

	YoY Chg	12-Mo. Forecast
4.4% Rent Growth (YoY)	▲	▲
6.2% Vacancy rate	▼	▼
613,100 Supply pipeline (sq m)	▼	▲

Source: Cushman & Wakefield Vietnam – Research & Consultancy

VIETNAM ECONOMIC INDICATORS 2019

	YoY Chg	12-Mo. Forecast
2.79% Inflation (CPI)	▼	▼
38.00 FDI (bil. US\$)	▲	▲
3,751.30 Retail sales (tri. VND)	▲	▲

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.

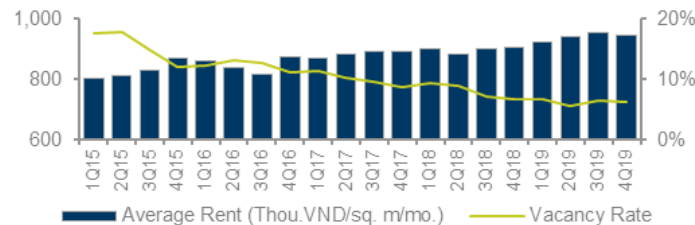
Significant Increase in Total Stock

One new large-scale shopping center opened in Q4 2019, with total retail stock increasing by 6.1% q-o-q and 14.6% y-o-y. The market experienced sustained positive performance, with the overall occupancy rate up 0.2 ppts q-o-q and 0.6 ppts y-o-y, primarily due to robust absorption at new projects. Demand for retail space at prime locations remained high.

Average Rents Drop in Q4 Due to New Supply

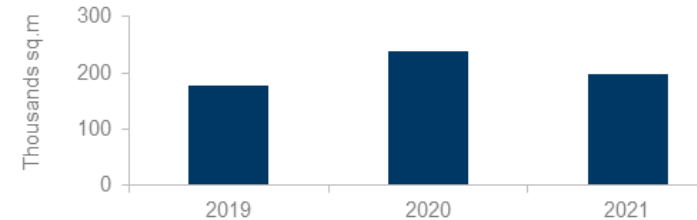
The average asking rent dropped 1.1% q-o-q in Q4, mainly due to lower rents offered by new project in suburban areas, but rose 4.4% y-o-y. Retail space in the CBD was priced at more than double the average rent of the secondary submarket, and four to five times that of the West and suburban submarkets.

AVERAGE RENT AND VACANCY RATE



Source: Cushman & Wakefield Vietnam – Research & Consultancy

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
CBD	24,100	1.9%	-	600	17,800	2,454,000	105.8	95.2
NonCBD	1,262,300	6.3%	71,900	160,000	595,300	916,000	39.5	35.5
HANOI TOTAL	1,286,400	6.2%	71,900	160,600	613,100	945,000	40.7	36.6

*All rents are inclusive of SC but exclusive of VAT

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

SIGNIFICANT PROJECTS PLANNED & UNDER CONSTRUCTION

PROPERTY	SUBMARKET	MAJOR TENANT	SQ M	COMPLETION DATE
FLC Twin Towers	West	N/A	18,750	2020
Vincom Mega Mall Ocean Park	Suburban	N/A	56,000	2020
Vincom Mega Mall Smart City	West	N/A	68,000	2020
Lotte Mall Hanoi	Secondary	N/A	110,000	2021

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