

JLL Capital Markets – Investment Teaser

Residential Development Project

Rare residential investment opportunity with ‘clean and clear’ land title
Hiep Binh Phuoc Ward, Thu Duc District, HCMC, Vietnam

May 2020



Executive Summary

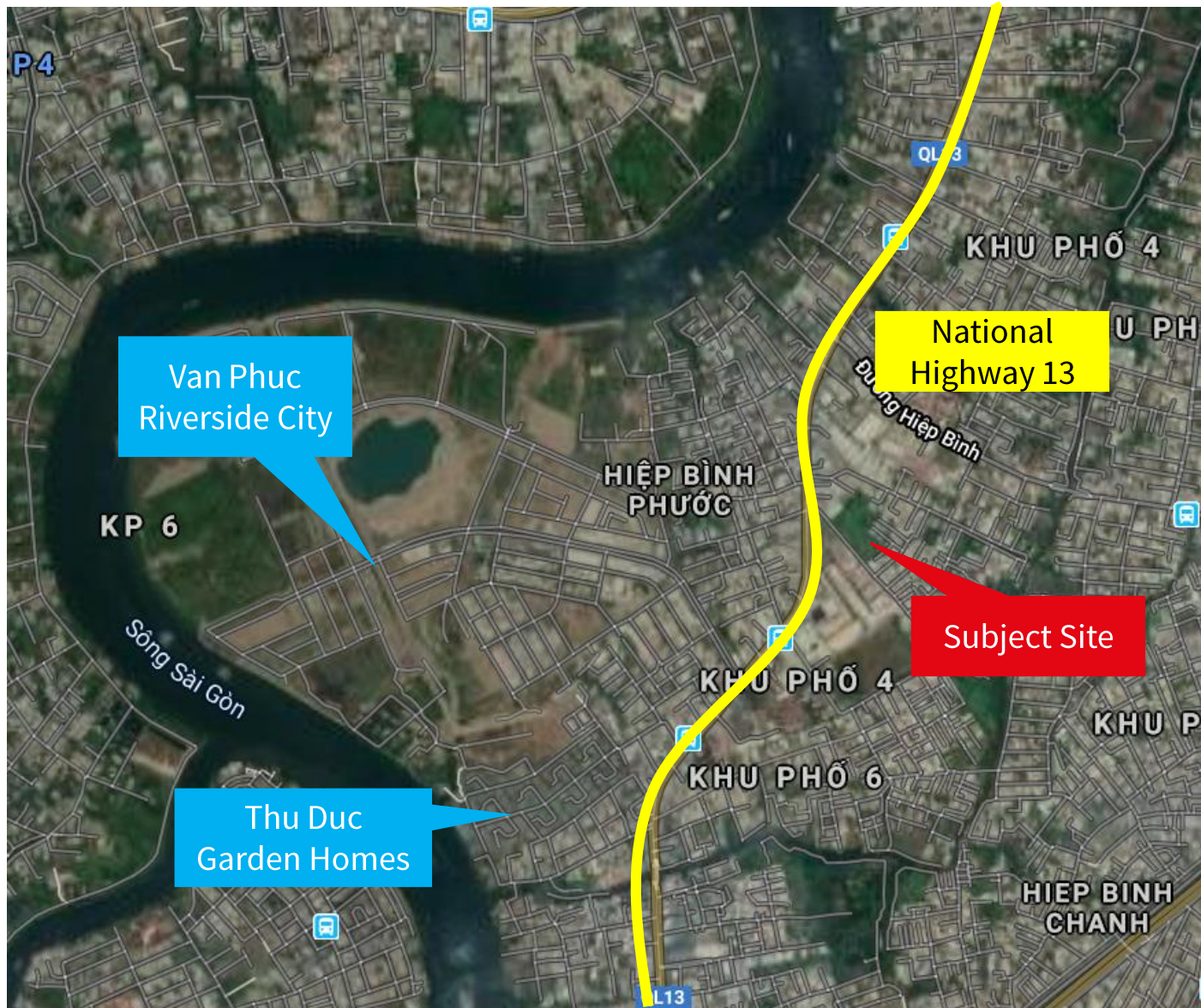
Greenview Garden Residential Development Project

Location	Hiep Binh Phuoc Ward, Thu Duc District, HCMC, Vietnam
Unit Mix	<ul style="list-style-type: none">• High-rise apartment buildings with a total of 740 apartment units• Retail podium• 6 low-rise landed properties
Land Area	Total 20,203.7 sqm , in which: <ul style="list-style-type: none">• Residential: 12,322 sqm (High-rise 5,621 sqm & Low-rise 540 sqm)• Public Facilities: 3,095 sqm• Internal Roads: 4,786.7 sqm
GFA (excluding basement)	Total 90,995 sqm, in which: <ul style="list-style-type: none">• High-rise apartments: 73,316 sqm• Low-rise townhouses: 1,414 sqm• Commercial podium: 16,265 sqm
Plot Ratio (*)	<ul style="list-style-type: none">• High-rise apartments: 5.95x• Commercial podium: 1.32x
Legal Status	<ul style="list-style-type: none">- LURC obtained- Land Use Fee fully paid- 1/500 Master Plan Approval- Construction Permit obtained
Investment Opportunity	100% transfer of the project or 100% acquisition of shares of project company



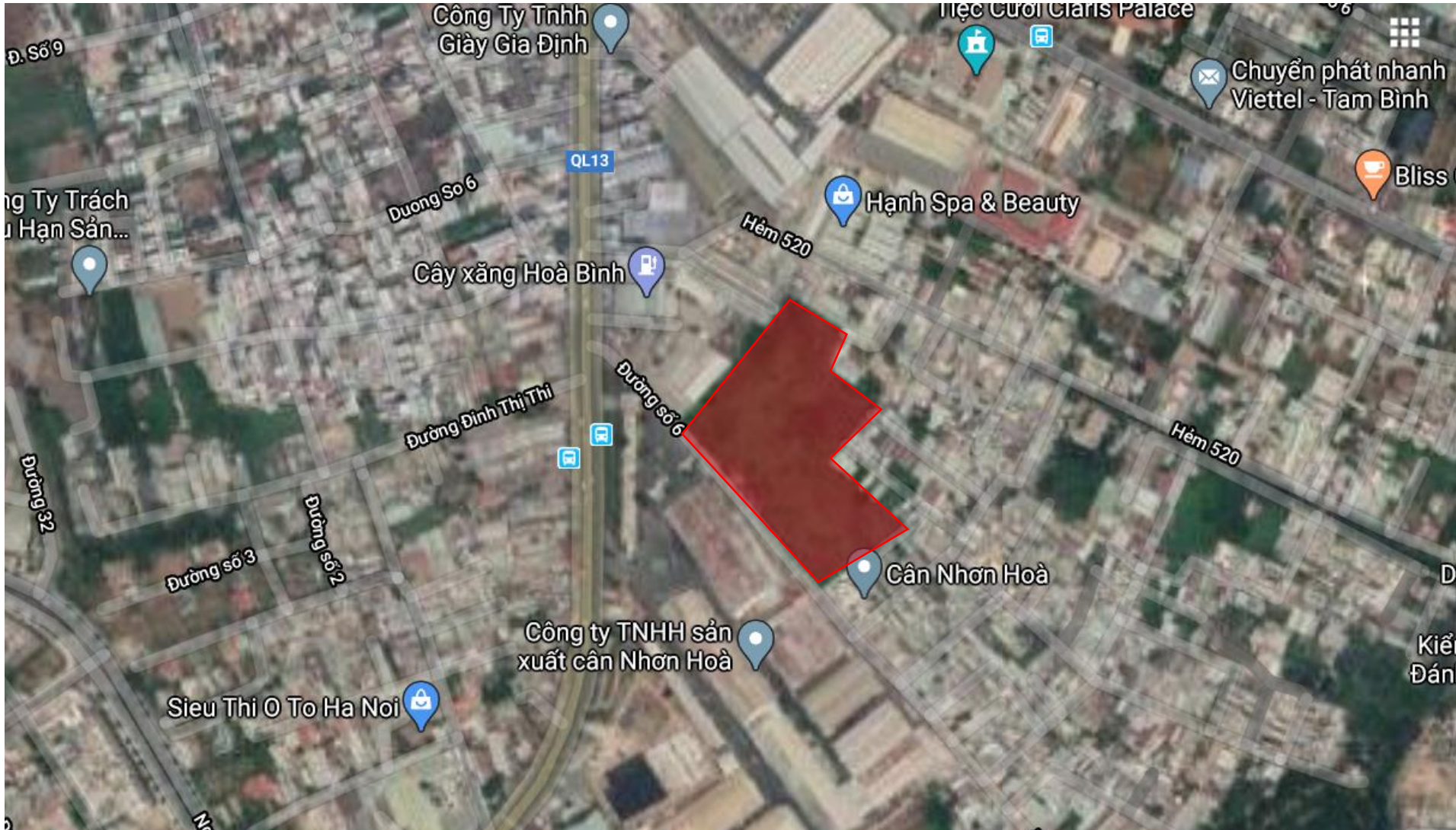
(*) Note: Plot ratios are calculated based on residential land area of 12,322 sqm

Investment Highlights



- The Project is located nearby National Highway No. 13 which connects HCMC with Thu Dau Mot City – capital city of Binh Duong Province.
- The site is only 13-km away from Tan Son Nhat International Airport via Pham Van Dong Street and National Highway No. 13. It is also 13-km away from the CBD, travel time 20 minutes to those areas.
- In close proximity to Binh Loi Bridge and Binh Trieu Bridge, connecting to Binh Thanh District
- Established surrounding residential projects and township include Van Phuc Riverside City, Thu Duc Garden Homes, Opal Residence. Opal Garden, etc.
- *Rare residential investment opportunity with ‘clean and clear’ land title*

Low-level Map



Proposed Concept Design



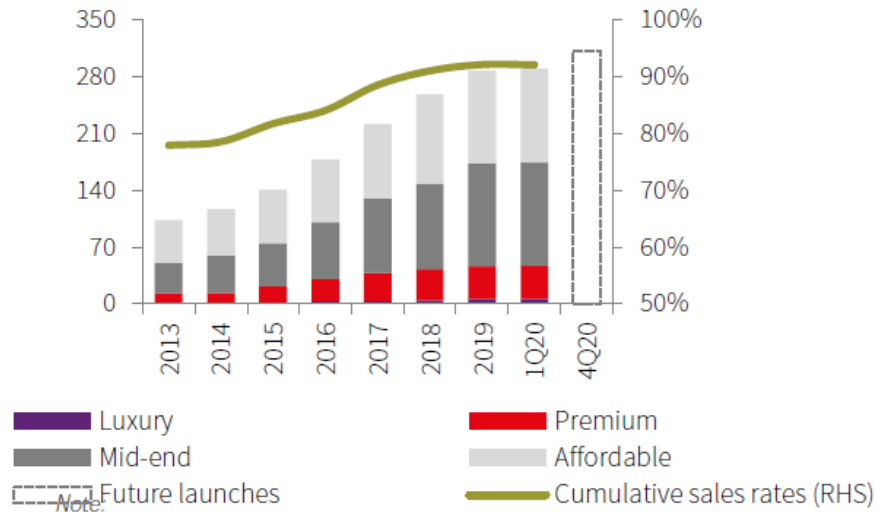
Proposed Concept Design (Cont.)



HCMC Apartment for Sale Market Overview

Apartment Total Launches

('000 units)



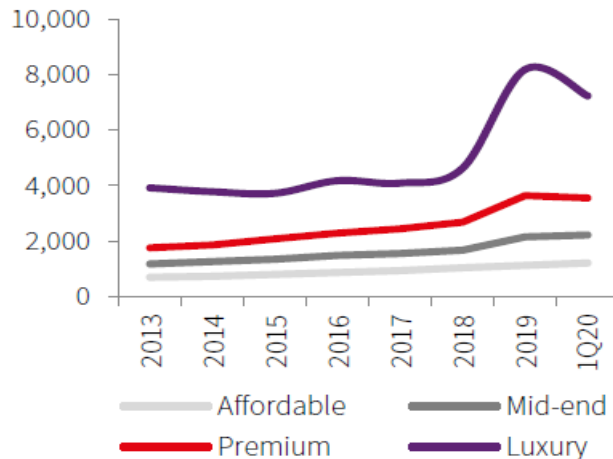
Demand is in line with supply, led by Affordable and mid-end segments

Following a limited supply, take-up in 1Q20 totalled only 1,980 units, less than half of 4Q19 and 1Q19 figures. The top performers remained Affordable and mid-end segments, contributing 80% of the total units sold, and most of which are from the owner-occupier demand. The already slower demand from investors seen in previous quarters, particularly among high-end apartments, has become more pronounced under the pandemic's impact.

Supply continues to plummet

Covid-19 outbreak in 1Q20, paired with Mid-end segments, while there was only one Premium project launched in District 7 and unsolved legal issues, has further pressured the already-limited supply with only 2,256 units officially launched, the lowest level since 2014. Soft launches were also reported to slow down with up to 70% of sale events were postponed. In terms of grade, 80% of new launch this quarter belonged to Affordable and one new Luxury project recorded.

Average Primary Prices



Prices decrease q-o-q, but continue to increase y-o-y

The average primary price decreased 15% q-o-q to USD 2,450 per sqm in 1Q20 because 1) two high-priced projects were in the process of changing developers, leading to all transactions temporarily stopped for now, thus removed from the surveyed basket, and 2) the newly launched projects in this quarter were predominantly Affordable and Mid-end. Meanwhile, on a yearly basis, prices continued to trend upwards at 19.9%, mainly supported by the limited supply. The impact of the pandemic on selling prices is yet to be witnessed, and most projects still recorded stable prices.

Note:

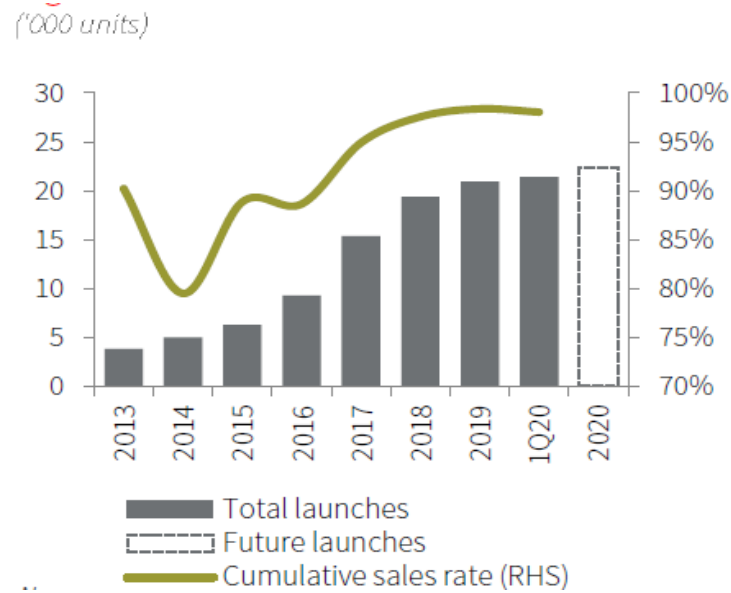
[1] Prices exclude VAT and sinking fund.

[2] Official launch figures. Projects are considered as officially launched when the Sale Purchase Agreements are signed, typically upon foundation completion.

Source: JLL Research

HCMC Ready-Built Land (RBL) Market Overview

RBL Total Launches



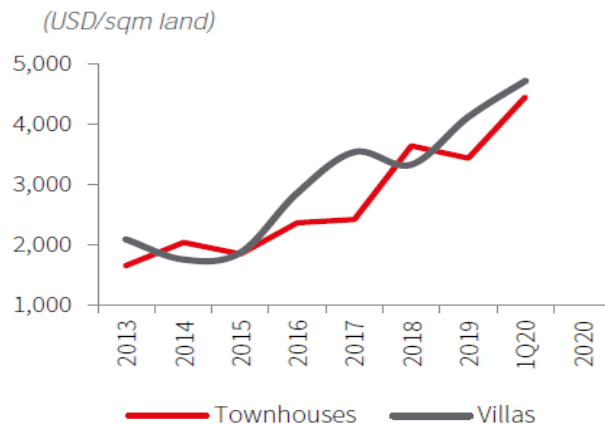
Demand is supported by owner-occupiers

In line with the ongoing limited supply, total sales continued to record lower than the quarterly average for the past five years at 366 units in 1Q20. Coronavirus outbreak was reported to slow down the demand momentum, however, the sales were not affected yet as most of them had taken place before the outbreak, and only managed to sign SPA this quarter. The demand was mainly from owner-occupiers who want spacious houses with more greenery and cleaner environment. Meanwhile, the number of investors were more limited as most available units were nearly completed, in which the payment schedule was shorter, typically requiring a large down payment.

Supply remains limited

The already limited supply due to legal issues was further pressurised by Covid-19 with a few soft launches reportedly delayed. Total official launches continued to be lower than the quarterly average for the past five years, but higher than the last quarter as all of them were already soft launched before the outbreak and managed to finish the foundation as of now.

Average Primary Prices



Prices continue to move higher

The primary price rose to USD 5,017 per sqm land, up 37.7% y-o-y and 8.4% q-o-q. The increase in the price was mainly because projects with lower-than-average prices were all sold out. On a project basis, prices remained stable or increased moderately, less than 4% q-o-q each. The impacts of Covid-19 on the price may not be prevalent this quarter yet as the effect from limited new developments was still on, and developers were hanging on to the prices pre-set before the outbreak.

Note:

[1] Prices exclude VAT and sinking fund. Price per sqm land = total unit value / size of the land plot on which the property is built.

[2] Official launch figures. Projects are considered as officially launched when the Sale Purchase Agreements are signed, typically upon infrastructure completion.

Source: JLL Research

Residential Competitive Analysis



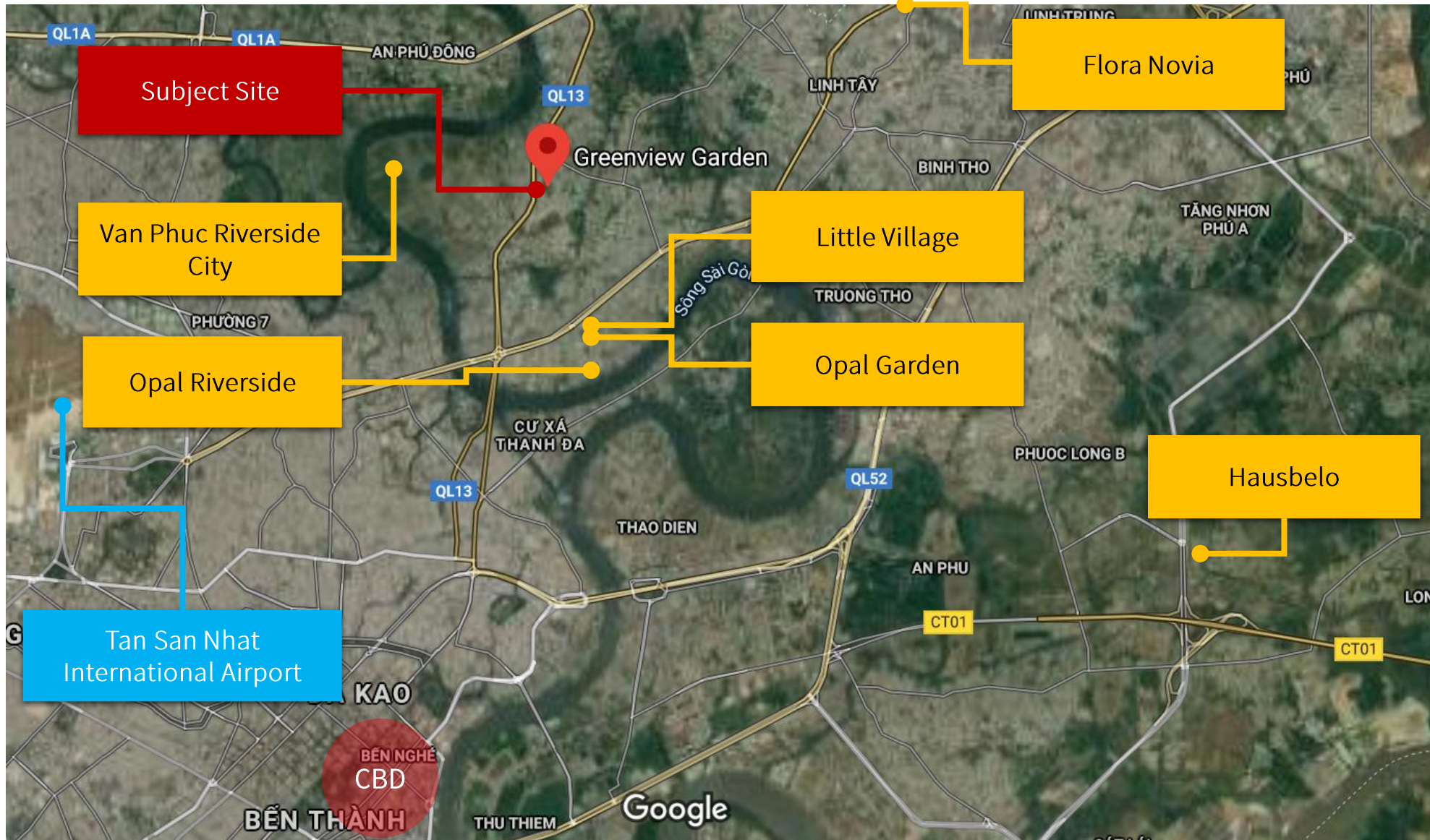
	High-rise Apartments					Ready-Built Landed Properties	
	Flora Novia	Fresca Riverside	Opal Garden	Opal Riverside	Hausbelo	Van Phuc City	Little Village
Location	Linh Tay Ward, Thu Duc District	Binh Chieu Ward, Thu Duc District	Hiep Binh Chanh Ward, Thu Duc District	Hiep Binh Chanh Ward, Thu Duc District	Phu Huu Ward, District 9	Hiep Binh Phuoc, Thu Duc District	Hiep Binh Chanh Ward, Thu Duc District
Developer	Nam Long	Thu Duc House	Dat Xanh	Dat Xanh	EZ Land	Dai Phuc	PV Invest
Land Area (sqm)	8,179	6,848	8,220	20,097	13,333	1,980,000	7,303
Total Units	518	398	400	626	888	Launched total 1,400 units in which: Latest phase: 365 (phase 3) 41	
Estimated Typical Unit Size (sqm land/unit, sqm NSA/unit)	2BR: 55 - 60 3BR: 80	2BR: 50 - 65	2BR: 55 - 80 3BR: 90	2BR: 65 - 75 3BR: 90	1+1BR: 52 2BR: 52	140 - 150 sqm land/unit; 800 - 900 sqm GFA/unit	90 - 110 sqm land/unit; 300 - 350 sqm GFA/unit
Launch Date (*)	Q1 2019	Q4 2018	Q1 2017	Q1 2017	Q4 2018	First launch: Q3 2017 Latest phase: Q2-2019	Q1 2019
Average Primary Selling Price (US\$/sqm NSA, land, excl. VAT and maintenance fee)	\$1,300/sqm NSA	\$1,000 - \$1,100/sqm NSA	\$1,100/sqm NSA	\$1,100/sqm NSA	\$1,200 - \$1,300/sqm NSA	\$6,500 - \$6,700/sqm land for latest phase	\$3,600/sqm land
Average Secondary Asking Price (US\$/sqm NSA, land, excl. VAT and maintenance fee)	\$1,500 - \$1,600/sqm NSA	\$1,100 - \$1,200/sqm NSA	\$1,500 - \$1,600/sqm NSA	\$1,500 - \$1,600/sqm NSA	\$1,300 - \$1,400/sqm NSA	\$4,500 - \$5,000/sqm land for previous launches (**)	\$4,000 - \$4,500/sqm land
Sales Rate	100%	100%	100%	100%	100%	Overall: 96% Latest phase: 83%	100%

Note:

(*) Launch date is recorded when the project signs SPA

(**) Secondary asking price is of previous launch at \$3,500 - \$4,000/sqm land in 2017 and of smaller unit sizes.

High-level Map & Notable Surrounding Projects



Next Steps & Contact



Preliminary legal documents will be available upon signing NDA

For further inquiry, please contact:



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