

HO CHI MINH CITY

Industrial Q3 2021

6.3%
Rent Growth (YoY)



13.2%
Vacancy Rate



2,014 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.

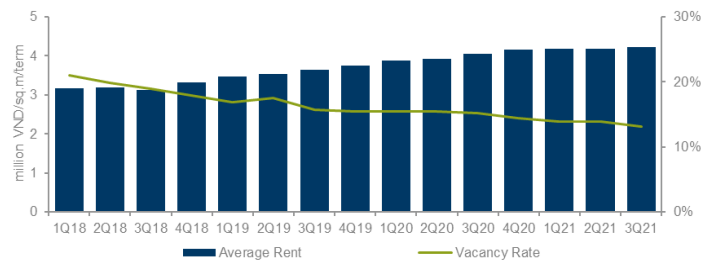
Stable Supply and Sustained Market Performance

Total industrial stock in Ho Chi Minh City remained unchanged at nearly 2,500 ha. Occupancy rose by 1 pp q-o-q and 2 pp y-o-y to reach 87%, 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

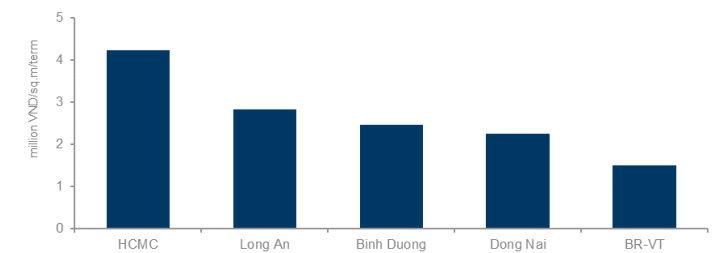
Average asking rent rose by 2% q-o-q and 6% y-o-y, mainly due to limited available supply and rising demand. The overall rental level remained the highest nationwide -- 30% higher than Hanoi's, 50% higher than Long An's, 72% higher than Binh Duong's, 88% higher than Dong Nai's and nearly triple the rate 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

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 | 4,654,000 | 203.9 | 172.5 |
| North | 778 | 2.3% | 24.9 | 73 | 3,254,000 | 142.6 | 120.6 |
| South | 701 | 25.8% | 5.7 | 500 | 4,997,000 | 218.9 | 185.2 |
| East | 182 | 0.0% | 0 | 0 | 3,334,000 | 146.1 | 123.6 |
| HO CHI MINH TOTAL | 2,495 | 13.2% | 30.6 | 2,014 | 4,217,000 | 184.8 | 156.3 |

*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 |
|--------------------------|------------|--------------|-----|-----------------|
| Pham Van Hai | Binh Chanh | N/A | 768 | 2023 |
| 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 |

CHRIS CARVER

Managing Director, Vietnam

Head of Valuations South East Asia

Chris.Carver@cushwake.com

HCMC office: Unit 16, 14th Floor, Vincom Center, 72

Le Thanh Ton, District 1, HCMC, Vietnam

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