

MARKETBEATS



CUSHMAN & WAKEFIELD

2.5%
RENT GROWTH
(YoY)

30.0%
VACANCY RATE

2,262 HA
PLANNED AND UNDER
CONSTRUCTION

BE
WHAT'S
NEXT

HIGHLIGHTS

Stable economic development

Well-controlled CPI, sustained foreign direct investment, global economic integration, improved business environment, etc. continue to be important factors that drive the economic growth. The recent signing of CP-TPP is expected to bring huge economic benefits for the country by boosting investment and promoting exports. Formation of special economic zones with highly preferential policies for investors is under debate, which will cause great impacts on the economy.

Performance improved modestly

Total industrial stock remained unchanged on a quarterly and yearly basis, with a total leasable area of 2,480 hectares (ha) from 19 operating industrial parks. The market performance has been improved modestly with occupancy rate up 4.0ppts YoY, achieving 70.2%. In 2018, HEPZA continues to attract investment capital in industries and supporting industries in industrial parks by focusing on improving administrative processes.

Rents increase marginally

The average asking rent for industrial parks (IPs) increased roughly 1.0% QoQ and 2.5% YoY, to reach VND3,072,000 per square meter per term (/sq.m./term), equivalent to approximately US\$135/sq.m./term. The average rent of IPs in HCMC experienced an upward trend in the past 5 years, up 1.6% p.a on average, mainly due to the increasing investment capital in this city.

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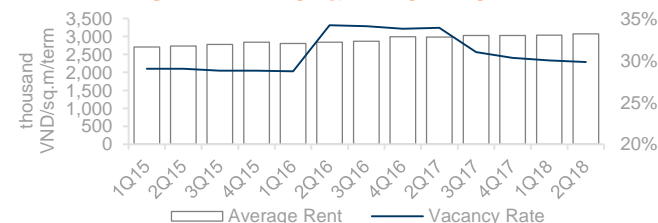
DATA
INTO
ACTION

ECONOMIC INDICATORS

	5M 17	5M 18	12months Forecast
Inflation (CPI)	4.47%	3.01%	▼
FDI (bil. US\$)	12.13	9.90	▲
Trade balance (bil. US\$)	(2.70)	3.39	▲

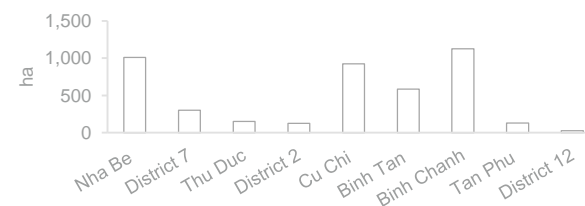
Source: General Statistics Office

AVERAGE RENTS & VACANCY RATE



Source: Cushman & Wakefield Vietnam – Research & Consultancy

SUPPLY PIPELINE UP TO 2020



Source: Cushman & Wakefield Vietnam – Research & Consultancy

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**DATA
INTO
ACTION**

SUBMARKET	INVENTORY (HA)	VACANCY RATE	PLANNED & UNDER CONSTRUCTION (HA)	AVERAGE RENT		
				VND/SQM/MO	US\$/SQM/MO	EUR/SQM/MO
District 7	195	2.7%	0	VND6,046,000	US\$265.0	€228.4
Nha Be District	506	37.6%	500	VND2,688,000	US\$117.8	€101.6
Thu Duc District	110	0.0%	0	VND4,022,000	US\$176.3	€152.0
District 2	72	0.0%	0	VND2,281,000	US\$100.0	€86.2
Binh Tan District	321	0.0%	0	VND5,087,000	US\$223.0	€192.2
Tan Phu District	92	0.0%	0	VND4,563,000	US\$200.0	€172.4
Binh Chanh District	409	55.3%	1,517	VND2,606,000	US\$114.2	€98.5
District 12	22	0.0%	0	VND2,272,000	US\$99.6	€85.9
Cu Chi District	753	42.3%	245	VND1,734,000	US\$76.0	€65.5
HO CHI MINH CITY TOTAL	2,480	29.8%	2,262	VND3,072,000	US\$134.7	€116.1

[^]All rent are inclusive of SC but exclusive of VAT
US\$/VND = 22,814; US\$/EUR = 0.862 as at 15 June 2018

SIGNIFICANT FUTURE PROJECT

PROPERTY	SUBMARKET	HECTARES	CONSTRUCTION STATUS	EXPECTED COMPLETION
Hoa Phu – Phase 2	Cu Chi	72	Under Construction	2018
Tay Bac Cu Chi – Phase 2	Cu Chi	173	Under Construction	2020
Hiep Phuoc – Phase 3	Nha Be	500	Clearance & Compensation	2020
Vinh Loc 1 – Phase 3	Binh Chanh	200	Clearance & Compensation	2020

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