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**COUNTRY REPORT**  
**Vietnam**  
by  
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Organised by



Singapore Institute of Surveyors and Valuers

**Country Report (Vietnam)**

# VIETNAM COUNTRY REPORT

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# **VIETNAM COUNTRY REPORT**

- 1. VIET NAM ECONOMIC OUTLOOK**
- 2. PROPERTY MARKET IN VIET NAM**

## VIETNAM ECONOMIC OUTLOOK

	1Q/2012	1Q/2013
GDP (% , y-o-y)	4.64%	4.9%
CPI (% , y-o-y)	13.9%	6.91%
FDI (US\$ billion)	2.63	6.034
FDI Real State (US\$ billion)	1.2	0.249

*(Source: General Statistics Office of Vietnam)*

# **VIETNAM ECONOMIC OUTLOOK**

## **VIET NAM ECONOMIC OUTSTANDING CHALLENGE IN 2013**

**1. INVENTORY REAL STATE**

**2. NON PERFORMING LOAN (NPL)**

# VIETNAM ECONOMIC OUTLOOK

## 1. INVENTORY REAL STATE (by 3/2013)

**Value:** 125,450 billion VNĐ (about US\$5.97 billion)

**Number of inventory unit:** HCMC (14,800); Hanoi (9600)

*(Source: Report of Ministry of Construction)*

# VIETNAM ECONOMIC OUTLOOK

## 2. NON PERFORMING LOAN (NPL) (by 3/2013)

- 6% total credit outstanding balance, approximately 400,000 billion VNĐ (about US\$19.23 billion)
- Total real state credit outstanding balance: 230,615 billion VNĐ (↑0.9%)
- Real state non performing loan: 5.68% (↑)

# VIETNAM ECONOMIC OUTLOOK

## SOLUTION

### 1. TO RESOLVE INVENTORY REAL STATE

- Cheaper building apartment: (10 million VNĐ/sqm) (about US\$480/sqm).
- Divide big apartment to smaller apartment for cheaper price.
- Supporting credit package of Government: 30,000 billion VNĐ (about US\$1.44 billion)



# VIETNAM ECONOMIC OUTLOOK

## SOLUTION

### 1. TO RESOLVE INVENTORY REAL STATE

\* Supporting credit package of Government:

- Beneficiaries: low-income earners, government officials and employees, people of the armed forces.
- Purpose: to buy or rent social houses or commercial houses smaller than 70 sqm, selling price under 15 million VNĐ/sqm

# VIETNAM ECONOMIC OUTLOOK

## SOLUTION

### 2. TO RESOLVE NON PERFORMING LOAN (NPL)

- Banks: increase credit loss provision.
- Government: establishment Vietnam Asset Management Company (VAMC) to resolve NPL **by VAMC bond.**

VAMC has initial capital 500 billion VNĐ (about US\$24 million)

# Property market in Vietnam

# Commercial sector – Office Q1 2013

Office building in Hanoi	Grade A		Grade B	
	CBD	Non - CBD	CBD	Non - CBD
Total floor area (sqm)	152,000	178,000	56,000	501,000
Rental rate (USD per sqm)	38	26	28.5	18.6
Vacancy rate (%)	14%	36%	7%	21%

*(Source: Cushman & Wakefield Vietnam)*

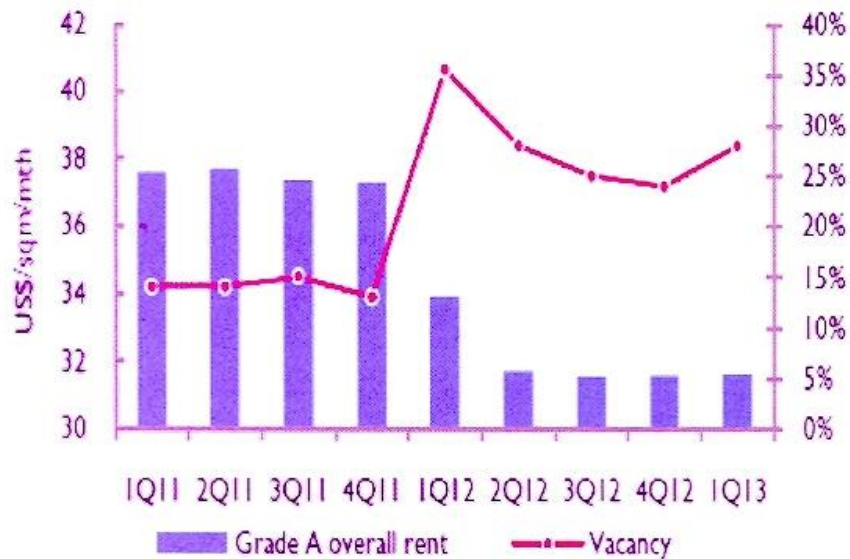
# Commercial sector – Office Q1 2013

Office building in HCM city	Grade A		Grade B	
	CBD	Non - CBD	CBD	Non - CBD
Total floor area (sqm)	157,000	-	387,800	230,200
Rental rate (USD per sqm)	49	-	30.13	17.5
Vacancy rate (%)	16.8%	-	16%	10%

*(Source: Cushman & Wakefield Vietnam)*

# Commercial sector – Office Q1 2013

HANOI GRADE A RENTAL VS. VACANCY RATES



HCM GRADE A RENTAL VS. VACANCY



*(Source: Cushman & Wakefield Vietnam, Consultancy)*

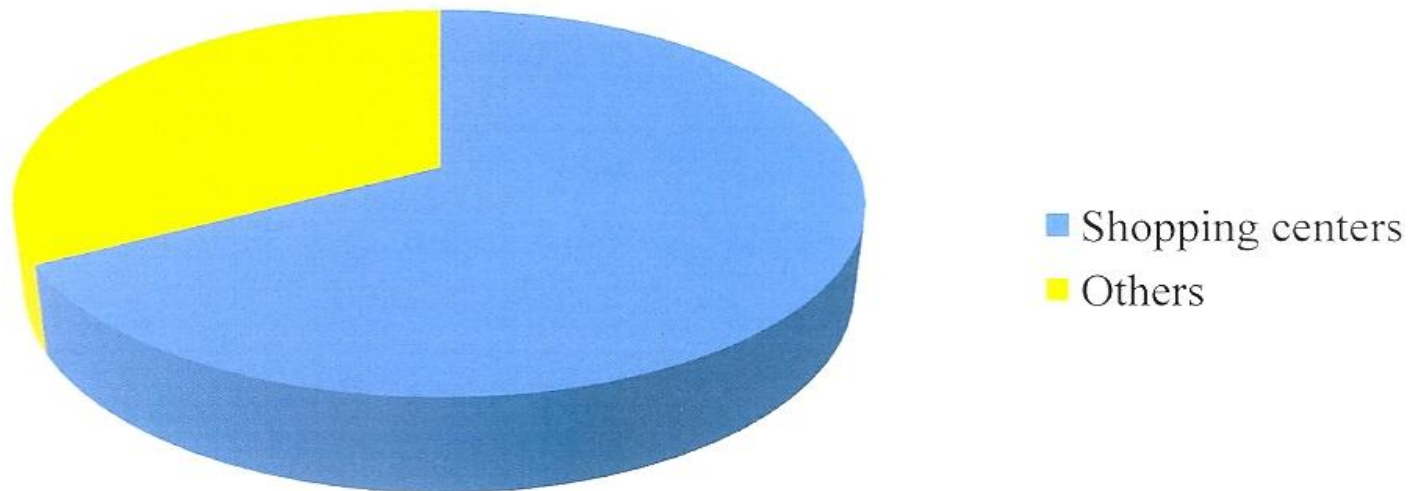
# Commercial sector – Office future supply

## Significant projects

No	Project Name	Project Location	NLA (Sqm)	Office Grade	Estimated completion date	Status of the project
1	Lotte Center Hanoi	Hanoi	43,835	A	2014	Under construction
2	Hadico Tower	Hanoi	17,400	A	2013	Under construction
3	EVN Twin Towers	Hanoi	45,621	B	2013	Completing
4	Vietcombank Tower	HCMC	55,000	A	2014	Under construction
5	Lim Towers	HCMC	33,000	A	Q2/2013	Under construction
6	Le Meridien	HCMC	9,000	A	Q2/2013	Under construction

# Commercial sector – Retail Q1 2013

Market share of retail space in Hanoi



*(Source: Cushman & Wakefield Vietnam, Consultancy)*



# Commercial sector – Retail Q1 2013

Mainstreet	US\$ sqm/mth	Q-0-Q change
Trang Tien	82 - 206	0%
Ba Trieu	51 - 206	-20%
Pho Hue	51 - 206	-20%

Mall	US\$ sqm/mth	Q-0-Q change
Vincom City Towers	101	-2%
Parkson Viet Tower	106	0%

*(Source: Cushman & Wakefield Vietnam, Consultancy)*

# Commercial sector – Retail Q1 2013

## Number of each kind of retail space in HCM city

Retail podiums	8
Department store	7
Shopping center	21
Supermarket	60
Wholesales center	3

*(Source: Cushman & Wakefield Vietnam, Consultancy)*

# Commercial sector – Retail Q1 2013

Mainstreet	US\$ sqm/mth	Q-0-Q change
Dong Khoi	91	-
Nguyen Hue	96	-
Le Loi	91	-

Mall	US\$ sqm/mth	Q-0-Q change
Vincom Centre A	163	-
Parkson Saigon Tourist	105	-
Diamond Plaza	149	-

*(Source: Cushman & Wakefield Vietnam, Consultancy)*

# Commercial sector – Retail future supply

## Significant projects

No	Project Name	Project Location	NLA (Sqm)	Type property	Estimated completion date	Status of the project
1	Times Square	HCMC	9,000	Shopping Centre	2013	Under construction
2	Leman CT Plaza	HCMC	12,000	Shopping Centre	2013	Under construction
3	Aeon Celadon City	HCMC	82,000	Department Store	2014	Under construction
4	Lotte Center Hanoi	Hanoi	34,682	Shopping Center	2014	Under construction
5	Royal City	Hanoi	230,000	Shopping Center	2013	Under construction
6	Vincom Mega Mall	Hanoi	230,000	Shopping Center	2014	Under construction

# Residential sector – Service Apartment Q1 2013

Service apartment in Hanoi	Grade A	Grade B
Number of units	1750	957
Rental rate (USD per sqm)	32	19.4
Vacancy rate (%)	17%	21%

Service apartment in HCM city	Grade A	Grade B
Number of units	700	1920
Rental rate (USD per sqm)	30	25
Vacancy rate (%)	11%	18%

*(Source: Cushman & Wakefield Vietnam, Consultancy)*

# Serviced apartment future supply

## Significant projects

No	Project Name	Project Location	No. of units	Grade	Estimated completion date
1	Candeo Hotel	Hanoi	70	A	Q2 2013
2	Lotte Center Hanoi	Hanoi	240	A	2014
3	Elegant Tay Ho	Hanoi	80	A	2014
4	Times Square	HCMC	100	A	2013
5	Diamond Island	HCMC	250	A	2014

*(Source: Cushman & Wakefield Vietnam, Consultancy)*

# Residential sector – Serviced apartment Q1 2013



*(Source: Cushman & Wakefield Vietnam, Consultancy)*

Thank you