

YoY Chg 12-Mo. Forecast

1.4%
Rent Growth (YoY)



12.3%
Vacancy rate



2,711 ha
Supply pipeline



Source: Cushman & Wakefield Vietnam – Research & Consultancy

VIETNAM ECONOMIC INDICATORS Q1 2021

y-o-y Change 12-Mo. Forecast

4.48%
GDP growth



0.29%
Inflation (CPI)



10.07
FDI (bil. US\$)



Source: General Statistic Office

Sustained Economic Growth

With effective measures to contain the pandemic during the third wave which began at the end of January, Vietnam's GDP growth rate remained stable at 4.5% in Q1 2021, equal to that of the last quarter but higher than the growth of 3.8% in Q1 2020. Industrial output in Q1 rose 6.5% y-o-y, with retail sales and services recording growth of 5.1% y-o-y. Total import and export values surged by 26.3% and 22.0% y-o-y, respectively, resulting in a trade surplus of over US\$2.0 billion. FDI attraction and disbursement also rose by 18.5% and 6.5% y-o-y, respectively. The economy is expected to continue recovering in Q2, with full year growth for 2021 projected at 6.6% resulting from successful control of the pandemic, good performance in the manufacturing sector, and robust recovery in domestic demand.

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 unchanged q-o-q and up nearly 2 pp y-o-y to 87.7%. Most existing projects were either fully occupied or had limited vacant land for lease. Overall, the sector has not been affected much by the COVID-19 outbreak. A combination of longstanding issues and new challenges such as high tariffs, COVID-19, and geopolitical tensions have led to a mass exodus from China. Vietnam has become the first choice in this manufacturing diaspora due to favorable government incentives, competitive labor costs, and stable macroeconomic and political environments.

Rising Average Rent

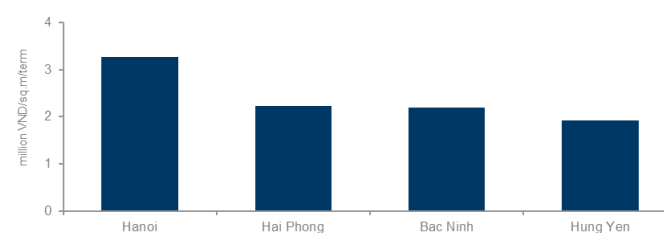
The average asking rent increased by around 1% on both a quarterly and yearly basis due to rising rents at existing industrial parks with limited available land for lease. The average rent for industrial land in Hanoi remained the highest among the Northern provinces, at 70% higher than Hung Yen, and 47% and 48% higher than Hai Phong and Bac Ninh respectively.

AVERAGE RENT AND VACANCY RATE



Source: Cushman & Wakefield Vietnam – Research & Consultancy

INDUSTRIAL PARK 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	30.2%	0	500	2,618,000	113.1	94.6
Me Linh	344	0.0%	0	266	4,165,000	180.0	150.5
Dong Anh	274	0.0%	0	300	2,777,000	120.0	100.3
Soc Son	182	3.8%	0	540	3,407,000	147.2	123.1
Chuong My	170	0.0%	0	225	4,396,000	190.0	156.8
Gia Lam	97	0.0%	0	0	3,934,000	170.0	142.1
Tu Liem	30	0.0%	0	200	4,165,000	180.0	150.5
HANOI TOTALS	1,802	12.3%	0	2,031	3,264,000	141.0	117.9

*All rents are inclusive of SC but exclusive of VAT

US\$/VND = 23,139; US\$/€ = 0.836 as at 11 March 2021

SIGNIFICANT PROJECTS PLANNED & UNDER CONSTRUCTION Q1 2021

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

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