

HO CHI MINH CITY

Serviced Apartment Q4 2019

YoY Chg 12-Mo. Forecast

4.0%
Price Growth (YoY) ▲ ▲

21.52%
Vacancy Rate ▼ ▲

1,100 units
Planned/ Under construction ▼ ▼

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

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

After two consecutive quarters with stagnant supply, one new project added 110 units to the market. In 2019, one new Grade A and B project delivered 250 units in total which is only equal to 37% of 2018's new supply. Total stock rose by 3% quarter-on-quarter (QoQ) and by 6% year-on-year (YoY). Overall occupancy fell moderately QoQ by -2ppts to -4ppts at some Grade A building due to the influx of new supply as well as softer market conditions. Average occupancy increased by 1.8% YoY, reaching 78%, mainly due to higher occupancies at existing supply.

THE SPECTACULAR RISE IN RENT

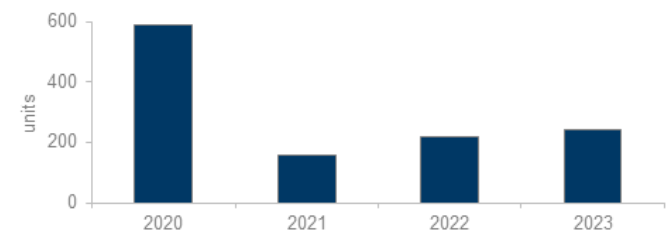
Average rent increased by 1% QoQ and by 4% YoY, mainly attributed to higher rents in the Grade B segment, to VND684,000/sq.m/month. Grade A's performance was softer in Q4 2019 due to lower prices dangled by new entrants in their opening promotional campaigns.

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	TOTAL BUILDINGS	TOTAL UNITS	VACANCY RATE	AVERAGE PRIMARY PRICE		
				VND/SQ M /MO	US\$/SQ M /MO	EUR/SQ M /MO
Grade A	9	980	20.72%	VND778,000	US\$33.6	€30.17
Grade B	26	3,312	21.76%	VND657,000	US\$28.3	€25.47
HO CHI MINH TOTAL	35	4,292	21.52%	VND684,000	US\$ 29.52	€26.54

*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	DEVELOPER	TOTAL UNITS	EXPECTED COMPLETION DATE
Q2 Thao Dien	East	Frasers Property	156	2020
Centennial	CBD	Alpha King	220	2022
Sunshine Continental	West	Sunshine	240	2023

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