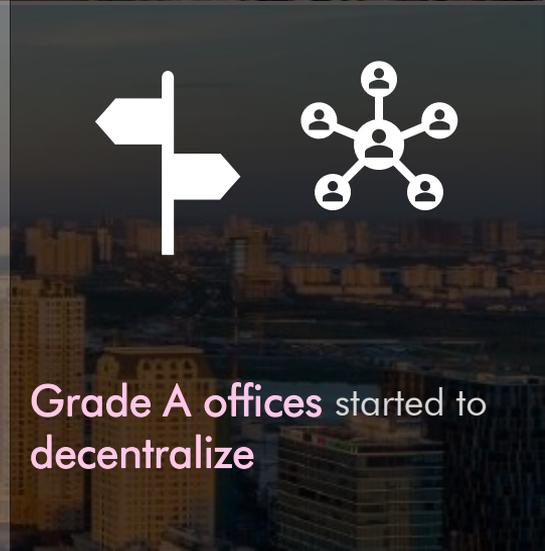
**Grade A offices** were only in the **CBD area**



Total Supply: **>1.3 mil sqm**  
**NLA**, international-quality buildings



**Flexible Workspace** is **no. 1 trend** of office market



**Grade A offices** started to **decentralize**

# 2019 KEY STORIES



## SUPPLY

# 1

The largest new supply in 5 years (150,000 sqm NLA)



## PERFORMANCE

# 2

More Grade B buildings available for lease but Grade A in CBD remained steady



## DEMAND

# 3

Major leasing demand came from tech firms & local flexi-spaces



## OPPORTUNITY

# 4

A lucrative market for head lease - to - sublease



# MARKET SNAPSHOT 2019



## GRADE A



**TOTAL SUPPLY**  
NLA (sqm)

**445,313** ▲ 16% y-o-y  
sqm NLA

**17** projects



**ASKING RENT\***

**US\$ 45** ▼ -2.7% y-o-y **CITY WIDE**

**US\$ 50** ▲ 1.0% y-o-y **CBD**

US\$/sqm/month



**VACANCY RATE**

**9.1%** ▲ 4.1 pts y-o-y **CITY WIDE**

**3.1%** ▼ -2.8% y-o-y **CBD**

(%)

**2 Towers**

**7**

**NEW PROJECTS**

**5 Towers**

## GRADE B



**TOTAL SUPPLY**  
NLA (sqm)

**911,801** ▲ 12% y-o-y  
sqm NLA

**66** projects



**ASKING RENT\***

**US\$ 25** ▲ 6.1% y-o-y

US\$/sqm/month



**VACANCY RATE**

**5.0%** ▼ -3.2 pts y-o-y

(%)

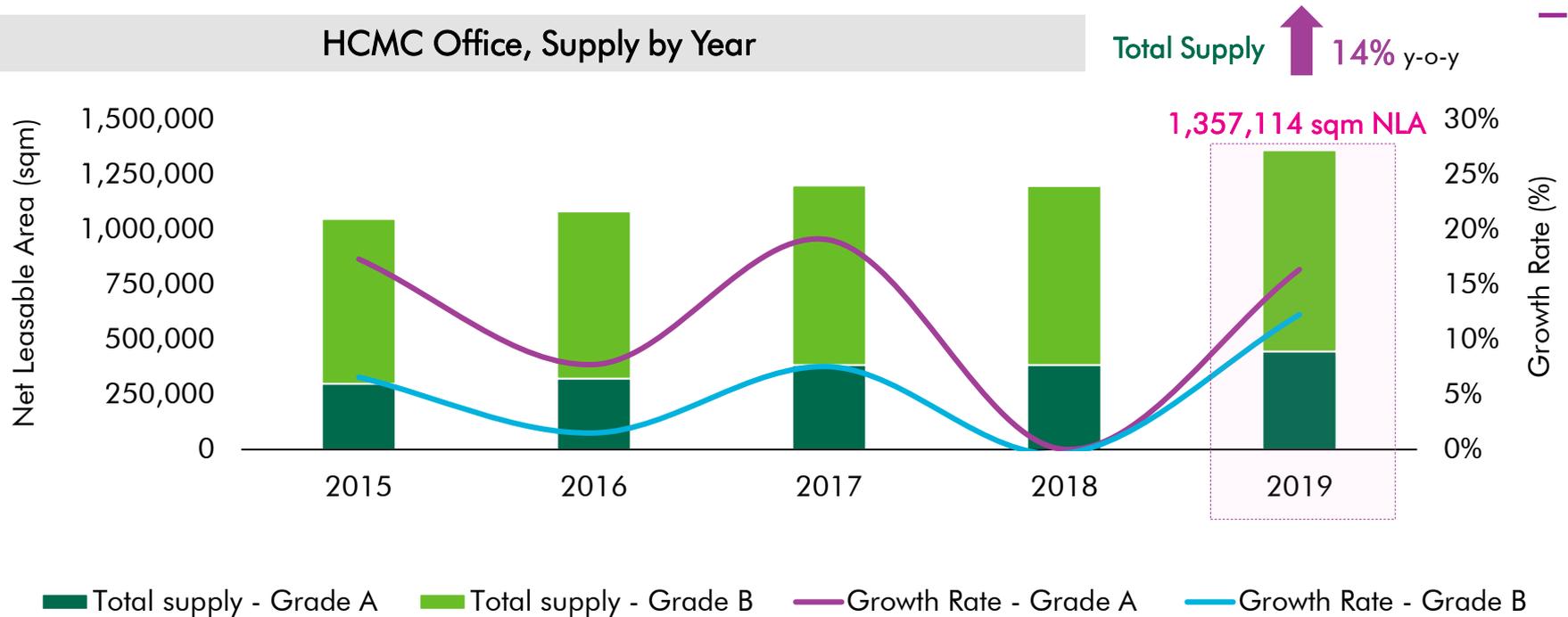
\* Asking rent is quoted on Net Leasable Area, excluding VAT and service charge  
Source: CBRE Research.



THE LARGEST  
NEW SUPPLY  
IN THE LAST  
FIVE YEARS

# MARKET SUPPLY INCREASED SIGNIFICANTLY

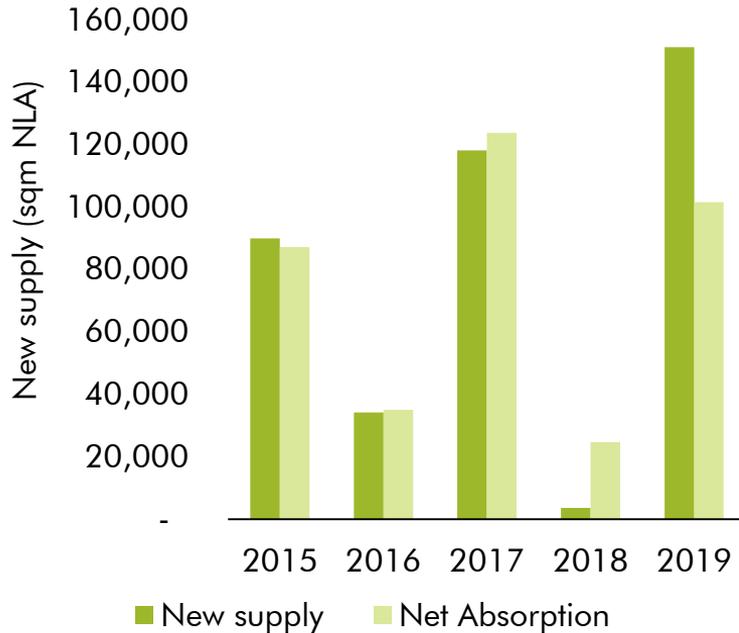
## HCMC Office, Supply by Year



Source: CBRE Research.

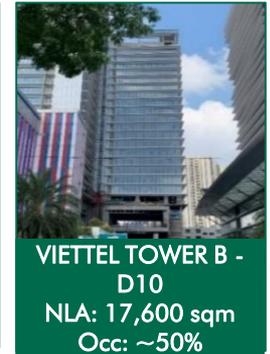
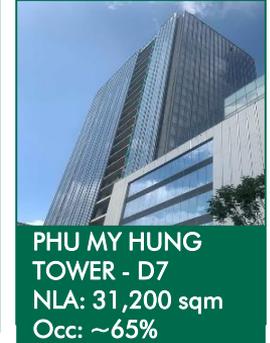
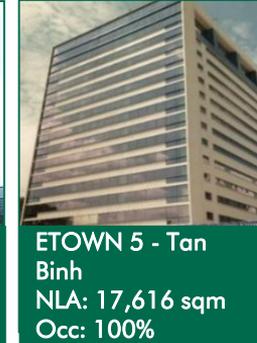
# THE LARGEST NEW SUPPLY IN THE LAST FIVE YEARS

## HCMC Office, New Supply by NLA



Source: CBRE Research.

## HCMC Office, New Supply by Project



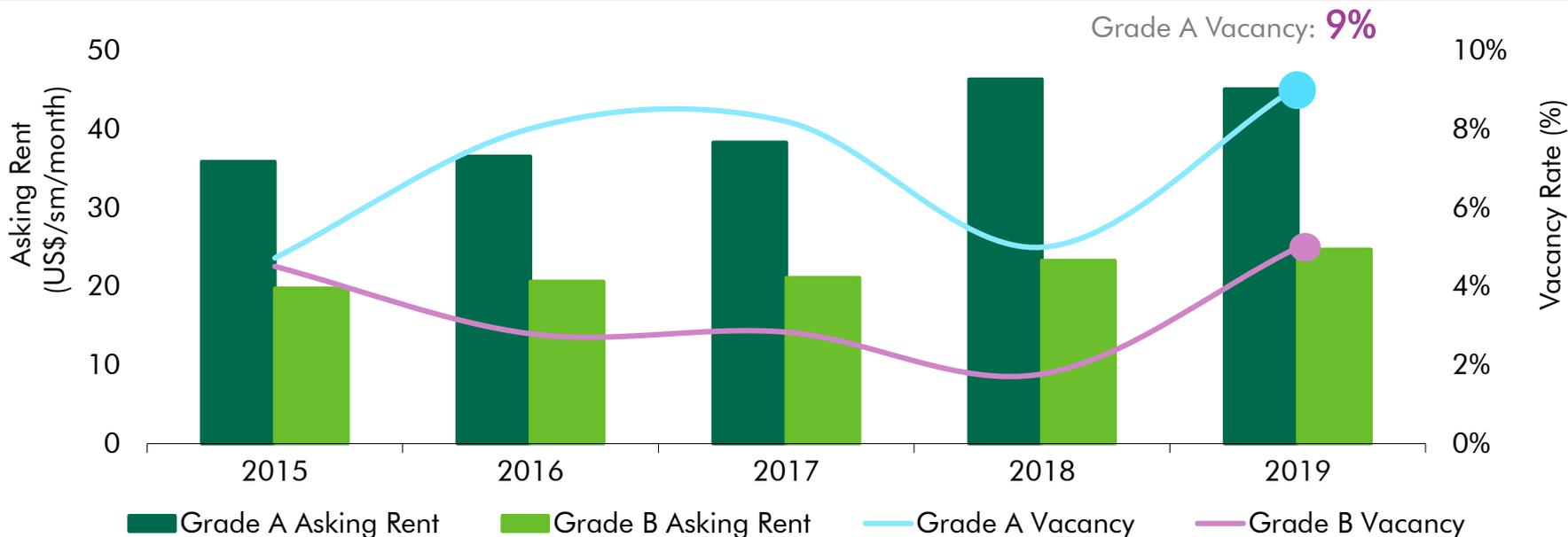


INTENSE  
COMPETITION  
FROM GRADE B  
SEGMENT

# MODERATE RENTAL GROWTH COMPARED TO 2018



## HCMC Office, Asking Rent & Vacancy Rate



\* Asking rent is quoted on Net Leasable Area, excluding VAT and service charge  
 Source: CBRE Research.



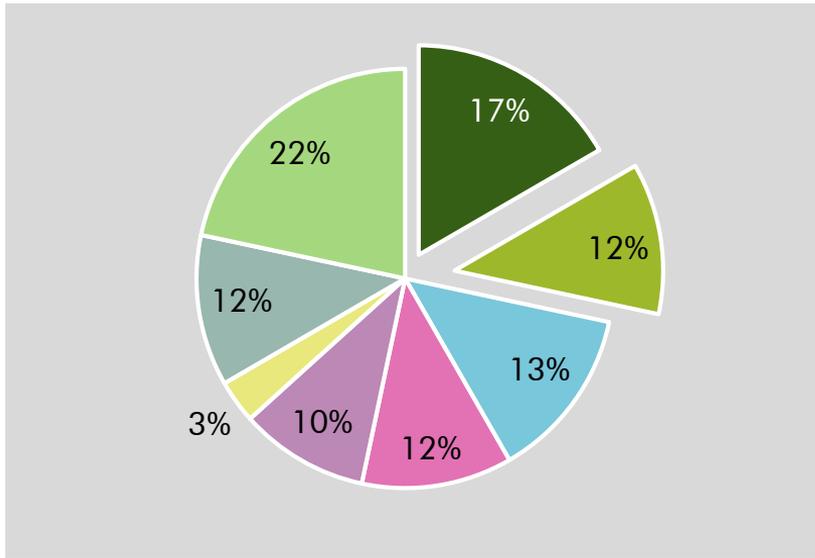
**TECH FIRMS &  
FLEXI SPACES  
TAKE THE LEAD**

# TECH FIRMS & FLEXI SPACES TAKE THE LEAD



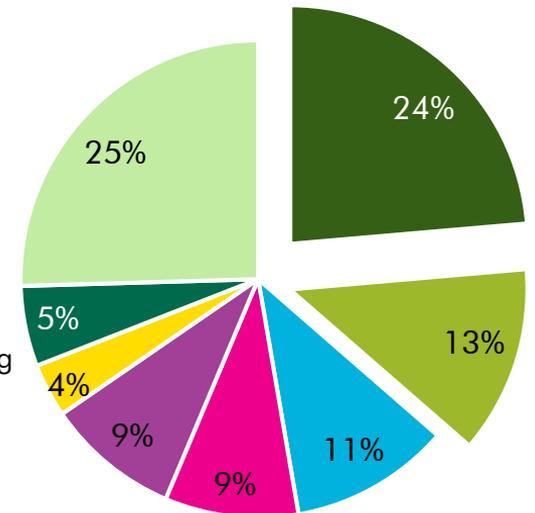
## HCMC Office, Tenants by Industry, Major Transactions Collected & Closed by CBRE

2018



2019

- Flexible Workspace
- Information Technology
- Finance/Banking
- Manufacturing
- Retail/Trade/E-Commerce
- Media/Communication/Marketing
- Services
- Others

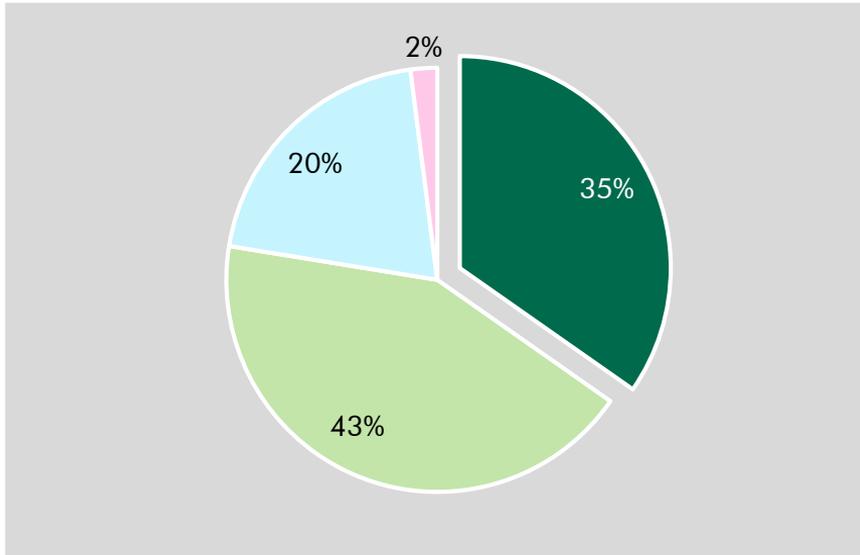


Source: CBRE Research.

# EXPANSION TRANSACTIONS INCREASED BY 10 PPTS Y-O-Y

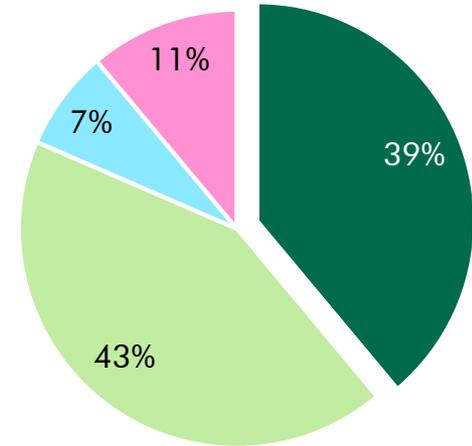
## HCMC Office, Tenants by Leasing Purpose, Major Transactions Collected & Closed by CBRE

2018



2019

- Expansion
- Relocation
- Renewal
- New Letting



Source: CBRE Research.

# LOCAL FLEXI OPERATORS CONTINUED TO GROW FURTHER

**Up Five Star – D.1**  
GFA: >5,000 sqm

**Up Deutsches Haus – D.1**  
GFA: ~700 sqm

**Toong Vista Verde – D.2**  
GFA: ~1,000 sqm

**Toong Him Lam – D.7**  
GFA: ~500 sqm

**Up PMH Tower – D.7**  
GFA: >5,000 sqm

Map labels: A U.S Flexi Space, Leo Palace, Compass Office, TÂN THUA ĐÔNG, TÂN QUÝ, TÂN PHONG, AN PHÚ, THAO DIÊN, ĐÀ LẠO, BẾN NGŨ, TÂN HƯNG, TÂN QUÝ, TÂN PHONG, TÂN THUA ĐÔNG, TÂN QUÝ, TÂN PHONG, TÂN THUA ĐÔNG, TÂN QUÝ, TÂN PHONG.

**Rentalization solution for enterprises**

**Be @ Up Viettel**

**Yeah!! @ Up Le Meridien**

**Noticeable Local operators in HCMC**

# TECH FIRMS BUILT THEIR OWN OFFICE BUILDINGS TO MEET THEIR NEEDS OF RAPID EXPANSION



**VNG Campus – Tan Thuan Industrial Park – D.7, HCMC**  
Land Area: >40,000 sqm  
Completed



**CMC Space – Tan Thuan Industrial Park – D.7, HCMC**  
Land Area: >13,000 sqm  
Under construction



**FPT R&D Center – Hi-tech Park Long Thanh My Ward, D.9**  
Land Area: >42,000 sqm  
Under construction

# E-COMMERCE, INSURANCE & LOGISTICS SECTORS ARE ALSO VERY ACTIVE IN 2019



## E-Commerce



Sendo  
Phu My Hung Tower



Shopee  
Sonatus Tower

## Insurance



FWD  
Cienco 4 Tower



AIA  
Landmark 81

## Logistics



Ceva Logistics  
Park IV



Woowa Brothers  
E-Town Central (Flexible workspace)

# F&B & EDUCATION SECTORS PREFERRED TO LOCATE AT RETAIL AREAS



Golden Gate  
Giga Mall



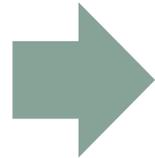
Golden Gate  
Giga Mall



Apollo  
Estella Place



Dairy Farm  
Goldview



## WHY?



Affordable  
Rental Rate



Large spaces &  
easy to fit-out



Can  
accommodate  
high traffic

# A LUCRATIVE MARKET FOR HEADLEASE – TO – SUBLEASE

 PAX SKY



Pax Sky – Ung Van Khiem,  
Binh Thanh District

 DRAGON FLY



Dragon Fly – Tran Cao  
Van, District 1

 TODD'S REALTY



Galleria Metro 6 – Thao  
Dien,  
District 2

 GIC OFFICE  
[www.gicoffice.com](http://www.gicoffice.com)



GIC Tower 1 –  
Binh Thanh District

 The Address

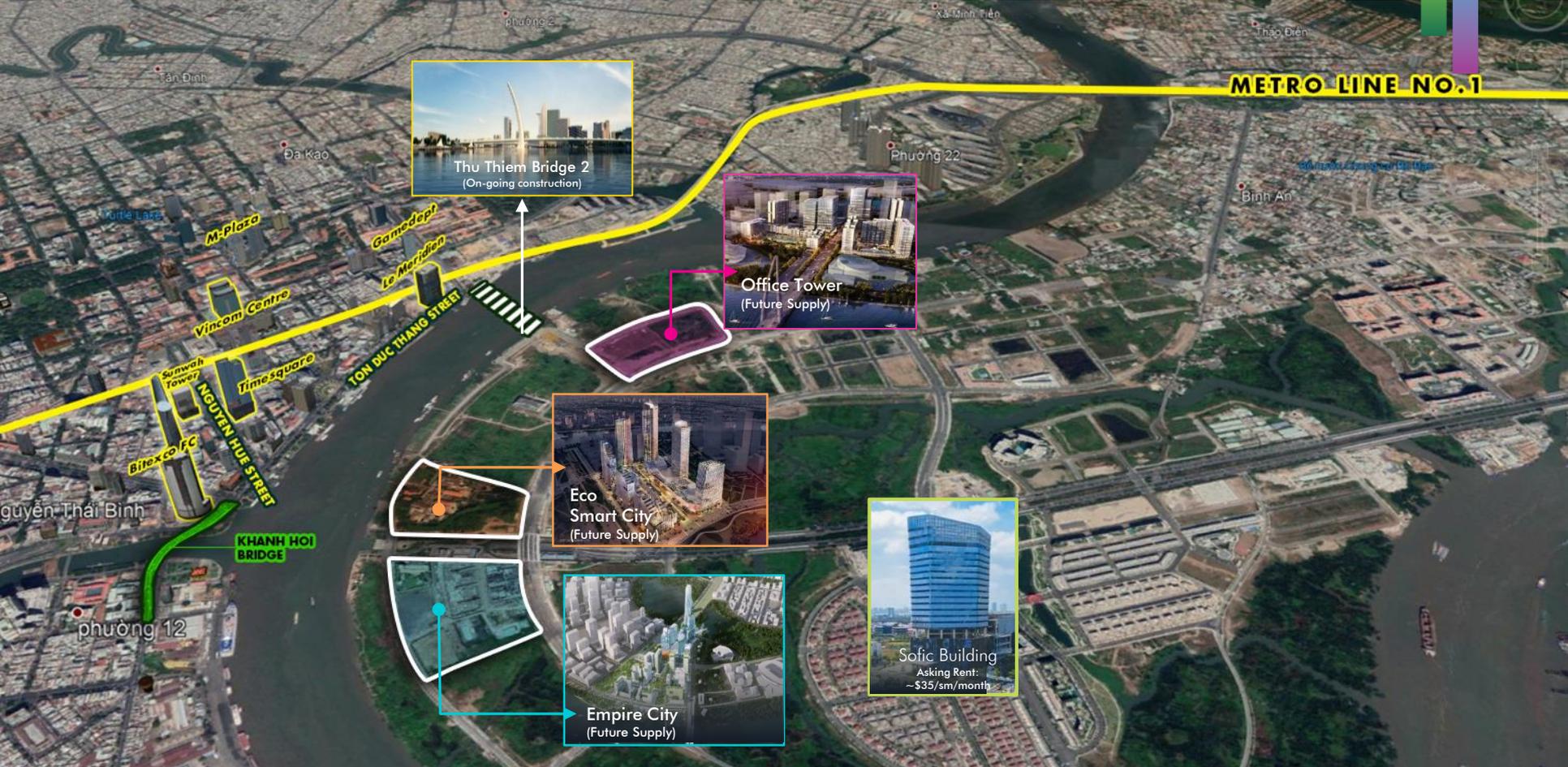


Address Tower 1 –  
Phu Nhuan District

# THU THIEM BRIDGE #2 IS UNDER GOOD CONSTRUCTION



# THU THIEM BRIDGE TO BE COMPLETED IN SEPTEMBER 2020



**METRO LINE NO.1**



**Thu Thiem Bridge 2**  
(On-going construction)



**Office Tower**  
(Future Supply)



**Eco Smart City**  
(Future Supply)



**Sofic Building**  
Asking Rent:  
~\$35/sm/month



**Empire City**  
(Future Supply)

Tân Định  
Đà Kao  
M-Plaza  
Vincom Centre  
Sunwah Tower  
Bijexco FC  
Times Square  
NGUYEN HUE STREET  
KHANH HOI BRIDGE  
phường 12

Gamedepi  
Le Meridien  
TON DUC THANG STREET

Xã Minh Tiên

Trần Diên

Phường 22

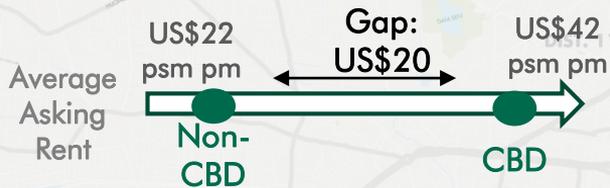
Bình An

Nguyễn Thái Bình

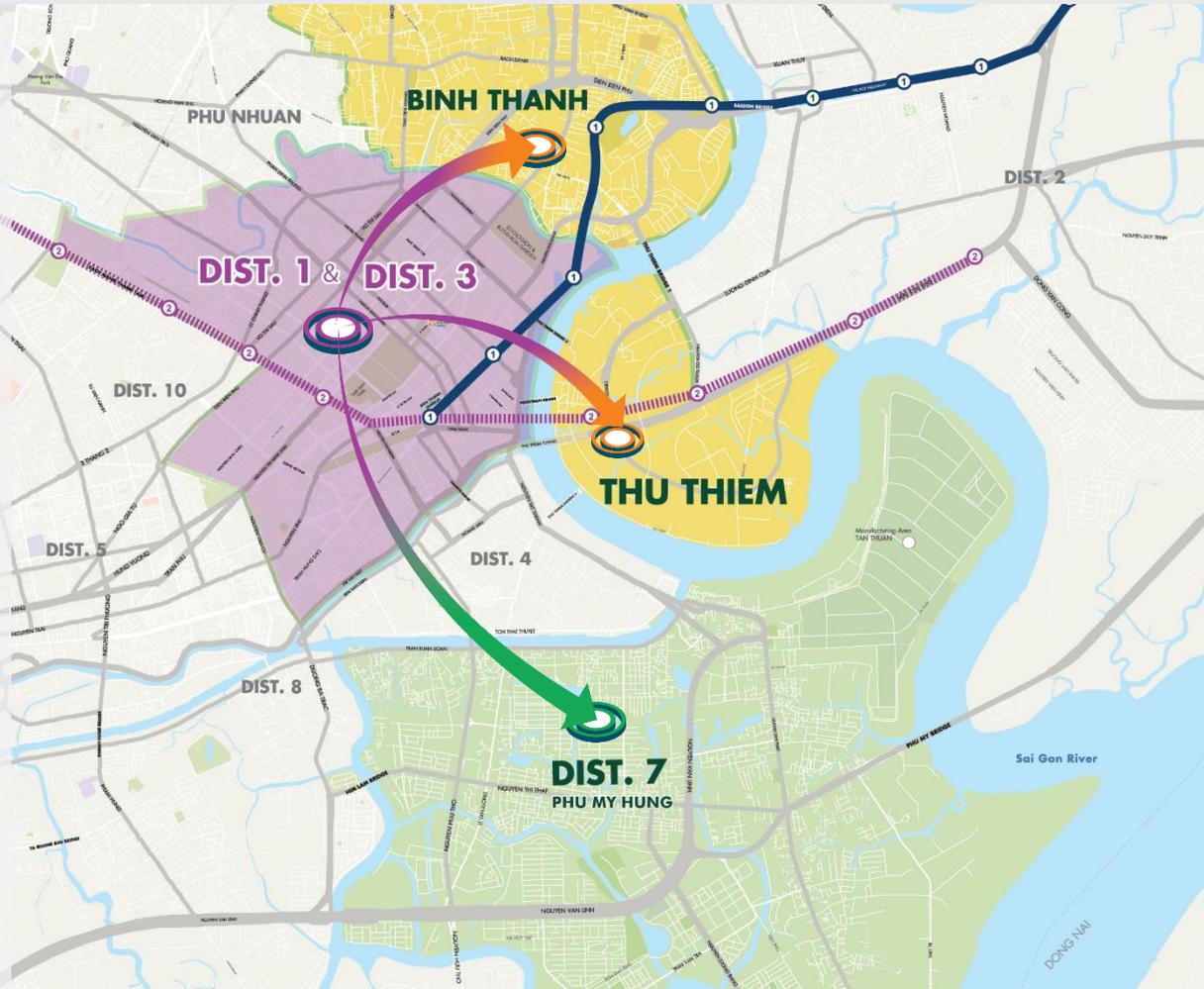
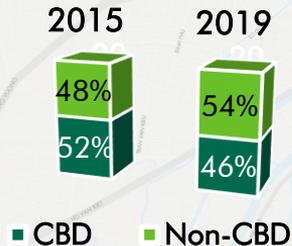
phường 2

# Four major office clusters in HCMC

Rental gap between CBD vs Non-CBD offices, Grade A & B



Supply market share by area



# > 350,000 SQM NLA FROM 11 PROJECTS TO OPEN BY 2022F



## HCMC Office, Notable New Supply, 2020F – 2022F

2020



**Opal – Binh Thanh**  
NLA: 21,732 sqm  
SSG Group



**Friendship Tower – D.1**  
NLA: 13,700 sqm  
CZ Slovakia



**UOA Tower – D.7**  
NLA: 29,940 sqm  
UOA Investment



**CII – Binh Thanh**  
NLA: 18,000 sqm  
CII Investment



**The 67 – D.7**  
NLA: 9,736 sqm  
B.B Dai Minh



**Nguyen Kim Building – D.3**  
NLA: 15,348 sqm

2021



**Vertex – D.1**  
NLA: 18,401 sqm



**A new office, Thu Thiem, D.2**  
NLA: 68,000 sq. m.



**The Graces – D.7**  
NLA: 8,295 sqm  
B.B Dai Minh



**OneHub SG 2– D.9**  
NLA: 16,184 sqm  
CapitalLand



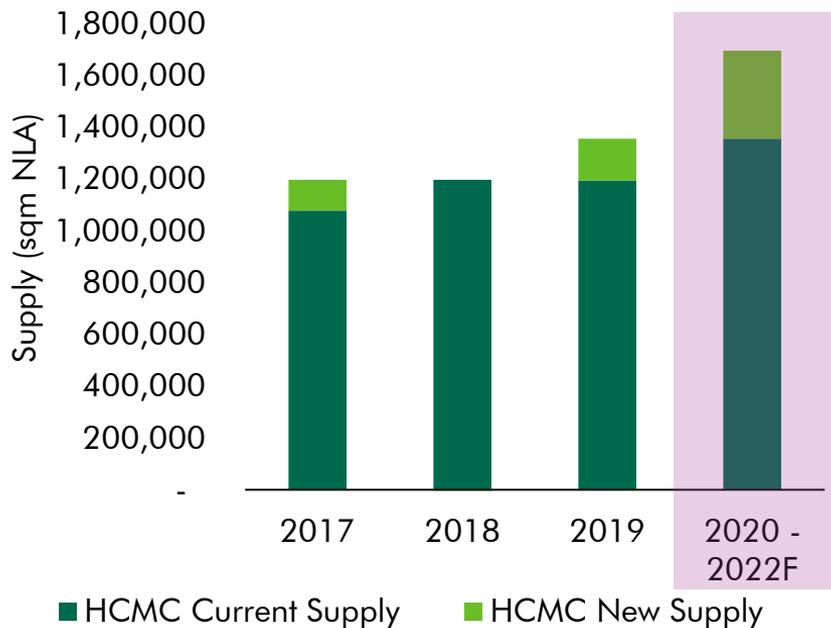
**Cobi Tower 2–D.7**  
NLA: 17,527 sqm  
Cobi One

2022

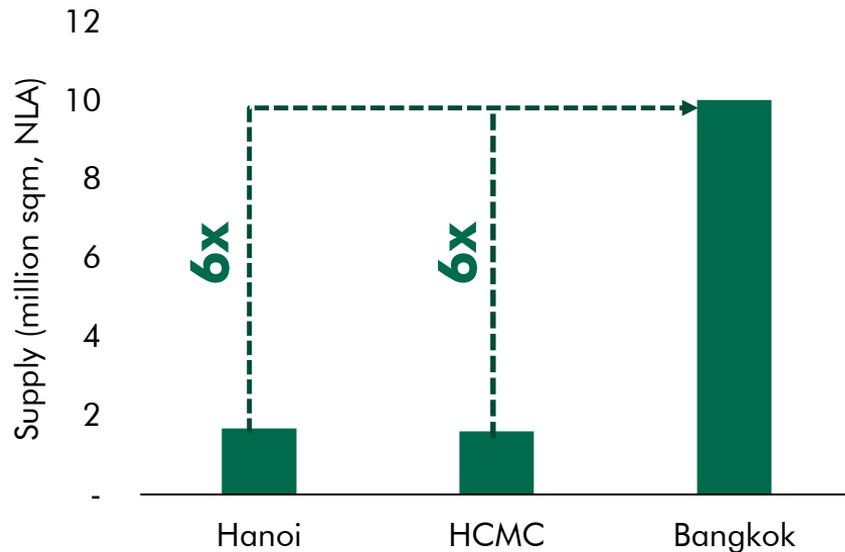
# TOTAL SUPPLY OF BOTH CITIES TO REACH OVER 1.6 MILLION SQM NLA BY 2022F



## HCMC Office, Supply Forecast, 2020F – 2022F



## Regional Comparison

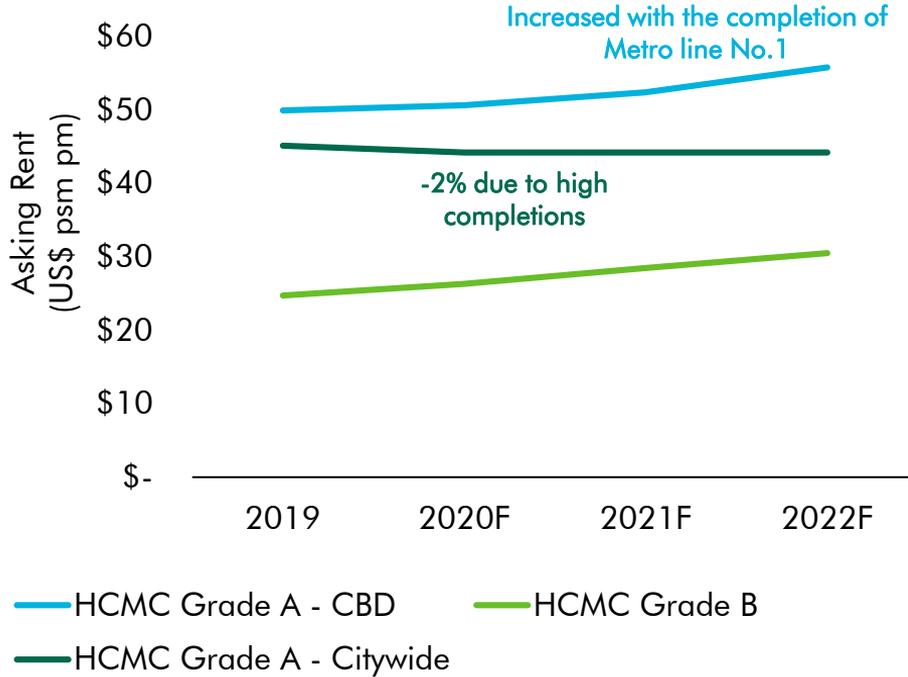


Source: CBRE Research.

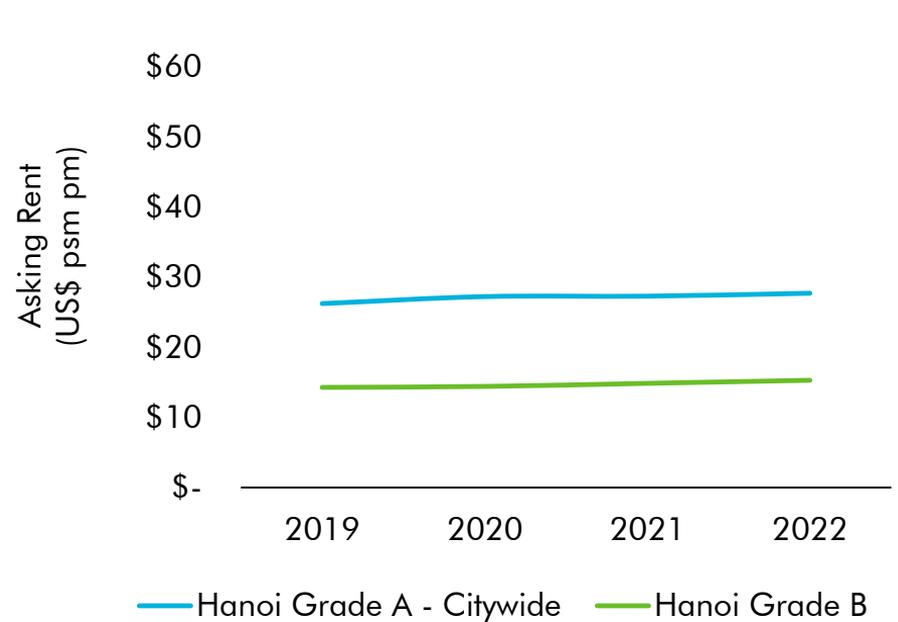
# RENTAL GROWTH IS STILL POSITIVE



## HCMC Office, Forecast Asking Rent



## Hanoi Office, Forecast Asking Rent

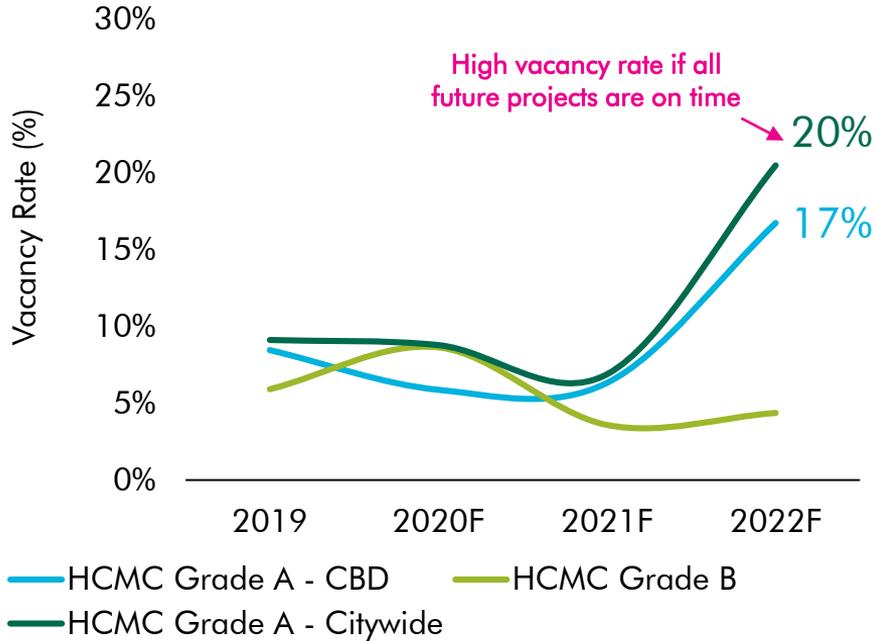


Source: CBRE Research.

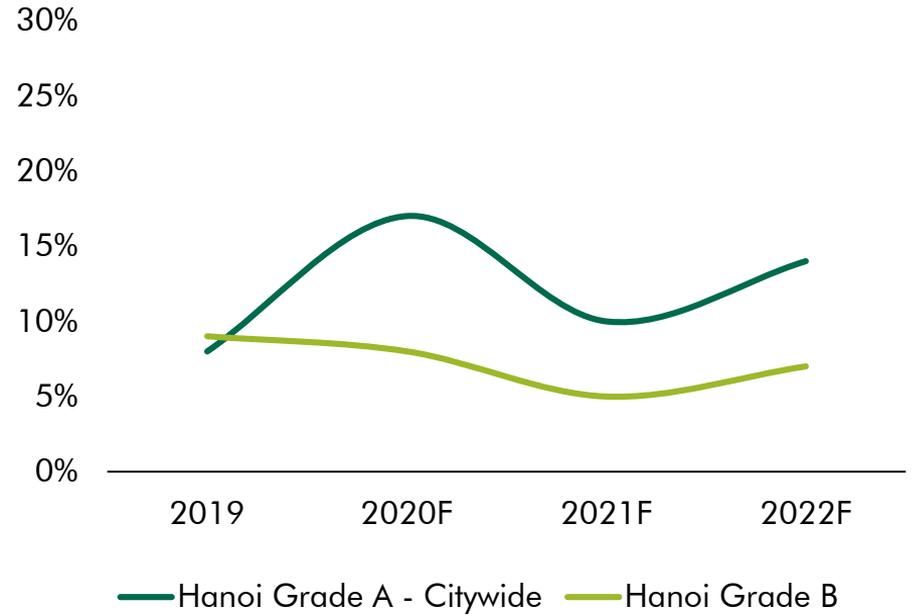
# LEADING TO POSSIBLE HIGH VACANCY



## HCMC Office, Forecast Vacancy Rate



## Hanoi Office, Forecast Vacancy Rate



Source: CBRE Research.

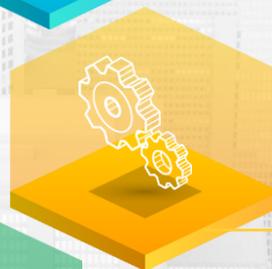
# 2030 OUTLOOK



Three metro lines to be completed and give boost to the growth of decentralized office buildings



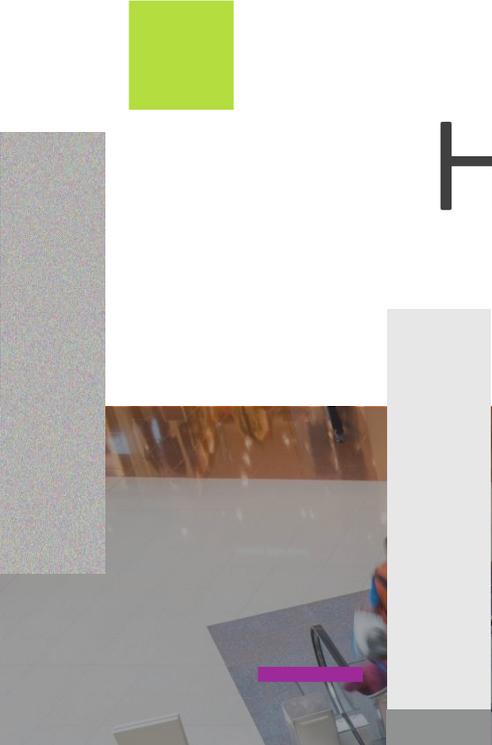
More than 3 million sqm NLA will be launched to the market



The market will see the first underground office after metro line no.1 has completed



Rents in Thu Thiem NUA will be at least two times higher than that of the current CBD



# HCMC Retail Market



2010



Traditional Retail dominated

Largest projects at 30,000 sqm



Foreign developers led the market

Limited retail formats



Local retailers focus on core business

2019



Modern Retail space up by 5.5x

Large-scale projects from 100,000+ sqm



Local developers gaining foothold

Shopping centres dominate



Local retailers expand to different industries



2010



**Investment** in Retail real estate remained at an **early stage**



Vietnam market **opening up**

**International franchises** taking the stage



**International players** facing **legal barriers**



2019



**Fierce competition** driven by **M&A**



**Local franchises** go **global**



**Signing CPTPP**  
**ENT** to loosen up

# 2019 KEY STORIES



## SCALE

# 1

Large scale destination malls come online



## MODERN RETAIL

# 2

Modern Retail  
Target Millennials with Experience-based Shopping



## TENANT

# 3

Growing Categories in Shopping centres: F&B, Fashion, Entertainment, Health & Beauty



## ANCHOR TENANT

# 4

Anchor Tenants: Money Value and other Values



## RETAIL CHAIN

# 5

Retail chain operation: Success vs. Failure stories



# MARKET SNAPSHOT 2019



## CBD



**TOTAL SUPPLY**  
NLA (sqm)

**101,753** sqm NLA  
**11** projects  
(3 malls and 8 small podiums)

No new project  
1 renovation



**ASKING RENT\***  
US\$/sqm/month

**US\$ 135.5**  
▲ 5.8 y-o-y

2 new projects  
2 expansions



**VACANCY RATE**  
(%)

**1.59%**  
▼ 1.8% ppt y-o-y

## Non-CBD



**TOTAL SUPPLY**  
NLA (sqm)

**939,375** sqm NLA  
**47** projects



**ASKING RENT\***  
US\$/sqm/month

**US\$ 35.7**  
▼ 0.5% ppt y-o-y



**VACANCY RATE**  
(%)

**8.08%**  
▼ 0.9% ppt y-o-y

\* Asking rent is quoted on Net Leasable Area, excluding VAT and service charge  
Source: CBRE Research.

# LARGE SCALE DESTINATION MALLS COME ONLINE

2018



Van Hanh Mall,  
D. 10  
44,000 sqm  
98% occupied



Vincom Center  
Landmark 81,  
Binh Thanh  
35,000 sqm  
85% occupied



Estella Place,  
D. 2  
26,000 sqm  
97% occupied

2019

Q1



Giga Mall,  
Thu Duc District  
67,200 sqm  
99% occupied

Q2

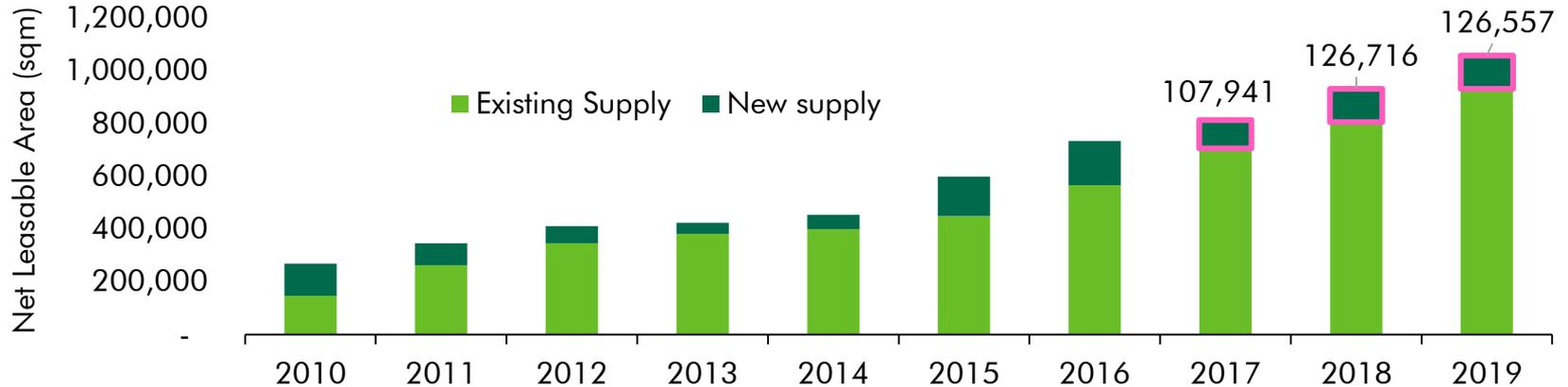


Aeon Mall expansion  
Tan Phu District  
83,000 sqm  
98% occupied

Q4



Crescent Mall 2,  
District 7  
57,000 sqm (inc. Phase 1)  
93% occupied



Source: CBRE Research.

# NOTABLE NEW TENANTS IN Q4 2019

## New tenants continue searching for prime locations



UNIQLO dips toe in Hanoi waters



Uniqlo Flagship Store  
3,000 sqm @ Parkson  
Saigon Tourist Plaza, D.1

## Some tenants expand to malls from shophouses



Potentially coming tenants...



## HCMC



F&B

Fashion & Accessories

Others

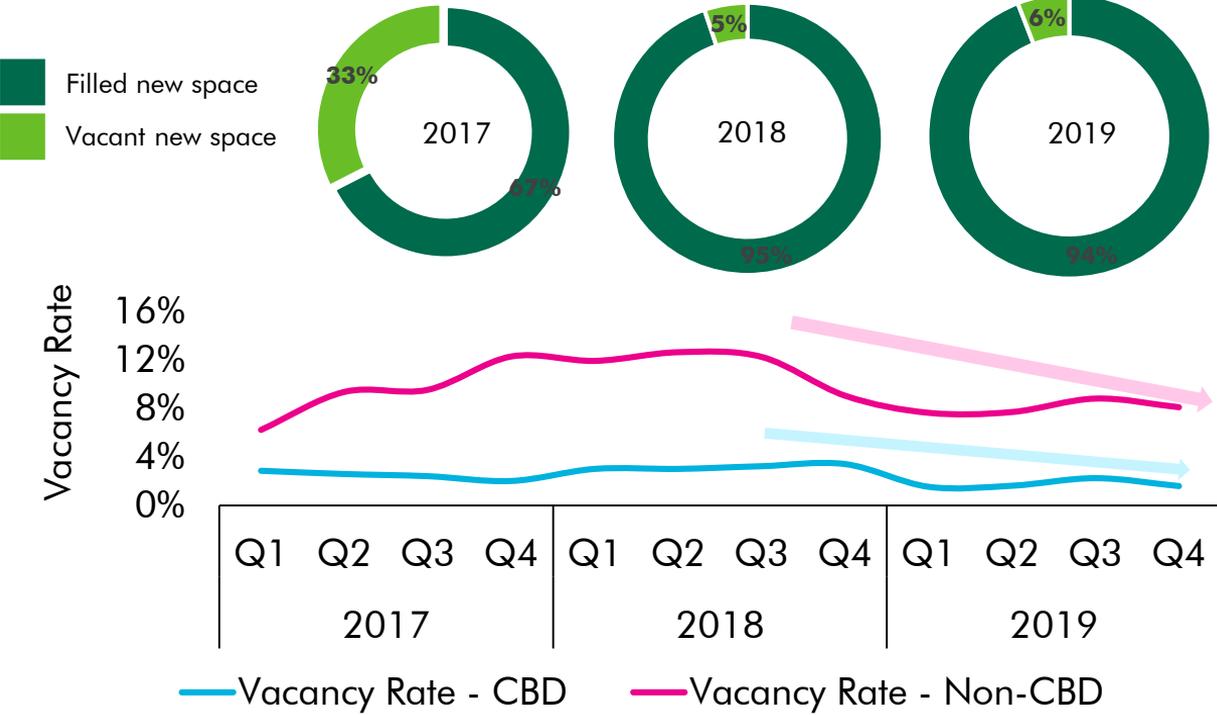
## Hanoi



Source: Crescent Mall Webpage, Internet, retrieved on 12/23/2019.

# OCCUPANCY RATE IMPROVES DUE TO GOOD ABSORPTION

New projects have better occupancy rate at opening



ACE Home Center opened in Van Hanh Mall – 2,500 sqm



3,000 sqm filled at Parkson Saigontourist Plaza

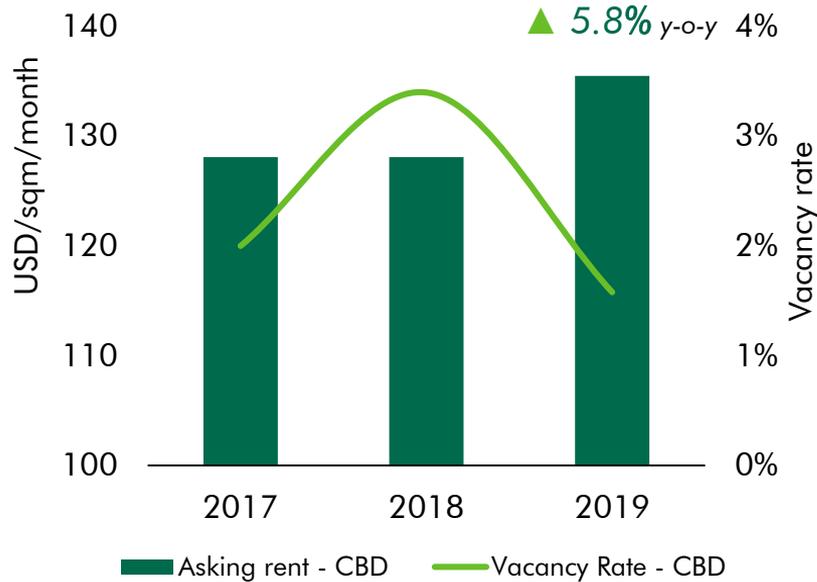


Aeon Mall Tan Phu Nguyen Kim, Sony, UFC...

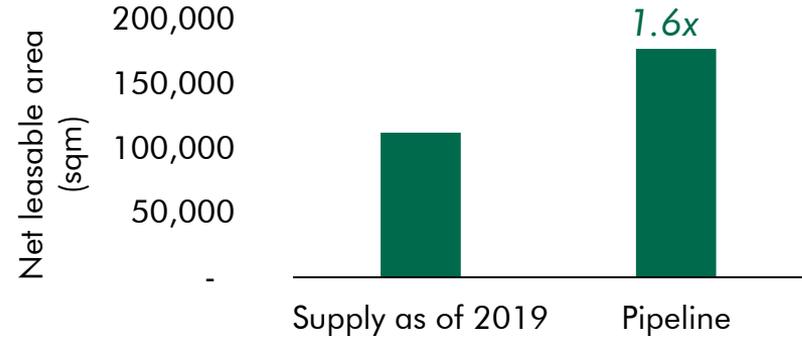
Source: CBRE Research, Internet Images.

# LIMITED SUPPLY SUPPORTS RENTAL GROWTH IN CBD

## Healthy Rental Growth in CBD



## Strong Pipeline in CBD (2020-2023)



Quite a few projects on waiting list

Completed 2003



**Parkson Saigontourist**

NLA: 13,350 sqm

Under renovation

Completed 2012



**Union Square**

NLA: 27,900 sqm

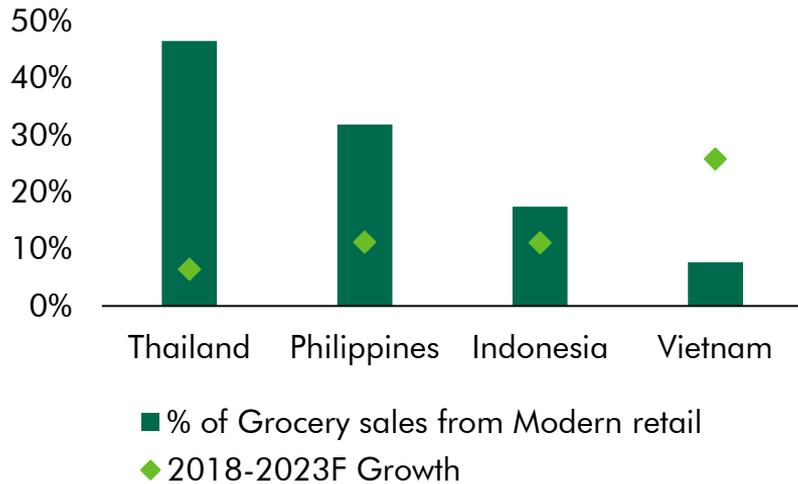
Under renovation

Asking rent is for Ground Floor and First Floor, exclusive of VAT and Service Charge (USD/NLA psm pm)  
Source: CBRE Vietnam.

# FAVORITE CATEGORIES IN MODERN RETAIL

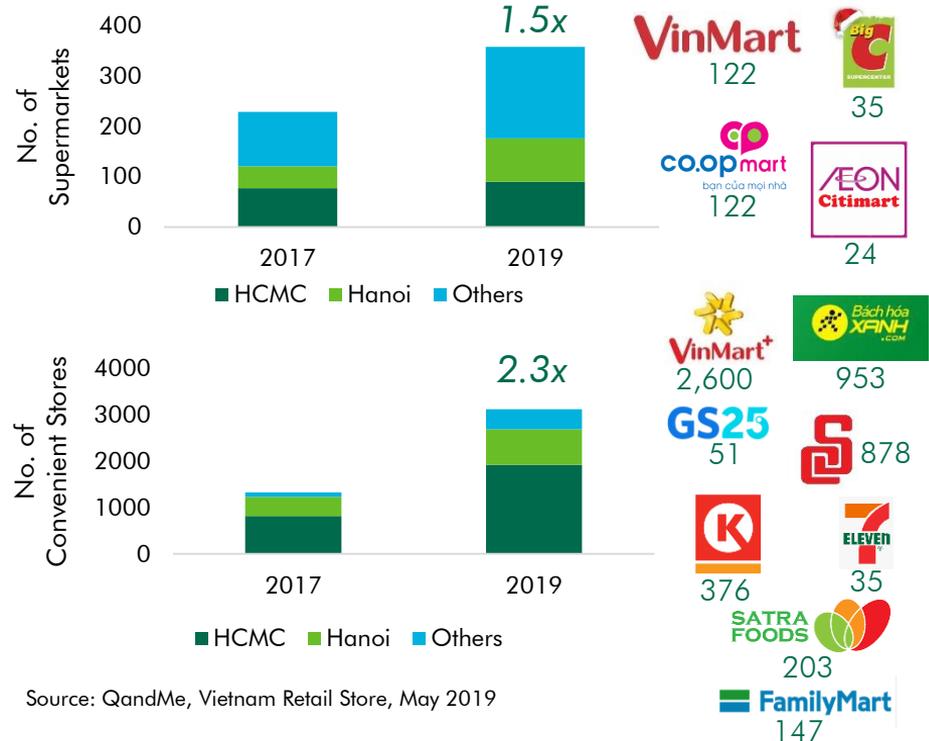
## 2018 Modern Grocery Share (% Total Grocery)

Vietnam: Low base, High Growth



Modern Retail includes supermarket, hypermarket, convenience store & online retail.  
 Source: Euromonitor.

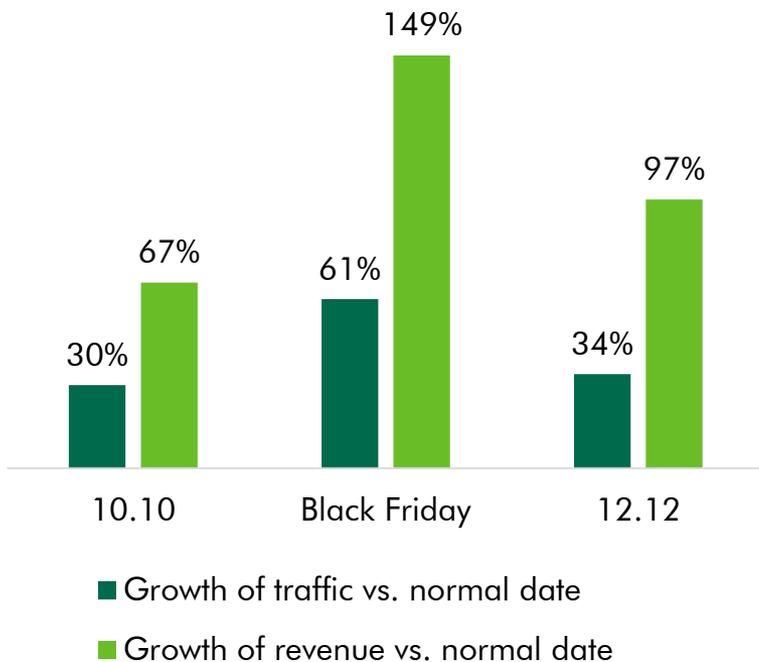
## Growth of Supermarkets and Convenient Stores



Source: QandMe, Vietnam Retail Store, May 2019

# STRONG GROWTH OF E-COMMERCE

## E-commerce platform on Promotion dates



Source: Decision Lab, Criteo, ForbesVietnam News retrieved on 12/24/2019

## How Much Sales Is Too Much?



### Over 3 million orders on Online Friday

Số liệu tổng hợp qua 24 giờ trong ngày mua sắm trực tuyến Online Friday 2019 của Ban tổ chức cho thấy lượng đơn hàng đã đạt trên 3 triệu, tăng 67% so với năm 2018.



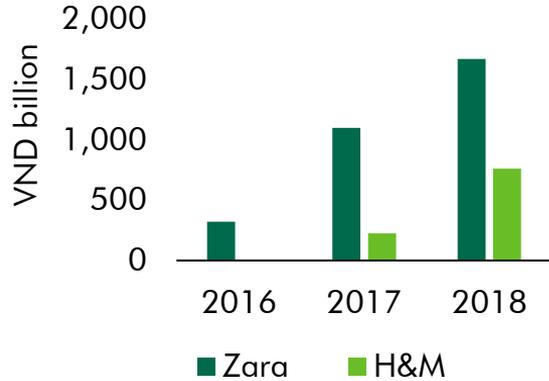
Theo Cục Thương mại điện tử và Kinh tế số (Bộ Công Thương), cũng là Ban tổ chức sự kiện Online Friday ngày 6-12-2019, ngày hội mua sắm trực tuyến lớn nhất trong năm tại Việt Nam đã nhận được nhiều phản hồi tích cực của người tiêu dùng và các doanh nghiệp.

16/12/2019  
1,109 lượt xem  
0 thảo luận

Like Share

# THE NEXT WAVE OF TRENDS

## Fast Fashion Revenue



Source: Cafef, VIRAC

## Australian fashion brand Cotton On comes to Vietnam



BUSINESS

### H&M to open first outlet in Da Nang



## Japan's Stripe International acquires Vietnamese shoe brand

## Uniqlo enters Vietnam, Southeast Asia's growth engine



## Japan's Advantage Partners acquires Vietnamese fashion chain Elise

Source: Internet News, retrieved on 12/23/2019

## Local Fashion



## Why 'fast fashion' might need to slow down

Vs.



# FITNESS CONTINUES ITS GROWTH

25 FIT opened the second center on Huynh Thuc Khang Street, District 1



**18** centers – HCMC  
**11** centers - Hanoi

**2** centers – HCMC  
**10** centers – Hanoi  
**3** centers - Others

**5** centers – HCMC  
**6** centers - Hanoi

Young Millennials

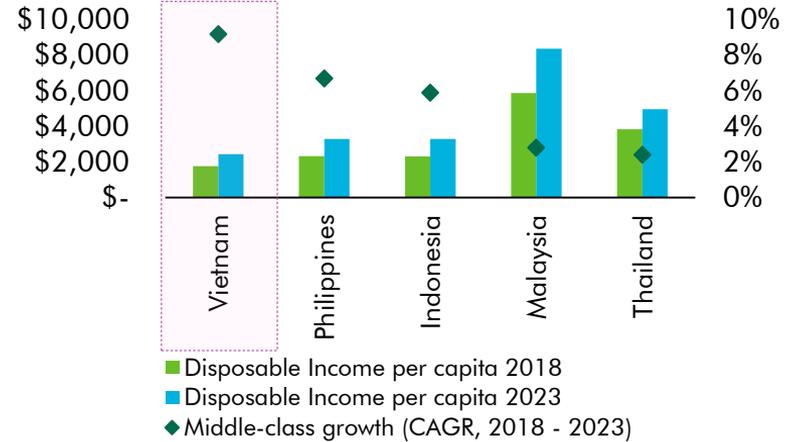
More health conscious

Rising income

Environment concern

Inside offices to tap on Corporate demand

## Average Disposable Income, Vietnam



Citigym opened 4,000 sqm fitness centre in HCMC



# FUTURE SUPPLY



2020



**Intresco Plaza**  
12,500 sqm  
District 3



**Vincom Grand Park**  
48,000 sqm  
District 9



**Socar Mall**  
35,000 sqm  
District 2



**Sense City**  
32,000 sqm  
District 9

2021



**Elite Mall**  
42,000 sqm  
District 8



**Central Premium Mall**  
24,000 sqm  
District 8

2022 onwards



**Saigon Co.op**  
13,000 sqm  
District 2



**Onehub Saigon**  
70,000 sqm  
District 9



**Spirit of Saigon**  
35,000 sqm  
District 1



**Alpha Mall**  
35,000 sqm  
District 1



**Centennial Mall**  
24,000 sqm  
District 1



**Tax Plaza**  
24,000 sqm  
District 1

Non-CBD

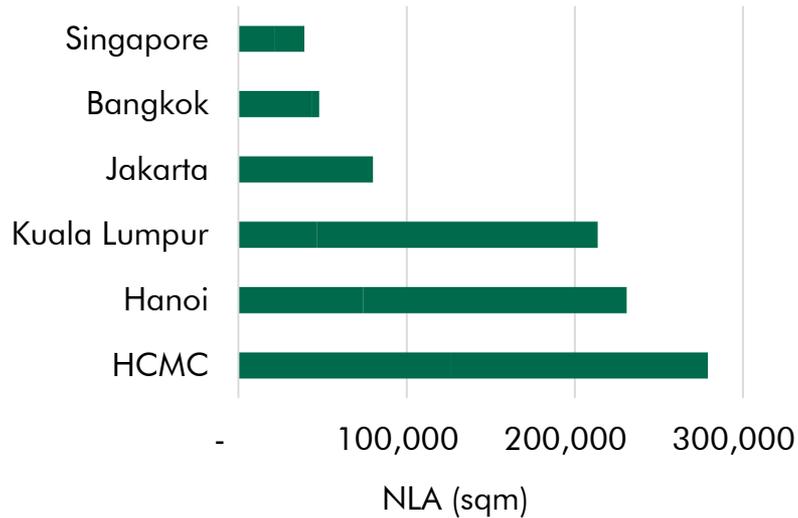
CBD

Source: CBRE Research, Internet Images.

# SUPPLY PIPELINE



## HCMC and Hanoi to lead South East Asia in terms of new supply in next two years



## HCMC vs Hanoi Retail, Supply Forecast

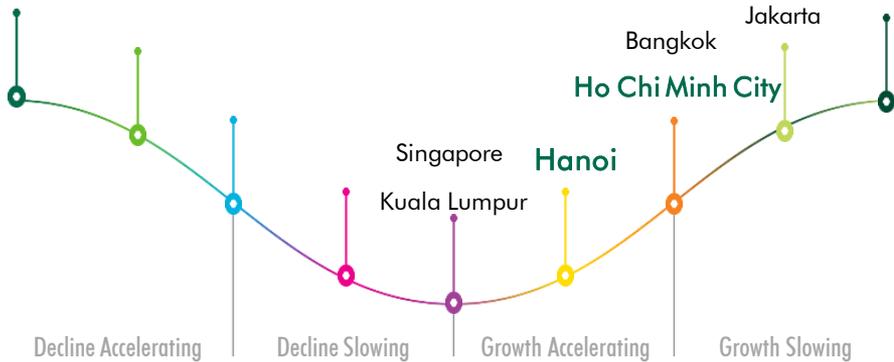


Source: CBRE Research.

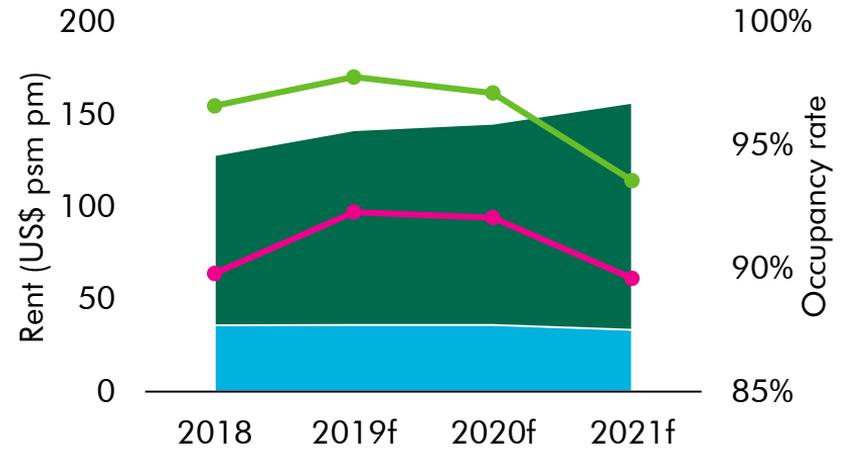
# HEALTHY OCCUPANCY GOING FORWARD



## Vietnam Rental rates are on the Growth trend



## HCM Retail, Performance Forecast



- Rental rate - CBD
- Rental rate - Non-CBD
- Occupancy rate - Non-CBD
- Occupancy rate - CBD

Source: CBRE Research, Rent is average for Ground Floor and First Floor, excl. VAT and service charge.

# 2030 OUTLOOK



**Big data, technology, robotics**  
to track customers and drive  
customization. Better services,  
better positioning, better operation  
costs control



**Human knowledge** to  
focus on health,  
environment, sustainability

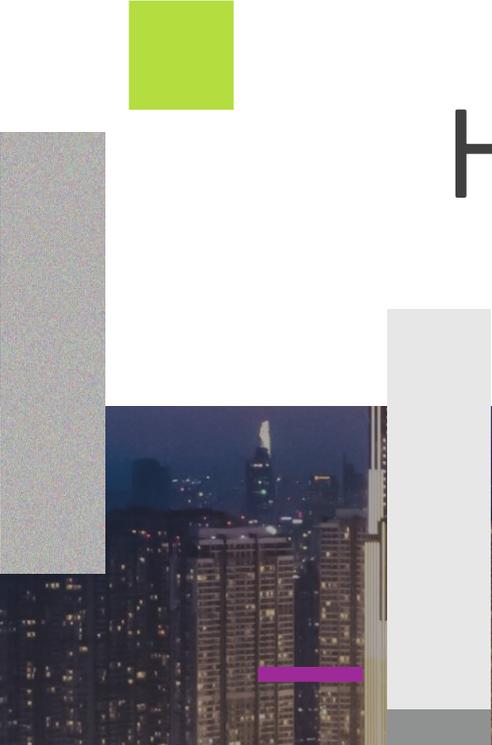
All about appearance  
**Styling up** both street shops  
and destination malls



**Collaborative  
consumptions** will  
become common



More **Destination malls** or **Life style malls**,  
better scale to attract international entrants



# HCMC Residential Market



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

(Not incl. VAT)





Population

**7.2 million ppl**



Landed house (\*)

**2,414 units**



Condominium (\*)

**58,150 units**

CBD

District 5

**2010**

(\*) Accumulated Supply

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

(\*) Accumulated Supply  
Compare with 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

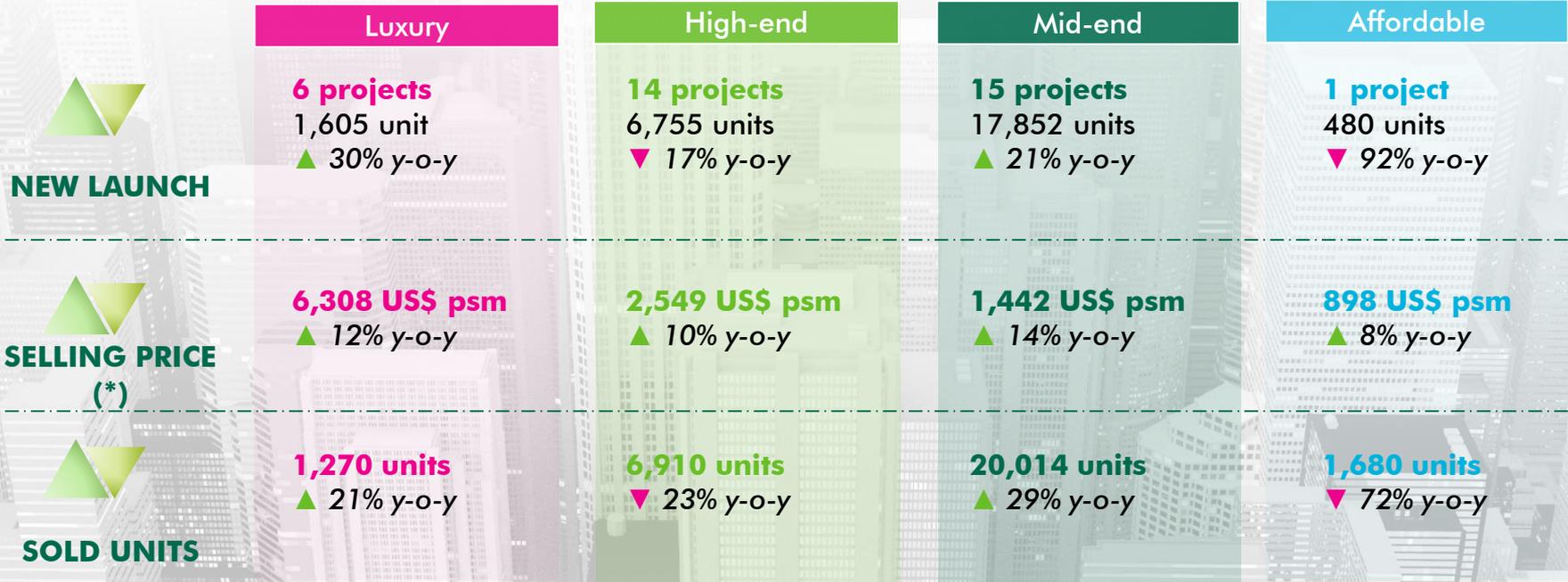
Expansion to neighboring provinces and suburban districts



# MARKET SNAPSHOT 2019



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



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

Source: CBRE Research.

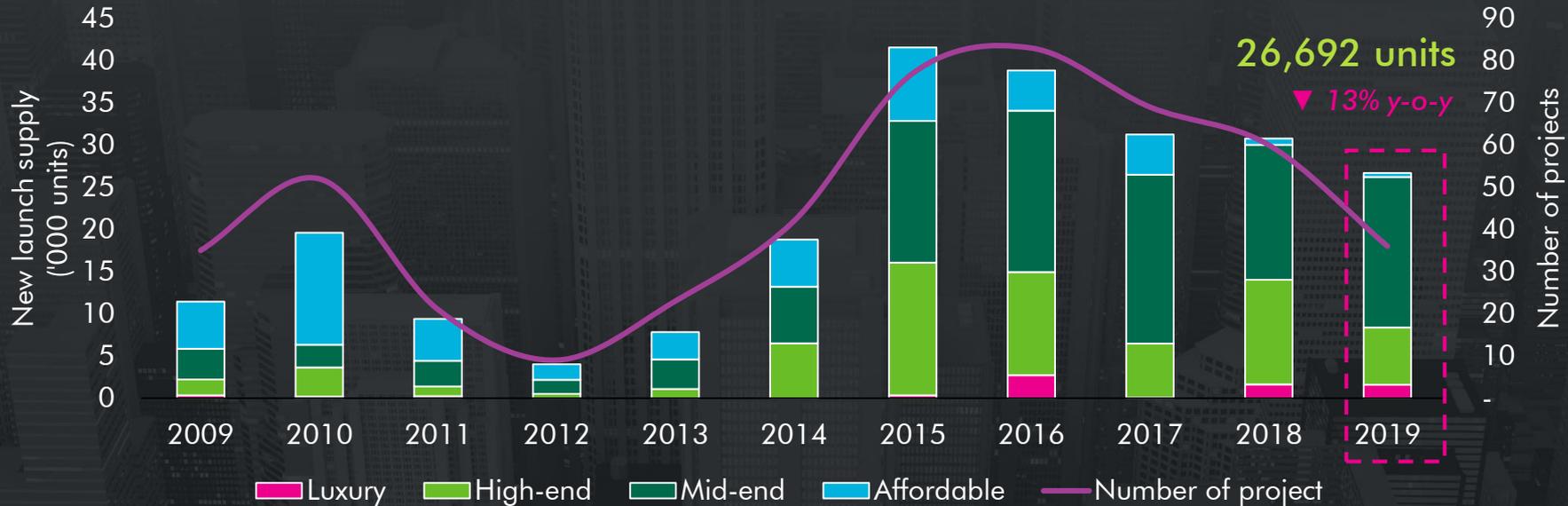
# Limited New Launch Supply Due to Licensing Issue



ĐẤT ĐỈNH SẢN  
CAFE

# LIMITED NEW LAUNCH SUPPLY DUE TO LICENSING ISSUE

## HCMC Condominium, New launch Supply by Segment

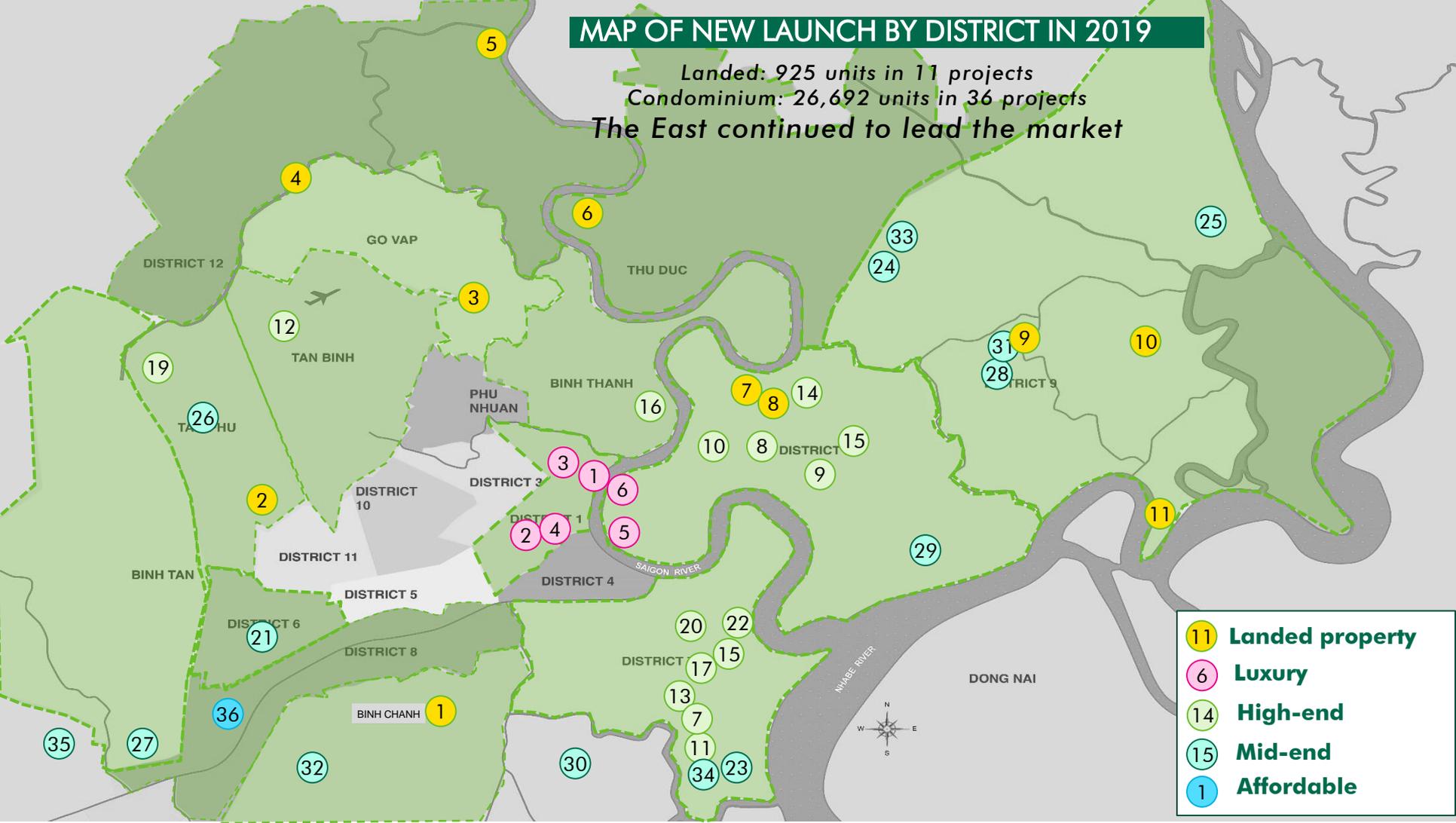


Source: CBRE Research.

# 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*



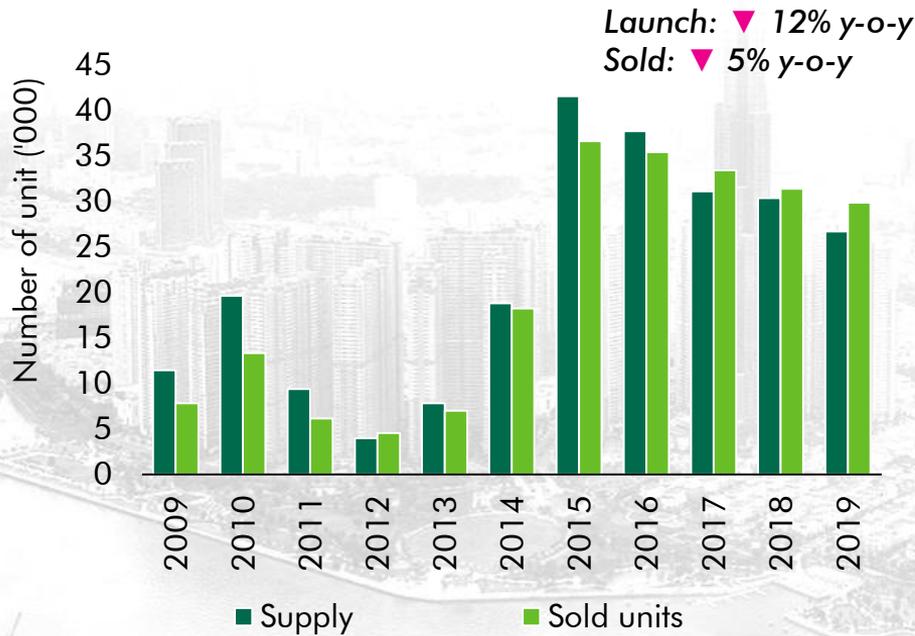
- 11 Landed property
- 6 Luxury
- 14 High-end
- 15 Mid-end
- 1 Affordable

Inventory was  
Absorbed  
Gradually



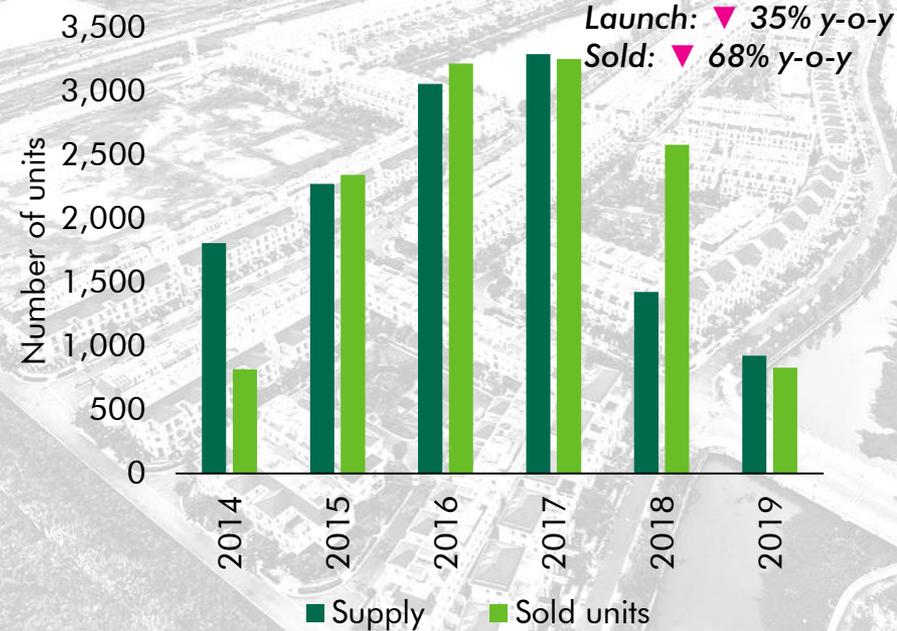
# STRONG DEMAND

## HCMC Condominium, New launch supply vs. Sold units



Source: CBRE Research.

## HCMC Landed Property, New launch supply vs. Sold units

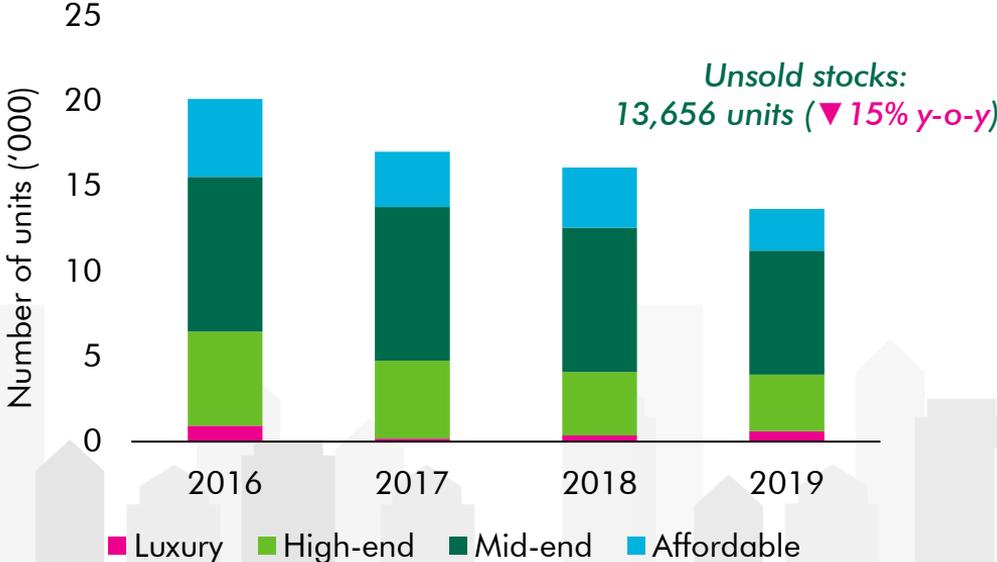


Source: CBRE Research.

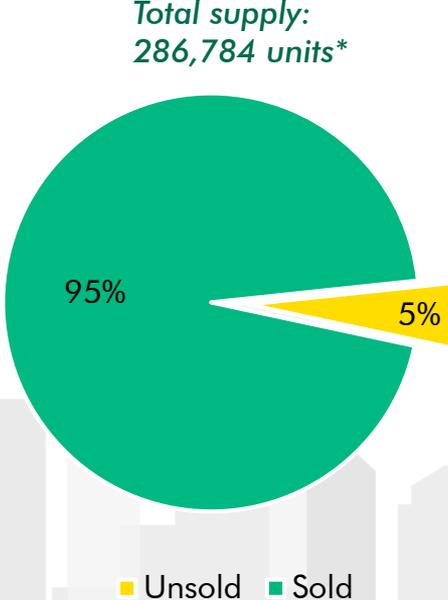
# INVENTORY ABSORBED GRADUALLY



HCMC Condominium, Inventory By Year



HCMC Condominium, Inventory In Q4 2019

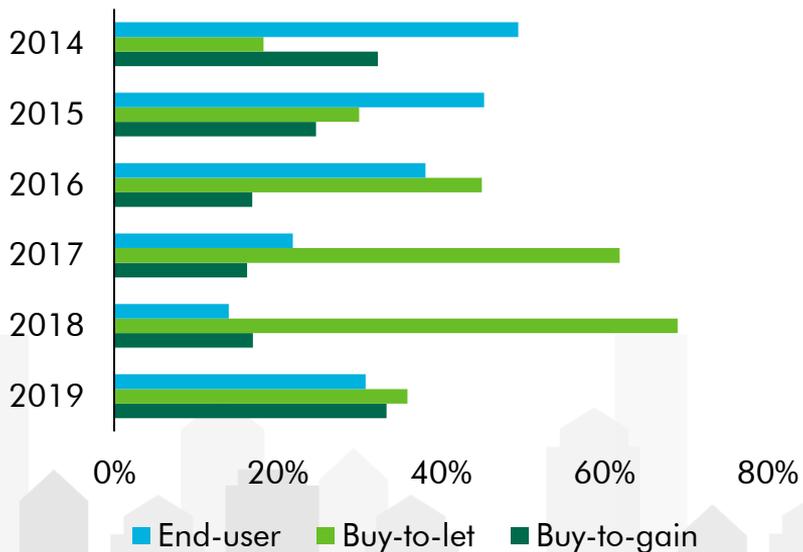


\* Accumulated supply since 1999.  
Source: CBRE Research.

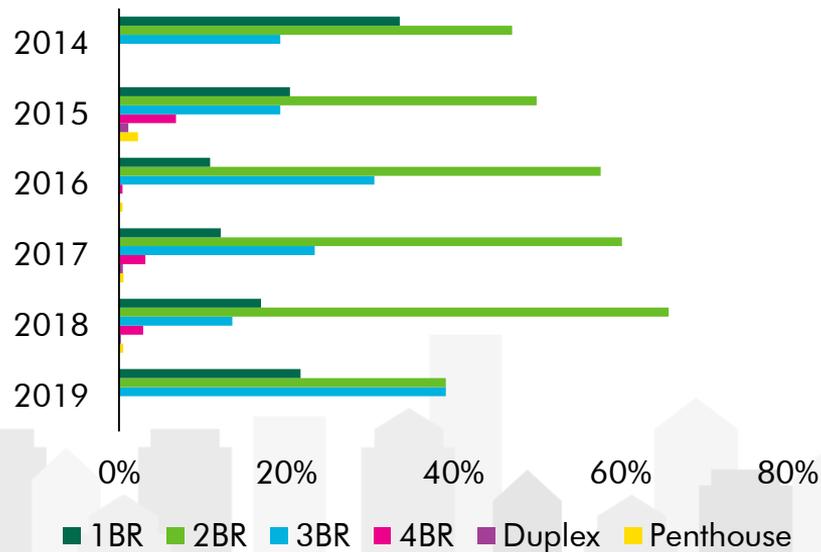
# BUYERS PROFILE BY CBRE'S TRANSACTIONS



## HCMC, Buyers by Purpose, Transactions by CBRE



## HCMC, Buyers by Unit Type, Transactions by CBRE



(\*) 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.

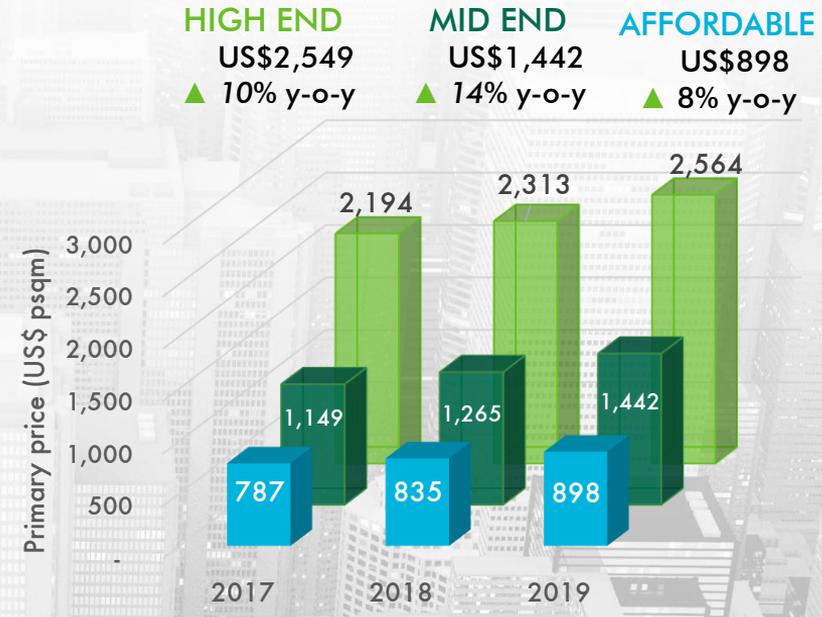
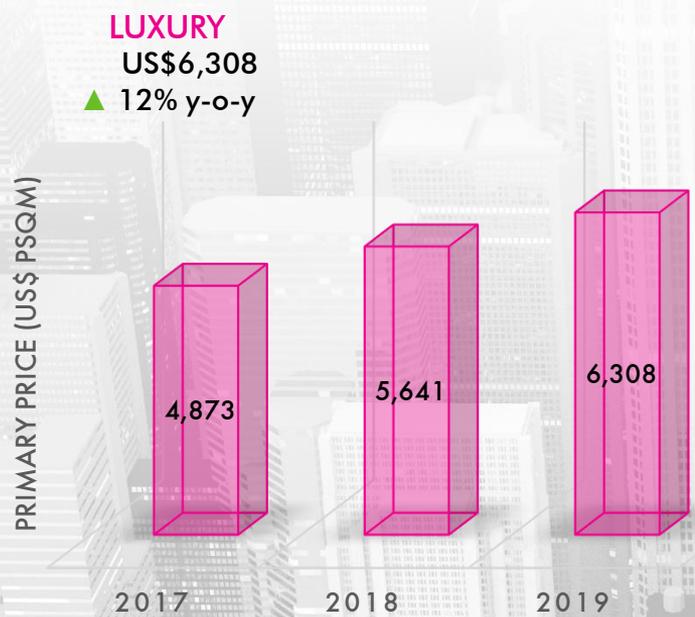
# New Pricing Level Across The Market



# 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%

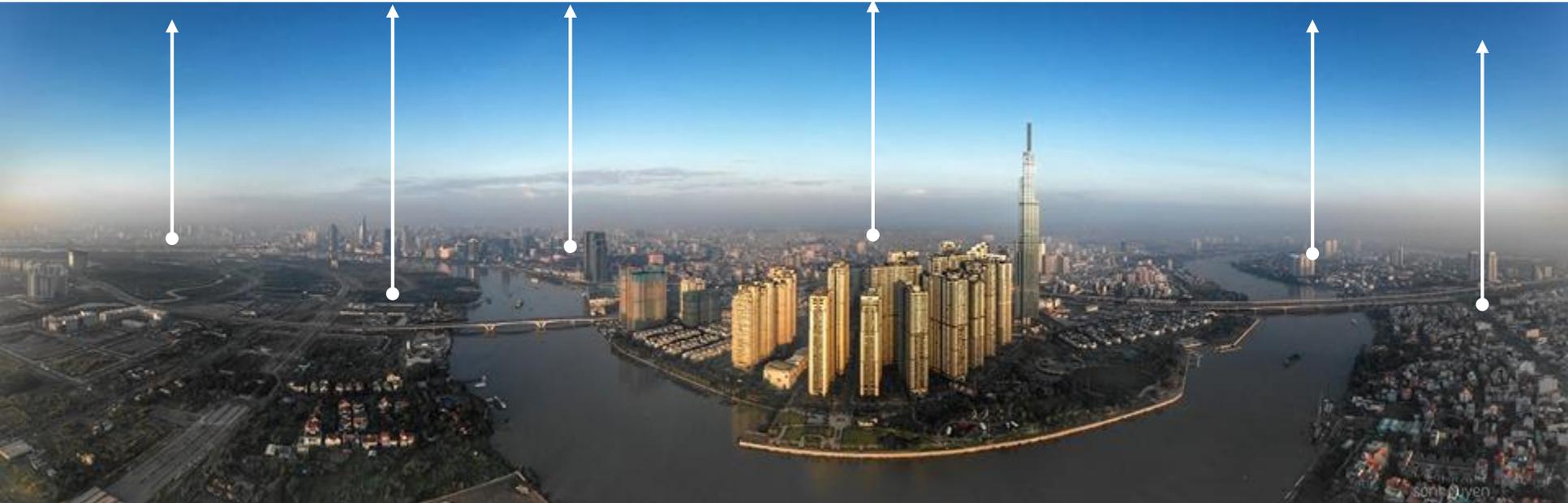
**Thu Thiem, D.2**  
▲ 18% - 23%

**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://thongtincaanho.com.vn>

# PRIMARY PRICES INCREASE IN KEY AREAS

**Tan Thuan Tay,  
D.7**  
▲ 7% - 10%

**Phu My Hung,  
D.7**  
▲ 8% - 12%

**Phu Thuan,  
D.7**  
▲ 13% - 17%

**Nha Be Suburban**  
▲ 9% - 13%



(\*) 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



Smart parking apps



**JAPANTODAY**

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



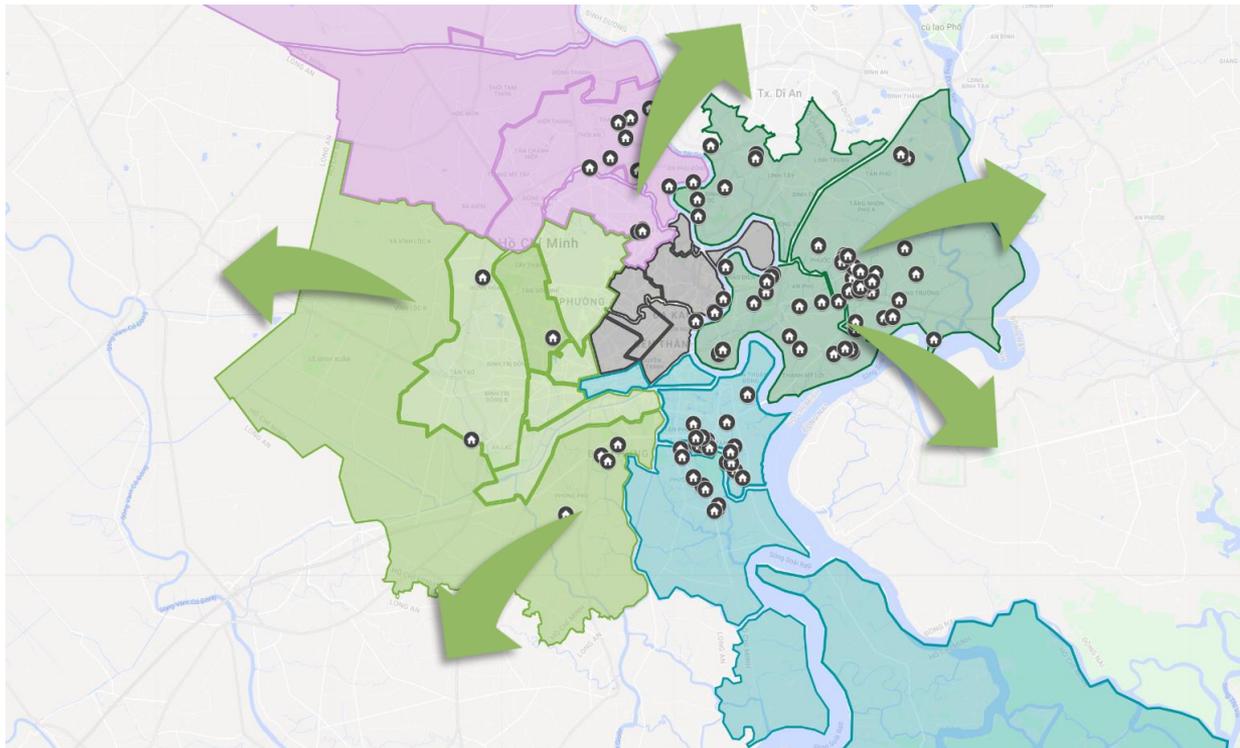
Artificial ocean in township project

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



**VN EXPRESS 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 Aquu 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

**Vietnam.net**

Last update 20:55 | 17/02/2019

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

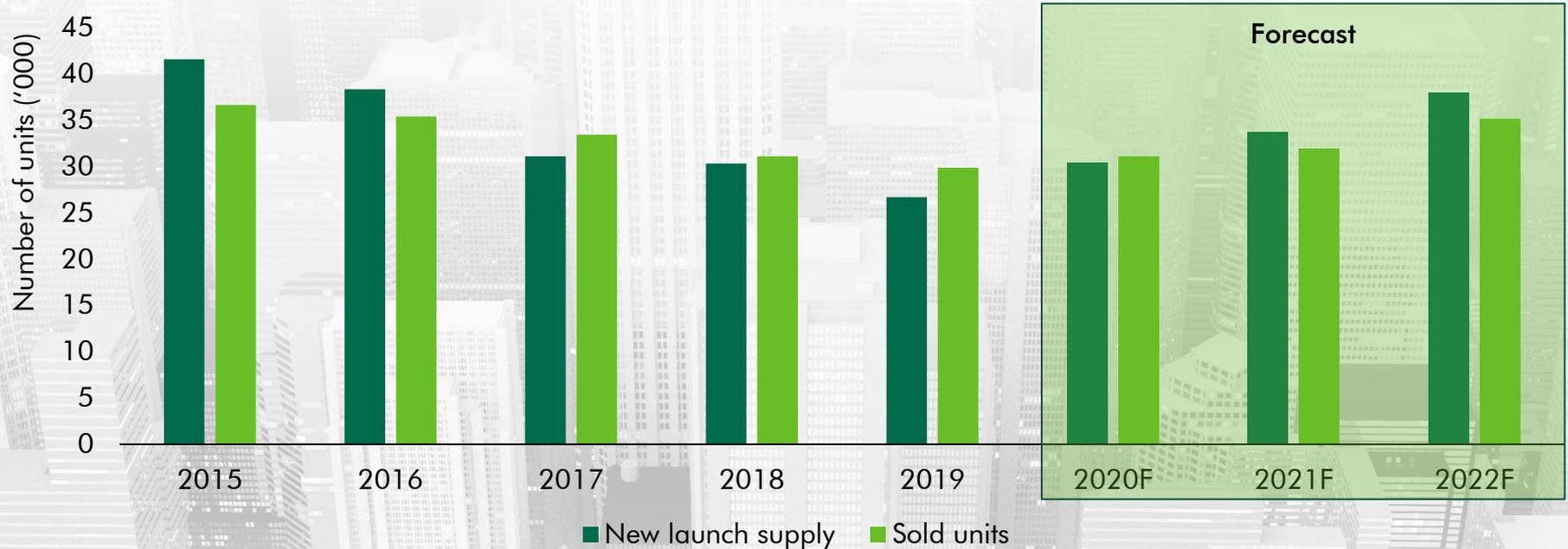
# NEW FACE OF SUBURBAN DISTRICTS AND PROVINCIAL MARKETS



# MARKET OUTLOOK



## HCMC Condominium, Forecast on New Launch Supply and Sold Units

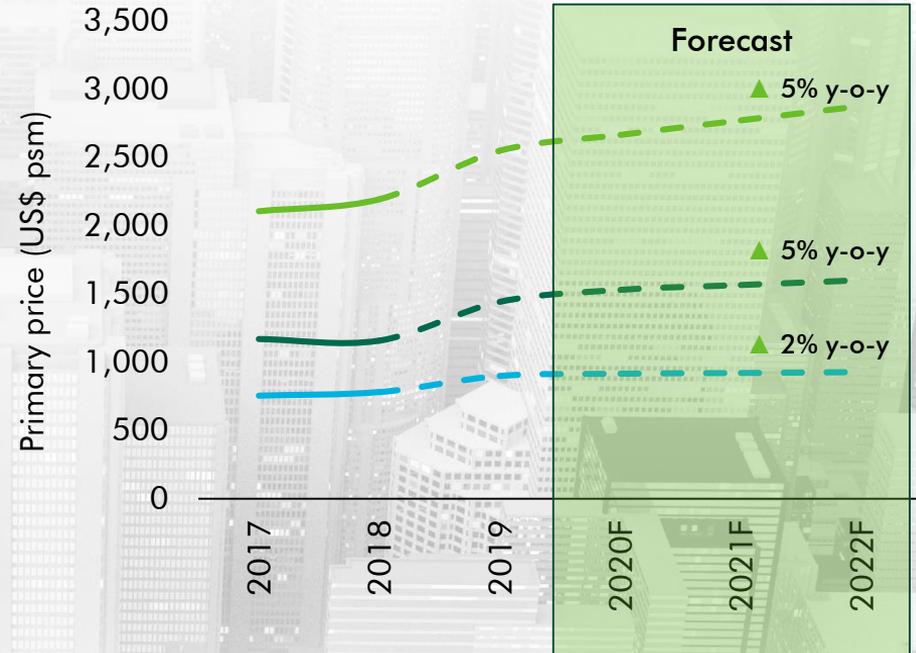
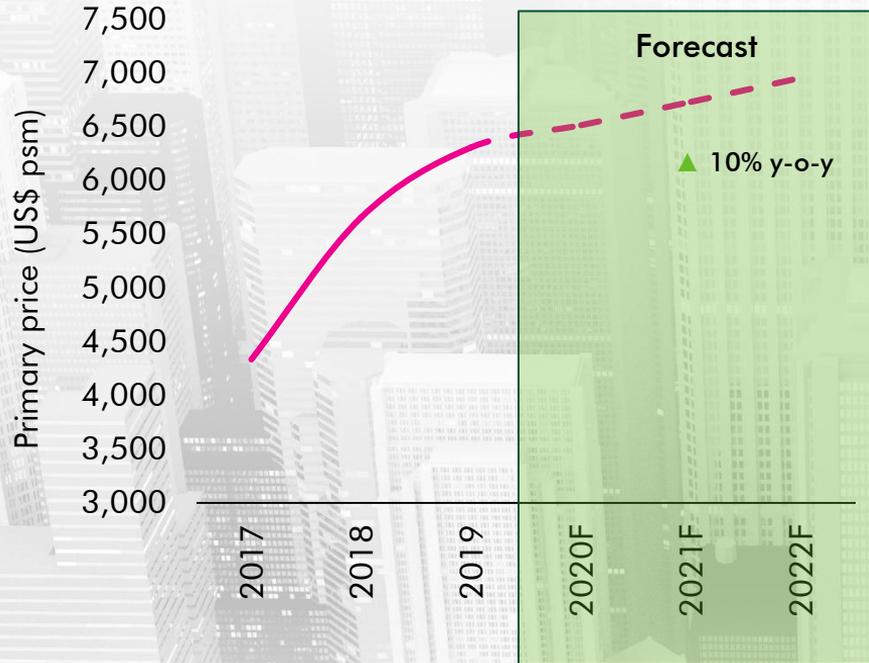


Source: CBRE Research.

# MARKET OUTLOOK



## HCMC Condominium, Forecast on Selling Price



Source: CBRE Research.

— Luxury — High-end — Mid-end — Affordable

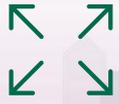
# TO SUM UP 2019



# 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



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



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

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**

CBRE RESEARCH | APAC

# REAL ESTATE MARKET OUTLOOK 2020

THANK YOU

CBRE

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