CUSHMAN & WAKEFIELD

MARKETBEAT

HO CHI MINH CITY, Q3 2022

OCTOBER 2022

RESIDENTIAL

UPCOMING INFRASTRUCTURE

- Under construction
- Under planning

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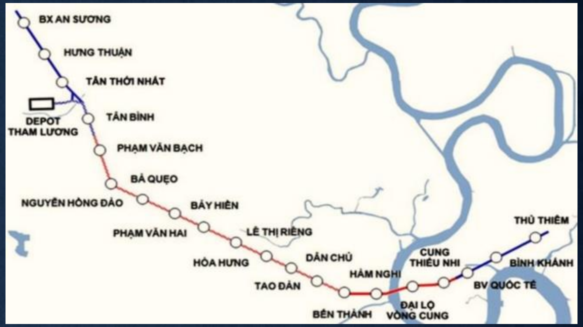
Ring Road 3

Long Thanh Airport



Metro Line 2

(Ben Thanh-Tham Luong, expected construction start in 2022)

Nhon Trach Bridge

(HCMC – Dong Nai, ground breaking in 2022)

Bien Hoa-Vung Tau Expressway

HCM-Moc Bai Expressway

An Phu Intersection

(expected construction start in 2022)

Ben Nghe Bridge (Thu Thiem 4)

NOTABLE NEWS AND LEGAL UPDATES

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AMENDMENT OF LAND PRICE FRAMEWORK

The land price list will be announced annually at the beginning of the year, instead of 5 years to ensure the land price is close to the market and to facilitate the compensation process

TIGHTER LOAN POLICY

State Bank of Vietnam (SBV) recently requested credit institutions to strictly control credit for risky areas such as real estate, securities trading, corporate bonds, and BOT (build, operate, transfer) and BT (build, transfer) projects.

INTEREST RATE INCREASE

The State Bank of Vietnam (SBV) on September 22 also decided to hike its benchmark interest rate by 100 basis points

BIDDING LAW AMENDMENT (Draft)

To update regulations in line with the Free Trade Agreements (FTAs), to create a favorable business environment

- Provincial People's Committees must publicize plans and lists of land plots for auctions and tenders every year

=> This helps increase the transparency of auctions and tenders relating to land

- Improving the procedure of selecting investors for land-use-related projects

promote innovation

APARTMENT – CURRENT SUPPLY

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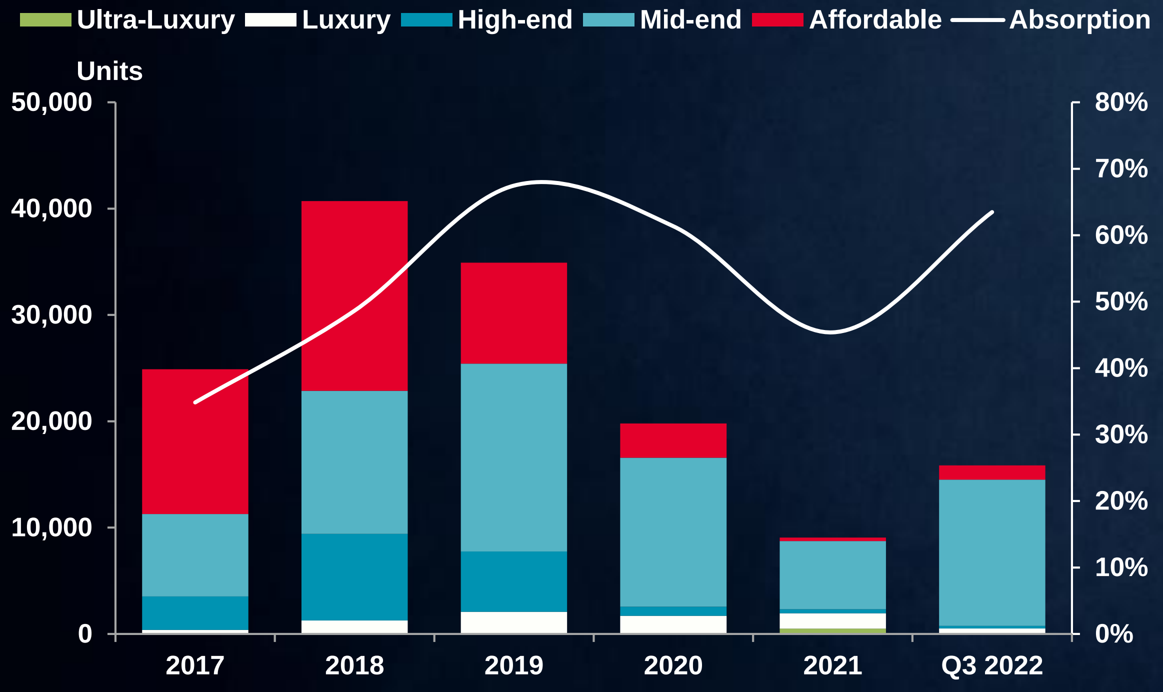
New supply Q3 2022

~4,100 units

-56% QoQ;
+146% YoY

Total primary supply

~7,150 Units



Source: C&W Vietnam

Lumiere Boulevard
(7.6ha, Masterise Homes)

MT EastMark City
(20ha, Dien Phuc Thanh)

Akari City Phase 2
(8.5ha, NLG)

Urban Green
(2.02ha, Kusto Home)

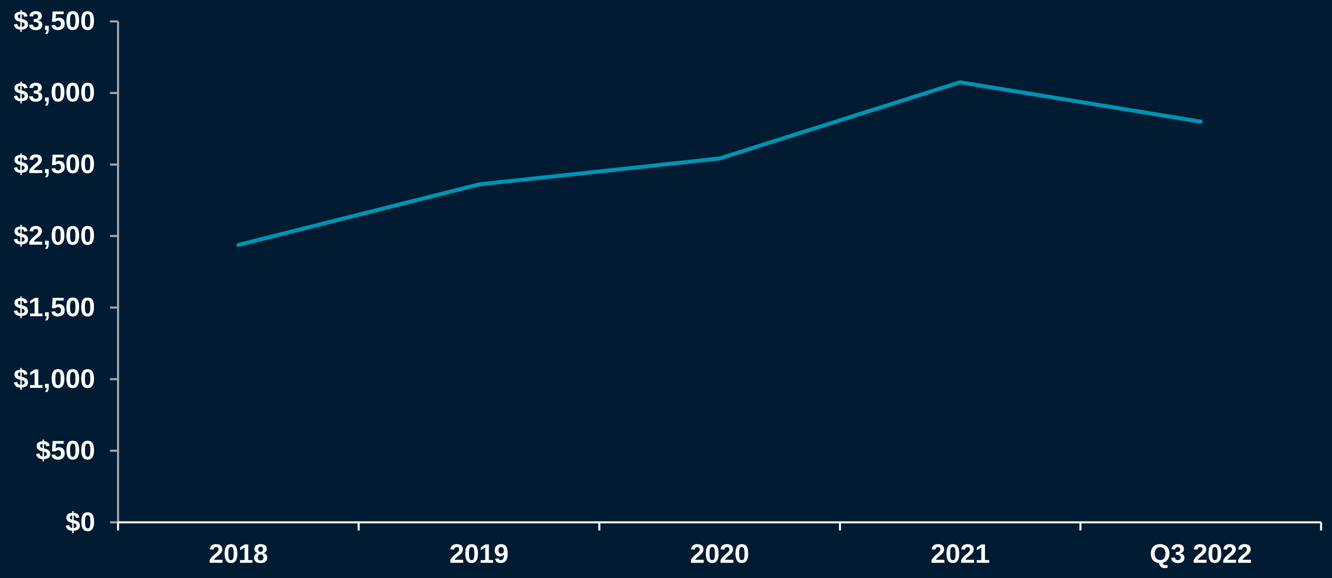
Credit control policy has taken effect since early July of this year, Which partly caused barriers in terms of raising capital from commercial banks, leading to difficulties for implementing new apartment projects. Therefore, there were nearly 4,100 units launched in this quarter, down 56% QoQ.

APARTMENT - PERFORMANCE

Market demand started being affected by credit controls and not much escalation in average primary price QoQ

Sales volume Q3 2022	Average price Q3 2022	Future supply Q4 2022 – onwards
~4,150 units -54% QoQ; +151% YoY	**2,800** US$ per sqm	**~171,000** units

Average primary selling price (US$/sqm)



In Q3 2022, new sales volume dropped largely compared to the last quarter, down 54% QoQ.

The credit limit on the real estate sector has already made difficulties in terms of loan disbursement for customers, leading to lower sales volume as well as the sales absorption rate.

The average primary price in Q3 2022 was slightly up 1% QoQ, reached around 2,800 US$ per sq.m.

Source: C&W Vietnam

APARTMENT - TRENDS

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SOCIAL HOUSING

About 2.5 million sq.m social housing projects will be developed for low-income earners by 2025

Key developers: Vinhomes, Novaland, Hung Thinh

WELLBEING

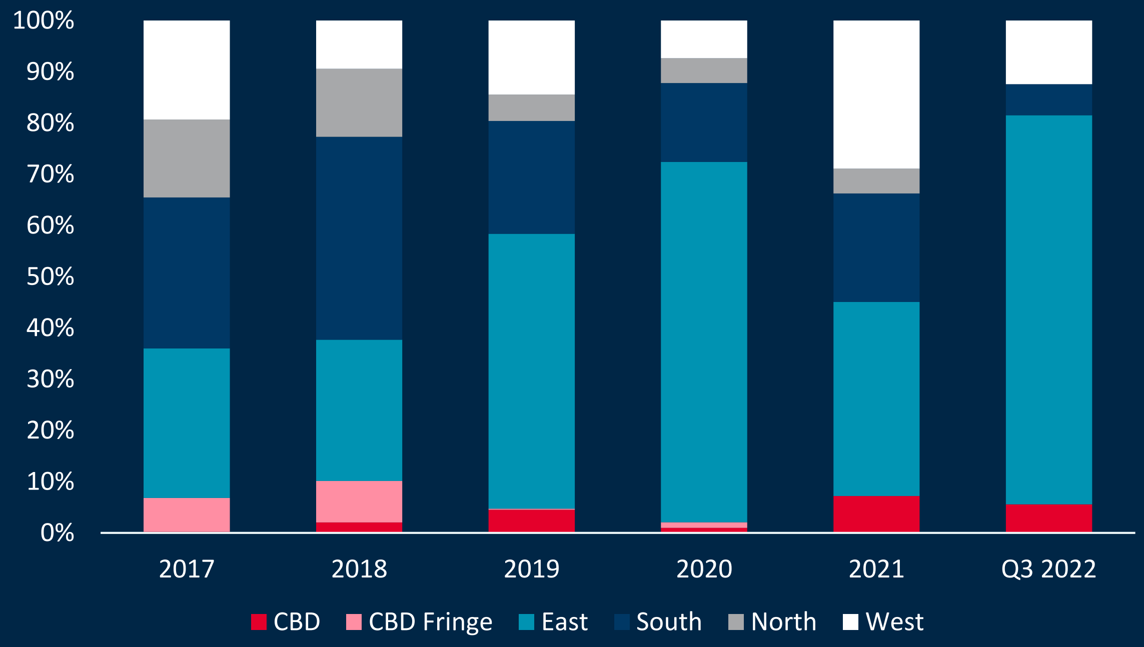
Healthcare factors start to be focused on designs including more green spaces, open spaces, and advanced technologies enhancing the living environment standards such as air filtration & water purifier systems, or healthcare-focused services

SUPPLY VS DEMAND

Developers

- The East continued being the key dominant thanks to improvements in existing and upcoming infrastructure
- Developers offered flexible payment schedules for buyers at credit limit time and various promotions, and discounts to raise market demand

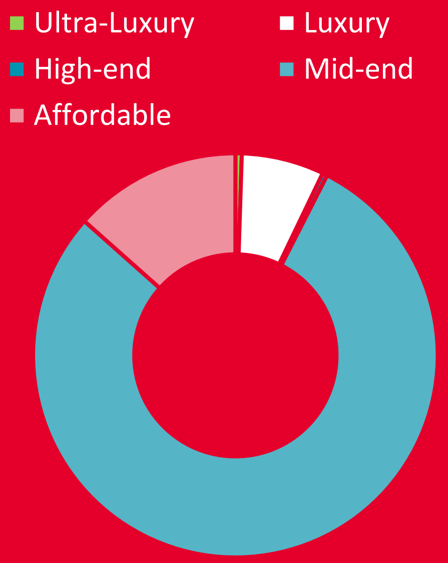
Market share of new supply by location by year



Buyers

- High demand for Mid-end units
- Buyers are more attracted by well-being concept products and flexible payment schedules
- Long-term investment seemed to be the proper choice at this time

LARGE ABSORPTION FOR MID-END PRODUCTS



WELLBEING CONCEPT PRODUCT IS NOW A THING

More green space

More open spaces or open concept design

More equipment enhances healthcare value

LANDED PROPERTIES - OVERVIEW

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New supply Q3 2022 (HCMC)

~450 units

+130% QoQ;
+350% YoY

Sale Volume Q3 2022 (HCMC)

~270 units

+17% QoQ;
+88% YoY

Total primary supply Q3 2022 (HCMC)

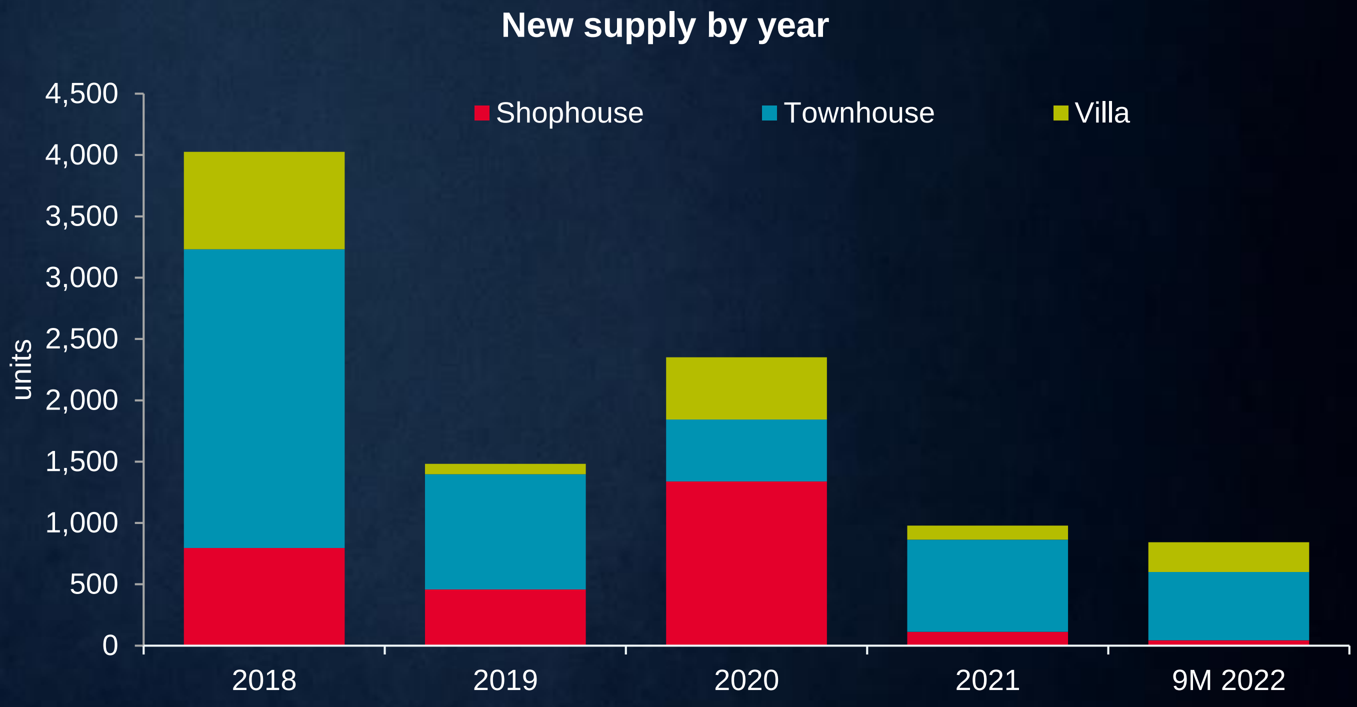
~770 units

Classia Khang Dien
(4.3ha, Khang Dien House)

The Global City, Soho Residence
(117ha, Masterise Homes)

Celesta Avenue
(1.5 ha, Keppel Land)

The Rivus Elie Saab
(26.7 ha, Masterise Homes)

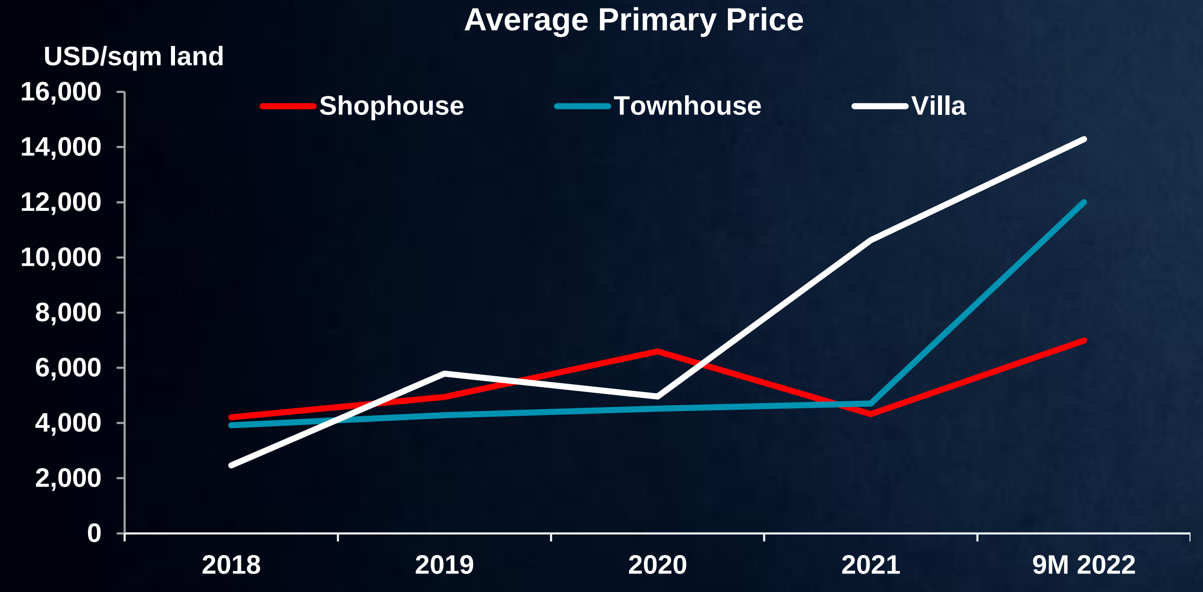


Source: C&W Vietnam
All prices are exclusive of VAT
US$/VND = 23,570 as of September 2022

LANDED PROPERTIES – PERFORMANCE

Average primary price (HCMC)
12,300
US$ per sqm
+30% QoQ;
+95% YoY

Future supply 2022 – 2025+ (HCMC)
~9,500 units



Source: C&W Vietnam
All prices are exclusive of VAT
US$/VND = 23,570 as of September 2022

Map of notable future supply (Q4 2022 – onwards)

LANDED PROPERTY – CONCEPT & TRENDS

UNIQUE FEATURES
The largest water music zone in Southeast Asia

NEW CONCEPT
Haute couture residence

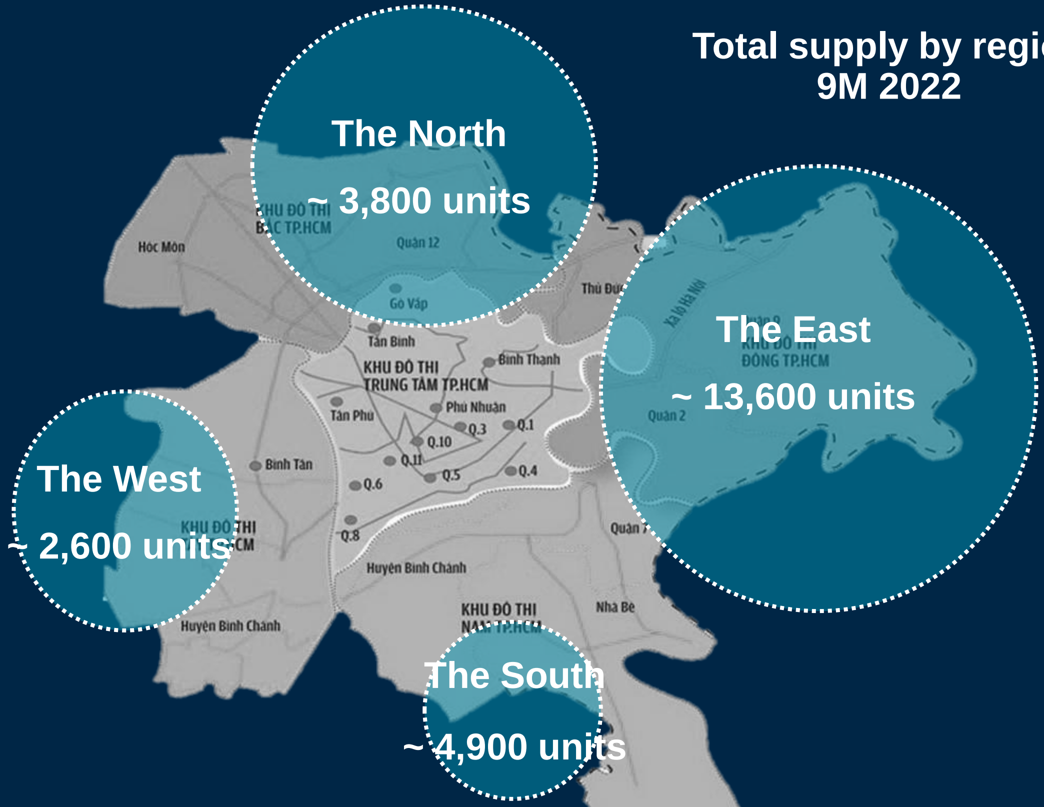
WEEKEND RETREAT
A place for relaxation in the fresh atmosphere of river scenes

SUPPLY VS DEMAND

Developers

- Almost projects have more facilities than previously with completed external and internal infrastructure
- Full range of services for a community will be provided in a new project.
- New supply tends to move to non-CBD areas

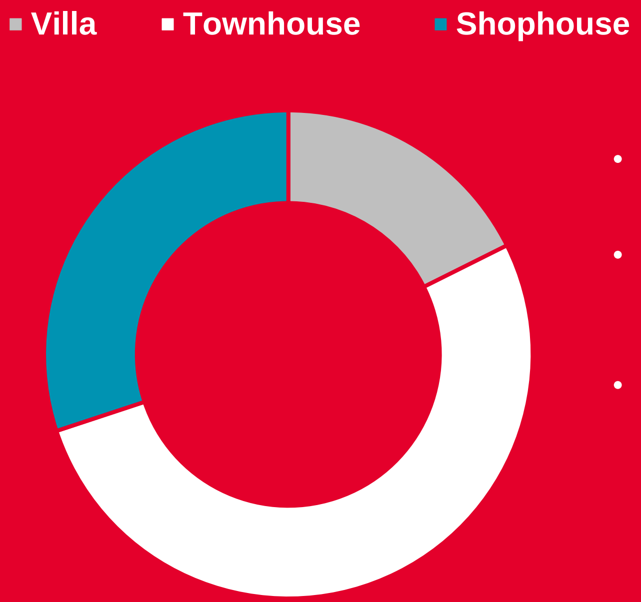
Total supply by region 9M 2022



Buyers

- Landed houses remain one of the most favored sectors
- Project with sufficient facilities, diverse amenities, the green ecosystem will be preferred
- More awareness of living environment including sustainability, wellness, and civilized community.

ABSORPTION, 2018 – 9M 2022)



- Townhouse – the most favorable units
- Fastest absorption in shophouse type since 2018
- Villa tends to be along riverside within gated community

AT THE CENTER OF WHAT'S NEXT

CUSHMAN & WAKEFIELD

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THANK YOU

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