

**REAL ESTATE MARKET 9M2023.**

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NEUTRAL

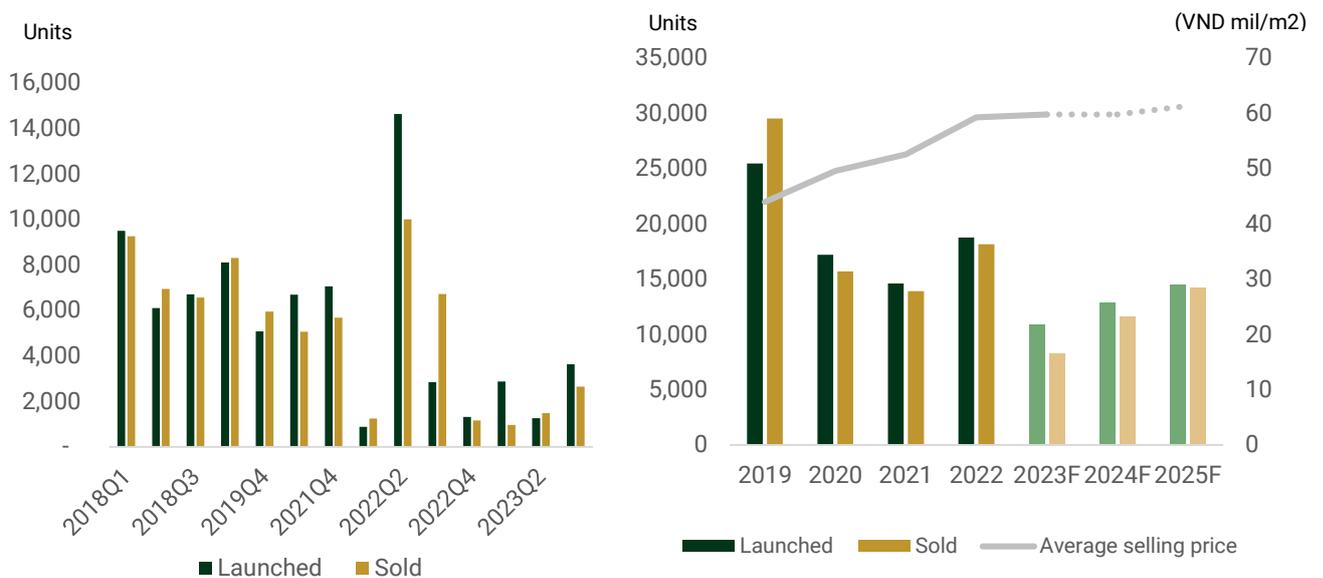
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- The third quarter of 2023 saw a rebound in the apartment market from the second quarter. However, the cumulative number of apartments launched in the first nine months remained low due to a dampened buyer sentiment following the 2022 real estate scandals. The average primary selling price saw an uptick, driven by a focus on the luxury and high-end segments in the newly launched apartments.
- The amended Housing and Real estate business laws were ratified in late November 2023 and are set to effect from January 1, 2025. The Draft Land Law (amended) is anticipated to receive approval in the upcoming session. These three new laws are expected to be a significant stride towards sustainable development in the real estate sector.
- In this period, we prefer stocks with robust and secure financial structures, competent project execution capabilities, and firm legal standing. Our top picks are KDH and NLG.

CBRE’s report indicates that in Q3 2023, Ho Chi Minh City introduced 3,600 new apartments to the market, making up almost 90% of the total new supply for the first half of the year and marking a 27% increase compared to the same period in the previous year. These new apartments are primarily from the subsequent stages of ongoing projects. The scarcity of budget-friendly housing reveals that investors predominantly utilize the city’s land resources to construct upscale projects. In fact, the high-end segment accounted for 96% of the new supply in Q3, with the luxury segment making up the remaining 4%. The primary selling price in Ho Chi Minh City’s apartment market reached 60.6 million VND/m<sup>2</sup> in Q3 2023, (+4% QoQ, and +1.9% YoY), largely due to the new supply in the luxury and high-end segments.

**The condominium market in Ho Chi Minh City (by quarter and year)**



Source: CBRE, PHS collected