

Sustained Economic Growth

Despite the fourth wave of the COVID-19 pandemic which began at the end of April, Vietnam's GDP growth rate remained at 6.6% in Q2 2021, higher than the growth of 4.5% and 0.4% achieved in Q1 2021 and Q2 2020 respectively. For the first half of 2021, the economy expanded 5.6%, marking a jump from 1.8% in 1H 2020 but still lower than the growth of 6.8% - 7.1% in the same period in 2018 and 2019. Economic recovery is attributed to the increase in industrial output of 8.9% y-o-y as demand recovered in global markets, coupled with the growth of the agricultural sector at 3.7% y-o-y due to favorable weather. Total import and export values increased by 36.1% and 28.4% y-o-y respectively, while FDI disbursement rose by 6.8% y-o-y despite 2.6% reduction in FDI attraction. The economy is expected to continue to rebound with full year growth projected at 6.5%, regardless of difficulties caused by the COVID-19 pandemic. Improved performance of the manufacturing sector and sustained domestic demand will be the major drivers that boost economic growth in the second half.

Low- to Mid-End Remained the Most Active Segments

New supply in Q2 2021 jumped by 38% q-o-q to nearly 2,000 units but was down 67% y-o-y due to lacking contributions from large-scaled projects like Vinhomes coupled while other projects recorded limited launches. Total sales volume slumped by approximately 21% q-o-q and 65% y-o-y, impacted by the pandemic. Grade B and Grade C dominated the market, together accounting for 95% of total new stock and 90% of total transactions in this quarter.

Average Prices Trending Upwards

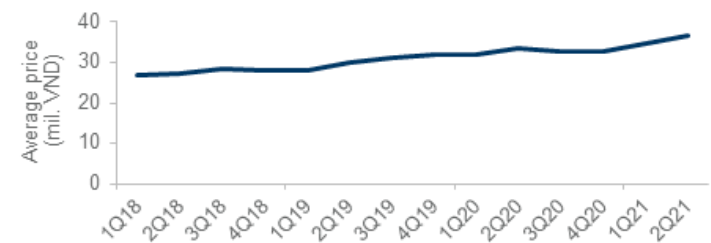
Average price continued to rise, up by 5% q-o-q and 9% y-o-y. Grade B and Grade C recorded increases of 2% - 6% q-o-q and 5% - 10% y-o-y, mainly due to high prices at new launches and price escalation at active projects. Meanwhile, the Grade A price level fell 10% y-o-y due to the entrance of new projects at competitive prices, but was still up 1% q-o-q.

PRIMARY SUPPLY/ABSORPTION



Source: Cushman & Wakefield Vietnam

AVERAGE PRIMARY PRICE



Source: Cushman & Wakefield Vietnam

	YoY Chg	12-Mo. Forecast
9.5% Price Growth (YoY)	▲	▲
29.2% Absorption	▼	▲
2,000 units New supply	▼	▲

Source: Cushman & Wakefield Vietnam – Research & Consultancy

VIETNAM ECONOMIC INDICATORS 1H 2021

	y-o-y Change	12-Mo. Forecast
5.64% GDP growth	▲	▲
1.47% Inflation (CPI)	▼	▼
15.27 FDI (bil. US\$)	▼	▲

Source: General Statistic Office

MARKET STATISTICS

SUBMARKET	NEW LAUNCHES (UNITS)	INVENTORY (UNITS)	ABSORPTION (%)	AVERAGE PRIMARY PRICE		
				MIL. VND/SQ. M	US\$/SQ. M	EUR/SQ. M
Grade A	100	1,000	14%	65.3	2,805	2,317
Grade B	1,300	4,100	30%	37.8	1,625	1,342
Grade C	600	2,400	34%	23.1	992	819
HANOI TOTALS	2,000	7,500	29%	36.8	1,579	1,304

*All prices are exclusive of VAT.

US\$/VND = 22,926; US\$/€ = 0.826 as at 14 June 2021

SIGNIFICANT PROJECTS LAUNCHED IN Q2 2021

PROPERTY	SUBMARKET	GRADE	TOTAL UNITS	LAUNCHED UNITS
Lancaster Luminaire	Secondary	A	130	50
Discovery Central	Secondary	A	100	50
Vinhomes Smart City – Sakura SA2	West	B	680	440

SIGNIFICANT PROJECTS UNDER CONSTRUCTION Q2 2021

PROPERTY	SUBMARKET	DEVELOPER	TOTAL UNITS	CONSTRUCTION STATUS
Green Diamond	Secondary	Vinaconex	300	Under construction
Han Jardin	West	Hancorp	600	Under construction
Sun Grand City Quang An	Secondary	Sun Group	1,000	Under construction
Hung Thinh Linh Dam	Suburban	Hung Thinh	1,000	Under construction

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