

1.7%
Rent Growth (YoY)



12.3%
Vacancy rate



2,711 ha
Supply pipeline



Source: Cushman & Wakefield Vietnam – Research & Consultancy

VIETNAM ECONOMIC INDICATORS 1H 2021

5.64%
GDP growth



1.47%
Inflation (CPI)



15.27
FDI (bil. US\$)



Source: General Statistic Office

Sustained Economic Growth

Despite experiencing a fourth COVID-19 wave from the end of April, Vietnam’s GDP growth rate remained at 6.6% in Q2 2021, higher than the growth of 4.5% and 0.4% achieved in Q1 2021 and Q2 2020 respectively. For the first half of 2021, the economy expanded by 5.6%, a jump from the 1.8% in 1H 2020 but still lower than the growth of 6.8% - 7.1% in the same period in 2018 and 2019. The higher economic growth is attributed to the increase in industrial output of 8.9% y-o-y as demand recovered in global markets, coupled with the growth of the agricultural sector by 3.7% y-o-y due to favorable weather. Total imports and exports increased by 36.1% and 28.4% y-o-y respectively, while FDI disbursement rose by 6.8% y-o-y despite a 2.6% reduction in FDI attraction. The economy is expected to continue to rebound with full year growth projected at 6.5% in 2021, regardless of the difficulties caused by the COVID-19 pandemic. The manufacturing sector and sustained domestic demand will be the major drivers of economic growth in the second half.

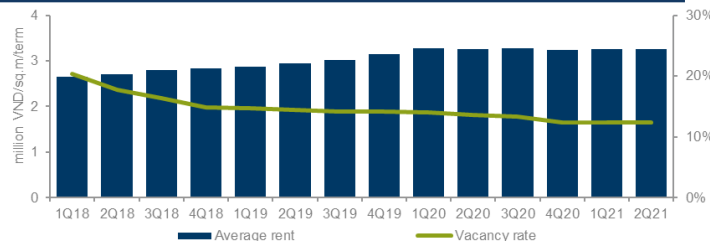
Continuing Market Improvement

Total industrial stock in Hanoi remained at over 1,800 ha, unchanged q-o-q and y-o-y. Market performance continued to improve, with the occupancy rate unchanged q-o-q and up 1 pp y-o-y to 88%. Most existing projects were either fully occupied or had limited space for lease. With favorable government incentives, competitive labor costs, a stable political environment, positive economic outlook and free trade agreements, Vietnam has become favored by foreign investors moving out of China. However, the pandemic has disrupted some enterprises’ operations in industrial parks. Subsequently, industrial park workers have been prioritized for vaccination to mitigate operational interruptions.

Rising Average Rent

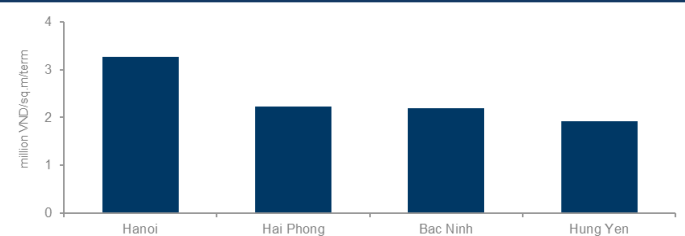
Average asking rent increased by approximately 1% q-o-q and 2% y-o-y due to rising rents at existing industrial parks with limited available land for lease. The average rent for industrial land in Hanoi remained the highest among the Northern provinces, at 70% higher than Hung Yen, and 47% - 48% higher 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	VND 2,594,000	113.1	93.4
Me Linh	344	0.0%	0	266	VND 4,127,000	180.0	148.7
Dong Anh	274	0.0%	0	300	VND 2,751,000	120.0	99.1
Soc Son	182	3.8%	0	540	VND 3,652,000	159.3	131.6
Chuong My	170	0.0%	0	225	VND 4,356,000	190.0	156.9
Gia Lam	97	0.0%	0	0	VND 3,897,000	170.0	140.4
Tu Liem	30	0.0%	0	200	VND 4,127,000	180.0	148.7
HANOI TOTALS	1,802	12.3%	0	2,031	VND 3,262,000	142.3	117.5

*All rents are inclusive of SC but exclusive of VAT

US\$/VND = 22,926; US\$/€ = 0.826 as at 14 June 2021

SIGNIFICANT PROJECTS PLANNED & UNDER CONSTRUCTION Q2 2021

PROPERTY	SUBMARKET	MAJOR TENANT	HA	COMPLETION DATE
HANSSIP Phase 2	Phu Xuyen	N/A	200	2022
Phu Nghia Phase 2	Chuong My	N/A	50	2022

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