

MARKETBEATS



1.8% RENTAL GROWTH (YoY) **4.2%** VACANCY RATE **35,000 sq.m** NEW COMPLETIONS (YTD)

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.

Unstable supply; volatile market performance

In Q2 2019, the expansion of one shopping mall in the suburbs resulted in an increase in the total retail stock by 4% QoQ and 9% year-on-year (YoY). During the quarter, the market witnessed the withdrawal of one international retail chain from Vietnam.

There was a moderate improvement in the overall occupancy rate, which grew by 1.0 percentage points (ppt) QoQ and 3.5 pts YoY.

Flattening rental growth

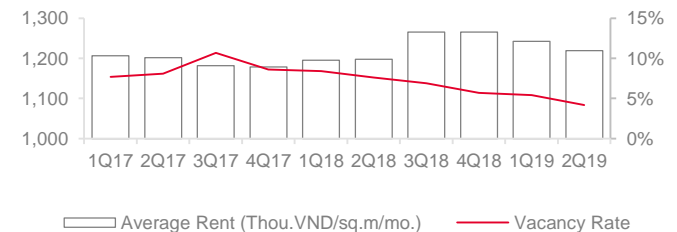
Market-wide average rent was recorded at a decline by 1.3% QoQ, but rose 1.8% YoY, landing at approximately VND1.22 million per sq.m per month (/sq.m/mo.), or US\$2.3 /sq.m/month in Q2 2019.

ECONOMIC INDICATORS

	5M 18	5M 19	12-month Forecast
Inflation (CPI)	3.01%	2.74%	▼
FDI (bil. US\$)	9.90	16.74	▲
Trade balance (bil. US\$)	3.39	-0.54	▲

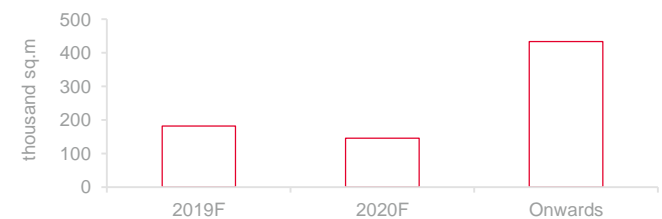
Source: General Statistics Office

AVERAGE RENT & VACANCY RATE



Source: Cushman & Wakefield Vietnam – Research & Consultancy

SUPPLY PIPELINE



Source: Cushman & Wakefield Vietnam – Research & Consultancy



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SUB MARKET	INVENTORY (SQ.M)	VACANCY RATE	PLANNED & UNDER CONSTRUCTION (SQ.M)	AVERAGE ASKING RENT		
HO CHI MINH CITY TOTAL	1,381,640	4.5%	453,200	VND1,243,000	US\$53.6	€47.5
CBD	139,740	2.0%	95,800	VND2,586,343	US\$111.0	€98.34
Non - CBD	1,241,900	4.5%	306,400	VND1,032,529	US\$44.3	€39.26

*^All rents 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	TENANT	SQ.M	EXPECTED COMPLETION
Crescent Mall – Phase 2	Non - CBD	N/A	18,000	2019
Elite Mall	Non - CBD	N/A	61,000	2020

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