



MARKET REPORT BRIEF- HCMC Q2/2013 BY SAVILLS VIETNAM

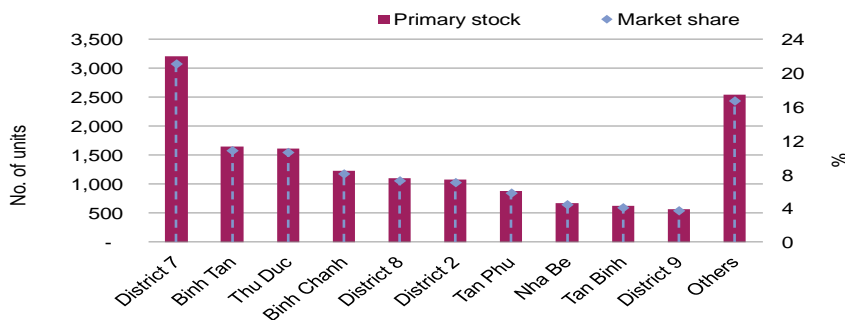
APARTMENT:

Supply

HCMC has approximately 86,000 units from 287 active and sold projects, slightly increasing by 0.6% QoQ and 6.2% YoY. As of Q2/2013, there were approximately 15,200 units on the primary market, slightly decreasing by -3.9% QoQ but increasing by 11% YoY.

Two new projects launched, adding 520 units.

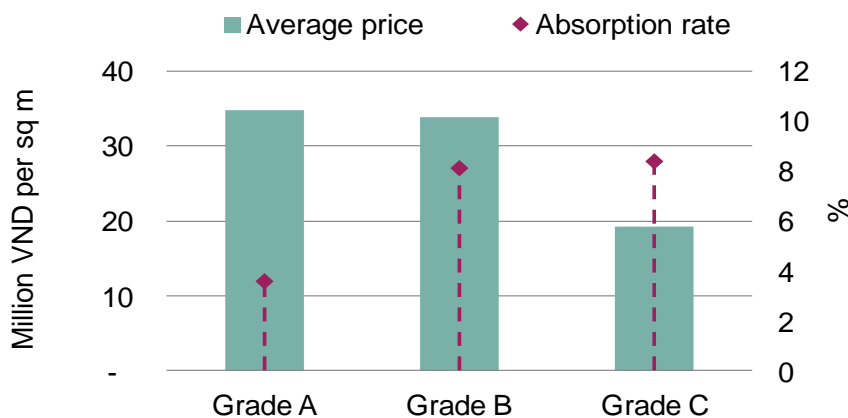
Primary stock, Q2/2013



Source: Savills Research & Consultancy

Performance

Market performance, Q2/2013



Source: Savills Research & Consultancy

Compared with the same period the previous year, the number of transactions in Q2/2013 had impressive growth, up 59% YoY. The overall absorption rate was 8%, increasing slightly by 1 ppt QoQ and 2 pts YoY.

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The majority of transactions were Grade C apartments with average prices ranging from VND 10,000,000/ sq m to VND 15,000,000/ sq m.

Demand

At the end of Q2/2013, the current ceiling mobilising rate reduced by - 0.5 ppt to 7% pa for deposit terms under 6 months and is expected to decline further in 2013.

In Q2/2013, the stimulus package of VND 30,000 billion was officially disbursed. A number of developers have started converting their commercial housing projects into social ones and coordinated with banks to offer homebuyers low mortgage rate loans. This is expected to have a positive impact and increase demand for the residential market.

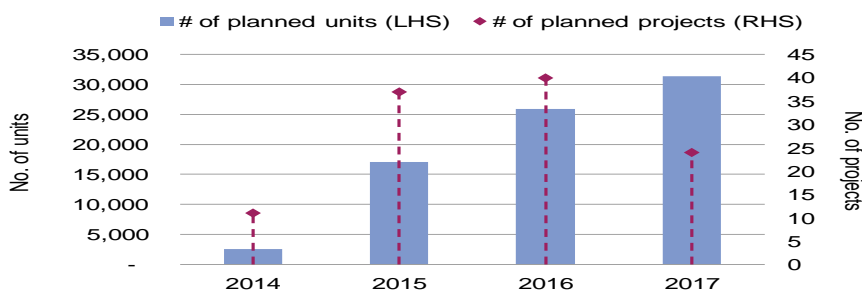
Household size has reduced due to the shift from traditional to modern lifestyle, resulting in an increasing demand for affordable apartments. Two-bedroom apartments with area of 70 sq m to 90 sq m are favoured by homebuyers and usually have the greatest absorption.

Future Outlook

Approximately 76,900 units coming from more than 110 projects are expected to be completed in the period 2014 – 2017. Those expected to complete in 2014 – 2015 will account for 25% of the future supply.

In the next two quarters, HCMC's stock is expected to be increased by more than 2,500.

Estimated future supply, 2014 – 2017



Source: Savills Research & Consultancy

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