



Housing Prices, Prices for Lease and Neighborhoods in Ho Chi Minh City, Vietnam

By Pham Hoang Viet

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Introduction/ Business Problem



- Ho Chi Minh city is the most developed city in Vietnam opening many opportunities for Small and Medium Enterprises (SMEs) to start a new business
- As an investor or an owner of an enterprise, we expect to buy or rent a place with a low price and easy to approach the customers
- The purpose is to give the SMEs an overview of the status of each area including the neighborhood and the average prices for housing and lease in each district to help them have a better decision to choose a place depending on their budget
- This project will focus only on 19 urban districts of HCMC



Data Description

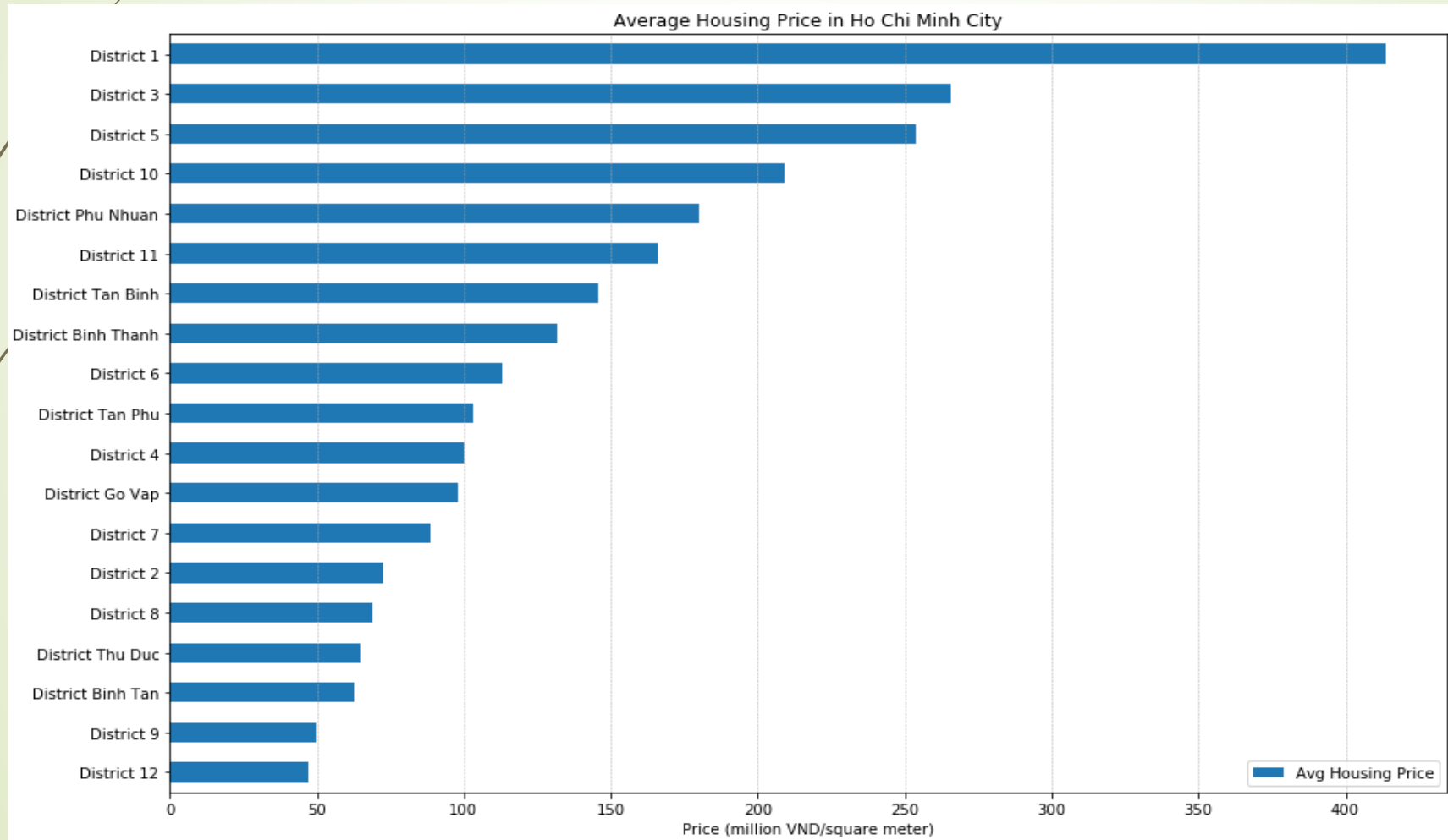


- Data of Housing Average Price of each District per square meter scraped from a real estate broker website (<https://mogi.vn/gia-nha-dat>)
- From the above website, I scraped data of 60 latest articles of each district and 1200 latest articles in HCMC of office, store, shop leasing to calculate the average leasing price per square meters in each District and other analysis.
- Foursquare API
- used Geocoder to get the latitude and longitude
- created the GeoJSON file of HCMC on <http://geojson.io>

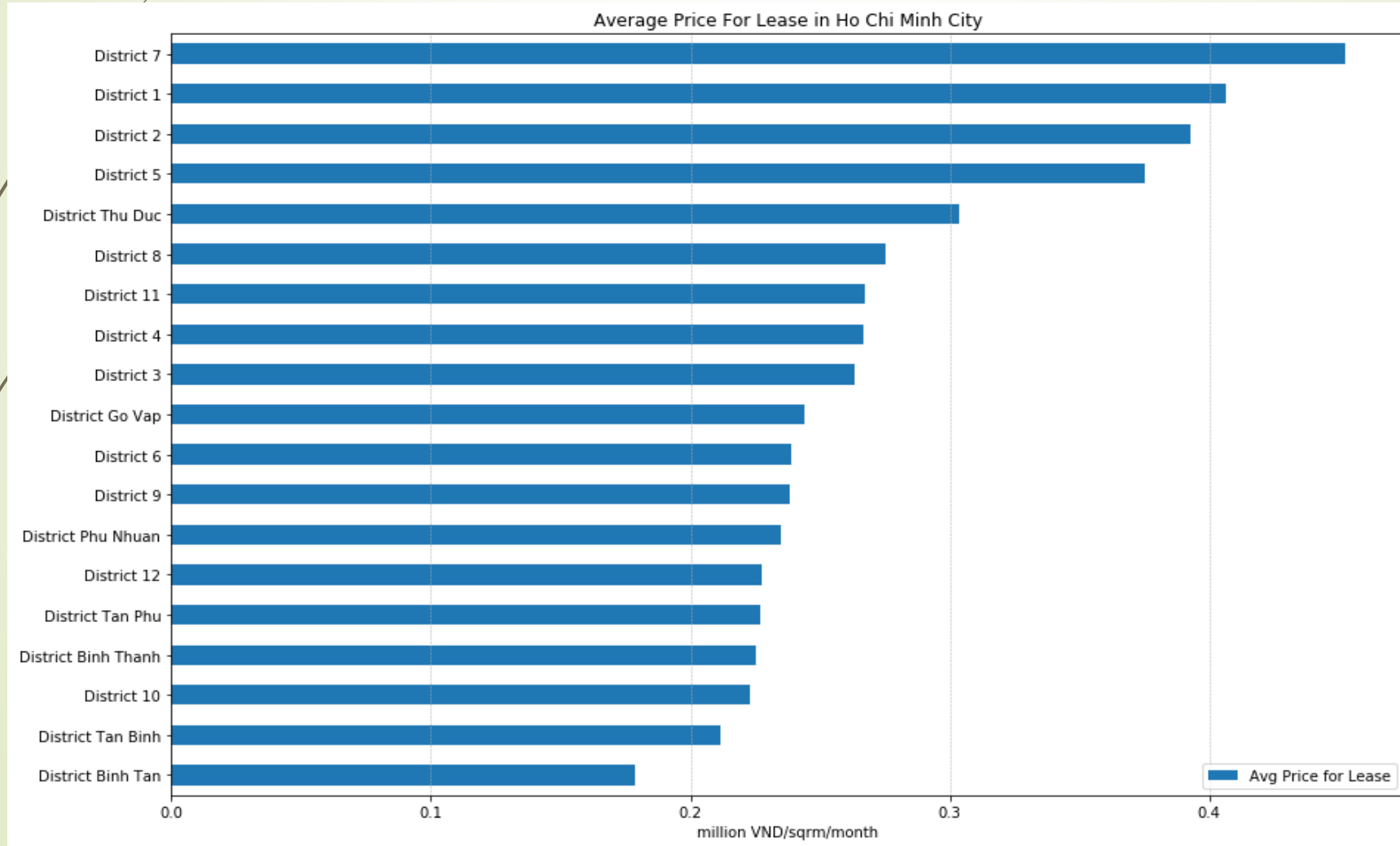
Average Housing Price and Average Price for Lease

	District	Avg Housing Price	Avg Price for Lease
0	District 1	414.0	0.406495
1	District 2	72.6	0.392694
2	District 3	266.0	0.263403
3	District 4	100.0	0.266698
4	District 5	254.0	0.375345
5	District 6	113.0	0.238760
6	District 7	88.4	0.452621
7	District 8	68.8	0.275344
8	District 9	49.7	0.238519
9	District 10	209.0	0.223050
10	District 11	166.0	0.267159
11	District 12	46.9	0.227379
12	District Binh Tan	62.8	0.178719
13	District Binh Thanh	132.0	0.225084
14	District Go Vap	98.0	0.244059
15	District Phu Nhuan	180.0	0.234923
16	District Tan Binh	146.0	0.211840
17	District Tan Phu	103.0	0.227169
18	District Thu Duc	64.7	0.303811

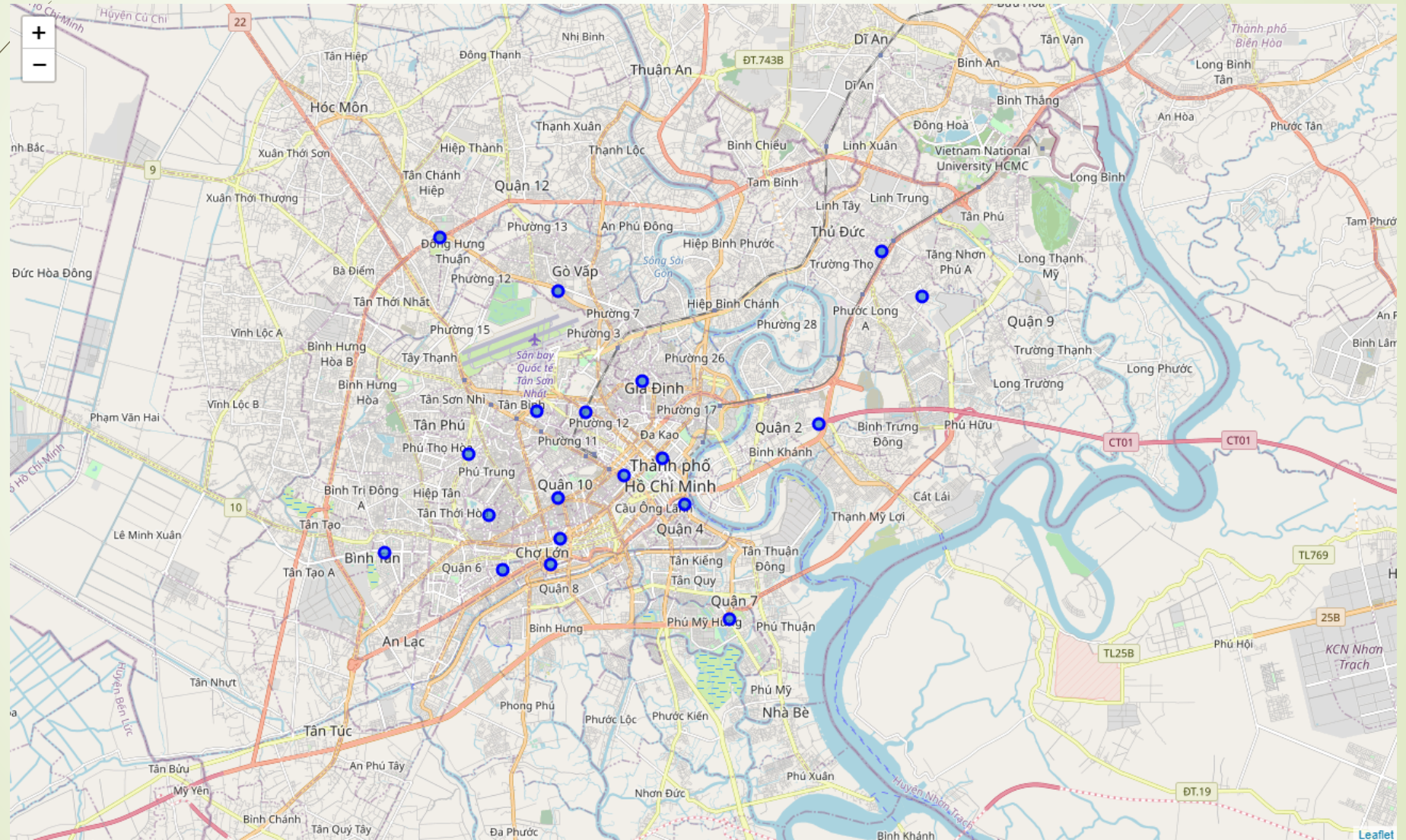
Average Housing Price and Average Price for Lease



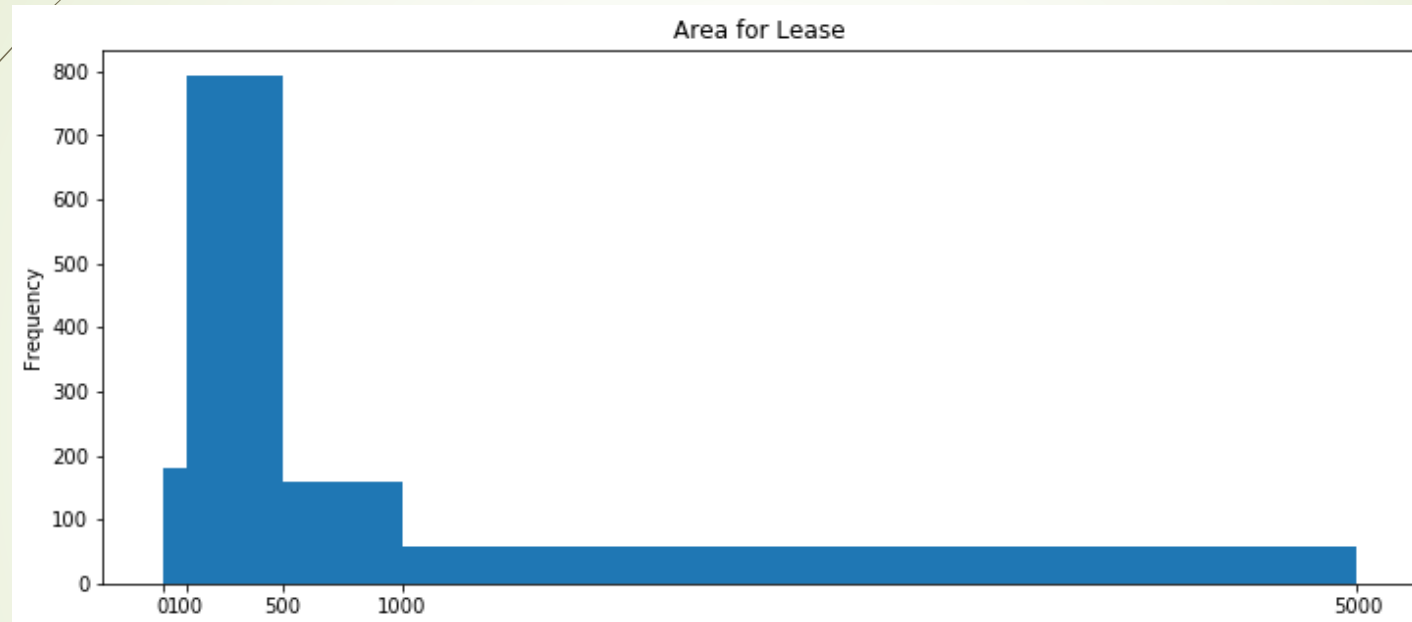
Average Housing Price and Average Price for Lease



Map of Districts in HCMC

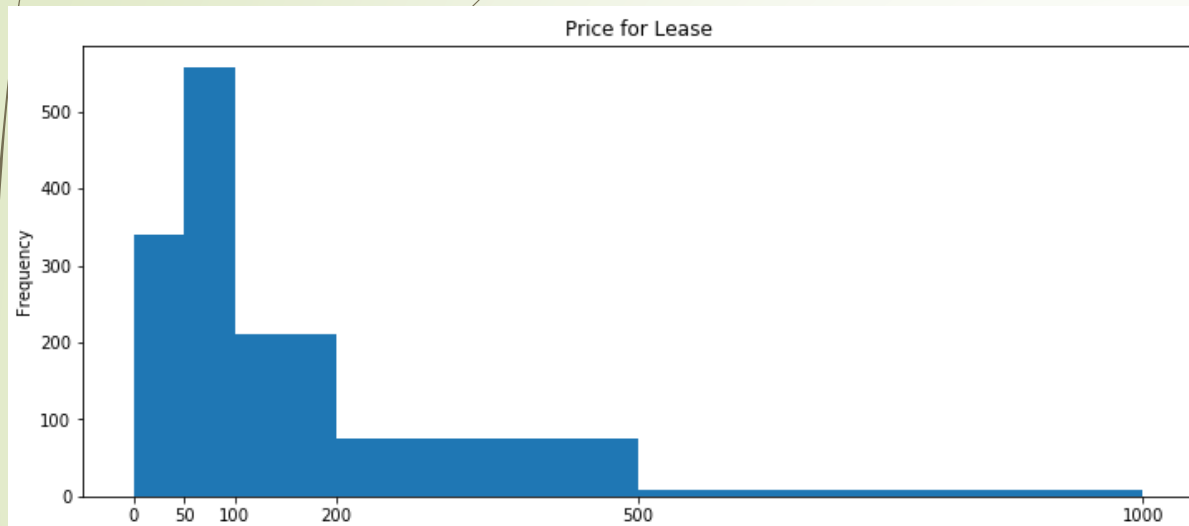


Leasing Demand in HCMC

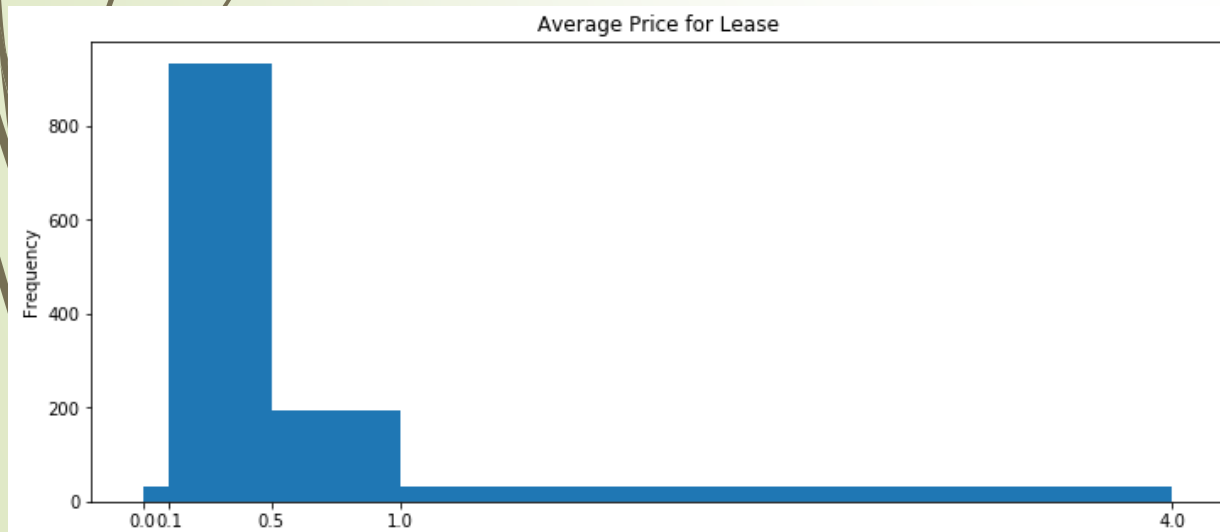


- 2/3 of available places for lease have the medium area of 100-500 square meters.
- Small area (<100 sqrm) acquires 1/6
- The rest are big and very big area (>500 sqrm and >1000 sqrm)

Leasing Demand in HCMC

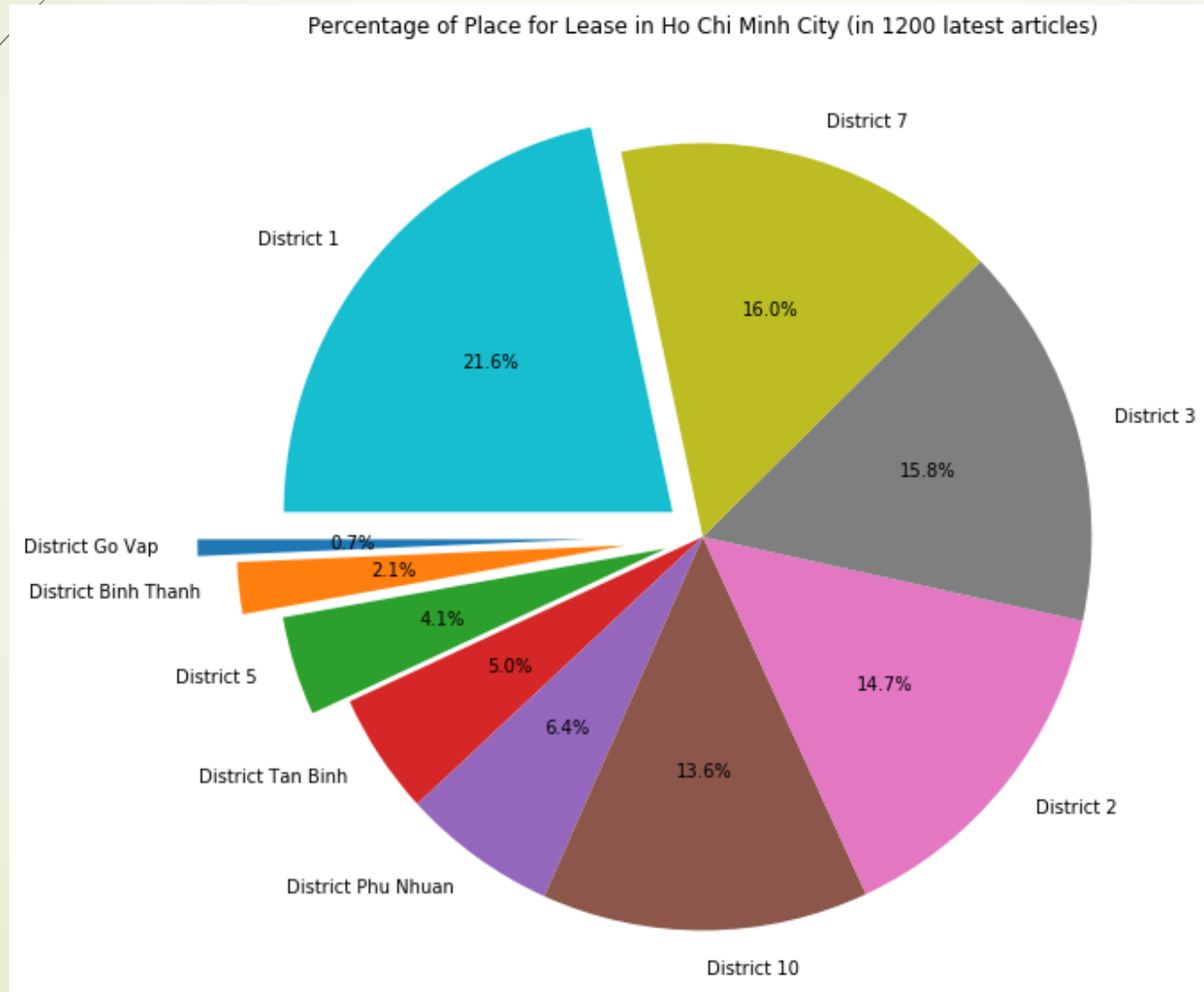


- Near 50% of available places for lease cost around 50-100 MVND
- more than 25% cost under 50 MVND
- only 16% cost 100-200 MVND
- The remaining cost more than 200 MVND.

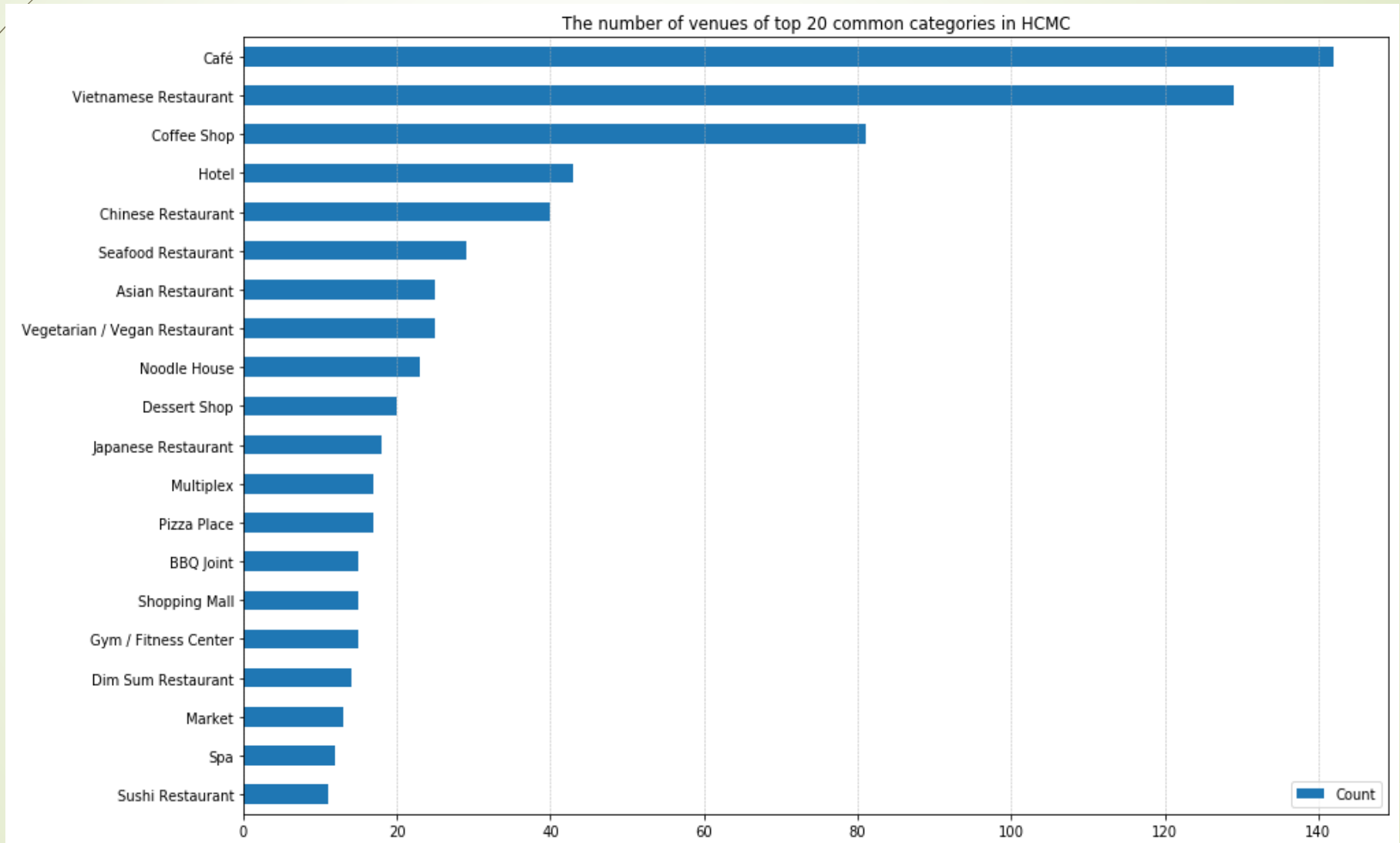


- 80% of the average prices are 0.1-0.5 MVND/square meter/month
- SMEs with low budgets can still have a place to sell their product and the chance to achieve that is not very difficult.

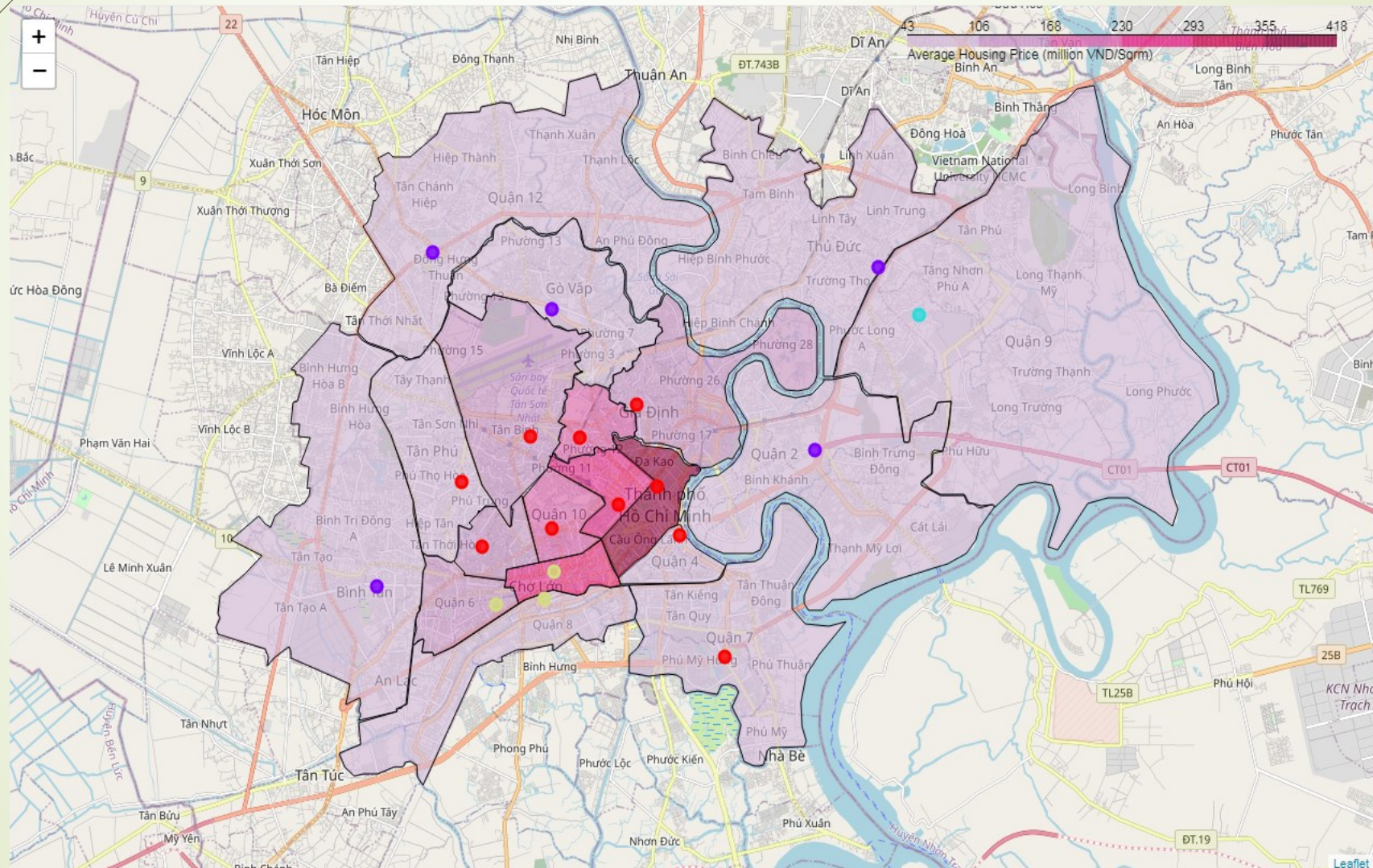
Leasing Demand in HCMC



Explore Neighborhoods in HCMC



Explore Neighborhoods in HCMC



4 clusters of Districts

➡ Group 1:

District	Avg Housing Price	Avg Price for Lease	1st Most Common Venue	2nd Most Common Venue	3rd Most Common Venue	4th Most Common Venue	5th Most Common Venue
District 1	414.0	0.406495	Café	Hotel	Vietnamese Restaurant	Coffee Shop	Massage Studio
District 3	266.0	0.263403	Hotel	Vietnamese Restaurant	Café	Coffee Shop	Hostel
District 4	100.0	0.266698	Hotel	Vietnamese Restaurant	Café	Coffee Shop	Massage Studio
District 7	88.4	0.452621	Vietnamese Restaurant	Café	Coffee Shop	Fried Chicken Joint	Japanese Restaurant
District 10	209.0	0.223050	Café	Vietnamese Restaurant	Coffee Shop	Chinese Restaurant	Seafood Restaurant
District 11	166.0	0.267159	Café	Vietnamese Restaurant	Chinese Restaurant	Seafood Restaurant	Cantonese Restaurant
District Binh Thanh	132.0	0.225084	Café	Vietnamese Restaurant	Coffee Shop	Vegetarian / Vegan Restaurant	Asian Restaurant
District Phu Nhuan	180.0	0.234923	Vietnamese Restaurant	Café	Coffee Shop	Hotel	Asian Restaurant
District Tan Binh	146.0	0.211840	Vietnamese Restaurant	Café	Coffee Shop	Hotel	Seafood Restaurant
District Tan Phu	103.0	0.227169	Vietnamese Restaurant	Café	Supermarket	Fast Food Restaurant	Movie Theater

This group has many Café, Vietnamese Restaurant and Coffee Shop (which are also top 3 common venues in HCMC). The districts are highly populated, have high AHP and APL

4 clusters of Districts

➡ Group 2:

District	Avg Housing Price	Avg Price for Lease	1st Most Common Venue	2nd Most Common Venue	3rd Most Common Venue	4th Most Common Venue	5th Most Common Venue
District 2	72.6	0.392694	Café	Shopping Mall	Vietnamese Restaurant	Coffee Shop	Department Store
District 12	46.9	0.227379	Café	Park	Noodle House	Coffee Shop	Gym
District Binh Tan	62.8	0.178719	Café	Shopping Mall	Coffee Shop	Fast Food Restaurant	Multiplex
District Go Vap	98.0	0.244059	Café	Pizza Place	Shopping Mall	Lounge	Coffee Shop
District Thu Duc	64.7	0.303811	Café	Shopping Mall	Vietnamese Restaurant	Coffee Shop	Multiplex

This group also has many Café but it also has shopping mall as the second most common venue. These district are very big, the AHP and APL are not very high.

4 clusters of Districts

➤ Group 3:

District	Avg Housing Price	Avg Price for Lease	1st Most Common Venue	2nd Most Common Venue	3rd Most Common Venue	4th Most Common Venue	5th Most Common Venue
District 9	49.7	0.238519	Lake	Restaurant	Shopping Mall	Market	Eastern European Restaurant

The Foursquare API found only 4 venues in this district. It has big factories and industrial zones, so there are not many venues.

➤ Group 4:

District	Avg Housing Price	Avg Price for Lease	1st Most Common Venue	2nd Most Common Venue	3rd Most Common Venue	4th Most Common Venue	5th Most Common Venue
District 5	254.0	0.375345	Chinese Restaurant	Vietnamese Restaurant	Coffee Shop	Noodle House	Dim Sum Restaurant
District 6	113.0	0.238760	Chinese Restaurant	Dessert Shop	Cantonese Restaurant	Market	Dim Sum Restaurant
District 8	68.8	0.275344	Chinese Restaurant	Dim Sum Restaurant	Café	Vietnamese Restaurant	Coffee Shop

This group has Chinese Restaurant as the most common venue. It is easy to understand because, the area has China Town, the biggest market with many traders and Chinese-origin people living. That is why the AHP and APL of this group is quite high.



Discussion



- In this study, I used a real estate website to research the leasing situation in Ho Chi Minh City. However, a website cannot show all accurate information that maybe have effect on the final result of my project.
- When I tested the Elbow method to find the best K (K-means algorithm, there is not a clear elbow, so the higher k, the more accurate the clustering result is.
- In general, the project gives a review on the housing price, price for leasing and the neighborhood of each district in Ho Chi Minh City. SMEs can take this results for reference to buy or rent a place to build a store and set up financial plan for their business.
- Moreover, this project also helps people who want to buy a house in HCMC
- Currently, District 1, District 7 and District 3 have the most articles of places for lease. I think one of the reason for this is COVID-19, because in the period of this virus breakout, some companies cannot afford to maintain the activities, many entrepreneurs return the place as mentioned in a lot of newspapers. I think this will be a chance for companies who have good financial plan to open a store in these developed districts.



Conclusion



- As a result of urbanization, people are moving from provinces to big cities to start a business or to live.
- To have the access to the accurate informative resources will help people to live in the place with the neighborhood they want and give an opportunity for start-up to approach the right market where they can easily attract their potential customers.
- Although this project is just at a basic level, I believe it will somehow help people to give a good decision on choosing a place for business or living.

Thank you!