

MARKETBEATS

3.8%
RENTAL GROWTH
(YoY)

11.6%
VACANCY RATE
(Q2 2019)

1,674 units
PLANNED AND 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.

Lackluster market performance

The supply remained unchanged with no new completions in Q2 2019. The market recorded stagnant performance with modest absorption as compared to the previous quarter and the previous year. Overall, the occupancy was still on the rising, marginally up 0.4 percentage points (ppts) on quarter and 0.3 ppts on year. Grade A outperformed with higher occupancy.

Average rent still trending upwards

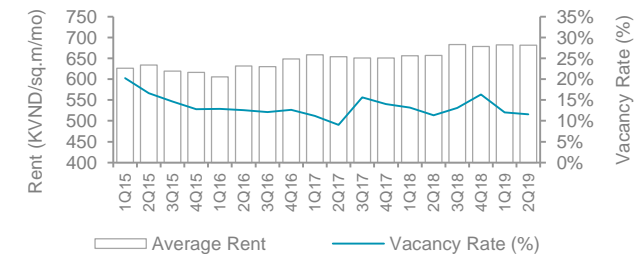
Average rents remained relatively stable on quarter, and increased by 3.8% year on year. Both grades recorded insignificant changes in rents within 1% compared to the previous quarter and showed small increases of 1% - 4% on year. Serviced apartments in the West remained the most expensive among all regions.

ECONOMIC INDICATORS

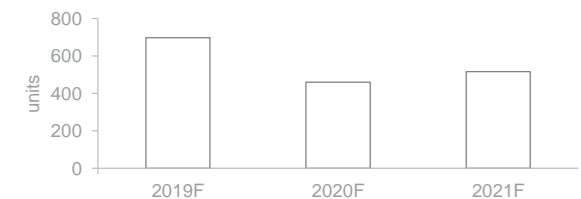
	5M 18	5M 19	12months Forecast
Inflation (CPI)	3.01%	2.74%	▼
FDI (bil. US\$)	9.90	16.74	▲
Trade balance (bil. US\$)	3.39	-0.55	▲

Source: General Statistics Office

AVERAGE RENT & VACANCY RATE



SUPPLY PIPELINE



Source: Cushman & Wakefield Vietnam – Research & Consultancy

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SUBMARKET	INVENTORY (UNITS)	VACANCY RATE	PLANNED & UNDER CONSTRUCTION (UNITS)	AVERAGE RENT		
				VND/SQ./MO	US\$/SQ.M/MO	EUR/SQ.M/MO
GRADE A	2,567	10.2%	926	VND783,000	US\$33.60	€29.77
GRADE B	1,277	14.4%	748	VND477,000	US\$20.47	€18.13
HANOI TOTAL	3,844	11.6%	1,674	VND681,000	US\$29.24	€25.91

*^All rent are inclusive of SC but exclusive of VAT
 US\$/VND = 23,302; US\$/EUR = 0.886 as at 20 June 2019*

SIGNIFICANT PROJECTS PLANNED & UNDER CONSTRUCTION

PROPERTY	SUBMARKET	MAJOR TENANT	TOTAL UNITS	COMPLETION DATE
Somerset West Central Hanoi	West	N/A	252	2019
Hanoi Aqua Central	Secondary	N/A	138	2019
Fraser Residence Hanoi	West	N/A	162	2020
Hyatt Regency	Secondary	N/A	50	2020
Hilton Hanoi Westlake	Secondary	N/A	50	2020

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 Research Publication

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