



Ho Chi Minh – Hanoi – Danang

# RESIDENTIAL

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QUARTER 1 2020



# ECONOMIC OVERVIEW

## GDP

In the first quarter of 2020, the GDP of Vietnam is estimated to increase by 3.82% over the same period last year. This is the lowest growth rate of the first quarter of the years in the period of 2011-2020, the reason is due to the negative impact of COVID-19 has on all socio-economic fields.

## CPI

Compared to the same period last year, the average CPI of Vietnam increased by 5.5%. There are numerous reasons for this, first is the demand for many types of goods during the Lunar New Year increased compared to the same period last year. Second is the vegetable price skyrocketed since Vietnam can no longer import vegetable from China due to COVID-19. In addition to the causes of CPI 5.5% increase in the first quarter of 2020, there are several factors that contribute slow down CPI such as the oil price being adjusted 5 times and the need for travelling decreased significantly. Also, the inflation rate is increased by 2.95% compared to the same period last year.

## FDI

In the first quarter of 2020, the total of Vietnam's capital investment reached 15.4 billion USD, increased by 2.2% compared to the same period last year, the lowest increased rate in the period 2016-2020. Total foreign investment in Vietnam as of March 20, 2020 reached nearly 8.6 billion USD, down 20.9% over the same period last year

## Retail sale

For the first time since 2016, rate of total retail sales of consumer goods and services decreased, by 0.8% in March compared to the last month. In the first quarter of 2020, the increase rate is only at 4.7%. The negative effects of the Covid-19 epidemic impact consumer psychology, decreasing the consumer demand.

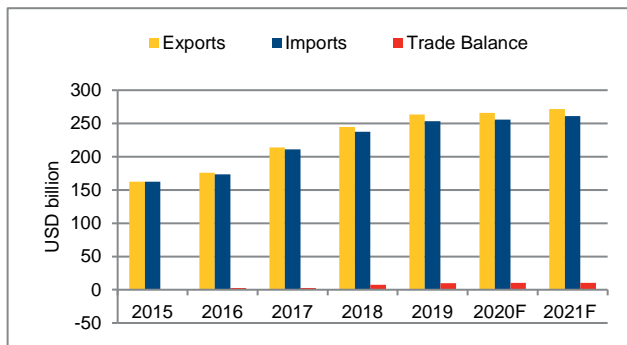
## International arrival

There are only 3.7 million international visitors arrived in Vietnam in the first three month of 2020, an 18.1% decrease compared to the same period last year. The sharpest decrease rate was concentrated in major markets such as China, South Korea and the US.

## Trade balance

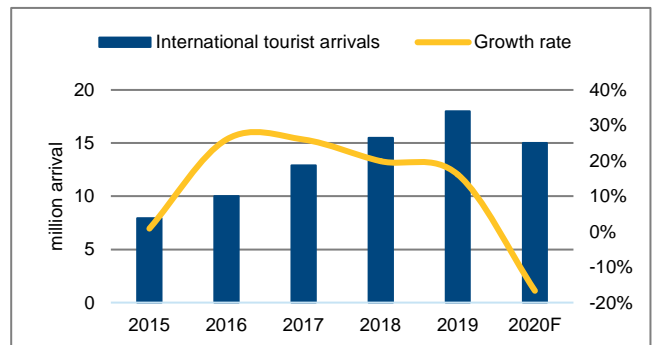
Total import and export turnover in March is estimated at 115.34 billion USD, down 0.7% over the same period last year. The total export turnover is recorded at 59.08 billion USD, went up by 0.5%. On the other hand, the total import turnover is 56.26 billion USD, decreased by 1.9%.

Figure 1: Vietnam Export-Import, 2010-2020F



Source: Colliers International

Figure 2: Vietnam International Arrivals, 2010-2020F



Source: Colliers International

# CONDOMINIUM – HO CHI MINH

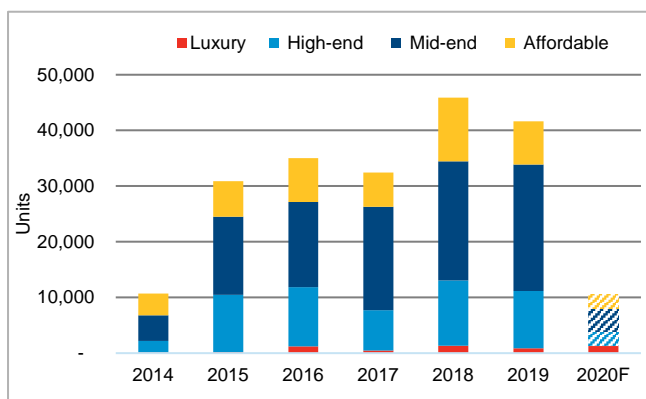
## Performance: More supply, lower absorption rate

The condominium market in HCMC moved slowly in the first quarter of 2020. 2020 begins with more than 1,800 units newly launched, the demand was still strong, however, the absorption rate decreased slightly because of the impact of Covid-19 virus, buyers was not able to approach projects.

## Supply: 1,800 new units

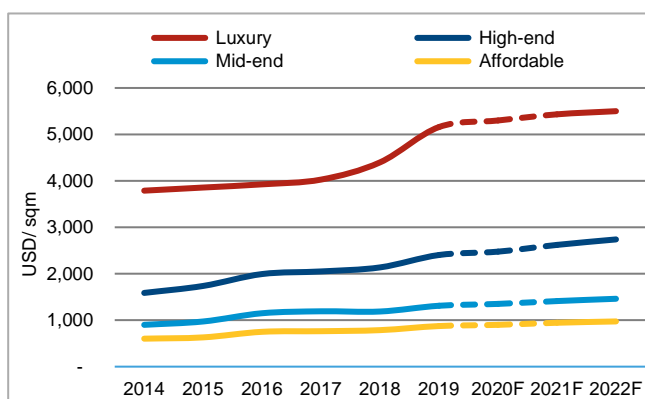
In Q1 2020, number of newly launched units in HCMC reached only 1,800 units, decreased 77.5% Y-o-Y. New launch came from 7 projects, mostly located in south (West gate in Binh Chanh) and east (Citii Grand in District 2) of Ho Chi Minh City. Mid-end accounted for most of new supply.

Figure 3: HCMC Condominium, Sold units



Source: Colliers International

Figure 4: HCMC Condominium, Primary asking price



Source: Colliers International

# CONDOMINIUM – HO CHI MINH

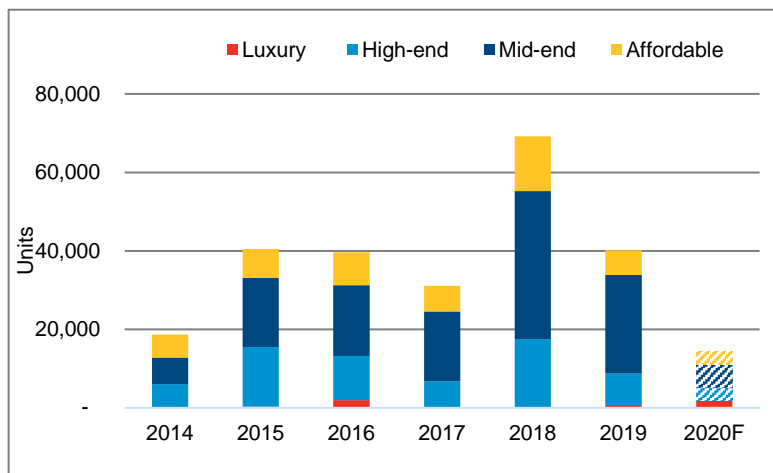
## Demand: Remain positive

Sale momentum continued to be positive with more than 75% of new launched units having been absorbed in the situation of lacking supply. The average price recorded escalation of 2.4 - 3% compared to last quarter. If the Covid-19 virus is controlled before Q4, the escalation of selling price is expected to be 5% in this year.

## Outlook: : Price might increase since low supply

New supply in the rest of 2020 is expected to reach 14,000 units if the Covid-19 virus is controlled before Q4. Some notable projects in this year are Spirit of Saigon in District 1, The River and Sunshine Venicia in District 2, 2020 is forecasted to be less than 2019 in the context of inventory still, supply is limited meanwhile demand is still increase. Selling price of condominium in HCMC in 2020 is expected to still increase because of the lack of supply. Most of future supply will be from east and south of HCMC.

Figure 5: HCMC Condominium, New launches



Source: Colliers International

**Comment on impact of Covid-19:** The Covid-19 epidemic caused the market to stall, supply was not absorbed, resulting in large inventory in this quarter. Many large projects planned to be launched this year had to move to 2021.

**Table 1: HCMC Condominium, Upcoming Supply**

No	Name of Project/Building	Developer	Location	Completion Year	Number of units	Asking Price (USD/sqm)
1	Hung Phuc Premier	Phu My Hung	District 7	2020	192	2,570
2	Eco Green	Xuan Mai Corp.	District 7	2020	4,000	2,423
3	Flora Novia	Nam Long	Thu Duc District	2020	518	1,199
4	Saigon Riverside City	Hiep Phuc Corp.	Thu Duc District	2020	1,729	1,030
5	Lavita Charm	Hung Thinh Corp.	Thu Duc District	2020	939	1,146
6	Masteri Parkland	Thao Dien Investment	District 2	2020	800	2,379
7	Sunshine City Sài Gòn	Sunshine Group	District 7	2021	3,748	2,250
8	Laimian City	HDTC	District 2	2021	13,092	2,812
9	Vinhomes Grand Park	Vingroup	District 9	2021	10,000 (phase 1)	1,428
10	Q7 Saigon Riverside	Hung Thinh Corp.	District 7	2021	3,580	1,461
11	Grand Manhattan	Novaland	District 1	2021	967	6,489
12	Cove Residence (Empire City)	Keppel Land	District 2	2022	136	6,000

# LANDED PROPERTIES – HO CHI MINH

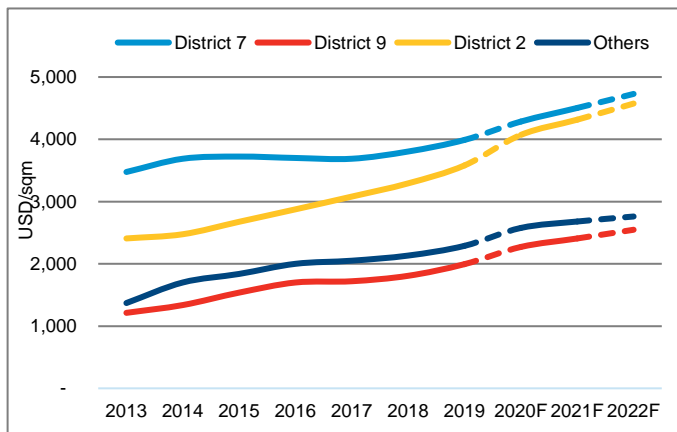
## Performance: Both occupancy and price decreased

The supply decreased strongly, reached only about 1/3 compared to the last quarter of 2019. Number of transactions also decreased, however, selling price still increased from 3% - 3% depends on location.

## Supply: There is no new supply

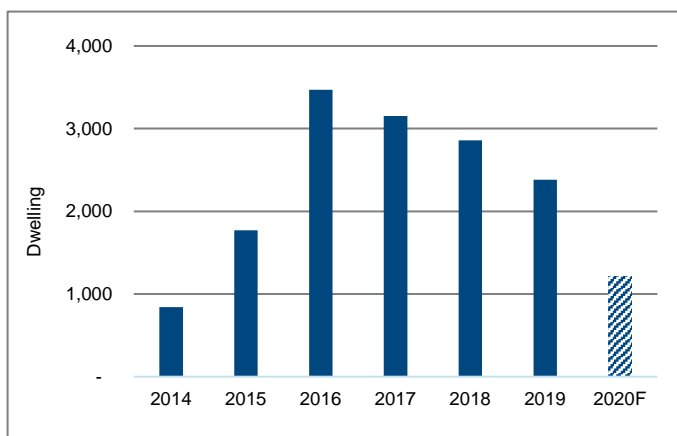
Q1 2020 recorded more than 220 newly launched units, mostly came from the east of HCMC such as Binh Chanh District and Nha Be District. Besides, Thu Duc district also welcomed a large number of products, mostly came from subsequent phase of projects.

Figure 6: HCMC Landed Properties, Average asking price



Source: Colliers International

Figure 7: HCMC Condominium, Primary asking price



Source: Colliers International

# LANDED PROPERTIES – HO CHI MINH

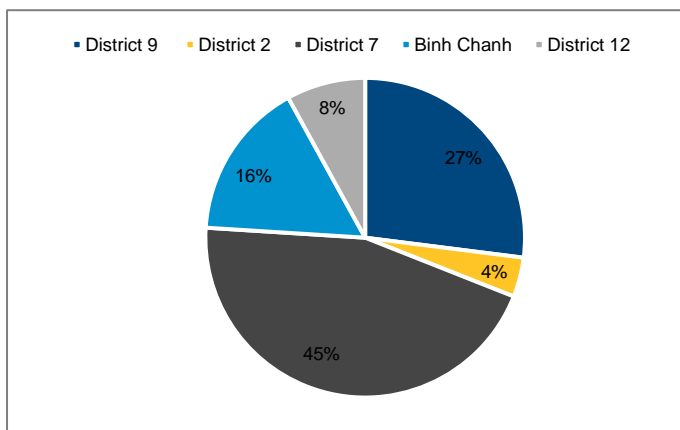
## Demand: Decreased significantly

Demand for affordable segment remained strong, priced between USD 150,000 - USD 250,000. Demand in this segment mainly came from owners-occupiers and capital gain investor. Projects which had existing legal having high absorption rate, however, it brought lower capital gain for individual investors.

## Outlook: : Quickly back to normal if the virus is under control

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Figure 8: HCM Landed Properties, New Launches



Source: Colliers International

**Comment on impact of Covid-19:** The market slowed down both in supply and selling prices affected by Covid-19, individual investors holding land waiting for price increases but unable to sell, resulting in financial pressures for individual investors.

**Table 2: HCMC Landed Properties, Upcoming Supply**

No	Name of Project	Developer	Location	Completion Year	Number of units	Asking Price (USD/sqm)
1	Venica Garden	Khuong Phat	District 7	2020	118	2,402
2	Simcity	Anpha Holding	District 9	2020	485	643
3	Lavida	Kien A	Nha Be	2020	20	1,020
4	Senturia Nam Sai Gon	Tien Phuoc	Binh Chanh	2020	107 (phase 1)	3,000
5	Vinhomes Grand Park	Vingroup	District 9	2021	1600	3,245
6	Zeit Geist	GS E&C	Nha Be	2022	120	2,812



# CONDOMINIUM – HANOI

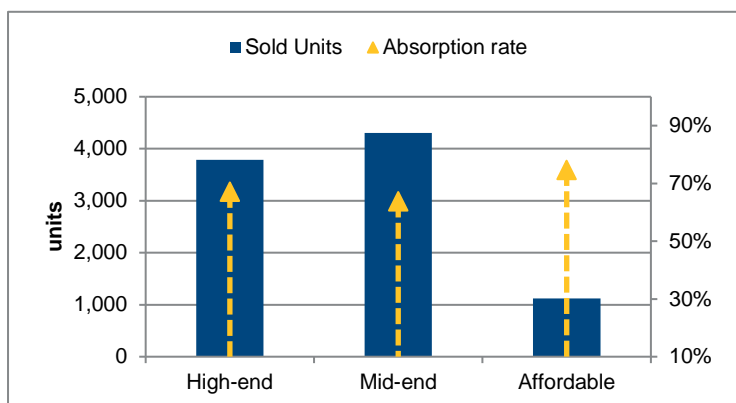
## Performance: Heavily damaged

The number of transactions significantly reduced, most of transactions in this quarter came from secondary market. New supply decreased more than 80% compared to this period last year.

## Supply: Lowest increase rate since 2012

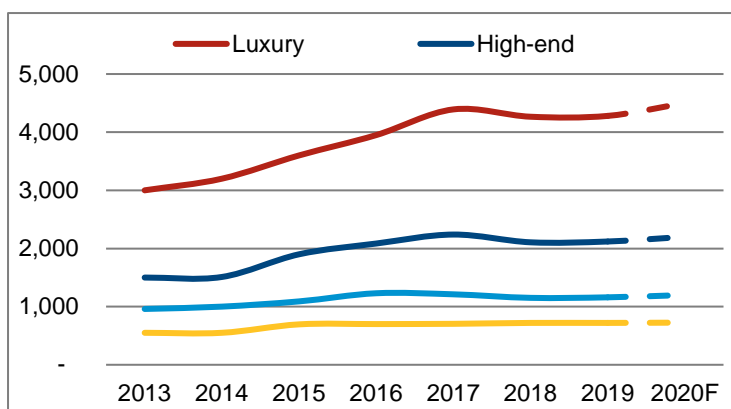
In the first quarter of the year, the market witnessed the cautious of developers due to Covid-19. More than 1,400 newly units were launched in this quarter, decreased 82.5% y-o-y, the lowest rate from 2012 until the moment. Many projects had plan to launch in this quarter, however, new projects were not able to launch due to the impact of Covid-19.

Figure 9: Hanoi Condominium, Units Sold & Absorption



Source: Colliers International

Figure 10: Hanoi Condominium, Average Asking Price



Source: Colliers International

# CONDOMINIUM – HANOI

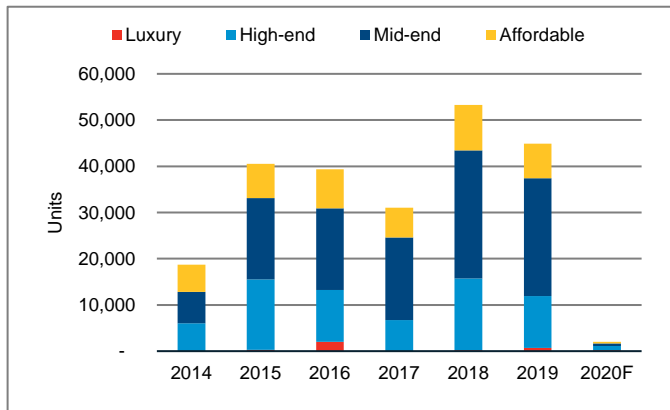
## Demand: Slightly increased

The average price of new projects increased 4% compared to Q1 2019. Most of sold units came from the east of Hanoi. Sales events were delayed in all segments because buyers have difficulty coming to crowded events, Covid-19 also limited the purchasing power of foreign buyers.

## Outlook: Situation can be better if Covid-19 is no longer a threat

If the Covid-19 virus is controlled in Q3 2020, the market expected to welcome 15,000 units, and the selling price is forecasted to decrease slightly, from 1 % to 3%. Some high-end and luxury projects probably delay launching to 2021.

Figure 11: Hanoi Condominium, New Launches



Source: Colliers International

**Comment on impact of Covid-19:** Hanoi's condominium market is still affected by Covid-19, but not as heavily as other sector, both primary and secondary markets slowed down, new projects have to be delayed launching.

**Table 3: Hanoi Condominium, Upcoming Supply**

No	Name of Project/Building	Developer	Location	Completion Year	Number of units	Asking Price (USD/sqm)
1	Anland Premium	Nam Cuong Group	Ha Dong	2020	575	1,113
2	Hinode City	Vietracimex	Hai Ba Trung	1Q2020	1,099	1,876
3	Vinhome Smart City Tay Mo	Vingroup	Nam Tu Liem	1Q2021	40,000	1,923
4	The Zei	HD Mon Holdings	Nam Tu Liem	1Q2021	891	1,947
5	Vinhomes Ocean Park Gia Lam	Vingroup	Gia Lam	2020	66 blocks	3,500

# LANDED PROPERTIES – HANOI

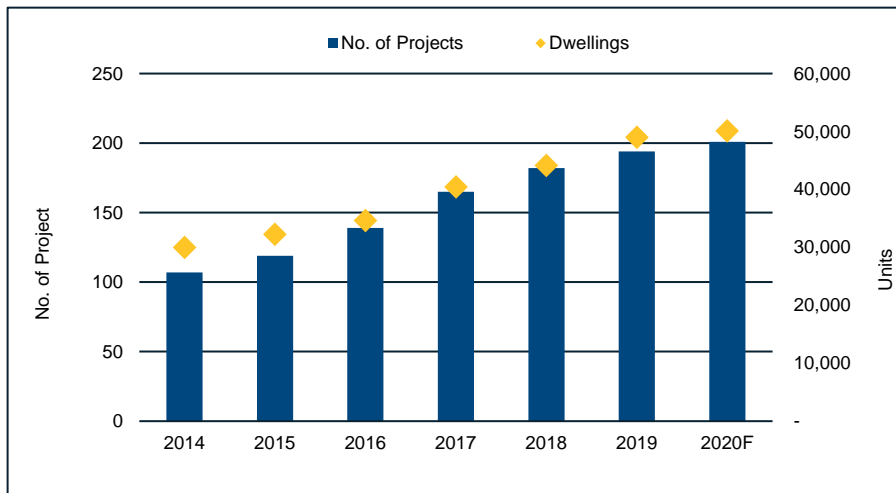
## Performance: Sale rate decreased significantly

Sale performance decreased 70% compared to last quarter, most of transaction came from secondary market. Upcoming projects are waiting for launching after the impact of Covid-19. Some buyers who already made the bookings but were unable to carry on with the deposit due to travel restrictions. However, good sales activity was still recorded in properties with good construction quality and fast construction progress.

## Supply: Supply is delayed

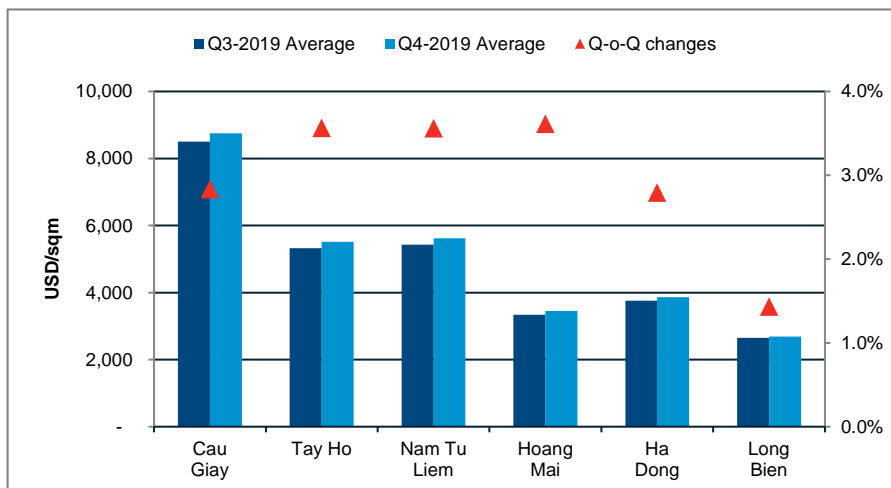
The projects that having plan to launch in this quarter, had to delay due to the impact of Covid-19 virus. Most of new supplies is forecasted to expand further from established residential clusters. While overall market supply remained predominantly captured by the West, the pipeline is moving further to emerging locations in the North West and South West, instead of established residential clusters such as Nam Tu Liem, Cau Giay, etc.

Figure 12: Hanoi Landed Properties, Accumulated Supply



Source: Colliers International

Figure 13: Hanoi Landed Properties, Secondary Prices



Source: Colliers International

# LANDED PROPERTIES – HANOI

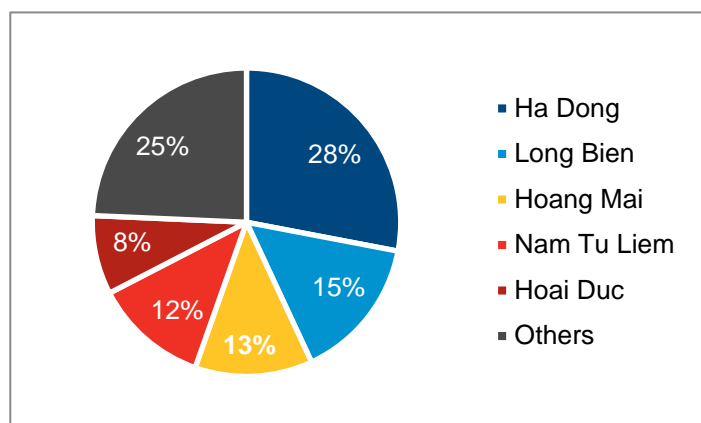
## Demand: Consumers want greenery residences

The impact of Covid-19 is probably a good time for developers to prepare plans to meet buyer's requirements. More and more construction projects built up are heading towards an ideal green living space to meet the demand of residents as most of them are aware of high air pollutions rising in Hanoi and want to search for greenery residence. In addition, the citizens prefer to own a house than purchasing for apartments here recently, even the price of landed properties roughly doubled the price of apartments.

## Outlook: New supply wil come soon

If Covid-19 virus is controlled before Q4 2020, Hanoi expected to welcome a great volume of new supply from large-scale township developments. Supply will expand to the North of Hanoi, with notable projects such as BRG & Sumitomo Smart City or Gamuda Lakes.

Figure 14: Hanoi Landed Properties, Market Performance



Source: Colliers International

**Comment on impact of Covid-19:** Individual investors in ready-built land and townhouses in Hanoi wait for assets to rise in price, the same as TPHCM. However, because of the lack of transactions and slow transactions in the season, prices in general tend to level off.

**Table 4: Hanoi Landed Properties, Upcoming Supply**

No	Project name	Developer	Component	Total units	Expected Completion
1	Vinhomes Green Villas	Vingroup	Villas	98	2Q2020
2	Larissa Athena Fulland	Vimefulland	Villas	119	4Q2020
3	Athens Athena Fulland	Vimefulland	Shophouse	114	4Q2020
4	Athens Athena Fulland	Vimefulland	Villas	414	4Q2020
5	The Manor Central Park	Bitexco Group	Villas	73	2Q2020
6	The Manor Central Park	Bitexco Group	Shophouse	312	2Q2020
7	The Manor Central Park	Bitexco Group	Townhouse	126	2Q2020

# VILLA – DANANG

## Performance: Higher price, lower demand

Despite the pandemic that is tearing the world apart, the villa business in Danang still has a rise in the sale price, up 15.7% compared to the last quarter. However, the demand for villas in Danang is lower compared to the last quarter since foreigners are banned from entering Vietnam and the locals are not in the position to buy more villas.

## Supply: 48 new units, price increased

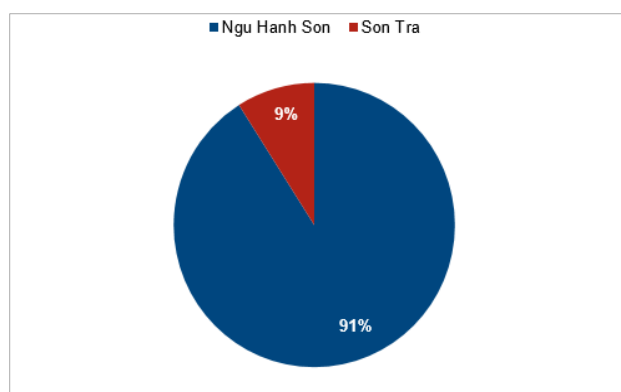
With the opening of the Hinode villa project, adding 48 new units into the market. With the already available villa from the primary market and the sale price increase by 15.7% despite the negative effect of Covid-19, the supply for the villa in Danang is in a great state.

Figure 15: Danang Villa, Market Performance



Source: Colliers International

Figure 16: Danang Villa, Primary Supply by District



Source: Colliers International

# VILLA – DANANG

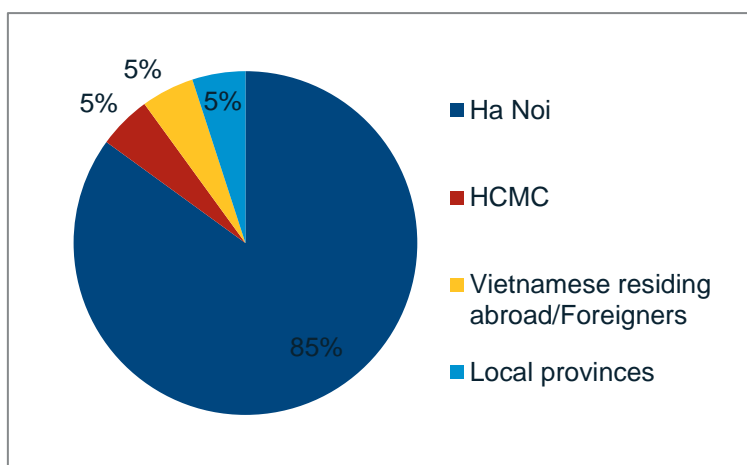
## Demand: Lower demand

With the Covid-19 pandemic is still not under control, demand for a luxury asset such as villas is not the priority for customers. Same as the previous quarter, most of the villa buyers are from Hanoi with more than 85%, followed by Ho Chi Minh city and other local provinces. With the government banning foreigners from entering Vietnam due to Covid-19, demand from foreigners drastically decreased.

## Outlook: Will be back to normal soon

Since villas are a long-term investment, the pandemic should not affect the villa business by a big margin. If the Covid-19 can be controlled by the end of the next quarter, the villa business in Danang is in a leading position since Danang is still the best city to live in Vietnam and there are many big projects to come soon.

Figure 17: Danang Villa, Primary Supply by Profile



Source: Colliers International

**Comment on impact of Covid-19:** In a state where the worldwide economy is crippled by the effects of the Covid-19 epidemic, it is rare to buy a luxury property like a villa. Therefore, the demand for villas is significantly reduced. In addition, the ban on entry of foreigners due to Covid-19 also negatively affected the villa business.



Table 5: Danang Villa, Notable Properties

No	Name of Project/Building	Developer	Location	Location	Completion Year	Number of units	Asking Price (USD/sqm)
1	Euro Village 2	Sun Group	Hoa Xuan	Ngu Hanh Son	-	54	1,199
2	Furama Villas	Ariyana Corporation	Vo Nguyen Giap	Ngu Hanh Son	2009	131	3,075
3	Vinpearl Luxury Da Nang 1	VinGroup	Truong Sa	Ngu Hanh Son	2011	39	1,318
4	The Point Residences	VinaCapital	Truong Sa	Ngu Hanh Son	2014	40	1,168
5	The Ocean Estates	VinaCapital	Truong Sa	Ngu Hanh Son	2016	33	1,844
6	Euro Village	Sun Group	27 Hoa Hong	Son Tra	-	175	2,400

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