

3.2%
Rent Growth (YoY)
YoY
Chg12-Mo.
Forecast
22.8%
Vacancy rate

2,331 ha
Supply pipeline


Source: Cushman & Wakefield Vietnam –
Research & Consultancy

VIETNAM ECONOMIC INDICATORS 9M 2020

2.12%
GDP growth
y-o-y
Change12-Mo.
Forecast
3.85%
Inflation (CPI)

21.21
FDI (bil. US\$)


Source: General Statistic Office

Economy on the Mend

Vietnam's economy recorded signs of recovery with GDP growing at 2.6% in the third quarter of 2020, much higher than the 0.4% achieved in Q2, mainly due to government measures to effectively control the pandemic and to support businesses. However, in 9M 2020 the economy suffered its lowest GDP growth of the past 10 years at just 2.1%, while the CPI rose by 3.9%. Retail sales and services recorded minimal growth at only 0.7% y-o-y. Total import and export value dropped by 1.8%, while FDI attraction and disbursement fell by 19% and 3.2%, respectively. The number of enterprises temporarily closed rose significantly by 81.8% y-o-y. The economy is expected to continue recovering in Q4, with full year growth for 2020 projected at 2-3%, one of the highest in the world, as economic momentum accelerates and production continues to relocate out of China.

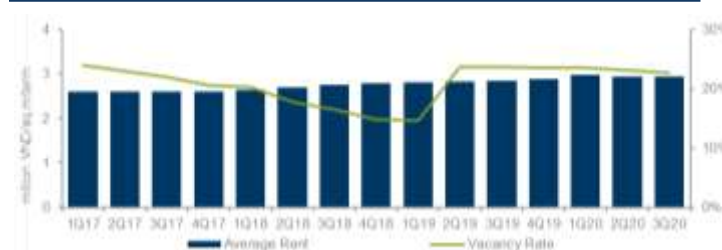
Continuing Market Improvement

Total industrial stock remained at over 1,800 ha, unchanged q-o-q and y-o-y. Market performance continued to gradually improve, with the occupancy rate remaining stable q-o-q and up modestly at 1 pp y-o-y, at 87%. Most existing projects were either fully occupied or had limited vacant land for lease. The COVID-19 outbreak, coming on top of trade tensions and rising labor costs, has added to a wave of manufacturers relocating from China, a shift expected to benefit Vietnam as an attractive investment destination due to favorable government incentives, competitive labor costs, and stable macroeconomic and political environments.

Rising Average Rent

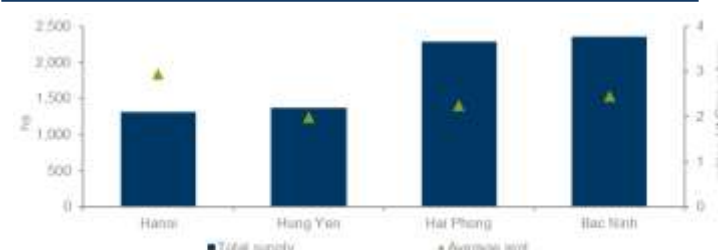
The average asking rent remained stable q-o-q but increased by 3.2% y-o-y due to rising rents at existing industrial parks with limited available land for lease. The average rent for industrial land in Hanoi remained the highest among the Northern provinces, at 20% - 50% higher than in Bac Ninh, Hai Phong, or Hung Yen.

AVERAGE RENT AND VACANCY RATE



Source: Cushman & Wakefield Vietnam – Research & Consultancy

INDUSTRIAL LAND SUPPLY & AVERAGE RENT BY PROVINCE



Source: Cushman & Wakefield Vietnam – Research & Consultancy

MARKET STATISTICS

SUBMARKET	INVENTORY (HA)	VACANCY RATE	YTD OVERALL NET ABSORPTION (HA)	PLANNED & UNDER CNSTR (HA)	OVERALL AVG ASKING RENT *		
					VND/SQ M/TERM	US\$/SQ M/TERM	EUR/SQ M/TERM
Thach That – Quoc Oai	705	56.7%	4	500	2,318,000	99.7	84.3
Me Linh	344	0.0%	0	266	3,024,000	130.0	110.0
Dong Anh	274	0.0%	0	300	2,791,000	120.0	101.5
Soc Son	182	3.8%	5	340	3,456,000	148.6	125.7
Chuong My	170	0.0%	2	175	4,419,000	190.0	160.7
Gia Lam	97	0.0%	0	0	3,954,000	170.0	143.8
Tu Liem	30	0.0%	0	200	4,186,000	180.0	152.3
HANOI TOTALS	1,802	22.8%	11.2	1,781	2,947,000	126.7	107.2

*All rents are inclusive of SC but exclusive of VAT

US\$/VND = 23,258; US\$/€ = 0.846 as at 10 September 2020

SIGNIFICANT FUTURE PROJECTS

PROPERTY	SUBMARKET	MAJOR TENANT	HA	COMPLETION DATE
Soc Son Clean IP	Soc Son	N/A	340	2022
Dong Anh IP	Dong Anh	N/A	300	2022
Quang Minh II IP	Me Linh	N/A	266	2022
Phung Hiep IP	Chuong My	N/A	175	2022
Thanh My Xuan Son IP	Son Tay	N/A	100	2022

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