

HO CHI MINH CITY

Retail Q4 2019



YoY Change 12-Mo. Forecast

-1.6%
Rent Growth (YoY) ▼ ▲

6.0%
Vacancy rate ▼ ▼

811,600
Supply pipeline (sq.m) ▲ ▲

Source: Cushman & Wakefield Vietnam – Research & Consultancy

VIETNAM ECONOMIC INDICATORS Q4 2019

YoY Change 12-Mo. Forecast

2.79%
Inflation (CPI) ▼ ▼

38.00
FDI (bil. US\$) ▲ ▲

3,751.30
Retail sales (tri. VND) ▲ ▲

Source: General Statistic Office

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.

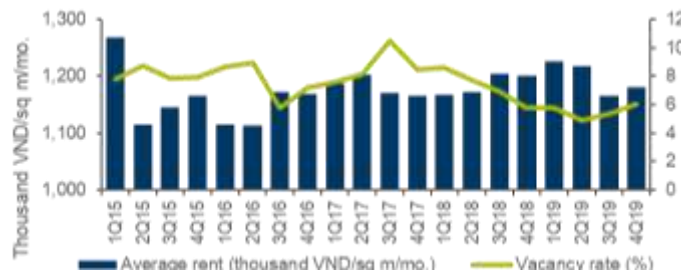
AN ADDITION OF NEW SUPPLY, MARGINALLY DECLINED PERFORMANCE

A new shopping center opened during the quarter, raising total stock by 1% QoQ and by 8% YoY. Overall occupancy dipped marginally by 0.6 ppts QoQ and by 0.3 ppts YoY due to the influx of new supply, but remaining healthy at 94%, implying a sustained demand. Most of the absorption in this quarter took place in the CBD areas.

NEW SUPPLY DRIVES DOWN OVERALL RENT

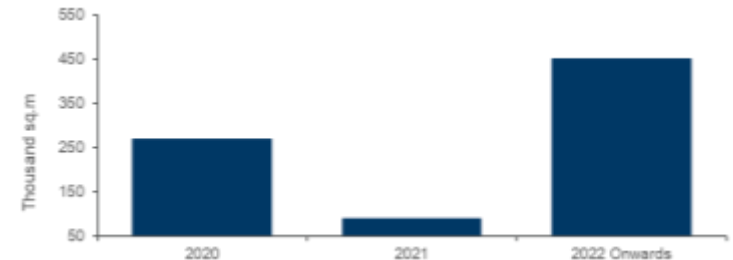
The average asking rent rose by 1.3% on quarter but was down marginally by 1.6% on year mainly due to the softer rents offered by new entrants in the outskirts, as well as currency movements. Rents in the CBD are 2-3 times higher as compared to other submarkets.

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	139,700	3.5%	13,400	-2,000	144,700	2,569,000	110.8	99.58
NonCBD	1,265,600	6.3%	5,200	74,900	666,900	1,000,000	43.1	38.75
HCMC TOTAL	1,405,300	6.0%	18,600	72,900	811,600	1,181,000	50.9	45.8

*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
Crescent mall – Phasse 2	South	N/A	18,000	2020
Socar mall	East	N/A	30,000	2020
Union Square	CBD	N/A	22,800	2020

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