

# MARKETBEAT



**-3.2%**  
RENTAL GROWTH (YoY)

**5.2%**  
VACANCY RATE

**0 sq m**  
NEW COMPLETIONS (YTD)

WHAT'S  
NEXT

## HIGHLIGHTS

### Optimistic economic outlook

The outlook for Vietnam's economy remains positive, staying on track to hit the GDP growth targets set for 2019 at 6.6% - 6.8%, and supported by a stable macroeconomic environment, sustained inward FDI flows, and economic reforms and integration such as the ratification of CP-TPP and signing of the EVFTA. The development of the private sector, improving business environment and rising labor productivity levels are key factors to sustain growth into the longer term.

### Marginally improved performance

One department store closed in the quarter, replaced by a shopping center. Overall supply remained stable q-o-q but grew by 8.9% on y-o-y. Positive performances from new entrants and improvements from existing mall operations contributed to a marginal improvement in the overall occupancy rate, by 1.7ppts to 94.8% in Q3 2019.

### New supply drives down overall rents

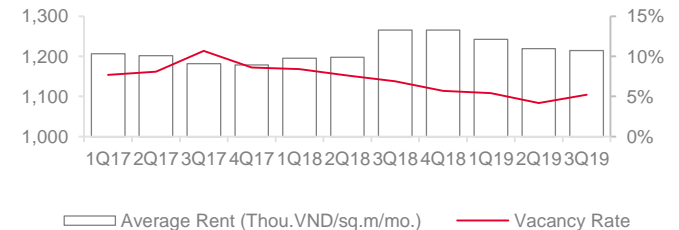
Market-wide average rent dropped 3.2% y-o-y to around VND1.21 million per sq m per month (US\$2.4 /sq m/month) in Q3 2019, mainly due to softer rents offered by new supply entrants in the outskirts, as well as recent temporary closures for renovation of some higher-rent level malls.

### ECONOMIC INDICATORS

	8M 18	8M 19	12-month Forecast
Inflation (CPI)	3.52%	2.57%	▼
FDI (bil. US\$)	24.35	22.63	▲
Trade balance (bil. US\$)	2.80	3.40	▲

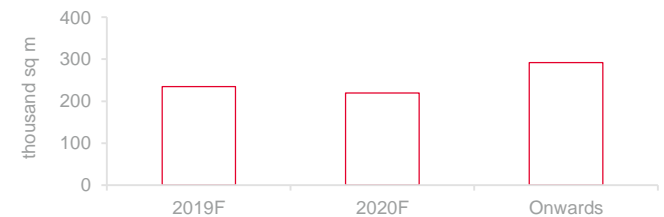
Source: General Statistics Office

### AVERAGE RENT & VACANCY RATE



Source: Cushman & Wakefield Vietnam – Research & Consultancy

### SUPPLY PIPELINE



Source: Cushman & Wakefield Vietnam – Research & Consultancy

# HO CHI MINH CITY RETAIL MARKETBEAT

SEPTEMBER 2019



## PHUOC VO

Director  
Valuation & Research  
Room 16, Level 14, Vincom Centre  
72 Le Thanh Ton, District 1, HCMC  
Tel: +84 28 3823 7968  
Fax: +84 28 3823 7969  
phuoc.vo@Cushwake.com

SUB MARKET	INVENTORY (SQ.M)	VACANCY RATE	PLANNED & UNDER CONSTRUCTION (SQ M)	AVERAGE ASKING RENT		
<b>HO CHI MINH CITY TOTAL</b>	<b>1,397,900</b>	<b>5.2%</b>	<b>746,500</b>	<b>VND1,214,500</b>	<b>US\$52.4</b>	<b>€47.7</b>
CBD	139,700	1.8%	144,700	VND2,586,343	US\$112.3	€102.4
Non - CBD	1,258,200	5.6%	601,800	VND1,032,529	US\$44.3	€40.4

*^All rents are inclusive of SC but exclusive of VAT  
US\$/VND = 23,198; US\$/EUR = 0.912 as at 26 September 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

A Cushman & Wakefield  
Research Publication

Cushman & Wakefield (NYSE: CWK) is a leading global real estate services firm that delivers exceptional value for real estate occupiers and owners. Cushman & Wakefield is among the largest real estate services firms with approximately 51,000 employees in 400 offices and 70 countries. In 2018, the firm had revenue of \$8.2 billion across core services of property, facilities and project management, leasing, capital markets, valuation and other services. To learn more, visit [www.cushmanwakefield.com](http://www.cushmanwakefield.com) or follow @CushWake on Twitter.

[www.cushmanwakefield.com](http://www.cushmanwakefield.com)