

HO CHI MINH CITY

Industrial Q4 2019

CUSHMAN &
WAKEFIELD

YoY
Chg

12-Mo.
Forecast

9.0%
Rent Growth (YoY)



10.52%
Vacancy Rate



2,014 ha
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\$)



9.90
Trade balance (bil. US\$)



Source: GSO

ECONOMIC GROWTH EXCEEDS TARGETS

Vietnam's economy grew 7.02% in 2019, higher than the government target of 6.8% and just short of 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 improving business environment. Economic integration through agreements such as RCEP and EVFTA are promising. Still, Vietnam's economy remains vulnerable to external events which can drag on export growth.

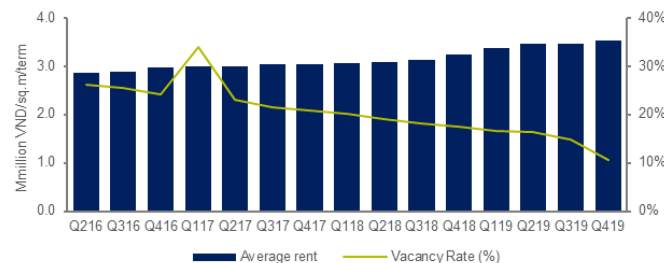
SIGNIFICANTLY IMPROVED PERFORMANCE ON YEAR

The total industrial stock in Ho Chi Minh City was unchanged at 2,483 ha, stable QoQ, but up 1% YoY due to the next phase of Hoa Phu; 5-year growth was at 3% p.a. Occupancy rose markedly by 4 percentage points (ppts) on quarter and 7 ppts on year to 89.5% owing to a better take up of new supply in 2019.

NOTABLE RISE IN RENT

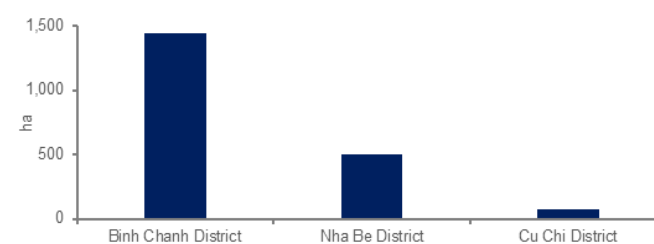
Average rent increased by 4% QoQ and 9% YoY, mainly due to higher rents at new completions, to VND3,530,000 per square meter per term (/sq.m/term), equivalent to US\$152.2/sq.m/term.

AVERAGE RENT/VACANCY RATE



Source: Cushman & Wakefield Vietnam – Research & Consultancy

SUPPLY PIPELINE



Source: Cushman & Wakefield Vietnam – Research & Consultancy

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MARKET STATISTICS

SUBMARKET	INVENTORY (HA)	VACANCY RATE	YTD OVERALL NET ABSORPTION (HA)	PLANNED & UNDER CNSTR (HA)	OVERALL AVG ASKING RENT *		
					VND/SQ.M/MO	US\$/SQ.M/MO	EUR/SQ.M/MO
West	822	6.84%	65.3	1,441	4,173,000	180	161.8
North	778	7.61%	10.1	73	2,187,000	94	84.8
South	701	20.81%	30.4	500	4,302,000	186	166.8
East	182	0%	0	0	3,388,000	146	131.3
HO CHI MINH TOTAL	2,483	10.52%	106	2,014	3,530,000	152	136.84

*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 Q4 2019

PROPERTY	SUBMARKET	MAJOR TENANT	HA	COMPLETION DATE
Hiep Phuoc – Phase 3	Nha Be	N/A	500	2023
Le Minh Xuan 3 – Phase 2	Binh Chanh	N/A	338	2023
Vinh Loc 3	Binh Chanh	N/A	200	2023

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