

Serviced apartment Q4 2019

	YoY Chg	12-Mo. Forecast
1.4% Rent Growth (YoY)	▼	▲
15.6% Vacancy rate	▲	▼
1,132 units Supply pipeline	▼	▲

Source: Cushman & Wakefield Vietnam – Research & Consultancy

VIETNAM ECONOMIC INDICATORS 2019

	YoY Chg	12-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.

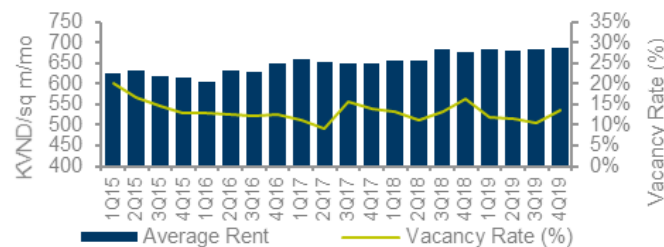
New Supply Impacts Occupancy Rate

Two new Grade A projects were completed in Q4 2019, significantly raising Grade A stock by 16.1% on both a quarterly and yearly basis. There was no change in the supply of Grade B stock. In turn, the overall vacancy rose by 5.0 percentage points (ppts) q-o-q and by 0.7 ppts y-o-y, primarily due to low occupancy levels at new entrant projects.

Marginal Rent Increase

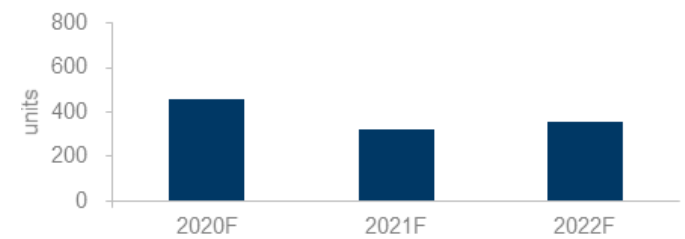
The overall average asking rent increased marginally by 0.2% q-o-q and by 1.4% y-o-y, mainly driven by rising rents of Grade A projects. Serviced apartments in the West submarket remained the most highly-priced among all regions.

AVERAGE RENT & 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 (UNITS)	YTD OVERALL NET ABSORPTION (UNITS)	PLANNED & UNDER CNSTR (UNITS)	OVERALL AVG ASKING RENT *		
						VND/SQ M/MO	US\$/SQ M/MO	EUR/SQ M/MO
Grade A	2,980	16.5%	177	330	610	779,000	33.6	30.2
Grade B	1,277	13.4%	-20	47	522	465,000	20.0	18.0
HANOI GRADE A & B TOTALS	4,257	15.6%	157	377	1,132	685,000	29.5	26.6

*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	UNITS	COMPLETION DATE
Fraser Residence Hanoi	West	N/A	162	2020
Fraser Suite Hanoi - phase 2	West	N/A	96	2020
Hanoi Aqua Central	Secondary	N/A	138	2020
Hyatt Regency	Secondary	N/A	50	2022
Hilton Hanoi Westlake	Secondary	N/A	50	2022

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