

1.1%
Rent Growth (YoY)



10.8%
Vacancy rate



2,711 ha
Supply pipeline



Source: Cushman & Wakefield Vietnam – Research & Consultancy

VIETNAM ECONOMIC INDICATORS 9M 2021

1.42%
GDP growth



1.82%
Inflation (CPI)



22.15
FDI (bil. US\$)



Source: General Statistic Office

Economy Severely Affected by COVID-19 Fourth Wave

The fourth wave of the COVID-19 pandemic impacted all aspects of the economy, forcing many major cities and provinces to impose multi-month lockdowns. Vietnam’s GDP contracted by 6.2% y-o-y in Q3 2021, the sharpest decline on record. The services and industrial & construction sectors recorded falls of 9.3% and 5.0% y-o-y respectively, while the agriculture sector expanded only 1.0%. For the first nine months of 2021, GDP growth was at 1.4% y-o-y, down on the 2.1% for the same period last year. By sector, agriculture and industrial & construction output grew by 2.7% and 3.6% y-o-y respectively, while services contracted by 0.7% y-o-y. Total export and import values still recorded high growth rates, at 18.8% and 30.5% respectively, while FDI attraction rose by 4.4% y-o-y despite a 3.5% reduction in disbursement. The government is striving for a quick economic recovery with a loosening of restrictions, rising vaccination rate, and resumption of normal business and production activities.

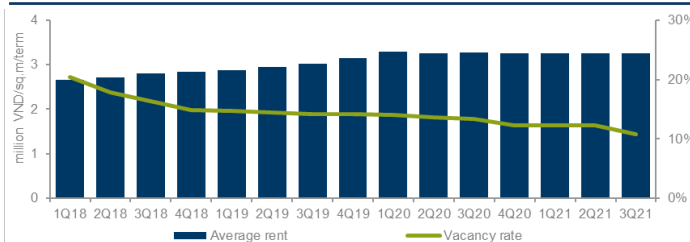
Continuing Market Improvement

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 up 1 pp q-o-q and 2 pp y-o-y to 89%. 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

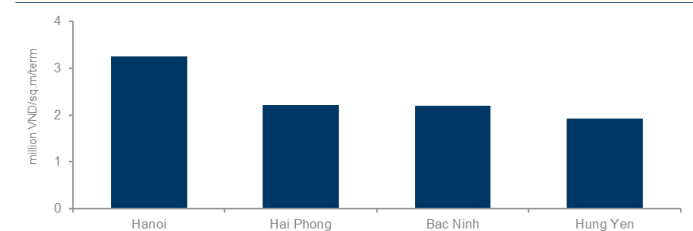
Average asking rent remained unchanged q-o-q but increased by 1% y-o-y due to rising rents at existing industrial parks with limited available land for lease. The average rent for industrial land in Hanoi remained the highest among the Northern provinces, at 69% higher than Hung Yen, and 46% - 48% higher 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	26.4%	20	500	VND 2,582,000	113.1	95.7
Me Linh	344	0.0%	0	266	VND 4,108,000	180.0	152.3
Dong Anh	274	0.0%	0	300	VND 2,739,000	120.0	101.5
Soc Son	182	3.8%	0	540	VND 3,635,000	159.3	134.8
Chuong My	170	0.0%	0	225	VND 4,336,000	190.0	160.7
Gia Lam	97	0.0%	0	0	VND 3,880,000	170.0	143.8
Tu Liem	30	0.0%	0	200	VND 4,108,000	180.0	152.3
HANOI TOTALS	1,802	10.8%	19.6	2,031	VND 3,247,000	142.3	120.4

*All rents are inclusive of SC but exclusive of VAT

US\$/VND = 22,821; US\$/€ = 0.846 as at 15 September 2021

SIGNIFICANT PROJECTS PLANNED & UNDER CONSTRUCTION Q3 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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