CBRE RESEARCH | APAC

CBRE

REAL ESTATE MARKET OUTLOOK 2020

VIETNAM

HANOI
Tuesday, 7 January 2020

CONTENT

HANOI
Office Market

LOOKING BACK TO THE LAST 10 YEARS

LOOKING BACK TO THE LAST 10 YEARS

2010

Total Supply: >500k sqm NLA, small to medium scale buildings

Lacking awareness of sharing economy & flexible workspace

CBD is major supply hub

2019

Total Supply: Nearly reach 1.4 mil sqm NLA, larger-scale projects

Emergence of Flexible Workspace

The West dominates the supply

Images retrieved from the internet

2019 KEY STORIES

1 SUPPLY

Moderate new supply volume – lower than previously expected

2 RENTS

Rental growth sustained at 3%

3 VACANCY

Vacancy at 9-year low

4 DEMAND

Further new supply to the West will continue to attract demand

OFFICE – MARKET SNAPSHOT IN 2019

POSITIVE MARKET PERFORMANCE AMID STRONGER NEW SUPPLY VOLUME

	Hanoi Grade A	Hanoi Grade B	HCMC Grade A	HCMC Grade B	
NEW SUPPLY	1 new project	5 new projects	2 new projects	5 new projects	NLA (sqm)
	+24,454 sqm	+73,000 sqm	+62,550 sqm (**)	+99,403 sqm (**)	
ASKING RENT (*)	US$26.2	US$14.3	US$45.2	US$24.7	US$/sqm/ month
	▲ 3.4% y-o-y	▲ 3.4% y-o-y	▼ -2.7% y-o-y	▲ 6.1% y-o-y	
VACANCY RATE	7.5%	9.3%	10.2%	5.9%	(%)
	▲ 3.2 ppts y-o-y	▼ -2.9 ppts y-o-y	▲ 5.0 ppts y-o-y	▲ 2.9 ppts y-o-y	

(*) Asking rent exclude service charge and VAT. (**) including both area from new projects and expansion of existing projects

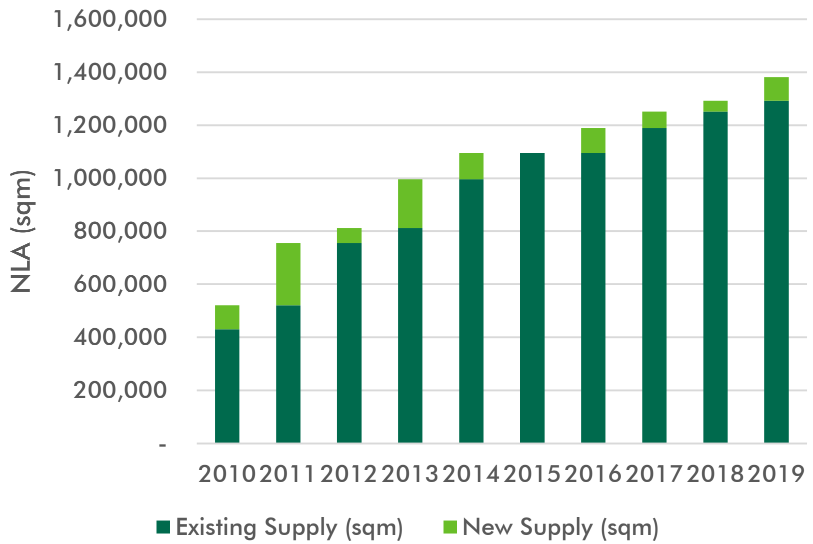
Source: CBRE Vietnam

GROWTH IN SUPPLY ACCELERATED BUT UNDER CONTROL

MODERATE NEW SUPPLY VOLUME – LOWER THAN PREVIOUSLY EXPECTED

Hanoi Office Supply, NLA sqm, 2010 - 2019

Supply growth 2019: 7% > CAGR (2017-2019): 5%



Source: CBRE Vietnam

Hanoi Office, Notable New Openings in 2019

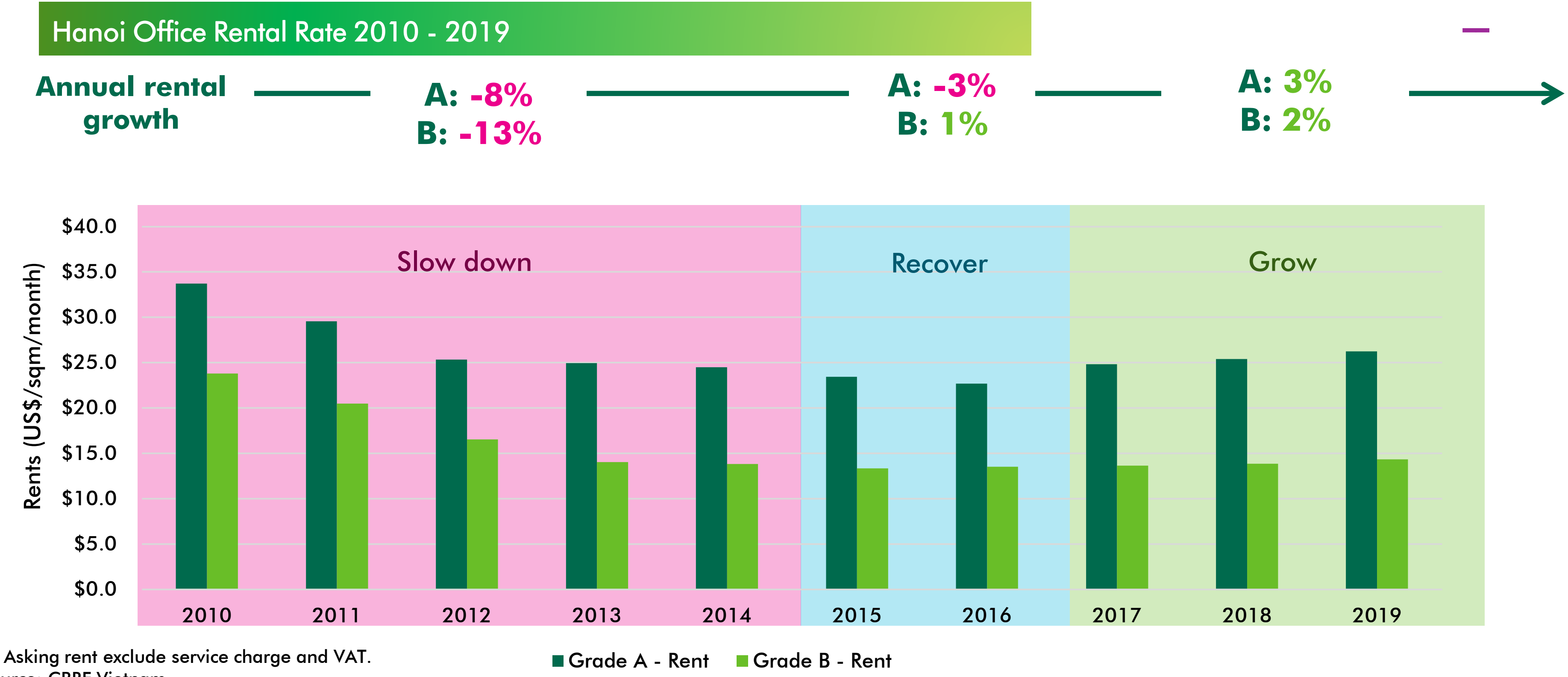
Peakview Tower
NLA: 31,500 sqm
Opened in: Q4 19
Occ. (*): ~80%

Coninco Tower
NLA: 9,800 sqm
Opened in: Q4 19
Occ. (*): ~80%

Bamboo Airways Tower
NLA: 8,640 sqm
Opened in: Q1 19
Occ. (*): ~100%

(*) Occupancy as of Q4 2019

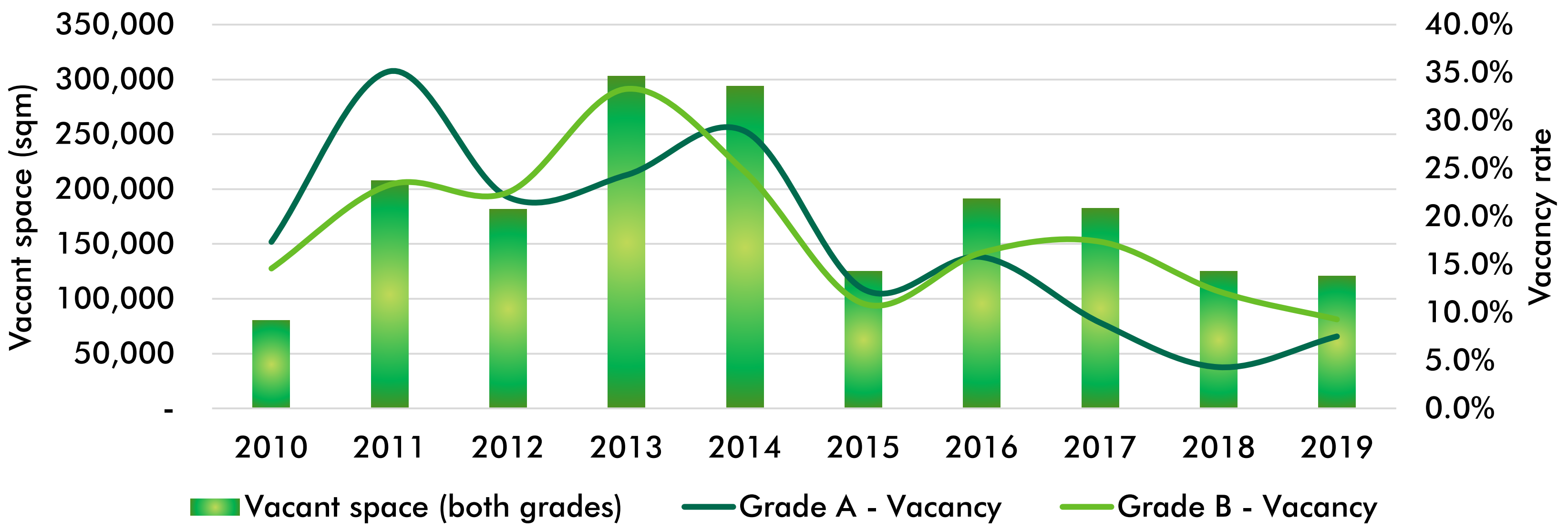
RENTS HAVE BEEN GROWING FOR THREE CONSECUTIVE YEARS



(*) Asking rent exclude service charge and VAT.
Source: CBRE Vietnam

VACANCY AT 9-YEAR LOW

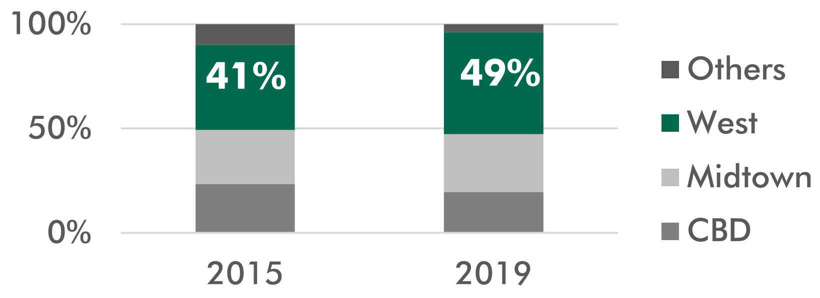
Hanoi Vacancy Rate 2010 - 2019



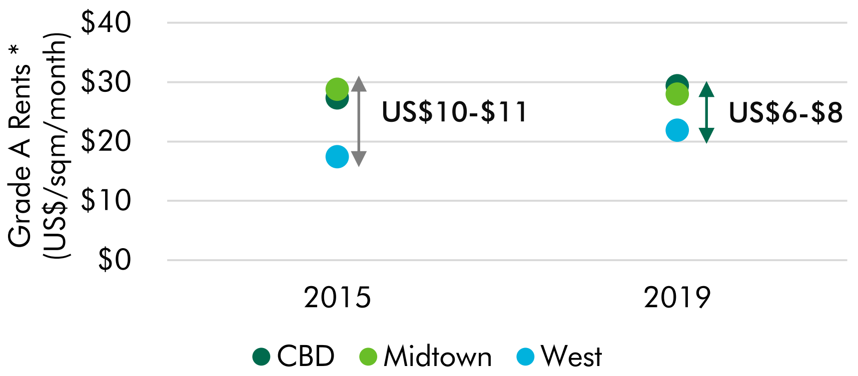
Source: CBRE Vietnam

FURTHER NEW SUPPLY TO THE WEST WILL CONTINUE TO ATTRACT DEMAND

The West continued to increase its share of total office supply



Limited supply in CBD and Midtown leads to closer gap among office clusters



Tenants are adapting with the market situation

Preferred locations by CBRE inquiries

West's average rental growth 2015 - 2019

6%

Market's average rental growth 2015 - 2019

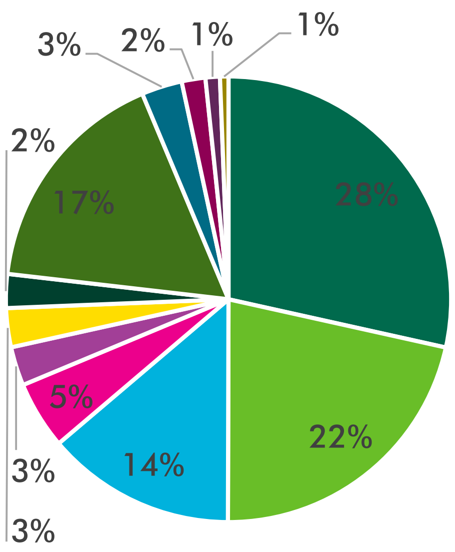
3%

(*) Asking rent exclude service charge and VAT.
Source: CBRE Vietnam

Tech & Flexi Space driving the Demand

DIVERSE DEMAND FROM TRADITIONAL SECTORS AND EMERGING INDUSTRIES

Major leasing transactions by industries, 2019 (recorded by CBRE)



Source: CBRE Vietnam

Traditional Sectors (75%)
- IT/Tech
- Manufacturing
- Banking/Finance/Insurance
- Energy
- Media
- Trading
- Real Estate/Construction

- Flexible workspace
- Travel
- Fintech
- Healthcare
- Logistics

New Sectors (25%)

Record Growth in Vietnamese IT Industry

OPEN GOV

Fintech has huge opportunities in VN: experts

Update: October, 08/2019 - 08:45

Việt Nam News
THE NATIONAL ENGLISH LANGUAGE DAILY

VIETNAM INSIDER

BOOM OF IT/TECH: 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

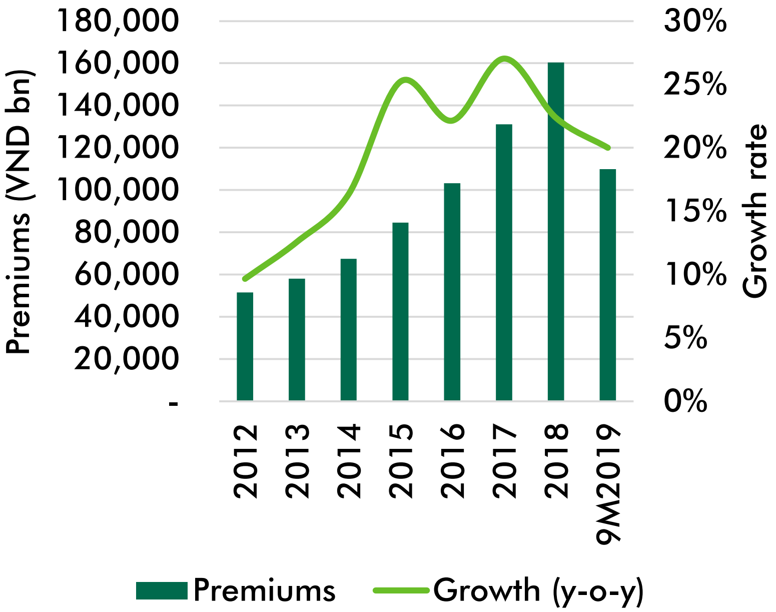
CMC Creative Space – Tan Thuan Industrial Park – D.7, HCMC
Land Area: >13,000 sqm

Viettel Headquarter – Cau Giay NUA, Hanoi
GFA: >40,000 sqm

Source: CBRE Vietnam

BANKING/FINANCE AND INSURANCE: GROWTH OF THE INDUSTRY LEADS TO STRONG EXPANSION

Vietnam Insurance Industry, annual premiums



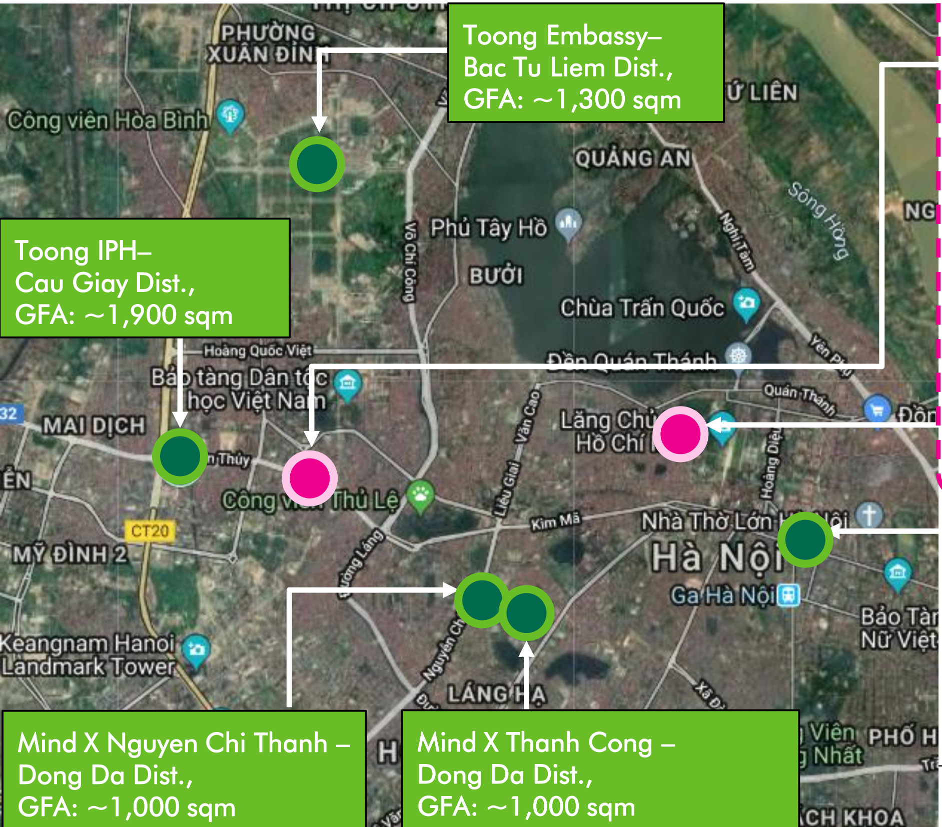
Source: Ministry of Finance, CBRE Vietnam

List of major banking/finance and insurance office leasing transaction in Hanoi in 2019 (recorded by CBRE)

Location	Size (sqm)	Origin	Industry
CBD	1,000	Vietnam	Bank
West	1,100	Foreign	Insurance
West	1,300	Foreign	Insurance
Midtown	1,300	Foreign	Insurance
Midtown	1,500	Foreign	Finance company
Midtown	4,000	Vietnam	Bank

FLEXIBLE OFFICE:
LOCAL OPERATORS STRONGLY EXPANDING

ON THE BACK OF EMERGENCE OF "RENTALIZATION"



Toong Embassy–
Bac Tu Liem Dist.,
GFA: ~1,300 sqm

Toong IPH–
Cau Giay Dist.,
GFA: ~1,900 sqm

Mind X Nguyen Chi Thanh –
Dong Da Dist.,
GFA: ~1,000 sqm

Mind X Thanh Cong –
Dong Da Dist.,
GFA: ~1,000 sqm

One-site client via rentalization

Fsoft@UP – FLC Twin Towers,
Cau Giay Dist.,
GFA: ~4,000 sqm

Teko@UP – Peakview,
Dong Da Dist.,
GFA: ~4,500 sqm

Toong Dien Bien Phu,
Ba Dinh Dist.,
GFA: ~2,100 sqm

Existing noticeable operators in Hanoi

toong

mindX Coworking Space

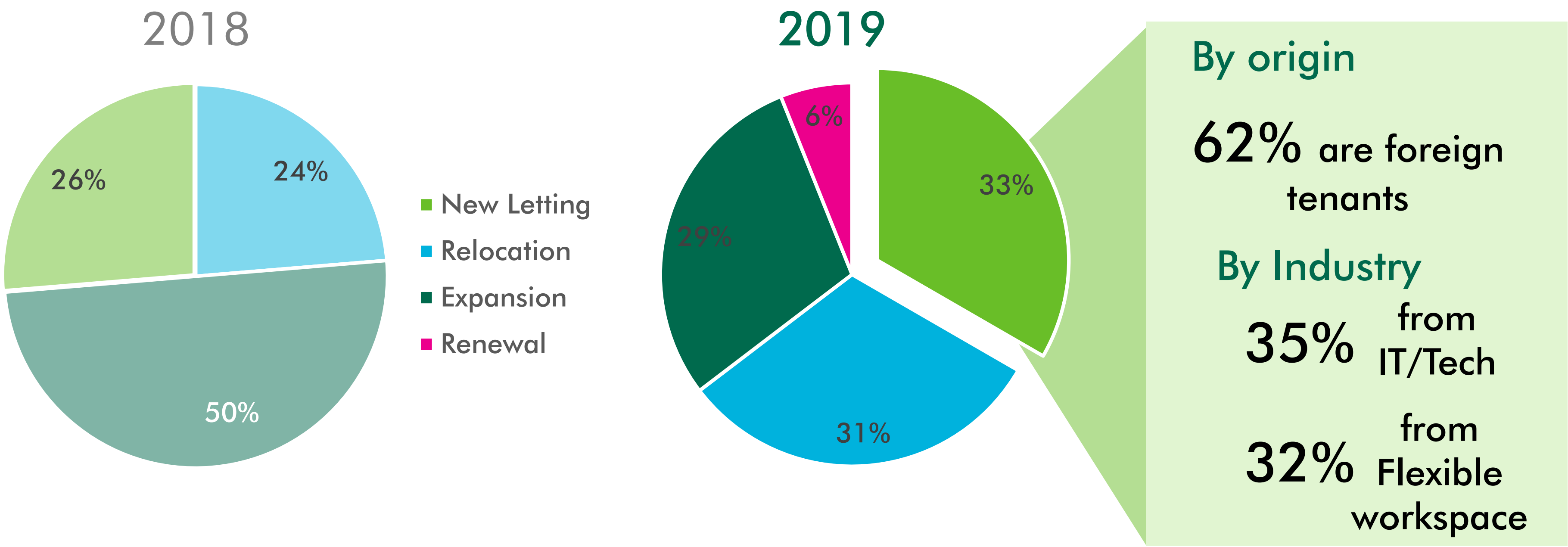
up

New operators to join Hanoi market from 2020

DREAMPLEX

NEW LETTINGS ON THE RISE IN 2019

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



Source: CBRE Research.

HEAD LEASE – TO – SUBLEASE: MORE OPTIONS FOR TENANTS

PAX SKY

DRAGON FLY

TODD's REALTY

Pax Sky – Pham Van Dong, Nam Tu Liem Dist., Hanoi

Pax Sky – Ngo Thi Nham, Hai Ba Trung Dist., Hanoi

Pax Sky – Ung Van Khiem, Binh Thanh District, HCMC

Dragon Fly – Tran Cao Van, District 1, HCMC

Galleria Metro 6 – Thao Dien, District 2, HCMC

>290,000 SQM NLA FROM 9 PROJECTS TO OPEN BY 2022

MARKET OUTLOOK

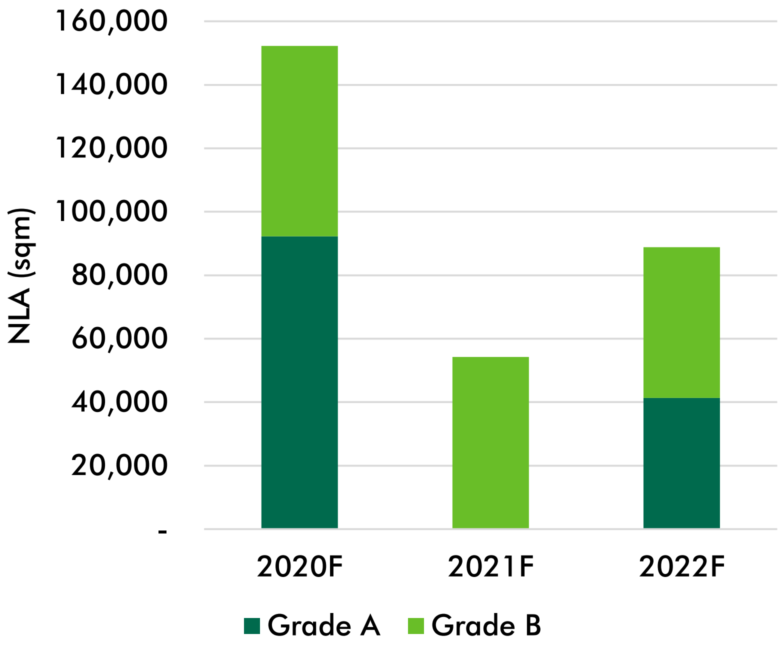
AWAITING LARGE-SCALE PROJECTS

Hanoi Office, Notable New Supply, 2020

Capital Place – Midtown
NLA: 92,000 sqm
Capitaland - MEA

Thai Building – West
NLA: 24,000 sqm
MITEC

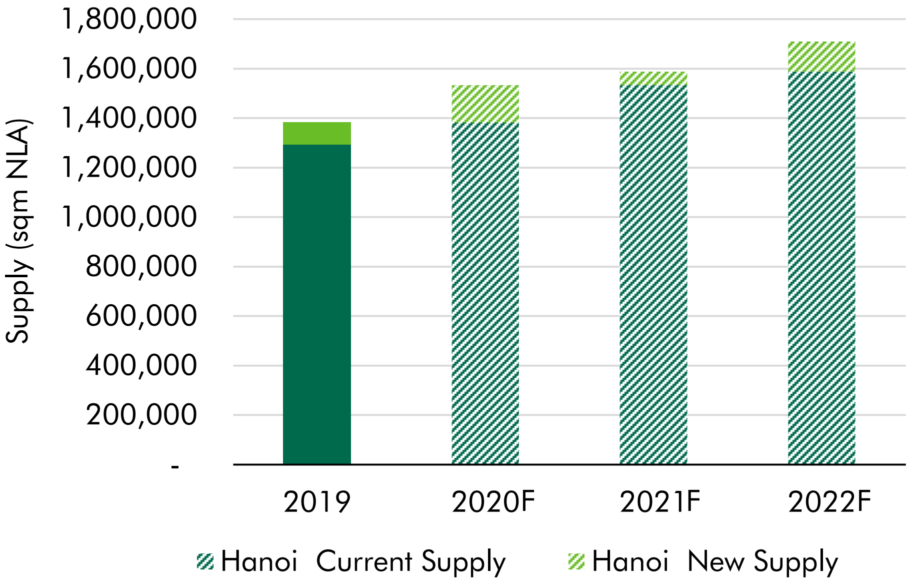
BRG Grand Plaza– Midtown
NLA: 34,000 sqm
BRG



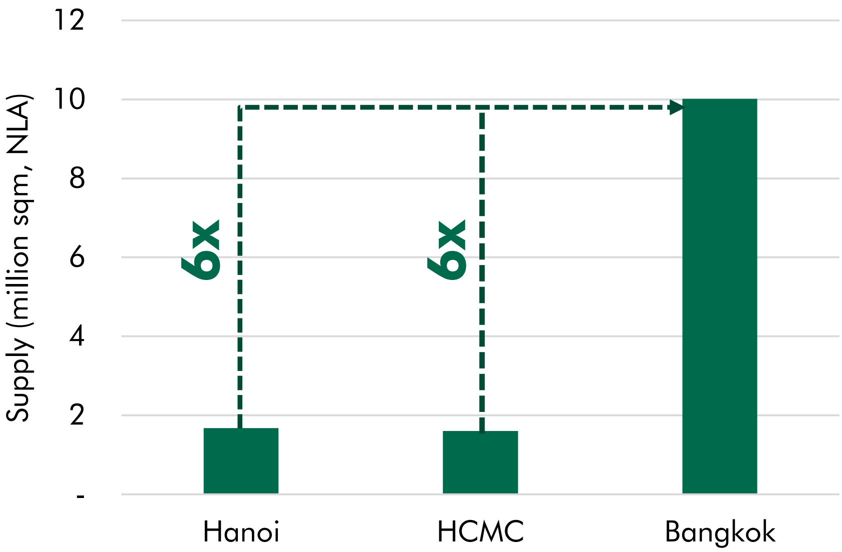
Source: CBRE Vietnam

SUPPLY TO REACH OVER 1.6 MILLION SQM NLA BY 2022F IN HANOI AND HCMC EACH

Hanoi Office, Supply Forecast, 2020F – 2022F



Supply Forecast by 2022F, Regional Comparison



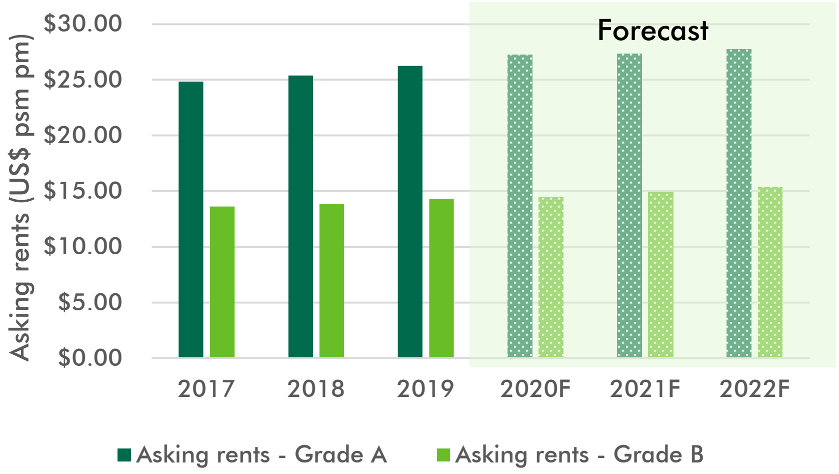
Source: CBRE Research.

MARKET OUTLOOK

LIMITED RENTAL GROWTH AT EXISTING PROJECTS, WHILE NEW PROJECTS TO ASK HIGHER RENTAL LEVELS

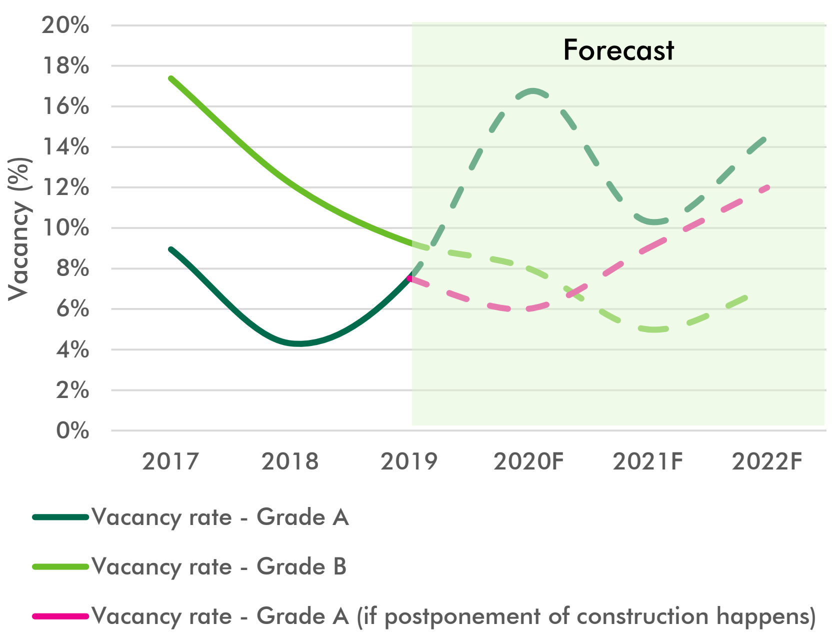
Rental Forecast, Hanoi Office

CAGR (2019 – 2022F)	Hanoi	HCMC
Grade A	3%	5%
Grade B	2%	8%



Source: CBRE Research.

Vacancy Forecast, Hanoi Office



MARKET OUTLOOK

Further supply in the West will continue to attract demand although competition remains strong across clusters

Hanoi office supply to increase by 21% by 2022

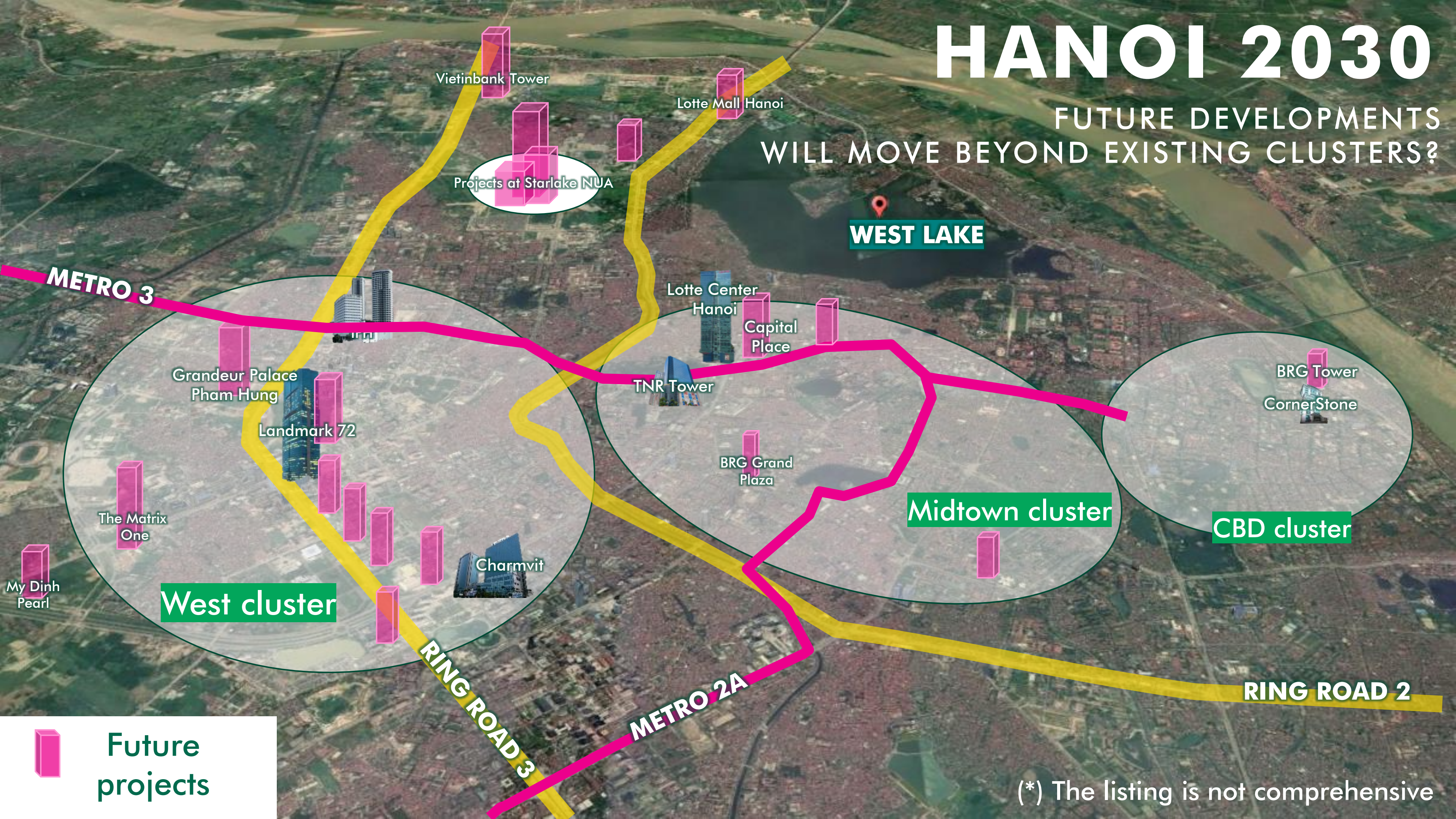
IT/Tech and Flexible office to remain demand drivers

Rents of both grades continue to increase by 2% - 3% y-o-y

Hanoi, though, is a market in favor of tenants

HANOI 2030

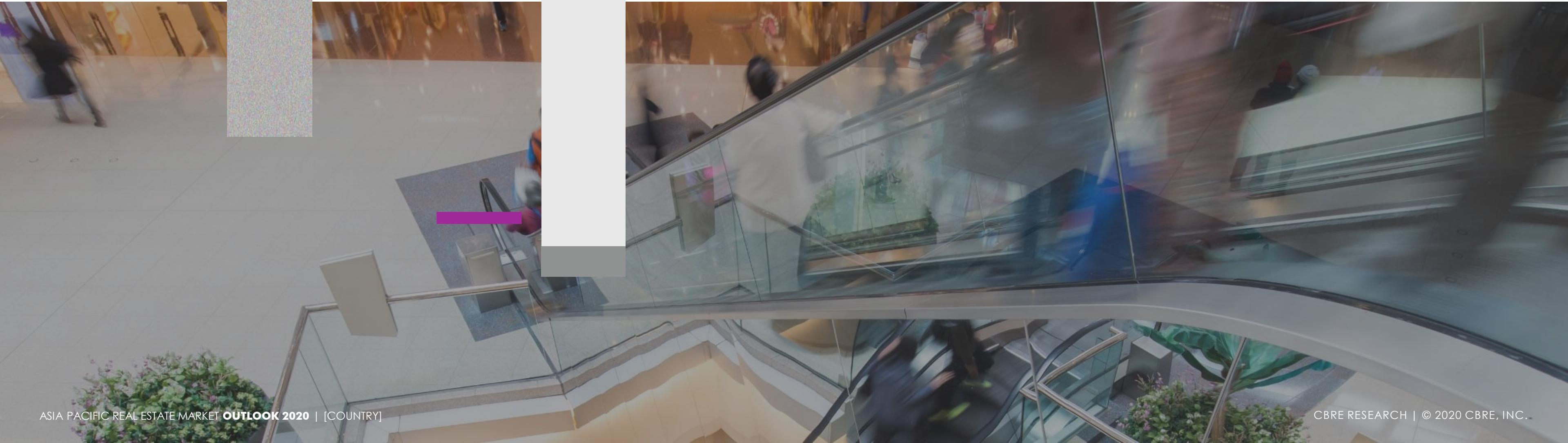
FUTURE DEVELOPMENTS WILL MOVE BEYOND EXISTING CLUSTERS?



(*) The listing is not comprehensive

HANOI

Retail Market



2010

Traditional retail **dominated**

Largest project at **30,000 sqm**

Foreign developers led the market

Limited retail formats

Retailers **specialize in one industry**

2019

Modern Retail space up by **5.5x**

Large-scale projects from **100,000+ sqm**

Local developers gaining foothold

Retail formats **constantly adapting**

Retailers **expand to different industries to gain market share**


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
Competition driven by M&A
Local franchises go global
Signing CPTPP
ENT to loosen up

2019 KEY STORIES

1 SUPPLY

Hanoi Retail supply reached 1,000,000 sqm milestone

2 MODERN RETAIL

Modern Retail Targets Millennials with Experience-based Shopping

3 TENANT MIX

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

4 ANCHOR TENANTS

Anchor Tenants: Money Value and other Values

5 RETAIL CHAINS

Retail chain operation: Success vs. Failure stories

MARKET SNAPSHOT 2019

	CBD			Non-CBD	
TOTAL SUPPLY	~54,500 sqm NLA 13 projects	No new project	5 new projects	~950,000 sqm NLA 26 projects	NLA (sqm)
ASKING RENT	▲ 3.6% q-o-q ▲ 1.3% y-o-y	US$98.1	US$24.8	▲ 2.0% q-o-q ▲ 0.0% y-o-y	US$/sqm/ month
VACANCY RATE	▲ 0.8 ppts q-o-q ▲ 0.0 ppts y-o-y	1.3%	8.7%	▼ 1.5 ppts q-o-q ▲ 0.5 ppts y-o-y	(%)

Asking rent is for Ground Floor and First Floor, exclusive of VAT and of Service Charge (US$/sqm of NLA/month)
Source: CBRE Vietnam.

NEW TENANTS IN 2019:
HANOI CATCHING UP WITH HCMC, BRANDS MAINLY FROM APAC

	New Entrants (2019)	Potential Entrants
Fashion & Accessories	Tokyo Glass Company, The Kooples Paris, Echolac 1964, CC-OO CC Double O, Cotton:On, OVS, fitflop, Bloom	Uniqlo, Missguided, Tommy Jeans
Food & Beverage	Wayne's Coffee Est. 1994, Koi Thé, Mr Bean, Phuc Long Since 1968 Coffee & Tea, Crystal Jade Kitchen 翡翠小厨, Texas Chicken, Châteraisé Patisserie from Japan, Hokkaido Baked Cheese Tart, Paik Jong Won's Kitchen Korean Cuisine	HaiDiLao Hot Pot 海底捞火锅, Kyoto soft serve, % Arabica, Chili's, The Coffee Club, Mellower Coffee
Others	Feinschule, Inglot, Kohnan Japan, Typo, Decathlon	MUJI 無印良品, IKEA, Everlast, Takashimaya, UFC Gym

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

HANOI TOTAL RETAIL SUPPLY HIT THE 1,000,000 SQM MILESTONE

2018

Machinco,
~15,000 sqm NLA

Truong Dinh Plaza,
~10,820 sqm NLA

Discovery Complex,
~22,000 sqm NLA

Vincom Center Metropolis,
~25,000 sqm NLA

2019

Q1

Sun Plaza Ancora
~16,000 sqm NLA

Q2

Vincom Center Tran Duy Hung,
~26,000 sqm NLA

Q2

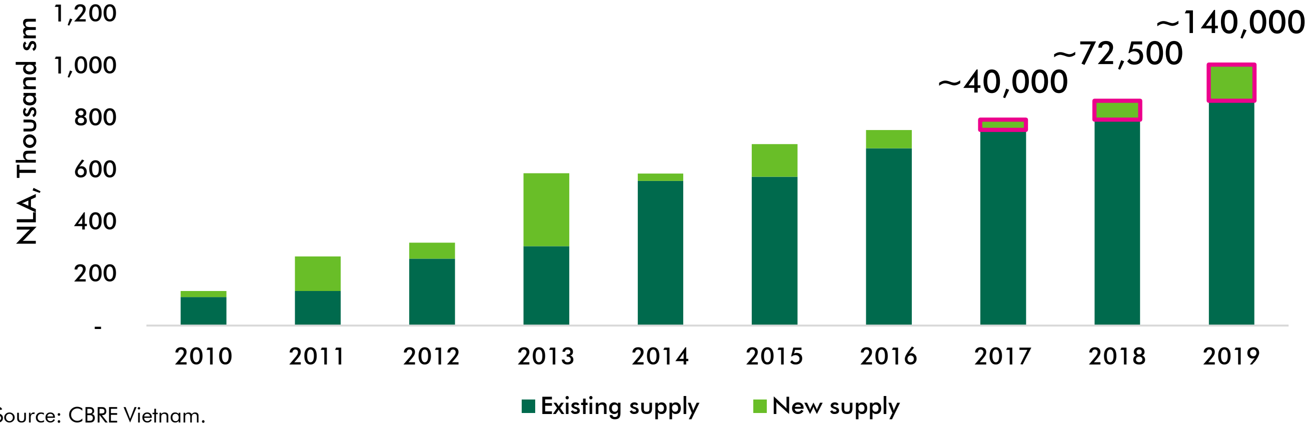
Vincom Plaza Skylake,
10,000 sqm NLA

Q2

Sun Plaza Thụy Khue,
~14,000 sqm NLA

Q4

AEON Mall Ha Dong,
~74,000 sqm NLA



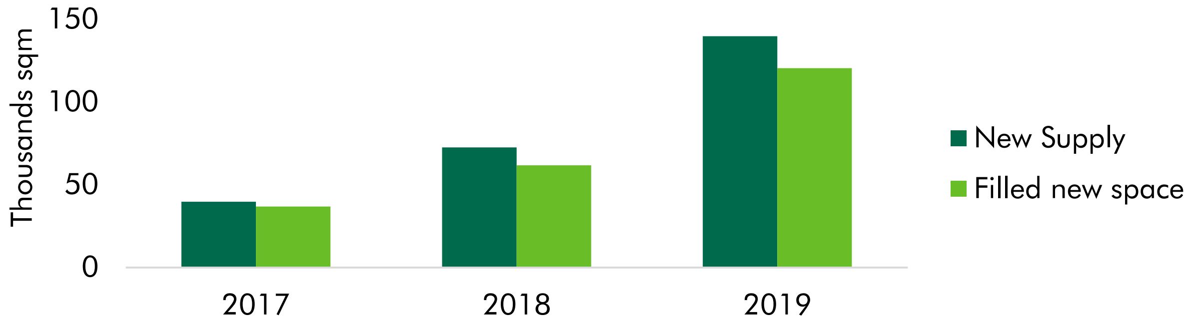
Accumulated Supply:
>1,000,000 sqm NLA

16.2% y-o-y

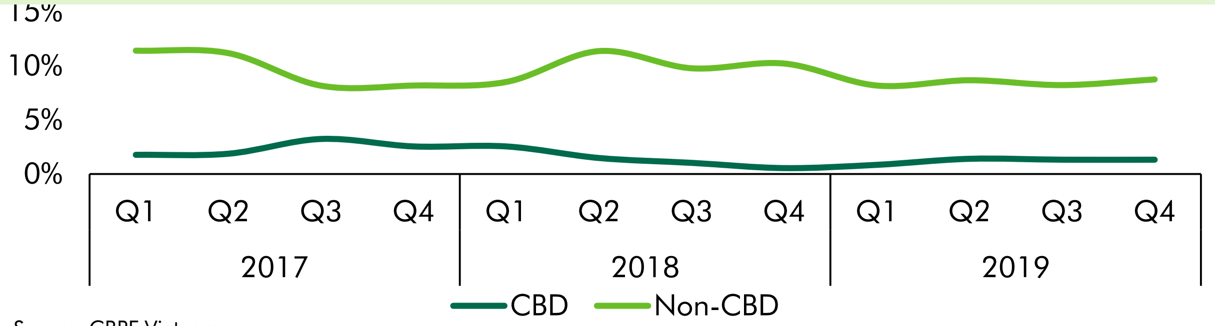
Source: CBRE Vietnam.

HIGHEST ANNUAL NEW SUPPLY SINCE 2013, BUT ABSORPTION RATE STILL CATCHING UP

New projects have better occupancy rate at opening



Hanoi Retail, Vacancy Rate



Source: CBRE Vietnam.

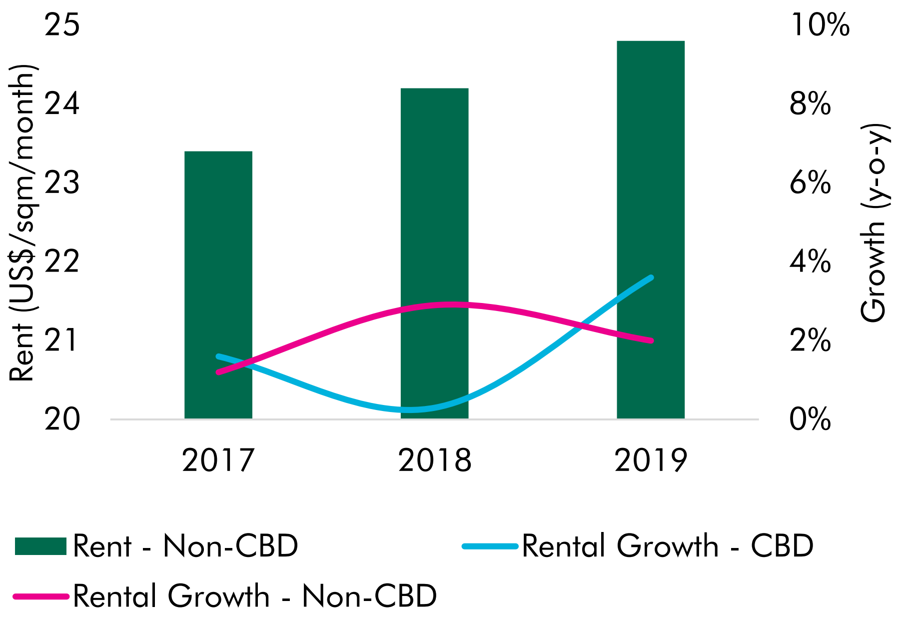
Aeon Mall Ha Dong
Anchor tenants: Kohnan Japan, tiNiWorld, Dream Kids

Vincom Center Tran Duy Hung
Anchor tenants: OVS, Paik's, tiNiWorld

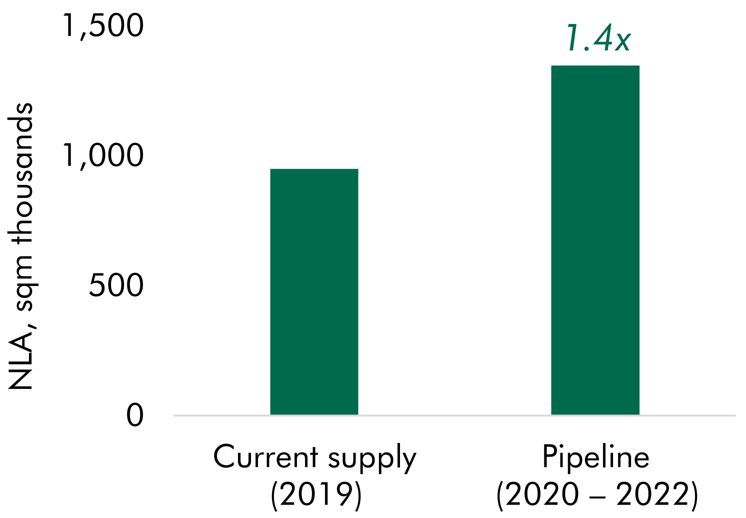
Anchor tenant: tenant with at least 1,000sqm rent area

POSITIVE RENTAL GROWTH IN NON-CBD DESPITE LARGE SUPPLY PIPELINE

Positive Rental Growth in Non – CBD



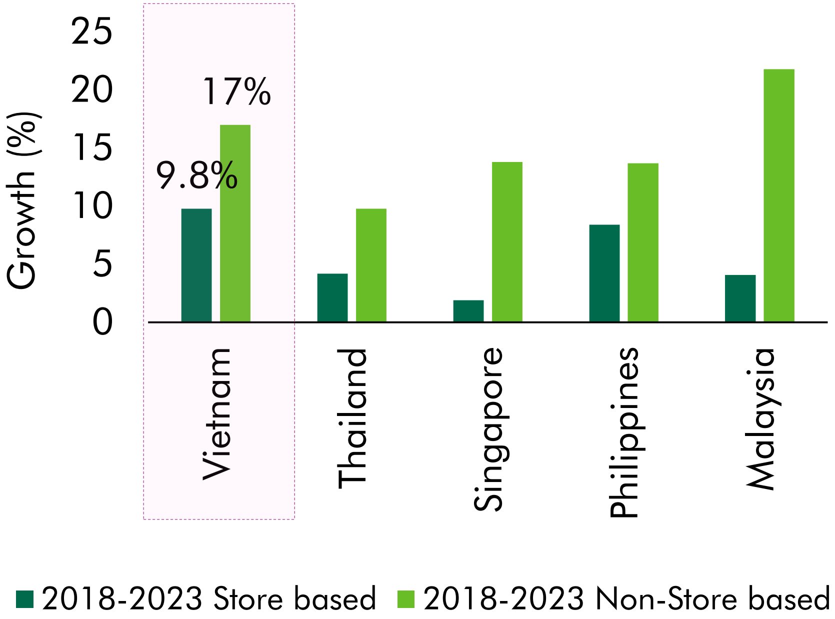
Strong Pipeline in Non – CBD (2020 – 2022)



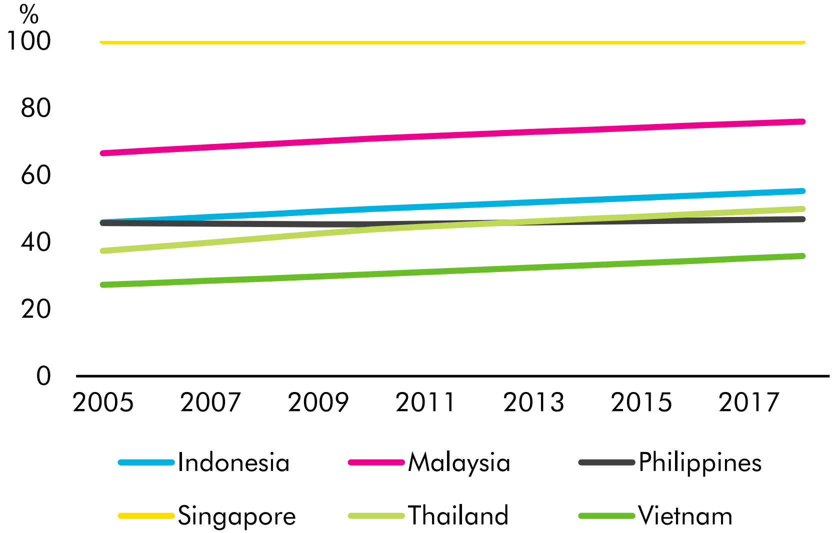
Asking rent is for Ground Floor and First Floor, exclusive of VAT and of Service Charge (US$/sqm of NLA/month)
Source: CBRE Vietnam.

STRONG DEMAND FOR MODERN RETAIL

Growth Of Retail Sales



Urban Population (% of total population)

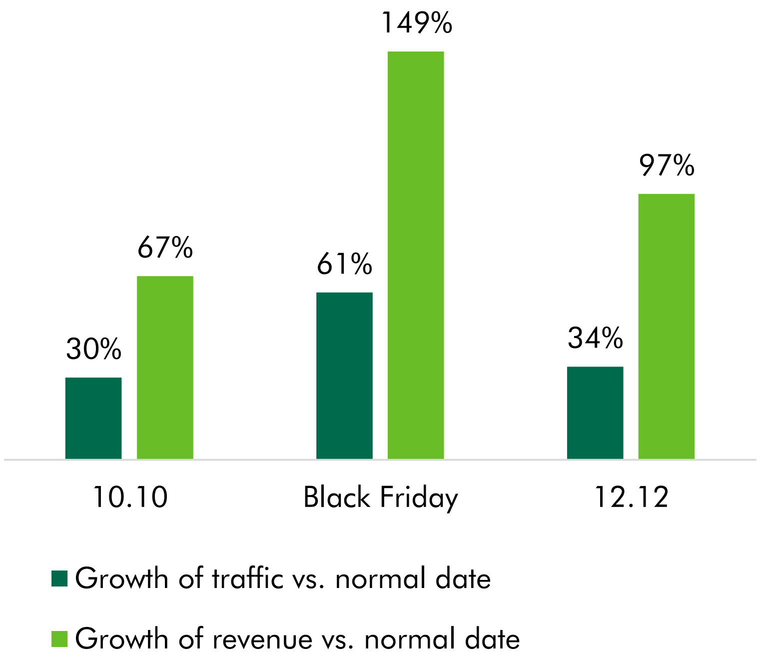


Increasing urbanization to support continued economic growth

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

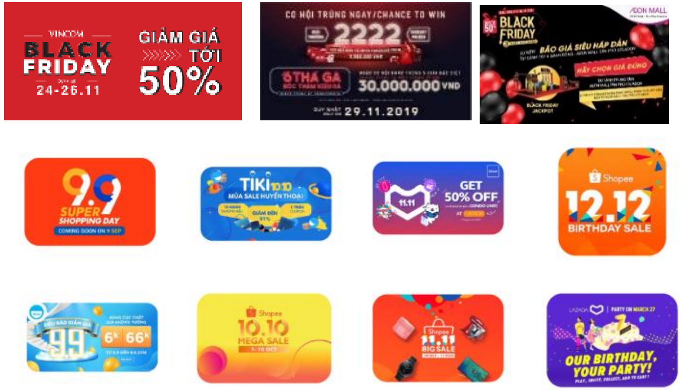
STRONG GROWTH ALSO SEEN ONLINE

E-commerce platform on Promotion dates

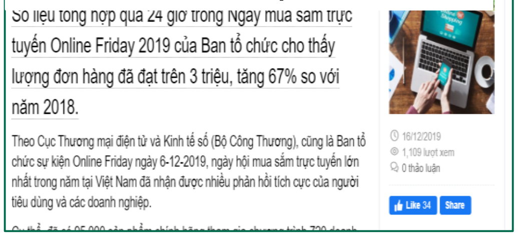


Source: Decision Lab, Criteo, ForbesVietnam News retrieved on 12/24/2019

How much promotion is "too much"?



Over 3 million orders on Online Friday

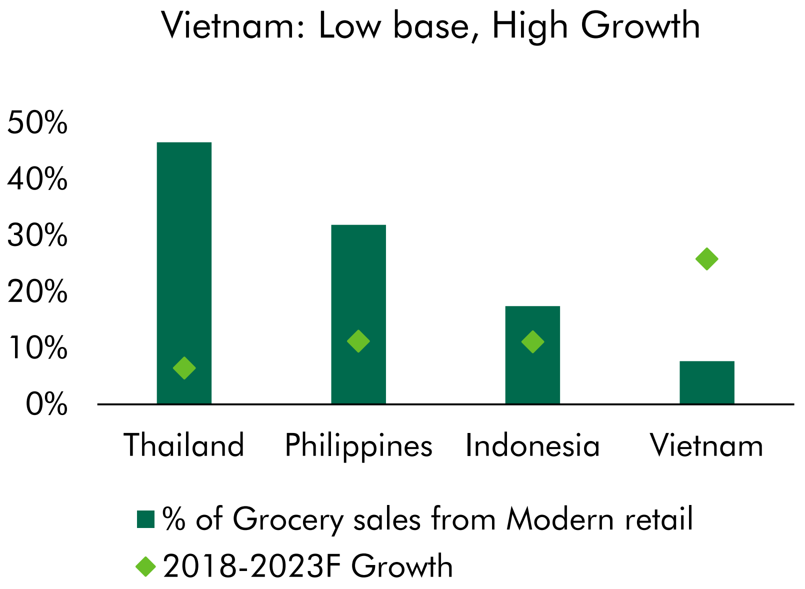

Số liệu tổng hợp qua 24 giờ trong Ngày mua sắm trực tuyến Online Friday 2019 của Ban tổ chức cho thấy lượng đơn hàng đã đạt trên 3 triệu, tăng 67% so với năm 2018.

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 34 Share

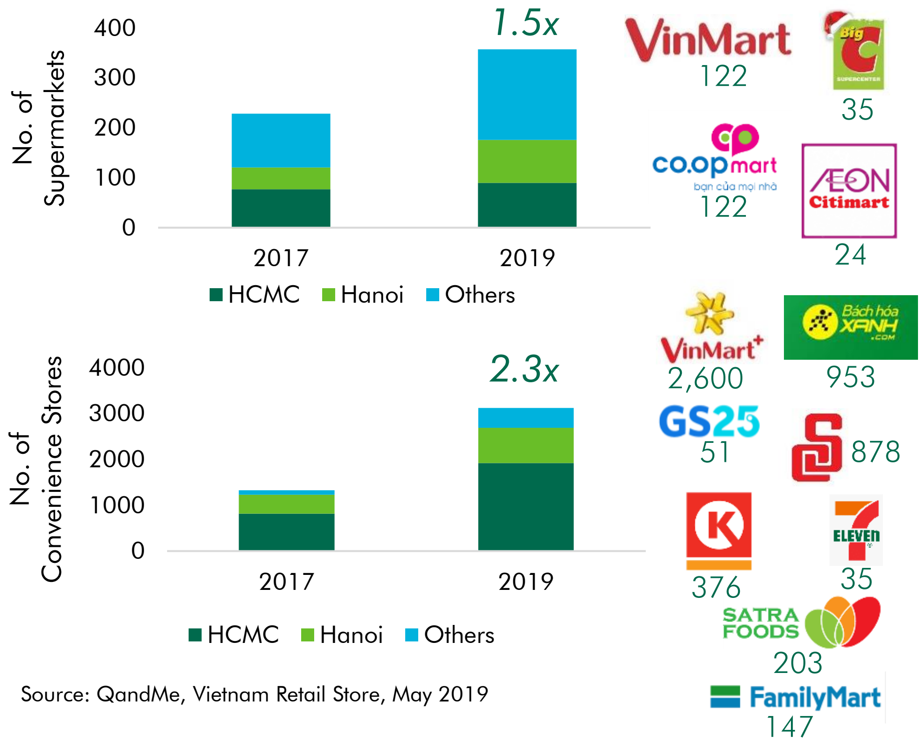
FAVORITE CATEGORIES IN MODERN RETAIL

2018 Modern Grocery Share (% Total Grocery)



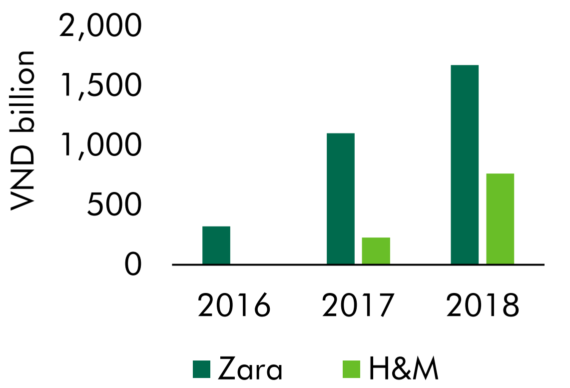
Modern Retail includes supermarket, hypermarket, convenience store & online retail.
Source: Euromonitor.

Growth of Supermarkets and Convenience Stores



Source: QandMe, Vietnam Retail Store, May 2019

Fast Fashion Revenue



Source: Cafef, VIRAC

Australian fashion brand Cotton On comes to Vietnam

Designers' house: from shophouses to malls

LIBÉ MONO TALK COEDO gago HNOSS magonn HOIVU KELLYBUI COUPLE TX

VNEXPRESS

Japan's Stripe International acquires Vietnamese shoe brand

nippon.com

1st Uniqlo Store in Vietnam Opens

Deal street Asia

Japan's Advantage Partners acquires Vietnamese fashion chain Elise

Uniqlo to launch first Hanoi store next year

UNI QLO

VNEXPRESS

Cotton On to launch its first Hanoi store in December 2019

KENH 14

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

ENTERTAINMENT IN SHOPPING MALLS: FUN AND ACTIVITIES FOR ALL AGES

tiNi Park

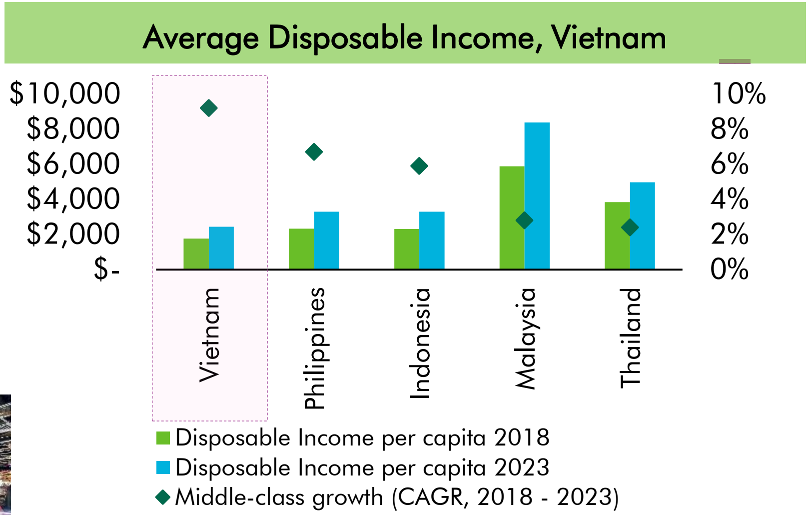
1 center – HCMC
1 center – Hanoi

jump arena

4 centers – HCMC
2 centers – Hanoi
1 center – Others

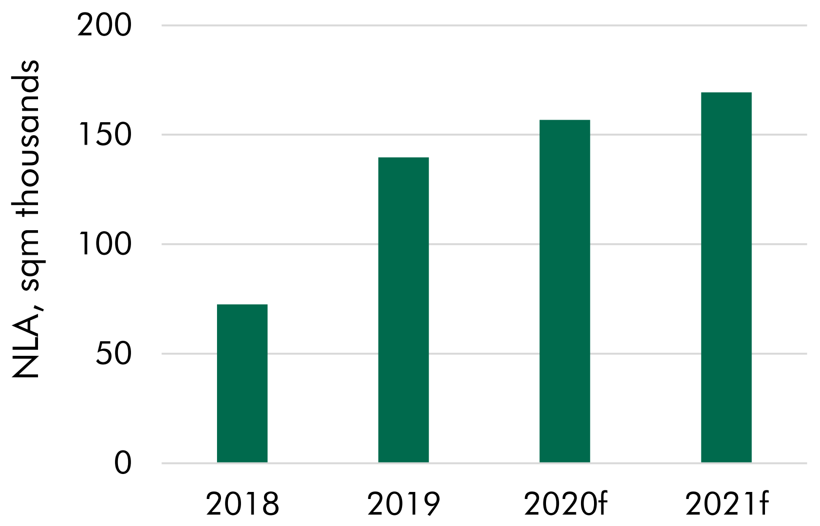
TIMEZONE

1 center – HCMC
2 centers – Hanoi
1 center – Others



2020 HANOI SUPPLY PIPELINE: MORE THAN 150,000 SQM TO COME ONLINE

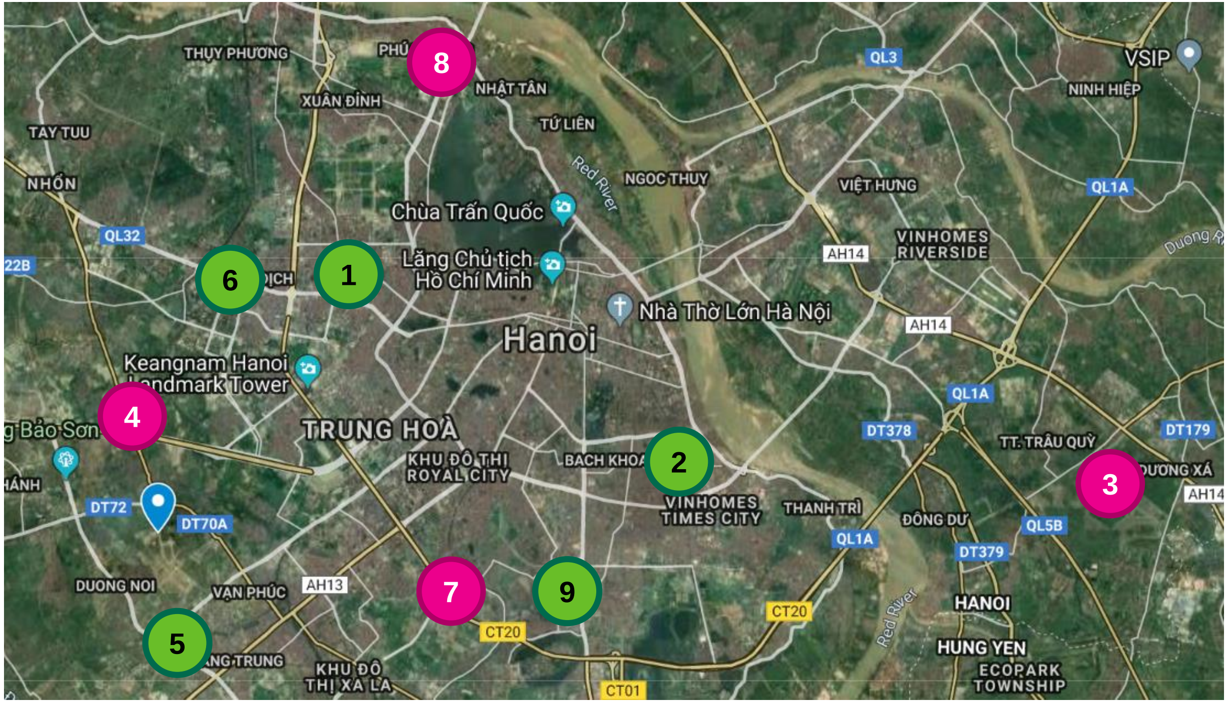
Hanoi Retail, Forecast New Supply



Hanoi vs HCMC Retail, Forecast Supply

Source: CBRE Research.

REGIONAL MALLS TO DOMINATE FUTURE SUPPLY (2020F – 2022F)

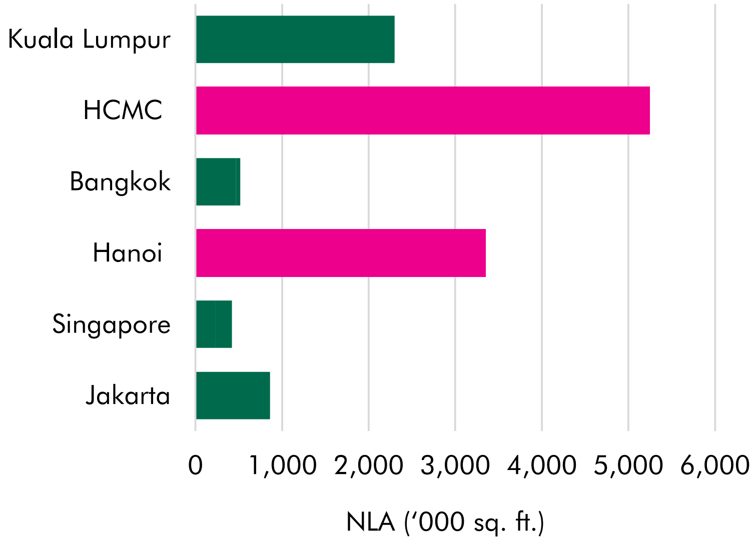


Regional Malls

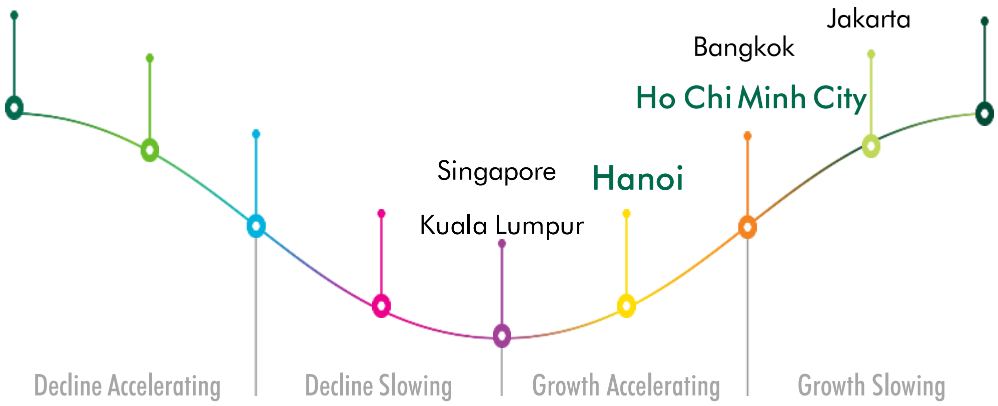
No.	Future Supply	Year
1	FLC Twin Towers (~14,000 sqm NLA)	2020
2	Hinode City (~30,000 sqm NLA)	2020
3	Vincom Megamall Ocean Park (~39,500 sqm NLA)	2020
4	Vincom Megamall Smart City (49,000 sqn NLA)	2020
5	The Village (Park City) (~12,000 sqm NLA)	2020
6	The Zei (~10,000 sqm NLA)	2021
7	The Manor Central Park (~70,500 sqm NLA)	2021
8	Lotte Mall (~72,000 sqm NLA)	2022
9	Aeon Hoang Mai	2022

FUTURE PIPELINE 2020-2021

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



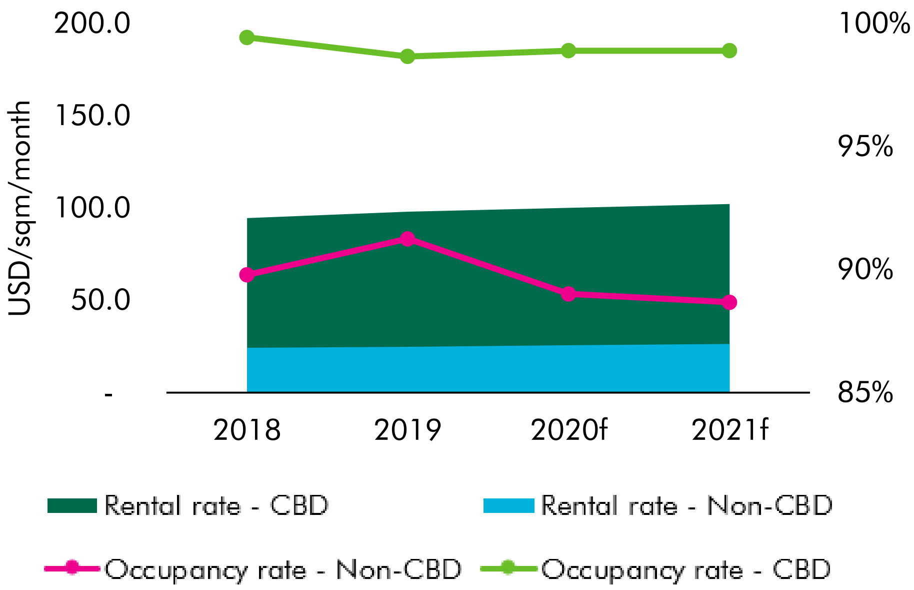
Vietnam Rental rates are on the Growth trend



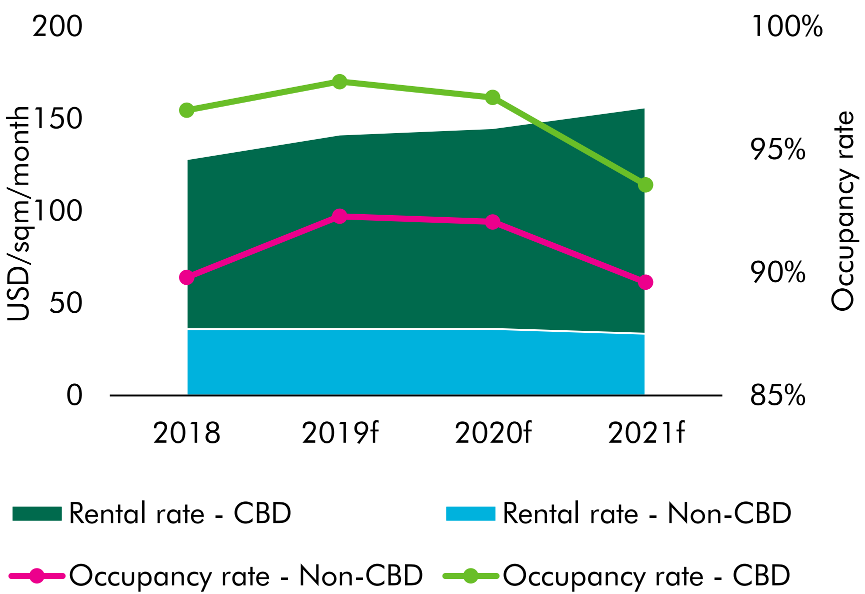
Source: CBRE Research

HEALTHY OCCUPANCY GOING FORWARDS

Hanoi Retail, Forecast Performance



HCM Retail, Forecast Performance



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

MARKET OUTLOOK

Shopping centers to focus on young spenders and middle class and provide more experience-based shopping

Large retail formats to dominate future pipeline in the next 3 years

Spread of modern shopping across locations

Rents in non-CBD are expected to remain quite stable while vacancy will undergo certain adjustments following large future pipeline

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

Shared economy will become commonplace

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

HANOI

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)


Landmark 72
(WEST)


Vinh Tuy Bridge
(SOUTH)


Indochina Plaza Hanoi
(WEST)
2010


CBD


MIDTOWN
Image retrieved from the Internet

Vinh Tuy Bridge
(SOUTH)

Population

6.6 million ppl

Landed house (*)

20,209 units

CBD

MIDTOWN

Condominium (*)

73,000 units

(*) Accumulated Supply

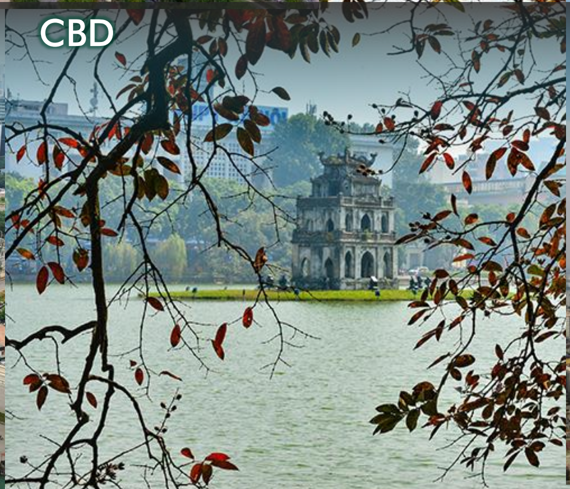
2010

Image retrieved from the Internet


Landmark 72
(WEST)


Vinh Tuy Bridge
(SOUTH)


Indochina Plaza Hanoi
(WEST)
2019


CBD


MIDTOWN
Image retrieved from the Internet

Population

8.1 million ppl

Landed house (*)

45,988 units

Condominium (*)

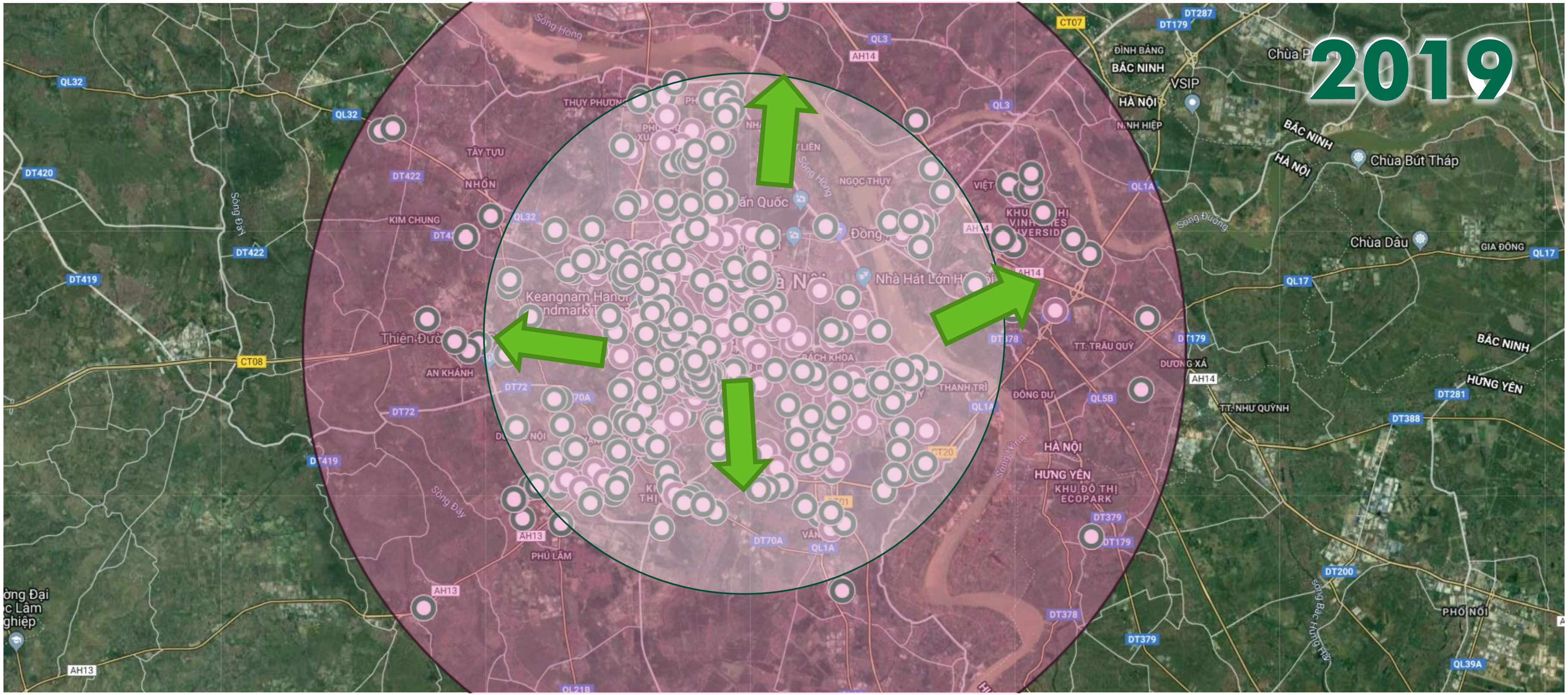
304,000 units

(*) Accumulated Supply

2019

HANOI RESIDENTIAL MARKET – A DECADE OF DEVELOPMENT

LARGER IN SCALE, EXPANDING STRONGLY TO THE WEST AND GRADUALLY EAST



Source: CBRE Vietnam

2019 KEY STORIES

SUPPLY 1

New supply at a record high

PRICING 2

Setting a new pricing level

PRODUCTS 3

Mega projects and townships dominate

DEMAND 4

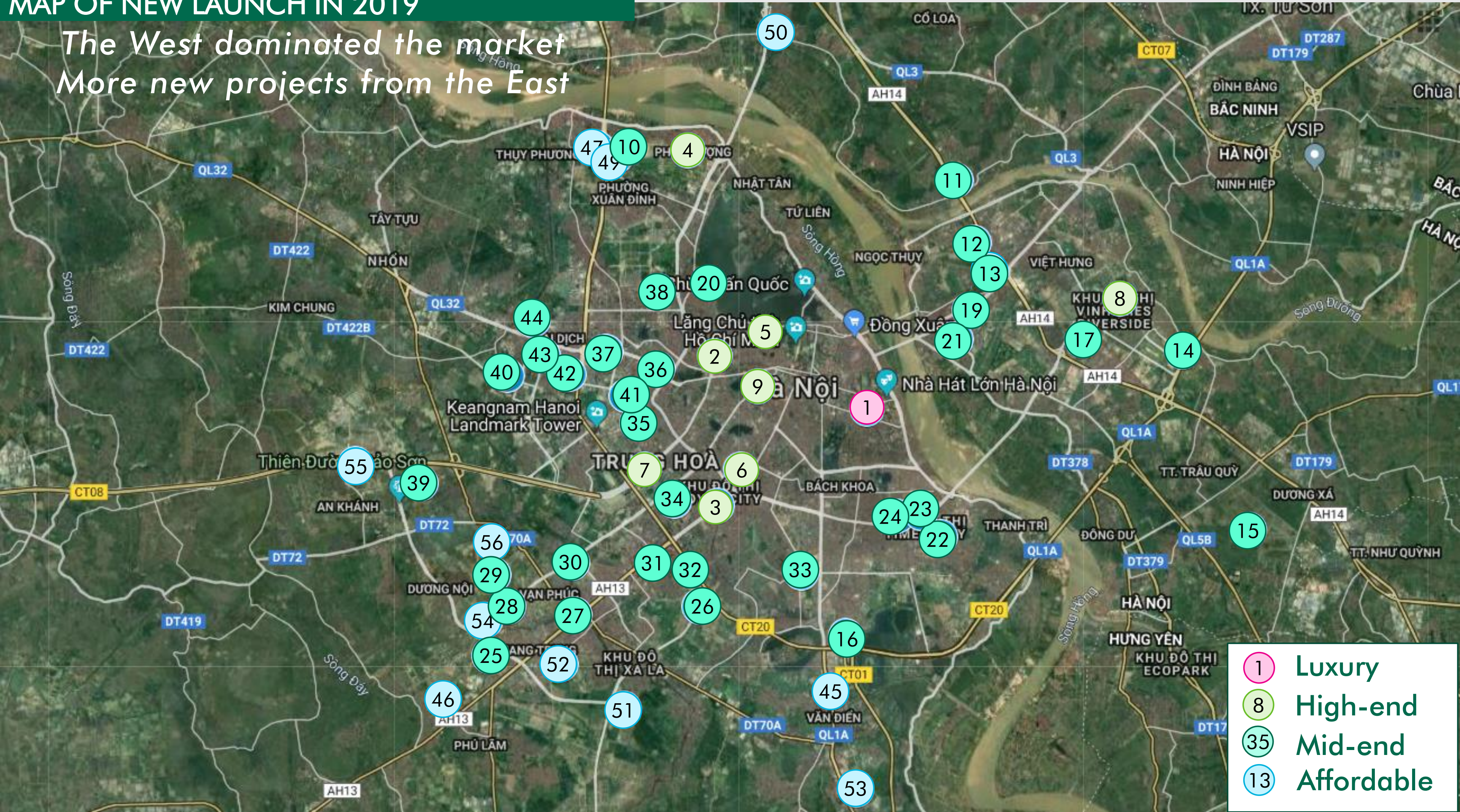
Stronger demand from foreign buyers

New supply at a record high

Image: Zing.vn

MAP OF NEW LAUNCH IN 2019

The West dominated the market
More new projects from the East



MARKET SNAPSHOT 2019

Total units sold: 29,020

Total units launched : 36,356 from 56 projects

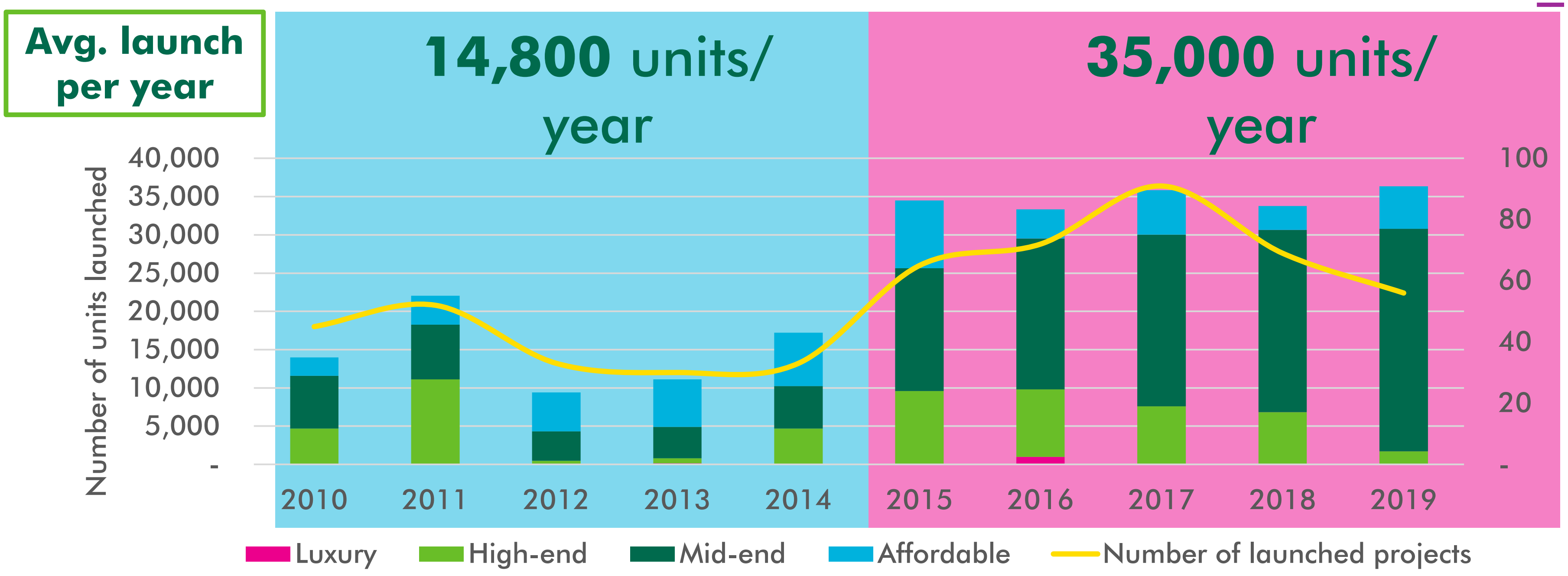
	Luxury	High-end	Mid-end	Affordable
NEW LAUNCH	**1 project** 12 units	**8 projects** 1,706 units ▼ *36% y-o-y*	**35 projects** 29,094 units ▲ *17% y-o-y*	**13 projects** 5,574 units ▼ *14% y-o-y*
SELLING PRICE (*)	**US$ 3,500/sqm**	**US$ 2,378/sqm** ▲ *7% y-o-y*	**US$ 1,304/sqm** ▲ *5% y-o-y*	**US$ 782/sqm** ▲ *2% y-o-y*
SOLD UNITS	**47 units** ▼ *63% y-o-y*	**2,249 units** ▼ *42% y-o-y*	**20,505 units** ▲ *18% y-o-y*	**6,219 units** ▼ *14% y-o-y*

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

Source: CBRE Research.

NEW SUPPLY AT RECORD HIGH IN 2019

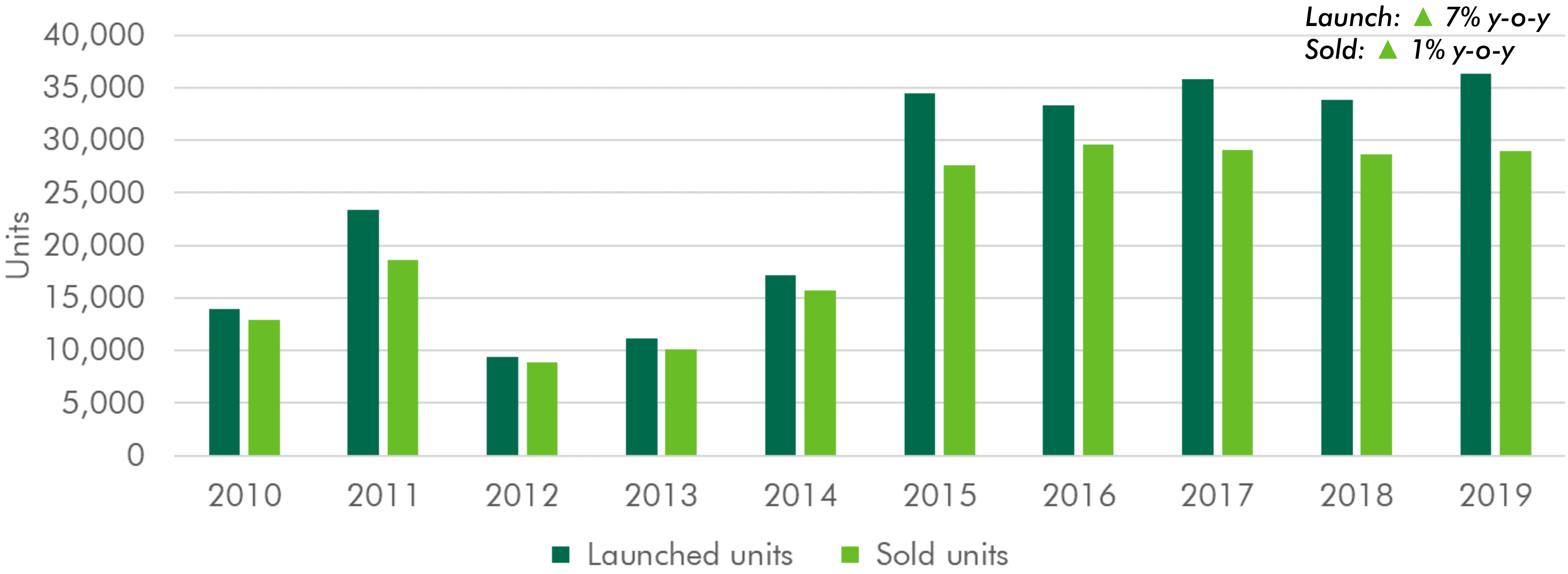
DUE TO LAUNCH FROM MEGA PROJECTS



Source: CBRE Vietnam

MEGA LAUNCH FROM MID-END PROJECTS TEMPORARILY ENLARGES NEW LAUNCH AND SOLD UNIT GAP

Hanoi Condominium, New launch supply vs. Sold units,

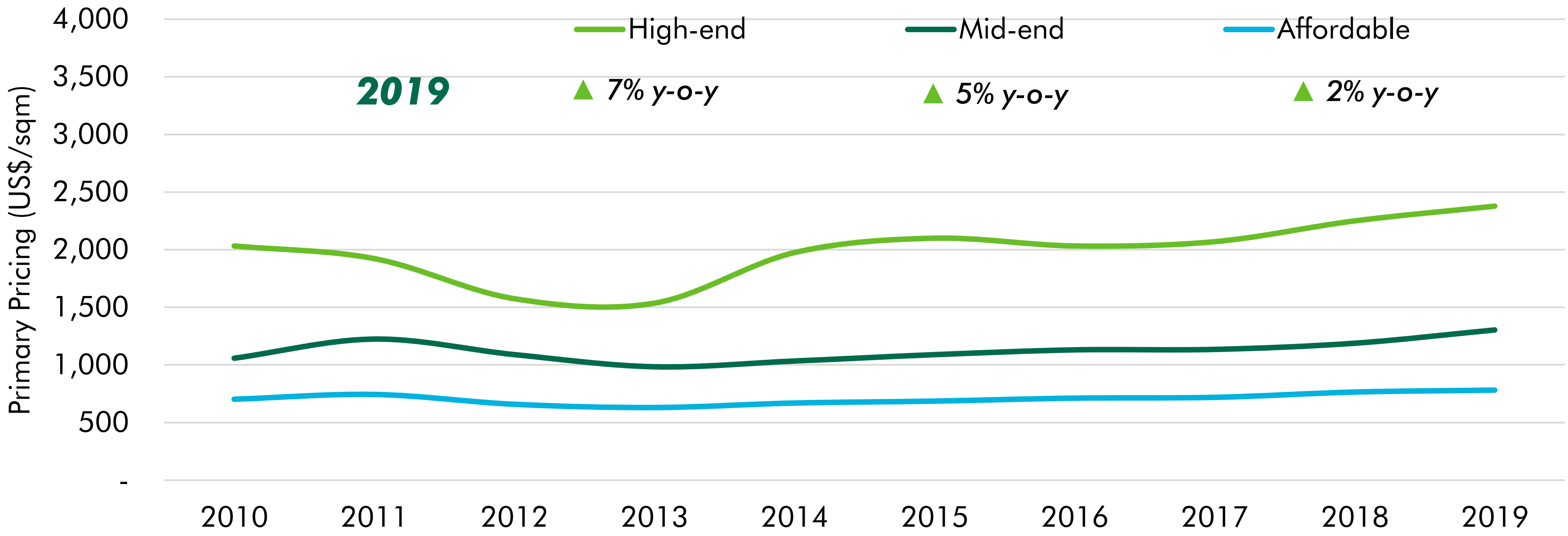


Source: CBRE Research.

Setting a New Pricing Level

PRIMARY PRICING OF HIGH-END SEGMENT REACHED A NEW HIGH

Hanoi condominium, Primary Pricing



Source: CBRE Vietnam.

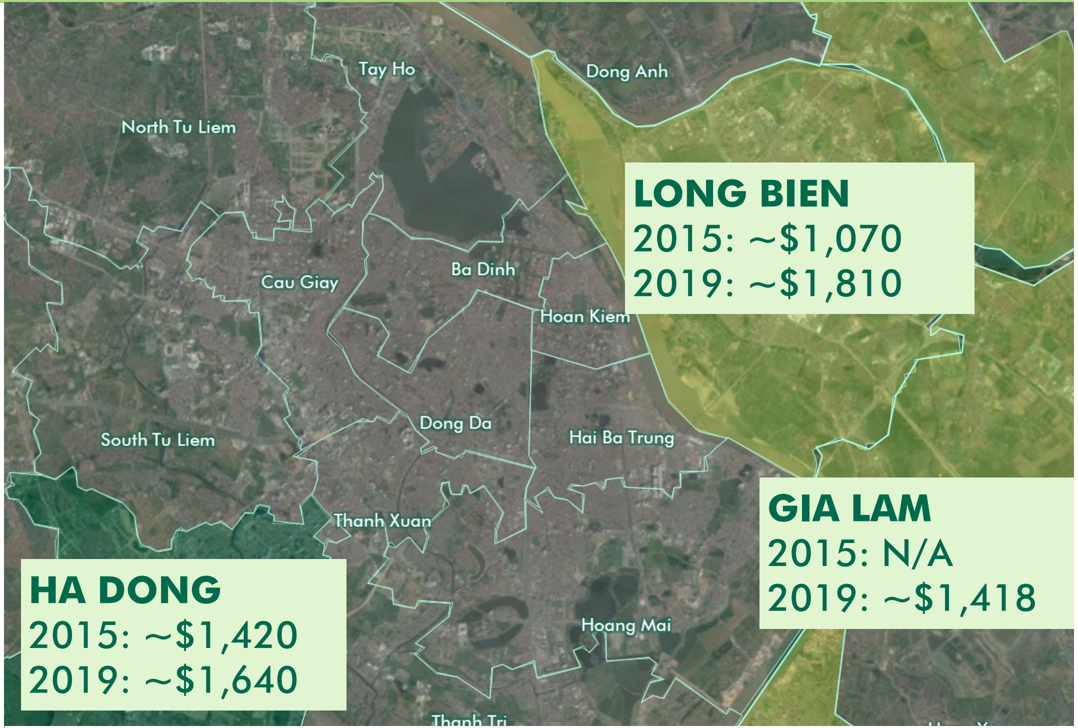
(*) Selling price: US$/sqm (exclude VAT and quote on NSA)

PROJECTS IN TOWNSHIPS SET NEW PRICING LEVELS TO DECENTRALIZED LOCATIONS

Highest pricing levels 2015 vs 2019 (**)

Vinhomes Symphony @ Vinhomes Riverside

Park Kiara @ Park City



LONG BIEN
2015: ~$1,070
2019: ~$1,810

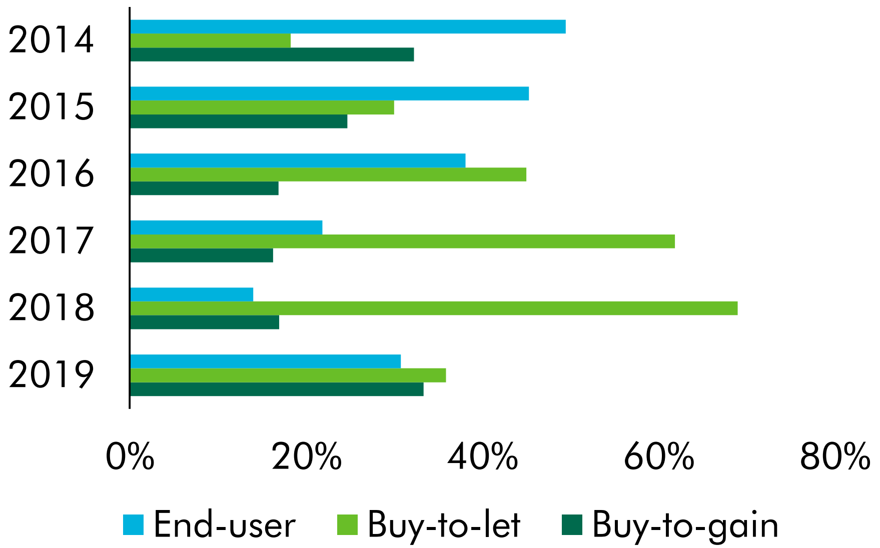
GIA LAM
2015: N/A
2019: ~$1,418

HA DONG
2015: ~$1,420
2019: ~$1,640

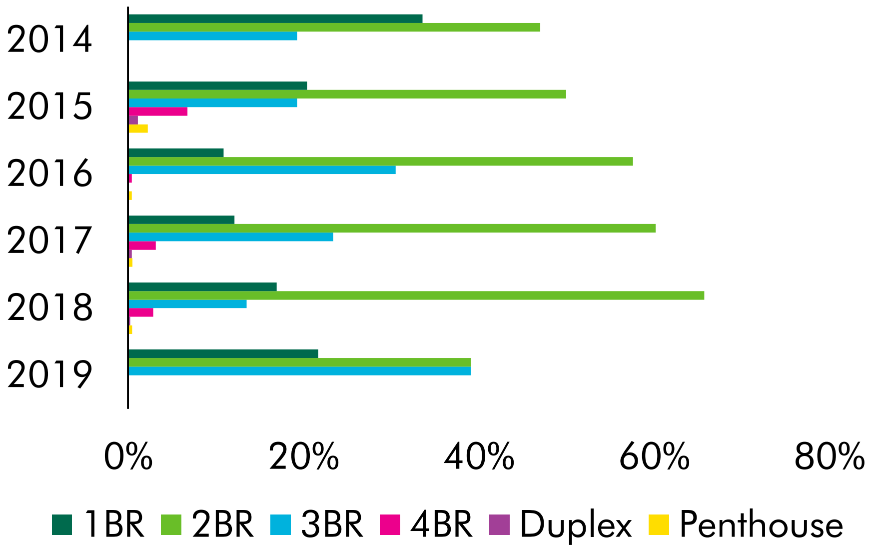
Source: CBRE Vietnam.
(*) Selling price: US$/sqm (exclude VAT and quote on NSA)
(**) Average pricing of projects recorded the highest price in districts

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.

VNEXPRESS

More and more Vietnamese use home mortgage loans

Remaining challenges

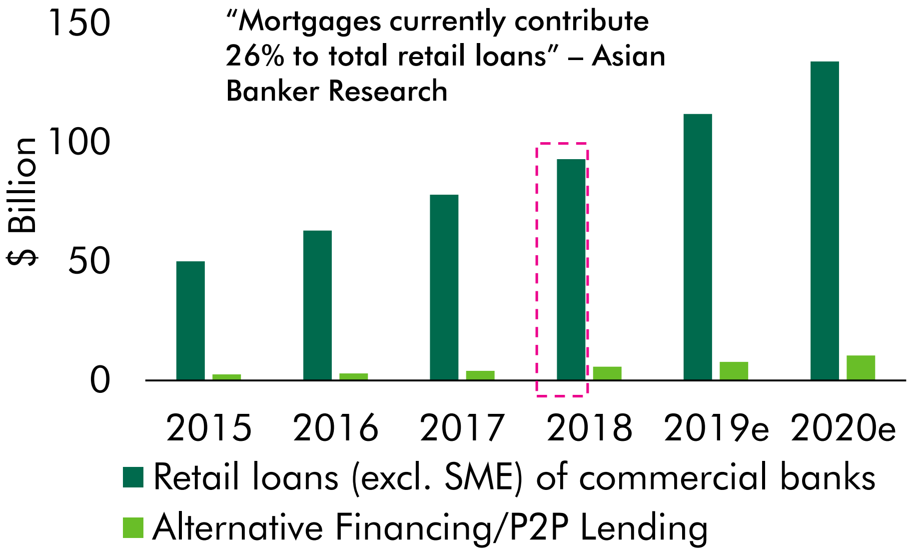
Bất động sản VIỆT NAM REATIMES

Home buyers in fear of interest rate hike

VIETNAM INSIDER

State Bank of Vietnam tightens lending for real-estate sector

Vietnam - Size Of The Retail Financial Services Industry



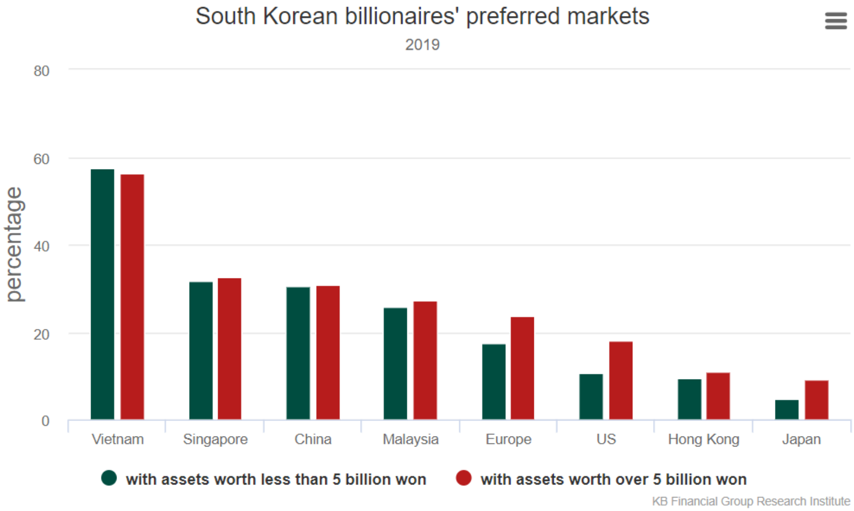
*Source: Asian Banker Research

WHILE FOREIGN INVESTORS ALSO ACTIVELY SEEKING OPPORTUNITIES

Rich South Koreans prefer Vietnam for overseas real estate investments

By Nguyen Quy October 2, 2019 | 10:34 am GMT+7

VnExpress INTERNATIONAL



Properties in Vietnam are actively promoted to foreign buyers

Vingroup offers VinFast cars to home buyers

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

Vinhomes residents received Vsmart phone as a New Year gift

JAPANTODAY

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

OTHER ADDED VALUE FEATURES

Smart parking apps

Ocean in township project

Green park designed for kids

MARKET OUTLOOK

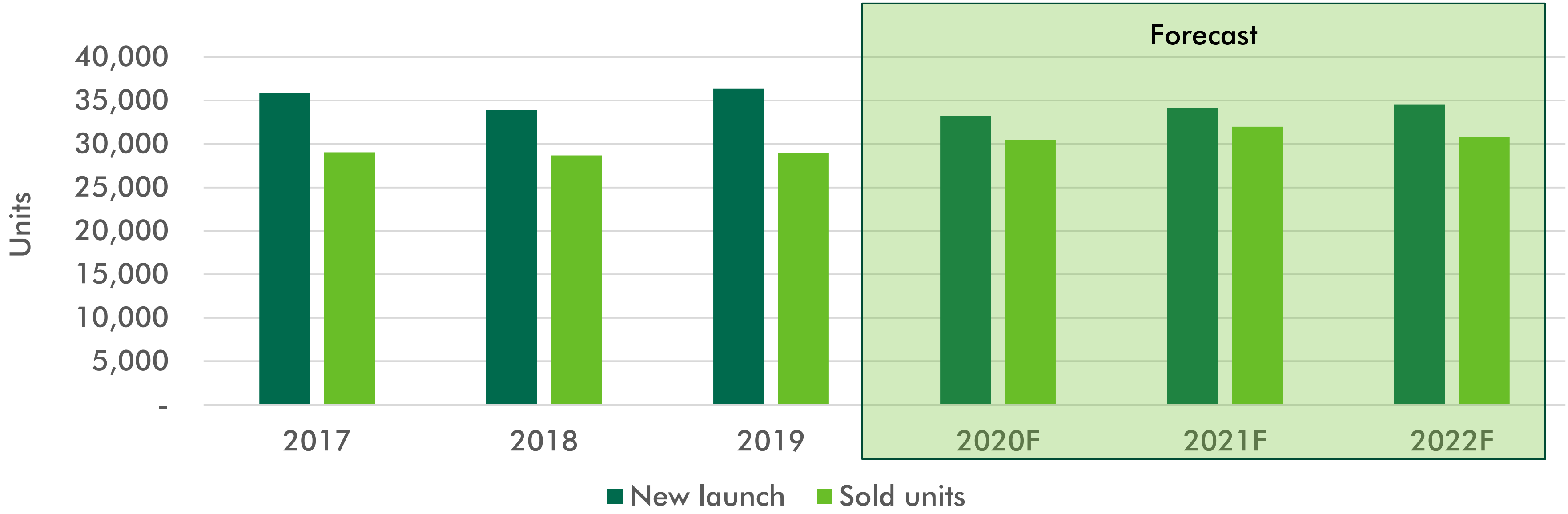
After 2020: The rise of East and North

Developers' innovation will be more important

Home mortgage loans are expected to grow faster

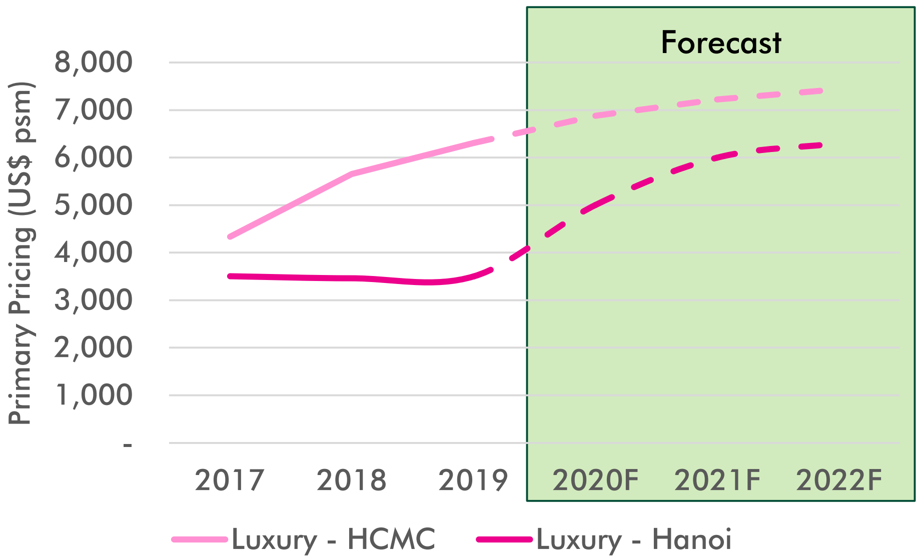
Moderate price growth as new supply pipeline remains strong

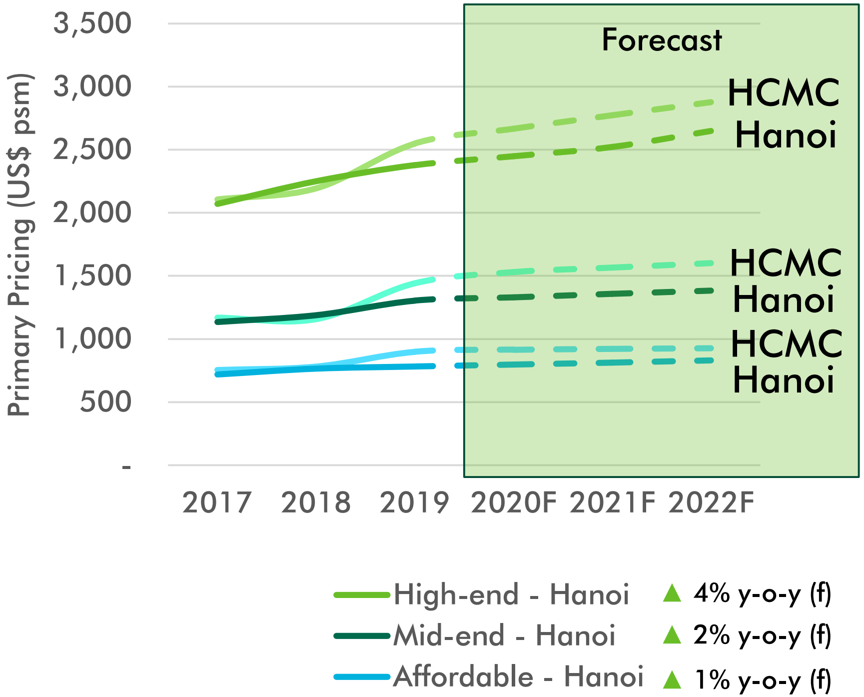
Hanoi Condominium,
Mid-end to account for 80 – 85% of total new launch and sold units



Source: CBRE Research.

Hanoi Condominium, Selling Price

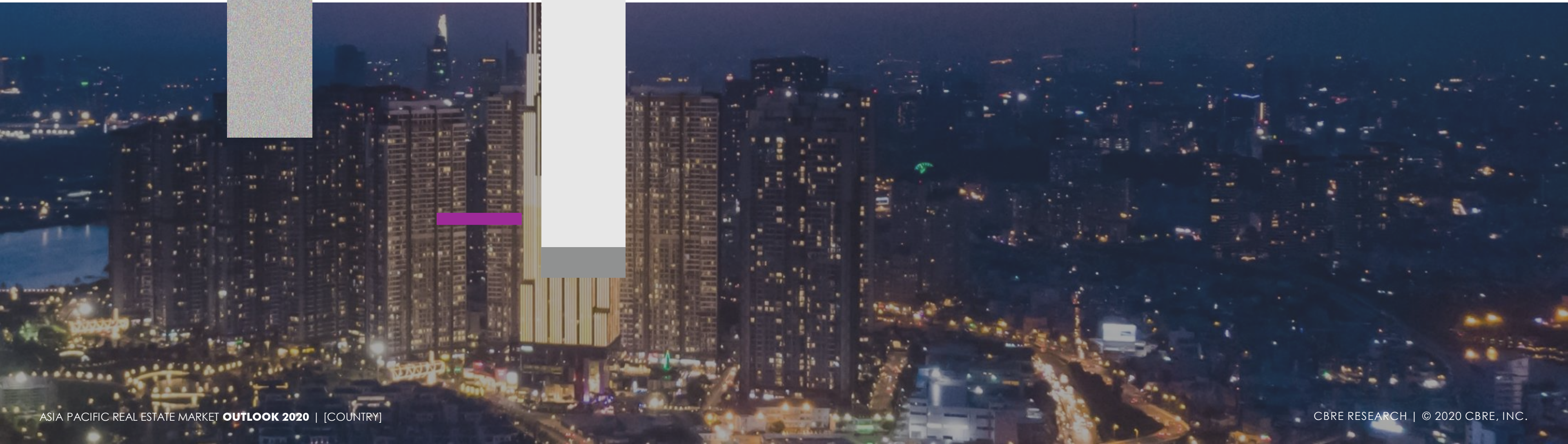




Source: CBRE Research.

HANOI

Landed Property



2019 KEY STORIES

1 SUPPLY

80% y-o-y increase
in New Supply
driven by large-scale townships

2 SALES RATE

Positive absorption amid large volume of New launch

3 PRICING

Secondary prices continue to rise in emerging residential areas

4 PROVINCIAL MARKET

Emergence of provincial markets

MARKET SNAPSHOT 2019

	HANOI	HCMC	
NEW SUPPLY	***2019: 4,199 units*** 16 projects ↑ *81.9% y-o-y*	***2019: 928 units*** 11 projects ↓ *28.9 % y-o-y*	**Units**
SECONDARY PRICE	***Villa*** ***$4,248*** ↑ *11.3% y-o-y* ***Townhouse*** ***$4,604*** ↑ *7.2 % y-o-y*	***Villa*** ***$4,707*** ↑ *26.2% y-o-y* ***Townhouse*** ***$3,370*** ↑ *22.3 % y-o-y*	**US$/sq.m.**
SOLD UNITS	***2019: 3,853 units*** ↑ *46.7% y-o-y*	***2019: 831 units*** ↓ *68.0 % y-o-y*	**Units**

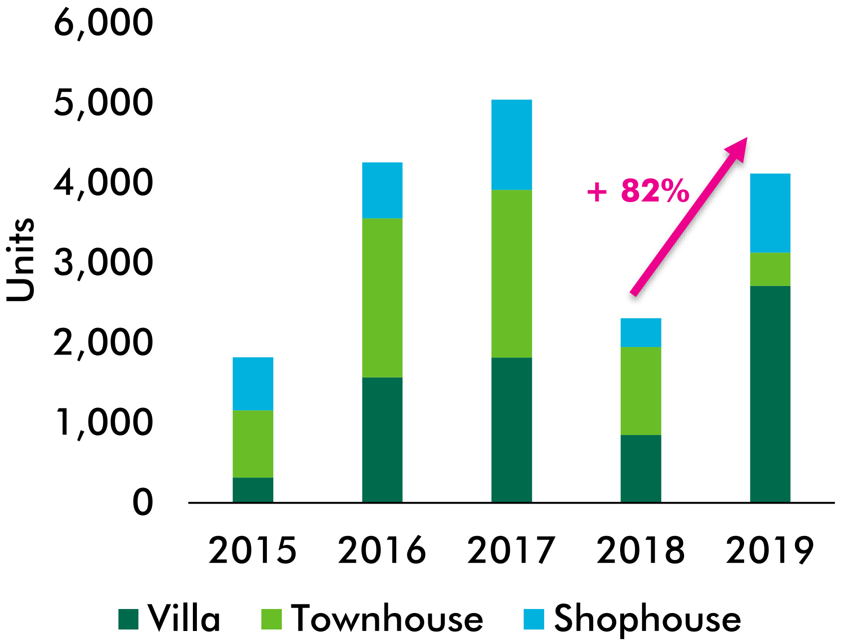
Secondary Price for Townhouse in HCMC is lower mainly due to being located in suburban locations outside the city.

Price is average, inclusive of construction costs and exclusive of VAT.

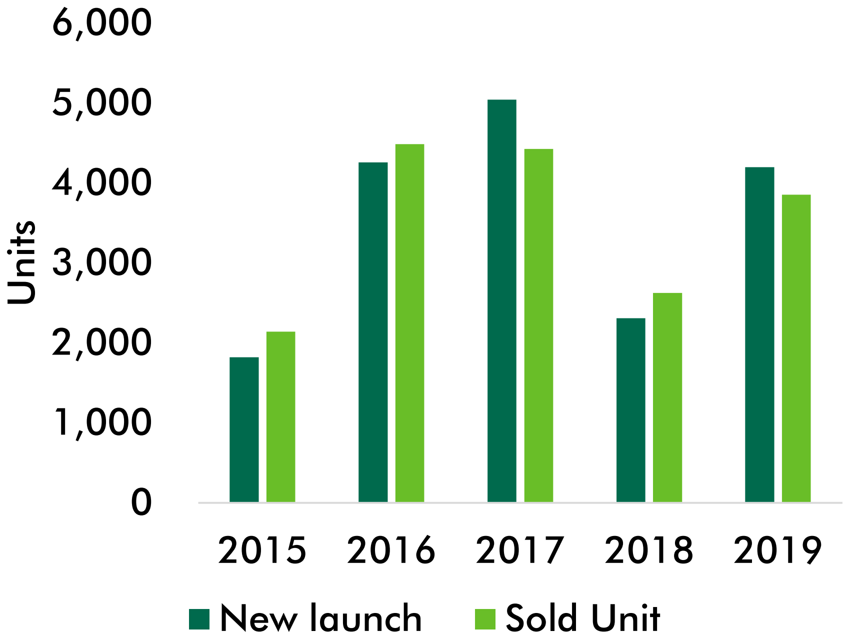
Source: CBRE Research.

LARGE SCALE TOWNSHIPS DRIVE NEW SUPPLY FORWARD

Hanoi Landed Property, New Supply



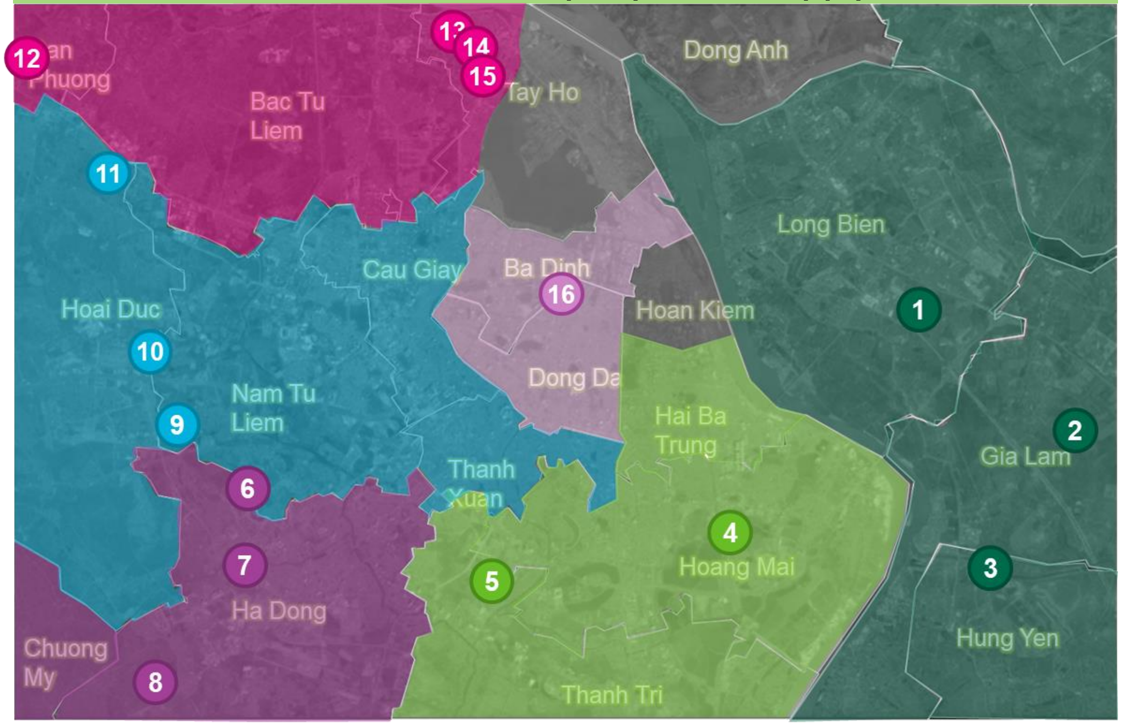
Hanoi Landed Property, Sold Units



Source: CBRE Research.

16 PROJECTS INTRODUCED 4,199 UNITS IN 2019

Hanoi Landed Property, New Supply

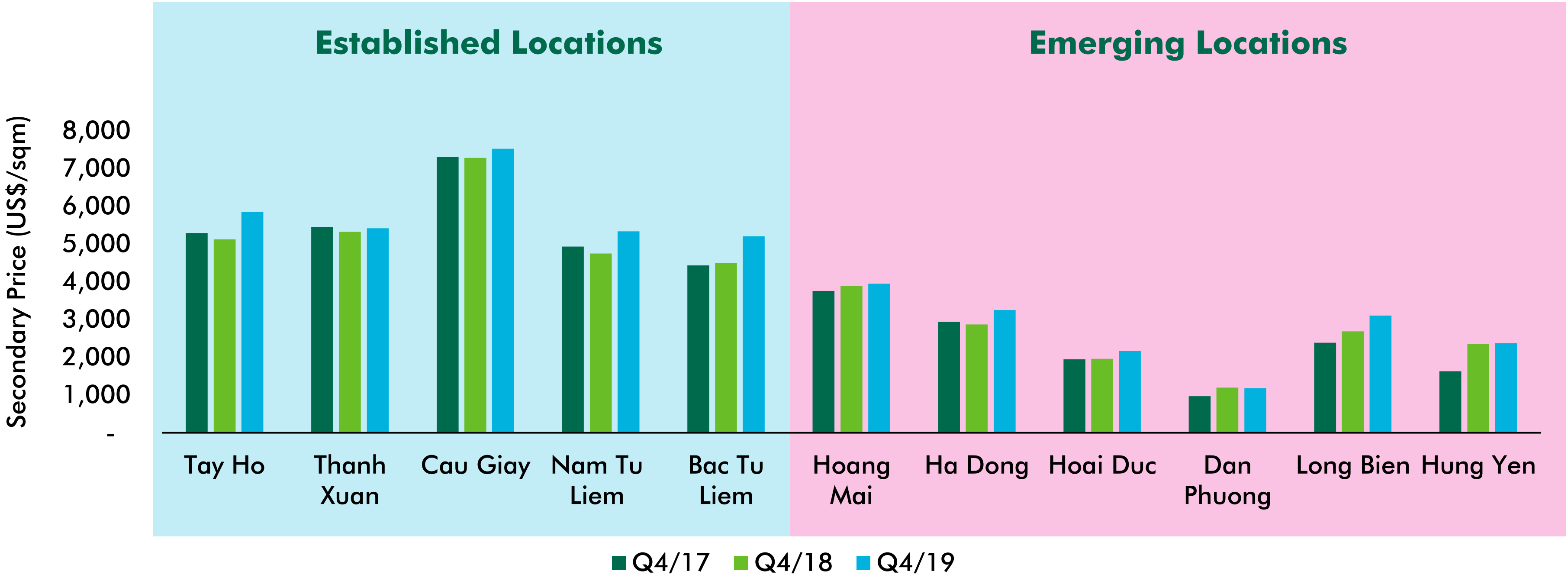


	No.	Project
East	1	Elegant Park Villa
	2	Vinhomes Ocean Park
	3	Spring Valley - Ecopark
South	4	Aurora Garden
	5	The Manor Central Park
South West	6	Louis City
	7	Terra An Hưng
	8	Sol Lake Villa
West	9	Vinhomes Smart City
	10	An Lạc Green Symphony
	11	Lideco
North West	12	Phoenix Garden - Royal Hill
	13	Sunshine Wonder Villas
	14	Sunshine Golden River
	15	The Lotus Center
Midtown	16	Grandeur Palace

Source: CBRE Research.

EMERGING LOCATIONS WITNESSED STRONG PRICE GAINS

Villa Secondary Price by District (US$/sqm of land)

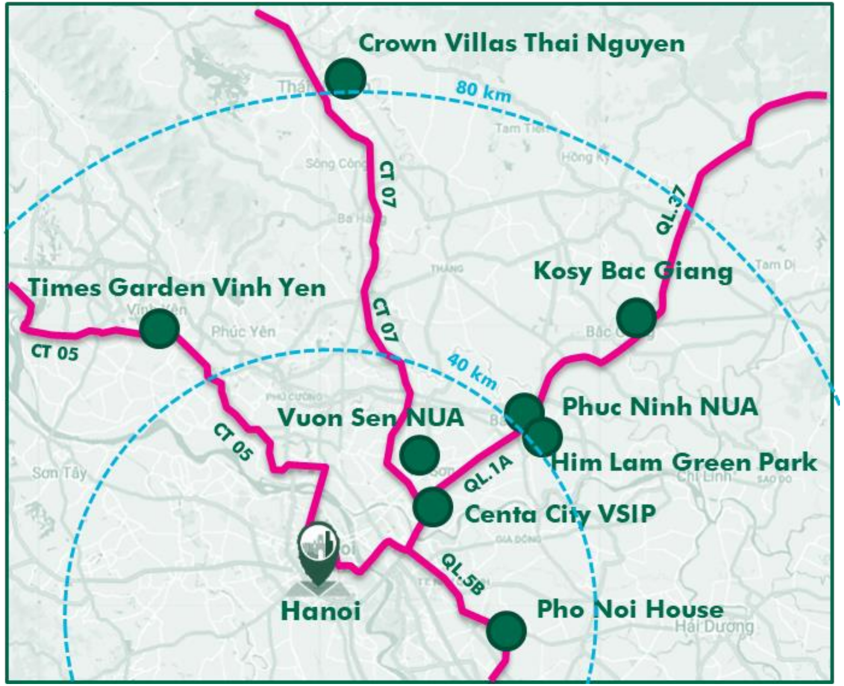


Price is calculated on US$ psm land. Price includes construction costs, excludes VAT.

Source: CBRE Research.

PROVINCIAL MARKET:
TRANSFORMATION TOWARDS READY-BUILT PRODUCTS

Mapping of recently launched landed projects in surrounding provinces, 2019



Price is calculated on US$ psm land. Price includes construction costs, excludes VAT.

Source: CBRE Research.

Location

Near highway/expressway connecting to Hanoi
Close to major Industrial Parks/ Industrial hubs

Price

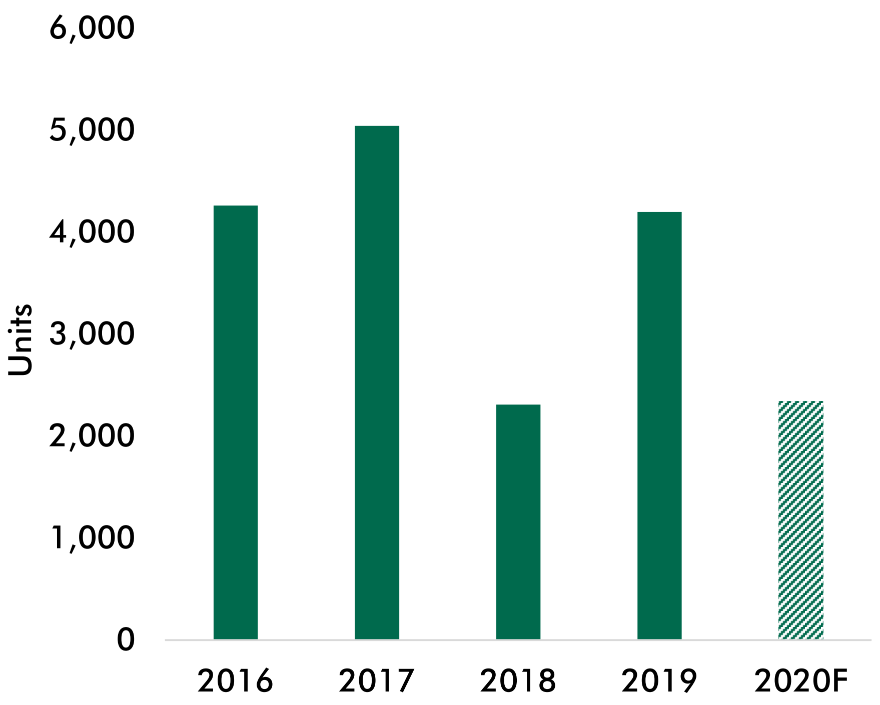
Popular unit value often ranges **from VND 3 – 5bn**

Facilities & Amenities

Developers **focus more on building townships** with fully equipped facilities than house-only projects

MARKET OUTLOOK:
FURTHER DECENTRALISATION OF RESIDENTIAL CLUSTERS

Hanoi Landed Property, Future Supply, 2020F



Pipeline is calculated based on only known future projects.

Source: CBRE Vietnam

Further expansion towards suburban districts

Market absorption to remain positive as buyers are paying more attention to emerging locations

Upward trend in selling prices in new residential clusters

Inter-provincial infrastructure and location by industrial hubs will be key factor for price determination

VIETNAM 2030

HOME AUTOMATION IS THE NORM

INTEGRATED TOWNSHIP DEVELOPMENTS IN NEW RESIDENTIAL AREAS

WAITING FOR METRO TO COME HOME

VIETNAM NATIONAL FOOTBALL TEAM TO PLAY IN WORLD CUP’S SEMI FINAL

CBRE RESEARCH | APAC

REAL ESTATE MARKET OUTLOOK 2020

THANK YOU

For more information regarding this presentation please contact:
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