

	YoY Chg	12-Mo. Forecast
3.3% Rent Growth (YoY)	▲	▲
22.9% Vacancy rate	▼	▼
2,711 ha Supply pipeline	■	▲

Source: Cushman & Wakefield Vietnam – Research & Consultancy

VIETNAM ECONOMIC INDICATORS 2020

	y-o-y Change	12-Mo. Forecast
2.91% GDP growth	▼	▲
3.23% Inflation (CPI)	▲	▼
28.50 FDI (bil. US\$)	▼	▼

Source: General Statistic Office

Economy on the Mend

Vietnam recorded lower economic growth in 2020, with just 2.9% expansion in GDP, a 3.4% increase in added value in the industrial sector, 2.6% growth in total retail sales and services revenue, and 3.6% - 6.5% rises in import and export values. These figures all represent ten-year lows. Total FDI inflows fell by 25.0% while international visitors plummeted by 78.7%. The number of newly established enterprises fell by 2.3% as temporarily closed and dissolved enterprises grew by 62.2% and 3.7% respectively. However, the environment remains better than expected given the global COVID-19 crisis. With timely and supportive policies from the government to contain the pandemic and revive the economy, the outlook remains positive, fueled by improvements in infrastructure and legal reforms in the coming year.

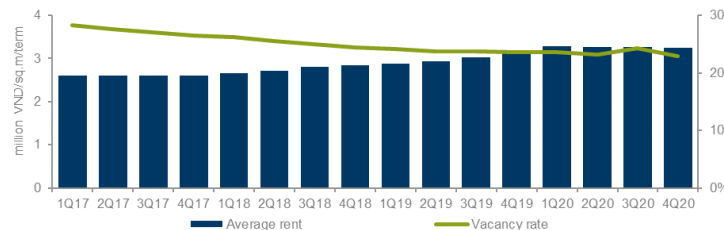
Continuing Market Improvement

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 up modestly on both a quarterly and yearly basis at 1 pp to 77%. 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

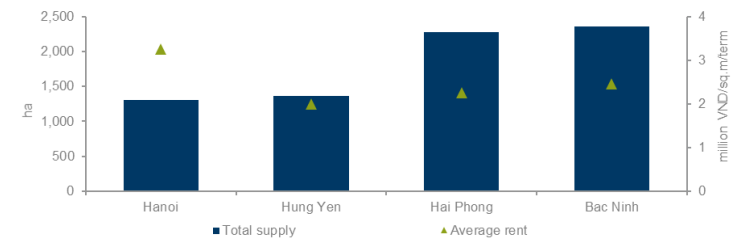
The average asking rent remained stable q-o-q but increased by 3.3% y-o-y due to rising rents at existing industrial parks with limited available land for lease. The average rent for industrial land in Hanoi remained the highest among the Northern provinces, at 20% - 50% higher than in Bac Ninh, Hai 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	54.1%	17	500	2,574,000	111.2	91.8
Me Linh	344	0.0%	0	266	4,165,000	180.0	148.5
Dong Anh	274	0.0%	0	300	2,777,000	120.0	99.0
Soc Son	182	15.1%	-10	540	3,407,000	147.2	121.5
Chuong My	170	0.0%	2	225	4,397,000	190.0	156.8
Gia Lam	97	0.0%	0	0	3,934,000	170.0	140.3
Tu Liem	30	0.0%	0	200	4,165,000	180.0	148.5
HANOI TOTALS	1,802	22.9%	9.5	2,181	3,247,000	140.3	115.7

*All rents are inclusive of SC but exclusive of VAT

US\$/VND = 23,141; US\$/€ = 0.825 as at 09 December 2020

SIGNIFICANT FUTURE PROJECTS

PROPERTY	SUBMARKET	MAJOR TENANT	HA	COMPLETION DATE
HANSSIP Phase 2	Phu Xuyen	N/A	200	2021
Phu Nghia Phase 2	Chuong My	N/A	50	2021

PHUOC VO

Director

Valuation & Research

Phuoc.Vo@cushwake.com

9th Floor, 5 Dien Bien Phu St., Ba Dinh District,
Hanoi, Vietnam

Tel: +84 24 3222 2882

cushmanwakefield.com

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