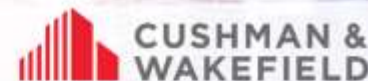


MARKETBEAT


2.4%

RENT GROWTH
(YoY)

8.6%

VACANCY RATE

986,900 sq m

PLANNED & UNDER
CONSTRUCTION

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.

Steady market demand

Grade B stock rose by 6.3% q-o-q and 1.9% y-o-y upon the completion of four new buildings and the resumption of leasing activities at an existing project following a six month pause. Overall vacancy rose marginally by 1.1 percentage points q-o-q but remains stable on year, at 91.4% for this quarter. The new supply immediately contributed to the vacancy rate, impacting overall market performance.

Rents trending upwards

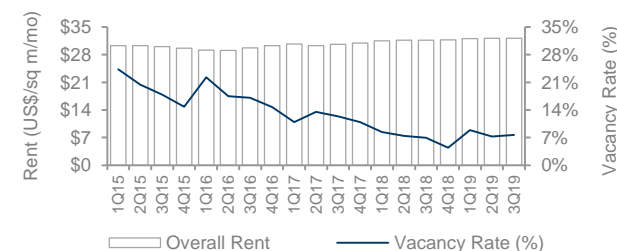
Overall rental rates recorded an increase of 0.2% q-o-q and 2.4% y-o-y to US\$22.9/sq m/month. Rent increases were seen at high-performing buildings in the CBD and fringe districts, and also attributed to recent new entrants making high offers. The market is expected to stay competitive as new buildings complete in the short term and co-working spaces continue to gain popularity.

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	▲

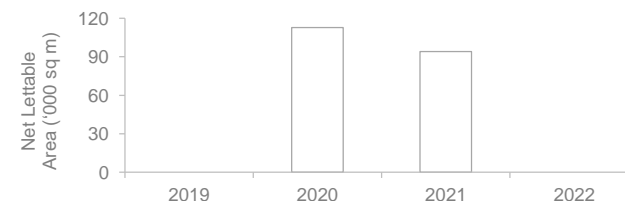
Source: General Statistics Office

GRADE A OVERALL RENT & VACANCY RATE



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	7.7%	206,900	VND746,000	US\$32.2	€29.3
CBD	136,000	14.1%	19,200	VND861,000	US\$37.1	€33.8
Non-CBD	253,900	4.3%	187,700	VND685,000	US\$29.5	€26.8
Grade B	949,000	9.0%	780,000	VND443,000	US\$19.1	€17.4
CBD	89,100	3.6%	30,100	VND612,000	US\$26.4	€24.0
Non-CBD	859,900	9.6%	749,900	VND426,000	US\$18.4	€16.8
HANOI GRADE A & B TOTAL	1,338,900	8.6%	986,900	VND532,000	US\$22.9	€20.9

[^]All rents are inclusive of SC but exclusive of VAT
US\$/S\$ = 23,198; €/S\$ = 0.912 as at 26 September 2019

KEY LEASING TRANSACTIONS Q3 2019

PROPERTY	SUBMARKET	TENANT	SQ M	LEASE TYPE
TNR Tower	Secondary	VNG	2,130	Relocation
TDL	Secondary	VNPAY	1,200	Expansion
Gelex	Secondary	Thai Tam Company	300	Relocation

SIGNIFICANT PROJECTS PLANNED & UNDER CONSTRUCTION

PROPERTY	SUBMARKET	MAJOR TENANT	SQ M	COMPLETION DATE
MB Grand Tower	West	N/A	41,300	2019
Oriental Sun Tower	CBD	N/A	19,200	2020
Capital Place	Secondary	N/A	93,550	2020

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