

MARKETBEATS


3.9%

RENT GROWTH
(YoY)

7.3%

VACANCY RATE
(Q2 2019)

206,900 sq.m

PLANNED & UNDER
CONSTRUCTION

WHAT'S NEXT

HIGHLIGHTS

Optimistic economic outlook

Vietnam's economy still holds a positive outlook in the short and medium term due to benefits from free trade agreements, growing domestic manufacturing for exports, etc. but also bears certain risks from reduced external demand, global financial fluctuations and restructuring progress of state-owned enterprises and from the banking system. According to the latest forecast by World Bank, Vietnam will experience diminishing GDP growth at 6.6% in 2019 and around 6.5% in 2020 – 2021.

Improvement recorded for both grades

A small-scaled Grade B building came into the market this quarter, and no new completions were recorded for Grade A. Both grades showed improved market performance with the occupancy rising by 1 – 2 percentage points on both quarterly and yearly basis. The total absorption in the quarter was around 21,600 sq.m, over 70% of which was contributed by Grade B buildings.

Rents continued trending upwards

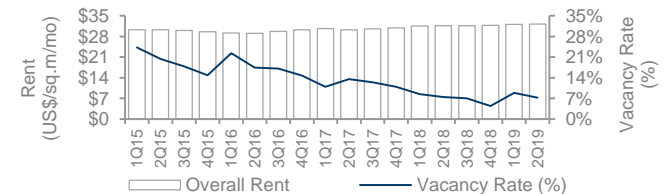
Under sustained performances, both grades recorded slightly rising rents by 1% quarter on quarter. Moreover, on a longer horizon, rents for Grade A and B buildings rose by 4% and 2% year on year respectively, partly due to higher rents of new buildings recently. The market is expected to stay competitive as new buildings get completed in the short term besides the gaining popularity of co-working spaces.

ECONOMIC INDICATORS

	5M 18	5M 19	12-month Forecast
Inflation	3.01%	2.74%	▼
Inward FDI (tril. US\$)	9.90	16.74	▲
Trade balance (bil. US\$)	3.39	-0.55	▲

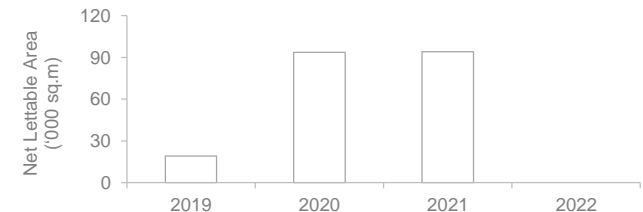
Source: General Statistics Office

GRADE A – AVERAGE RENT & VACANCY



Source: Cushman & Wakefield Vietnam – Research & Consultancy

GRADE A – SUPPLY PIPELINE



Source: Cushman & Wakefield Vietnam – Research & Consultancy

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SUBMARKET	INVENTORY (SQ.M)	VACANCY RATE	PLANNED & UNDER CONSTRUCTION (SQ.M)	AVERAGE ASKING RENT		
				VND/SQ.M/MO	US\$/SQ.M/MO	EUR/SQ.M/MO
Grade A	389,900	7.3%	206,900	VND749,000	US\$32.2	€28.5
CBD	136,000	12.9%	19,200	VND865,000	US\$37.1	€32.9
Non-CBD	253,900	4.2%	187,700	VND688,000	US\$29.5	€26.2
Grade B	892,900	7.7%	847,600	VND438,000	US\$18.8	€16.7
CBD	78,200	1.5%	30,100	VND620,000	US\$26.6	€23.6
Non-CBD	814,700	8.3%	817,500	VND421,000	US\$18.1	€16.0
HANOI GRADE A & B TOTAL	1,282,800	7.5%	1,054,500	VND533,000	US\$22.9	€20.3

[^]All rents are inclusive of SC but exclusive of VAT
US\$/S\$ = 23,302; €/S\$ = 0.886 as at 20 June 2019

KEY LEASING TRANSACTIONS 1H 2019

PROPERTY	SUBMARKET	TENANT	SQ.M	LEASE TYPE
Capital Tower	CBD	An Binh	400	Relocation
Horison Tower	Secondary	Sembcorp	500	Relocation

SIGNIFICANT PROJECTS PLANNED & UNDER CONSTRUCTION

PROPERTY	SUBMARKET	MAJOR TENANT	SQ.M	COMPLETION DATE
Oriental Sun Tower	CBD	N/A	19,200	2019
Vinacomin Tower	West	N/A	72,200	2019
MB Grand Tower	West	N/A	41,300	2019
FLC Twin Towers	West	N/A	36,000	2019
Leadvisors Tower	West	N/A	18,400	2019

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