

YoY
Chg12-Mo.
Forecast**1.8%**

Rent Growth (YoY)

**8.6%**

Vacancy rate

**1,070,400**

Supply pipeline (sq m)

Source: Cushman & Wakefield Vietnam –
Research & Consultancy**VIETNAM ECONOMIC INDICATORS
2019**YoY
Chg12-Mo.
Forecast**2.79%**

Inflation (CPI)

**38.00**

FDI (bil. US\$)

**138,139**

No. of new enterprises



Source: GSO

Sustained Economic Growth

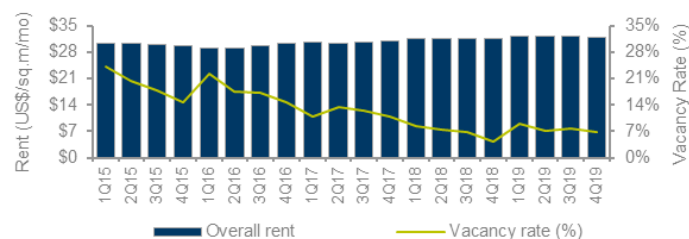
Vietnam's economy has performed well at 7.02% growth in 2019, higher than the government target of 6.8% but slightly lower than the decade-high growth rate of 7.08% posted in 2018. In 2020 and 2021, real GDP growth is projected to remain robust at around 6.5%, supported by stable macroeconomic conditions, sustained FDI inflows, economic reforms and an improving business environment. Economic integration through agreements such as RCEP and EVFTA promises great economic potential. However, Vietnam's economy remains vulnerable to external events, as demonstrated by the decline in export growth from 21% in 2017 to 8% in 2019.

Continued Addition of New Stock

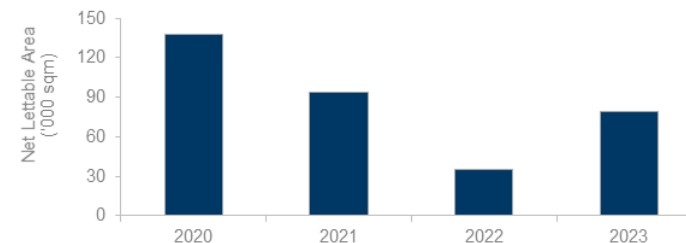
The fourth quarter of 2019 welcomed the completion of one new project that increased the Grade B stock by 2.9% q-o-q and by 3.8% y-o-y. Grade A supply was unchanged q-o-q but up 6.7% y-o-y. Overall total stock grew by 2.1% q-o-q and by 4.6% y-o-y. The overall vacancy rate remained stable on both a quarterly and yearly basis, recorded at 91.4% at the end of Q4. Total absorption in the quarter was around 27,600 sq.m, of which more than 88% was in Grade B buildings.

Rents Remain Stable

Grades A and B both registered stable rents q-o-q that translated to an 1.8% increase y-o-y. Rent rises were seen at high-performing buildings in the CBD and fringe districts, and were also attributed to recent new entrants making high offers. The market is expected to stay competitive as new buildings are completing in the near-term and co-working spaces are continuing to gain popularity.

GRADE A – AVERAGE RENT & VACANCY RATE

Source: Cushman & Wakefield Vietnam – Research & Consultancy

GRADE A SUPPLY PIPELINE

Source: Cushman & Wakefield Vietnam – Research & Consultancy



MARKET STATISTICS

SUBMARKET	INVENTORY (SQ M)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION(SQ M)	YTD OVERALL NET ABSORPTION (SQ M)	PLANNED & UNDER CNSTR (SQ M)	OVERALL AVG ASKING RENT *		
						VND/SQ M/MO	US\$/SQ M/MO	EUR/SQ M/MO
Grade A	389,900	6.9%	3,300	13,800	345,800	742,000	32.0	28.8
CBD	136,000	13.9%	300	8,200	19,200	851,000	36.7	33.0
Non-CBD	253,900	3.1%	3,000	5,600	326,600	684,000	29.4	26.4
Grade B	980,700	9.3%	24,400	92,900	724,600	446,000	19.3	17.3
CBD	89,100	1.5%	1,800	12,300	30,100	611,000	26.4	23.7
Non-CBD	891,600	10.1%	22,600	80,600	694,500	430,000	18.5	16.7
HANOI GRADE A & B TOTALS	1,370,600	8.6%	27,700	106,700	1,070,400	531,000	22.9	20.6

*All rents are inclusive of SC but exclusive of VAT

US\$/VND = 23,191; US\$/€ = 0.899 as at 14 December 2019

KEY LEASE TRANSACTIONS Q4 2019

PROPERTY	SUBMARKET	TENANT	SQ M	TYPE
PVI Tower	West	Aviva	1,307	Relocation
Gelex Tower	Secondary	Qualcomm	763	Relocation
CIC Tower	West	Qorvo	1,056	Relocation

SIGNIFICANT PROJECTS PLANNED & UNDER CONSTRUCTION

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

KEY CONSTRUCTION COMPLETIONS YTD 2019

PROPERTY	SUBMARKET	MAJOR TENANT	SQ M	OWNER/DEVELOPER
Discovery Complex	West	Tech Data	31,700	Kinh Do TCI
Leadvisors Tower	West	N/A	20,100	LeadvisorSanei Hospitality Holdings
Thai Square	CBD	N/A	24,400	Thai Group
Peakview Tower	Secondary	Hitachi, Up	28,000	Tan Hoang Cau

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