

HO CHI MINH CITY

Industrial Q2 2021

7.8%
Rent Growth (YoY)



13.9%
Vacancy Rate



2,014 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 economic rebound is expected to continue, with full year growth projected at 6.5% in 2021. The manufacturing sector and sustained domestic demand will be the major drivers of economic growth in the second half.

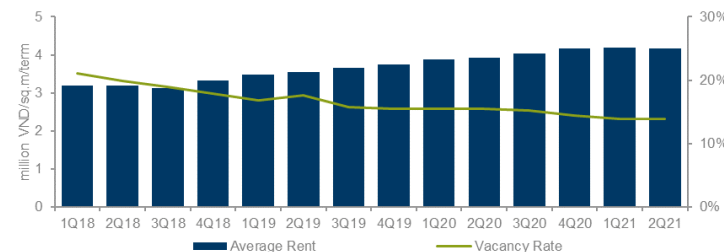
Stable Supply and Sustained Market Performance

Total industrial stock in Ho Chi Minh City remained unchanged at nearly 2,500 ha. The occupancy rate remained unchanged q-o-q but rose by 2 pp y-o-y, reaching 86%, mainly due to improved take up at industrial parks in the city's northern districts. 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.

Rental Level Continued Trending Upwards

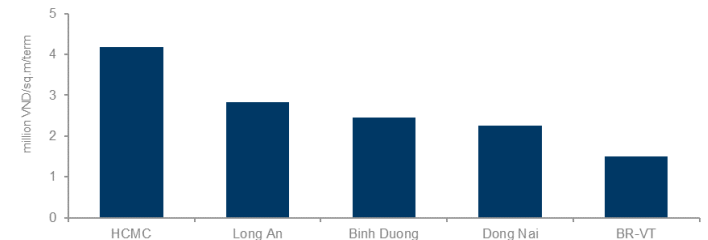
Average asking rent rose by 1% q-o-q and 8% y-o-y, mainly due to limited available supply and rising demand. The overall rental level remained the highest nationwide -- 28% higher than Hanoi's, 48% higher than Long An's, 70% higher than Binh Duong's, 86% higher than Dong Nai's and nearly triple the rate at Ba Ria - Vung Tau.

AVERAGE RENT/VACANCY RATE



Source: Cushman & Wakefield Vietnam – Research & Consultancy

INDUSTRIAL PARK AVERAGE RENT BY PROVINCE



Source: Cushman & Wakefield Vietnam – Research & Consultancy

HO CHI MINH CITY

Industrial Q2 2021

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
West	834	15.6%	0	1,441	4,485,000	195.6	161.6
North	778	4.7%	6.8	73	3,269,000	142.6	117.8
South	701	25.8%	5.7	500	5,020,000	218.9	180.8
East	182	0.0%	0	0	3,350,000	146.1	120.7
HO CHI MINH TOTAL	2,495	13.9%	12.5	2,014	4,173,000	182.0	150.3

*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
Hiep Phuoc – Phase 3	Nha Be	N/A	500	2023
Le Minh Xuan 3 – Phase 2	Binh Chanh	N/A	338	2023
Vinh Loc 3	Binh Chanh	N/A	200	2023

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