

HO CHI MINH CITY

Apartments for sale Q2 2020

	YoY Chg	12-Mo. Forecast
25.0% Price Growth (YoY)	▲	▲
29.2% Absorption	▼	▲
1,400 units New supply	▼	▲

Source: Cushman & Wakefield Vietnam – Research & Consultancy

VIETNAM ECONOMIC INDICATORS 6M 2020

	yo-y Change	12-Mo. Forecast
1.81% GDP growth	▼	▲
4.19% Inflation (CPI)	▲	▼
15.70 FDI (bil. US\$)	▼	▲

Source: General Statistic Office

Economy Recorded Modest Growth

Vietnam's GDP grew at just 0.4% in the second quarter of 2020, much lower than the 3.8% achieved in Q1, primarily due to the strict social distancing measures implemented in April 2020. For the first half of 2020 the economy suffered its lowest first six-month GDP growth of the past 10 years, recording just 1.8%. The CPI rose significantly at 4.2% in 1H, while retail sales and services recorded negative growth, down 0.8% compared to the same period last year. Total import and export value dropped by 2%, while FDI attraction and disbursement was reduced by 15% and 5%, respectively. The number of enterprises temporarily closed rose by 38%. However, the economy is expected to strongly recover in 2H, with growth forecast at well over 5%. Main drivers of a rebound include pent-up activity following the containment of the pandemic, and ongoing trade tensions that have prompted production movements out of China.

Further Delays in New Launches and Drops in Sales Volume

New supply dropped significantly in the period, down 50% q-o-q and more than 60% y-o-y, due to the impact of the COVID-19 outbreak and subsequent social distancing measures implemented in April 2020. In line with the reduced new supply, sales volume also suffered a serious blow, falling 60% - 70% on both a quarterly and yearly basis.

Average Prices Trending Upwards

Average market prices rose considerably in the period, up 17% q-o-q and 25% y-o-y, mostly due to high prices at remaining available Grade A stock, and at new projects launched before the pandemic containment measures took effect. The market is now expected to recover strongly in the second half of 2020, with many new projects projected to launch or re-open for sale.

PRIMARY SUPPLY/ABSORPTION



Source: Cushman & Wakefield – Research & Consultancy

AVERAGE PRIMARY PRICE



Source: Cushman & Wakefield – Research & Consultancy

HO CHI MINH CITY

Apartments for sale Q2 2020

MARKET STATISTICS

SUBMARKET	NEW LAUNCHES (UNITS)	INVENTORY (UNITS)	ABSORPTION (%)	AVERAGE PRIMARY PRICE		
				MIL. VND/SQ.M	US\$/SQ.M	EUR/SQ.M
Grade A	600	2,400	26.3%	103.2	4,430	3,947
Grade B	100	900	19.4%	46.4	1,990	1,773
Grade C	700	2,300	36.0%	30.1	1,292	1,151
HCMC TOTALS	1,400	5,600	29.2%	63.8	2,739	2,441

*All rents are inclusive of SC but exclusive of VAT

US\$/VND = 23,303; US\$/€ = 0.891 as at 04 June 2020

SIGNIFICANT PROJECTS LAUNCHED IN Q2 2020

PROPERTY	SUBMARKET	GRADE	TOTAL UNITS	LAUNCHED UNITS
The Antonia	South	A	366	183

SIGNIFICANT PROJECTS UNDER CONSTRUCTION Q2 2020

PROPERTY	SUBMARKET	DEVELOPER	TOTAL UNITS	CONSTRUCTION STATUS
The Marq	CBD	HongKong Land	515	Under construction
Empire City	East	Keppel Land, Gaw Capital, Tien Phuoc, Tran Thai	1,100	Under construction
Lovera Vista	Suburban	Khang Dien	1,300	Under construction
Eco Green Sai Gon	South	Xuan Mai Corp	1,900	Under construction

PHUOC VO

Director

Valuation & Research

Phuoc.Vo@cushwake.com

Room 16, Level 14, Vincom Center, 72 Le Thanh Ton, District 1, HCMC

Tel: +84 8 3823 7968

Fax: +84 8 3823 7969

cushmanwakefield.com

A CUSHMAN & WAKEFIELD RESEARCH PUBLICATION

Cushman & Wakefield (NYSE: CWK) is a leading global real estate services firm that delivers exceptional value for real estate occupiers and owners. Cushman & Wakefield is among the largest real estate services firms with approximately 51,000 employees in 400 offices and 70 countries. In 2018, the firm had revenue of \$8.2 billion across core services of property, facilities and project management, leasing, capital markets, valuation and other services.

©2020 Cushman & Wakefield. All rights reserved. The information contained within this report is gathered from multiple sources believed to be reliable. The information may contain errors or omissions and is presented without any warranty or representations as to its accuracy.