

HO CHI MINH CITY

Vietnam Economy Update 9M 2023

GDP & CPI

Vietnam GDP was greatly impacted by unstable global economy, especially in the Industrial – Construction sector. Services sector becomes the major economic driver of Vietnam GDP in 2023.

GDP growth was recorded at 4.24% in 9M 2023, with improvement throughout the quarters. CPI in 9M 2023 reached 3.16%, also with increases in recent months, hinting at the ongoing increased inflationary pressure. Though CPI is likely to be maintained below 4.5% by the end of 2023, GDP growth is forecasted to be between 5-6%, lower than the national target of 6.5%.

PMI

In August, Vietnam manufacturing PMI has shown its first signs of growth, reaching above the 50 no-change point for the first time in six months. This suggests that the business in the manufacturing sector has improved: increases in both orders and production, and the according expansion in purchasing activities.

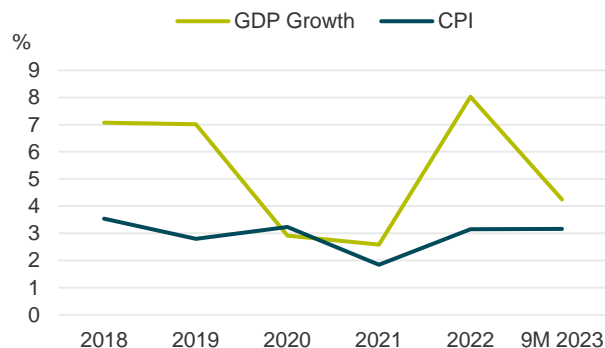
The August manufacturing PMI paints an encouraging picture of some signs of recovery in the manufacturing in all aspects: output, new orders, exports, and purchasing. Yet, it is still early to say that the sector will maintain this recovery trajectory in upcoming months as the demand landscape remains frail.

Exchange Rate & Interest Rate

The VND/USD exchange rate has been rising rapidly in the past few months, with the central exchange rate exceeding 24,000 for the first time in this August.

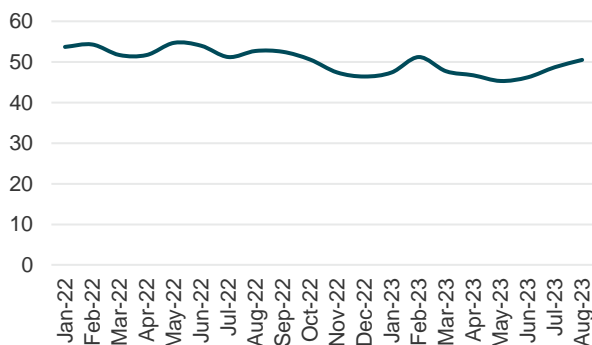
The State Bank of Vietnam is attempting to balance among exchange rates, interest rates, and inflation. Though the situation so far is considered more stable than last year, multiple threats are still present: CPI having an upward trend especially in foods and energy; rising oil prices; unstable global economy with geopolitical tensions, climate threat, everchanging economic and commercial policies, etc. Vietnam still orients to maintain low interest rate, carefully manage inflation, as well as closely regulate VND/USD exchange rate.

VIETNAM GDP GROWTH & CPI



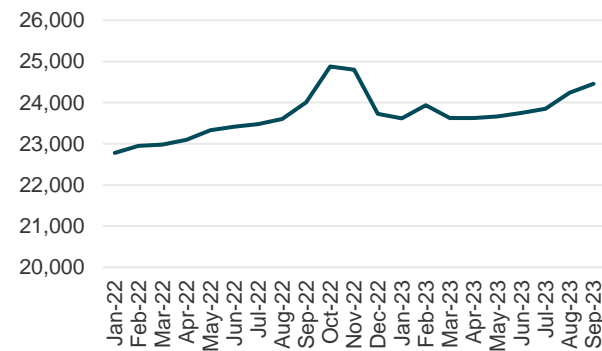
Source: GSO

S&P GLOBAL VIETNAM MANUFACTURING PMI



Source: IHS Markit

VND/USD EXCHANGE RATE, 2022-2023



Source: Vietcombank, end-of-month exchange rates

HO CHI MINH CITY

Vietnam Economy Update 9M 2023

Foreign Direct Investment

In 9M 2023, Vietnam has attracted US\$20.21 billion, up 7.7% YoY. Among these, new registered accounts for 50% of the total inflows, reaching US\$ 10.23 billion, up 43.6%, mainly comes from Manufacturing and Production sector. Singapore, China, and Hong Kong are the top 3 in terms of new registered investment.

Implemented FDI in 9M 2023 reached nearly US\$ 16 billion, up 2.2% YoY, the highest 9-month implemented FDI in the past 5 years. Major industries include Manufacturing and Production (82% of the implemented capital), Production and distribution of electricity and energy (6.3%), and Real Estate (4.8%).

Business Registration Status

Both the number of enterprises entering the market and withdrawing from the market are on the rise. In 9M 2023, the total number of new and re-entry enterprises was 165.2 thousand, up 1.2% YoY. On the other hands, the number of temporarily ceased and dissolution enterprises was recorded at 135.1 thousand, up 19.9% YoY. Though the difficult business situation appears prominent as the number temporarily ceased enterprises remains high, the GSO's survey of manufacturing firms hints at a brighter outlook. In Q3, about 30% of surveyed firms reported better performance, and 39% reportedly expected better performance in Q4. Notably, 32.4% of surveyed firms reported worse performance in Q3, but only 23.7% expected worse performance in Q4.

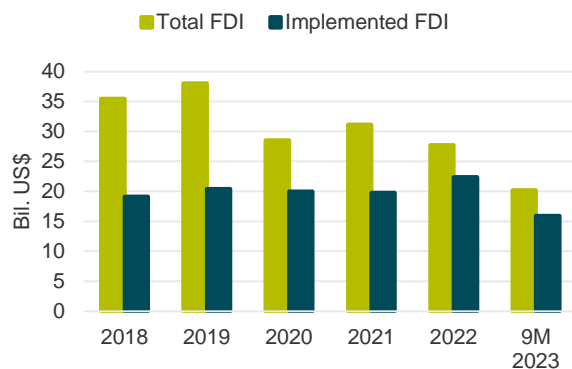
Total Revenue from Retail Sales and Services

In 9M 2023, total revenue from retail sales and services reach VND4,567.8 trillion, up 9.7% YoY. Of which retail sales revenue accounts for 78%, reaching VND3,572.1 trillion, up 8.4% YoY.

International Tourist Arrivals

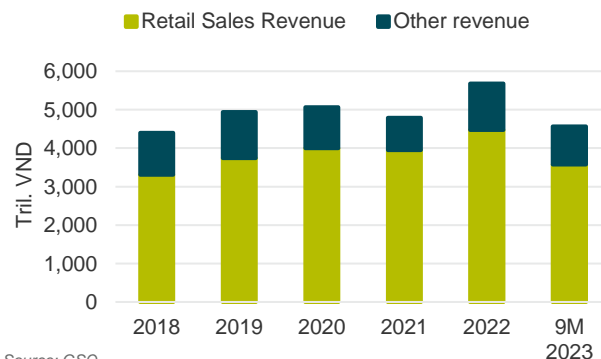
Improvement in international tourist arrivals was also recorded with the 9-month total of nearly 8.9 million arrivals, 4.7 times higher than the same period last year. Yet, this figure is still only 69% of 2019 performance. However, the current performance has exceeded the target of 2023 to welcome 8 million international tourists this year. Vietnam is forecasted to welcome up to 10-12 million of international tourist arrivals by the end of 2023.

VIETNAM FDI INFLOWS



Source: GSO

RETAIL SALES AND SERVICES REVENUE



Source: GSO

BUSINESS REGISTRATION STATUS

New registered:

116,342

▲ 3.1% YoY

Re-entry:

48,898

▲ 3.2% YoY

Temporarily ceased:

121,887

▲ 23.2% YoY

Dissolution:

13,228

▲ 4.3% YoY

Source: GSO

HO CHI MINH CITY

Upcoming Infrastructure



CUSHMAN & WAKEFIELD



1

**Tham Luong canal – Ben Cat
– Nuoc Len renovations**



2

Ring Road 3



3

**Highway 50 – Nguyen Van
Linh Road Expansion**

■ Under construction

■ Under planning



4

An Phu Intersection

Dau Giay – Phan Thiet Expressway



5

Rach Dia Bridge



6

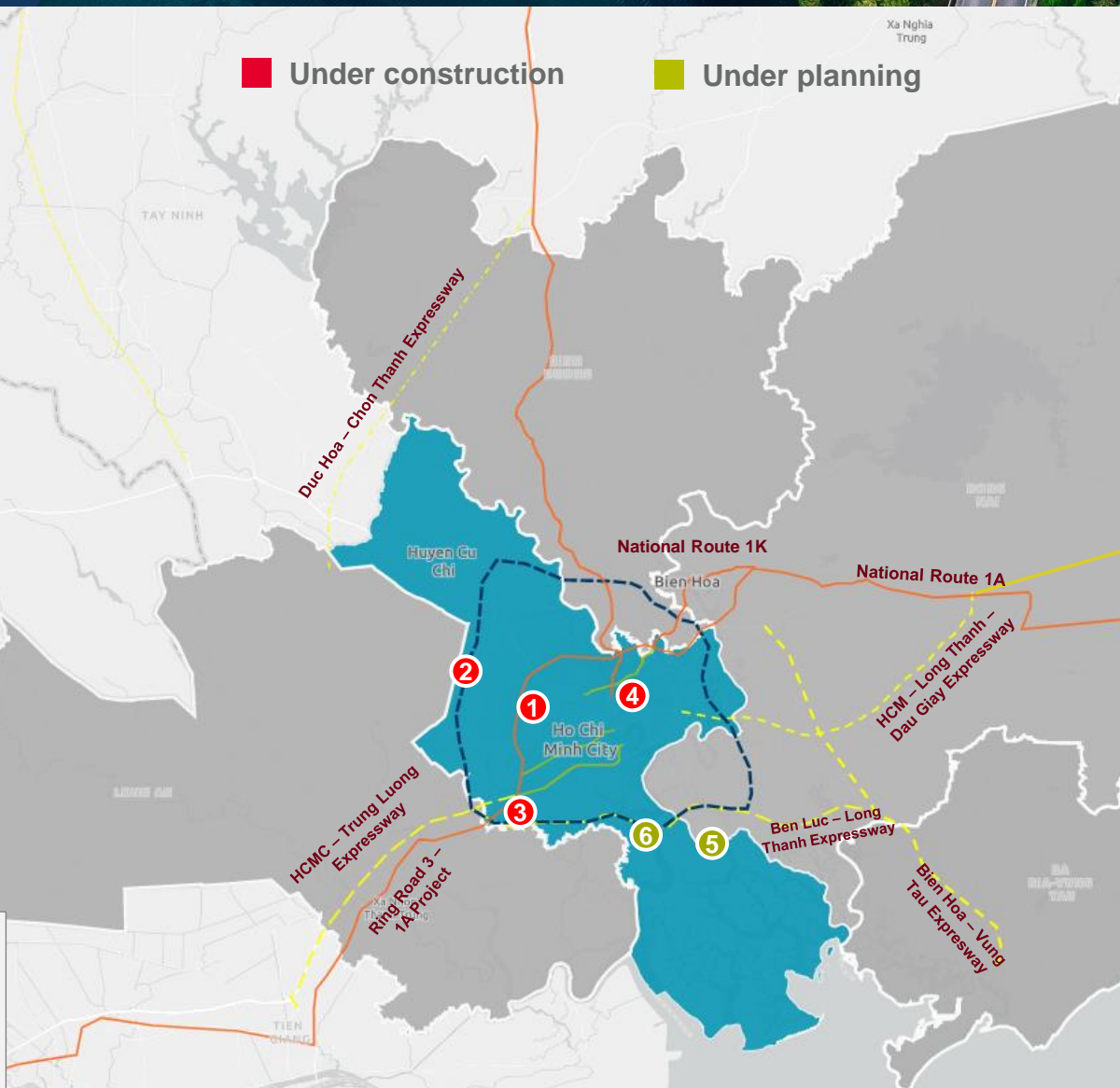
Can Gio Bridge

Under planning

National roads

Provincial roads

Expressways



HO CHI MINH CITY

Infrastructure And Legal Update Q3 2023

Infrastructure updates

ACCESS ROAD ALONG HCMC – LONG THANH – DAU GIAY EXPRESSWAY OPENS TO TRAFFIC

On September 17th, 2023, a residential access road running along the HCMC – Long Thanh – Dau Giay Expressway opened to traffic.

The road links Nguyen Thi Dinh Road with Do Xuan Hop Road in Thu Duc City, helping ease the traffic congestion due to the construction of An Phu intersection.

- Total investment: VND870 billion (~ US\$ 36.25 million)
- Construction time: 2017– 2023

HCMC'S METRO LINE NO.1 COMPLETES THE FIRST FULL-LINE TRIAL RUN

On August 29th, 2023, Metro Line No. 1 had its first full-line trial run, which is from Ben Thanh Market in District 1 to Suoi Tien Theme Park in Thu Duc City.

The route has a total length of around 19.7km, running through 3 underground stations and 11 surface stations.

- Total investment: VND43.7 trillion (~ US\$ 1.9 billion)
- Construction time: 2012 – Ongoing

Legal updates

PROPOSED AMENDMENTS FOR THE DRAFT OF REAL ESTATE BUSINESS LAW

In May 2023, at the 5th Session of the 15th National Assembly, there were many discussions on the draft Law on Real Estate Business (Amended) proposed that real estate transactions must be notarized by as to ensure the equalities between parties participating in the transactions. Therefore, this helps lead to higher transparency and ensures legal safety, creating a basis for evidence in resolving disputes and for judicial activities.

STATE BANK REQUIRED TO CONTINUE REDUCING INTEREST RATE

Following the direction of the Government, the State Bank of Vietnam (SBV) issued Document 6385/NHNN/CSTT on August 14th, 2023 requesting credit institutions to reduce lending interest rates for borrowers, with a minimum interest rate reduction of 1.5% - 2%, applied to both existing outstanding loans and new loans before August. This aims to support businesses and help the recovery of the current economy.



HO CHI MINH CITY

Apartment Q3 2023

CURRENT SUPPLY

6,406 units

New Supply 9M 2023

Q-o-Q
Change

N/A

Y-o-Y
Change

3,790 units

New Supply Q3 2023



7,544 units

Primary Supply Q3 2023



Source: Cushman & Wakefield

One large-scale project has pushed the total Q3 2023 new launch to rise significantly

Q3 2023 witnessed a new supply of around 3,790 units, nearly four times higher QoQ and down 24% YoY. In this quarter, the Mid-end segment dominated the market thanks to the launching of The Glory Height, a phase of Vinhomes Grand Park, accounting for approx. 84% of total new supply.

On the other hand, there was no totally new project launched in the market as developers are still waiting for more positive signals from the economic, and completing project's legal status, etc.

The Mid-end segment being the most active in the East submarket due to the newly launched supply

Similar to the new supply, the sales volume in Q3 2023 mostly came from products in the East submarket, specifically The Glory Heights, Thu Thiem Zeit River and Metropole Thu Thiem – The Opusk, accounting for 92% of the sales volume. Notably at one large-scale project launched in this quarter, the developer offered various flexible payment schemes and incentives to attract buyers, among which, long-term payment schedule of up to 7 years arise as the most outstanding option. However, on a larger scale, buying activity is minimal due to the high interest rate and the current gloomy economy context.

Like the previous quarter, Q3 2023 also welcomed a large basket of Mid-end products. Furthermore, the developers tend to keep the prices stable as to boost the market demand. Consequently, the average primary price in Q3 2023 remained unchanged QoQ, equivalent to approximately US\$3,247 per sq.m.

SALES PERFORMANCE

Q-o-Q
ChangeY-o-Y
Change

6,093 units

Sales Volume 9M 2023

N/A



3,140 units

Sales Volume Q3 2023



42%

Absorption rate Q3 2023



US\$3,247 per sq.m

Avg. primary price Q3 2023



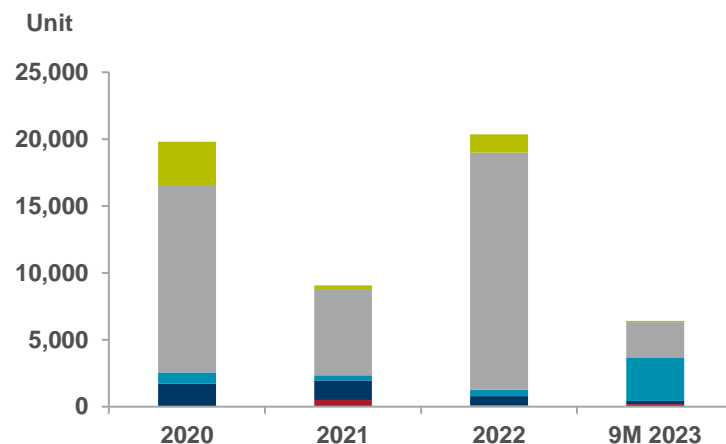
Source: Cushman & Wakefield

The average primary price is exclusive of VAT and 2% maintenance fee

US\$/VND = 24,000 as in Q3 2023

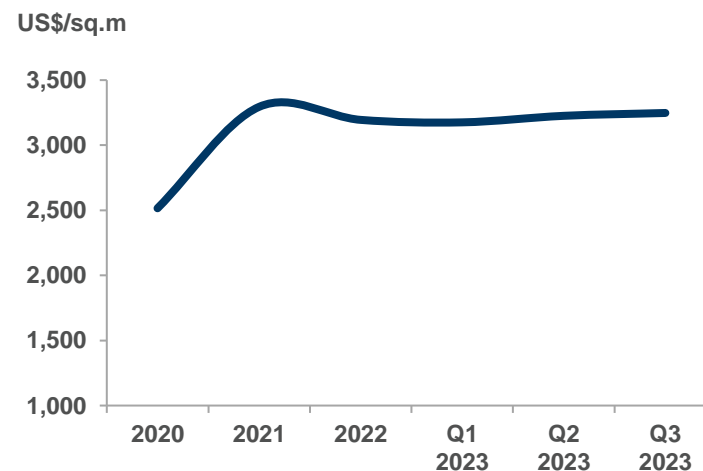
NEW SUPPLY 2019 – Q3 2023

■ Ultra-Luxury ■ Luxury ■ High-end ■ Mid-end ■ Affordable



Source: Cushman & Wakefield

AVERAGE PRIMARY PRICE BY YEAR, 2020 – Q3 2023









Source: Cushman & Wakefield

HO CHI MINH CITY

Apartment Q3 2023

MARKET SNAPSHOT Q3 2023

	QoQ Change	YoY Change
New supply	 291%	 24%
Sales volume	 116%	 36%
Avg. primary price	 1%	 15%

The demand for real estate products remained high, mostly from end-users

The real estate market has slowed down and been in stagnation since 2022 due to the outbreak of legal incidents and the global economic recession. Therefore, most of the buyers in recent quarters are end-users rather than speculators. Currently, projects that have started construction and completed in terms of legal procedures are more likely to stand out and be considered in the public eyes.

Notable primary projects

**Vinhomes Grand Park**
(272ha, Vinhomes)**Thu Thiem Zeit River**
(3.3ha, GS E&C)**Akari City**
(8.5ha, Nam Long Group)**Metropole Thu Thiem**
(7.5ha, Sonkim Land)



HO CHI MINH CITY

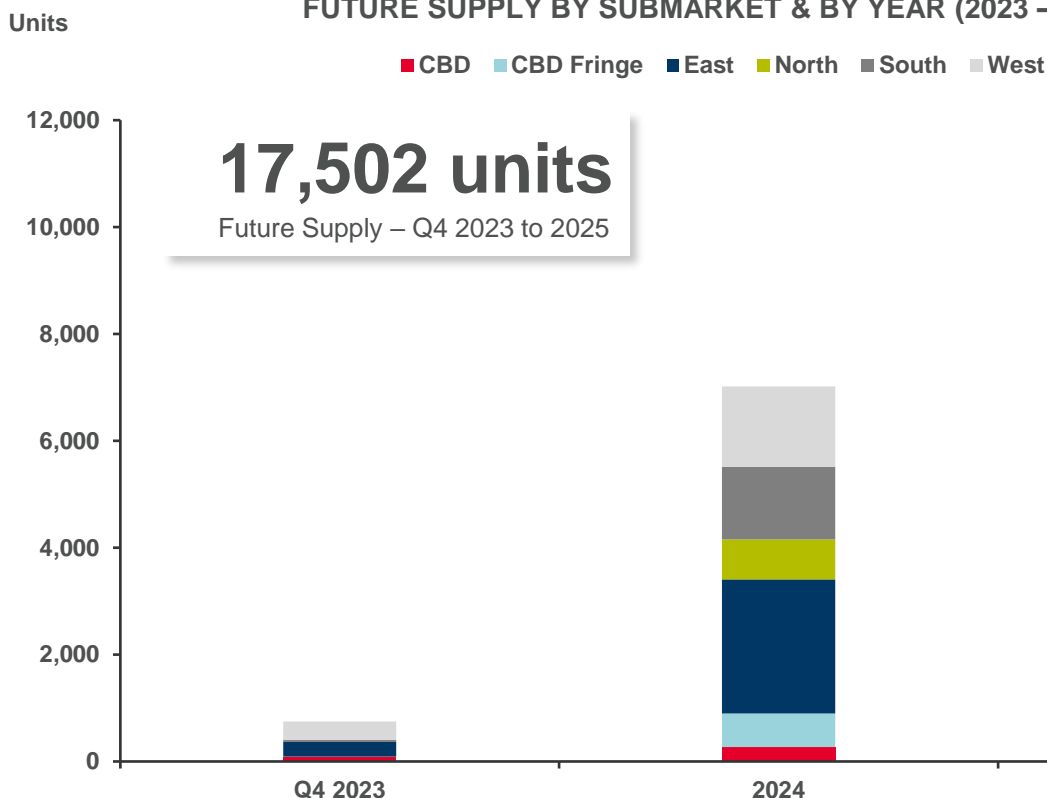
Apartment Q3 2023

The East continues to dominate the apartment market in terms of supply

As the land banks are narrowing down and limited in the inner districts, the supply spreads out to further areas to the East and West, etc. following the infrastructure improvement direction. With the establishment of Thu Duc City, the East is expected to dominate the market in the upcoming years with a significant amount of supply in the future stock.

Parallely with the public investment, the legal framework is also being prepared, promising the beginning of the market recovery in the near future.

FUTURE SUPPLY BY SUBMARKET & BY YEAR (2023 – 2025)



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HO CHI MINH CITY

Landed Properties Q3 2023

MARKET SNAPSHOT

338 units

New Supply 9M 2023

 Q-o-Q
Change

N/A

 Y-o-Y
Change

0 unit

New Supply Q3 2023


464 units

Primary Supply



Source: Cushman & Wakefield

Supplier Increased Incentives Amidst Low Absorption Period

Due to well-developed infrastructure and accessibility to the CBD, over the last 5 years, new supply was mostly concentrated in the East and the South. The market experienced stagnation in late 2022 to early Q1 2023, resulting from market fluctuation, increased interests, and increased inflation. 9-Month 2023 saw the market's recovery through many incentivize programs from developers, which influenced the market's supply and absorption. Legal and approval challenges have been common issues regarding introduction of new supply, especially for new projects despite the market on recovery.

Primary Price Increases Despite Decelerated Units Sold

In Q3 2023, the average primary price of HCMC continues an increasing trend. The average primary price is currently at approximately US\$ 14,627 per sq.m of land, up 8% q-o-q and 19% y-o-y. This is due to high-value and luxurious projects' dominance in the city's primary supply. Notable price-driving projects include The Global City in District 2 or The Rivus Elie Saab in Vinhomes Grand Park District 9 – both developed by Masterise Homes.

On the contrary, unit sold in this quarter has not been on par since last quarter-end. The primary market has limited affordable options, while the secondary market is currently offering a considerable discount from the primary price. Developers continue to maintain its high primary price with flexible and prolonged payment terms, to increase absorption limited remaining primary units available on the market.

SALES PERFORMANCE

 Q-o-Q
Change

N/A

 Y-o-Y
Change

488 units

Sales Volume 9M 2023

71 units

Sales Volume Q3 2023


24%

Absorption rate Q3 2023


US\$14,627/sq.m

Avg. primary price Q3 2023



Source: Cushman & Wakefield

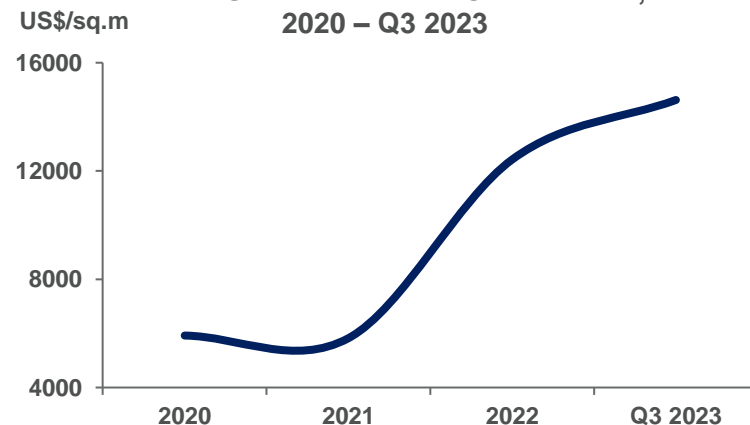
 The average primary price is exclusive of VAT
 US\$/VND = 24,000 as in Q3 2023

NEW SUPPLY 2019 – 9M 2023



Source: Cushman & Wakefield

AVERAGE PRIMARY PRICE BY YEAR, 2020 – Q3 2023



Source: Cushman & Wakefield



HO CHI MINH CITY

Landed Properties Q3 2023

PRIMARY MARKET SNAPSHOT Q3 2023

	QoQ Change	YoY Change
New supply	▼ N/A	▼ N/A
Sales volume	▼ -81%	▼ -74%
Avg. primary price	▲ 8%	▲ 19%

Flexible Transactable Options for Landed Properties

The market is on a recovery phase. HCMC landed properties markets have seen increased asset liquidity in the secondary market. However, there is a recorded gap between developer's high price and flexible payment terms / options - and the secondary market's considerable discounted price from primary asking price. This situation created purchasing options for all potential buyers in the market.

Notable primary projects



The Rivus Elie Saab
(27 ha, Masterise Homes)



The Global City
(117 ha, Masterise Homes)



The Classia
(4.3 ha, Khang Dien House)



Van Phuc City
(198 ha, Dai Phuc Group)

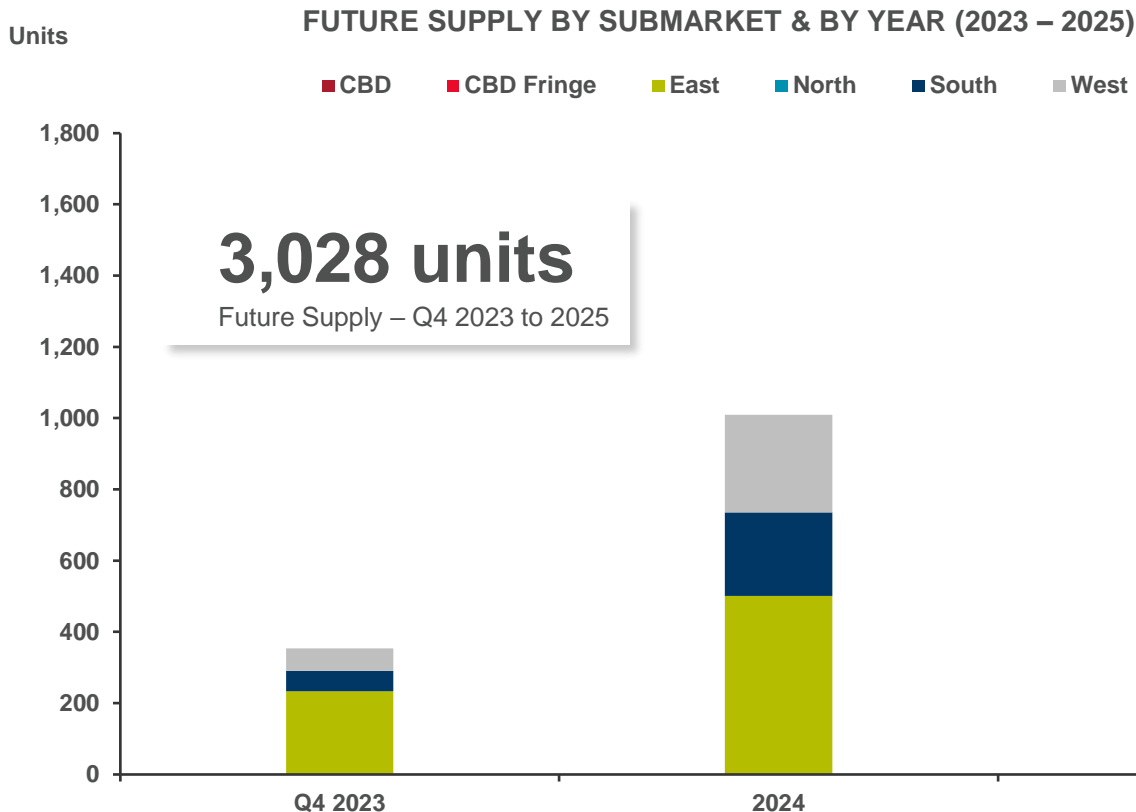


HO CHI MINH CITY

Landed Properties Q3 2023

The East looks to supply most incoming supply due to Thu Duc City's available landbank

Ho Chi Minh City currently lacks available landbank for large scale project development while its urbanization marches on. Thus, C&W sees that in distanced regions of the East, West, and South of HCMC will supply most landed properties to the market with larger and more integrated townships. Within future supply, East of HCMC – which houses Thu Duc City – will have the most incoming supply in the studying 2023 – 2025 period due to its fast-paced infrastructure growth, landbank availability, and urbanization.



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HO CHI MINH CITY

Office Q3 2023

MARKET SNAPSHOT

1.5 million sq.m
Current Supply (Grades A&B)

	q-o-q Change	y-o-y Change
Current Supply (Grades A&B)	4.5%	6.1%

US\$56.3/sq.m/month
Grade A - Avg. Rental Rate

	q-o-q Change	y-o-y Change
Grade A - Avg. Rental Rate	-1.7%	2.2%

US\$33.4/sq.m/month
Grade B - Avg. Rental Rate

	q-o-q Change	y-o-y Change
Grade B - Avg. Rental Rate	0.7%	2.0%

87.6%
Grade A - Occupancy Rate

	q-o-q Change	y-o-y Change
Grade A - Occupancy Rate	-7.9%	-7.8%

86.4%
Grade B - Occupancy Rate

	q-o-q Change	y-o-y Change
Grade B - Occupancy Rate	0.1%	-0.6%

26,275 sq.m.
Grade A&B Net Absorption in Q3 2023

	q-o-q Change	y-o-y Change
Grade A&B Net Absorption in Q3 2023		

Source: Cushman & Wakefield
*All rents are inclusive of SC but exclusive of VAT
US\$/VND = 24,000 as in Q3 2023

VIETNAM ECONOMIC INDICATORS 9M 2023

4.2%
GDP growth

	y-o-y Change
GDP growth	

3.2%
Inflation (CPI)

	y-o-y Change
Inflation (CPI)	

20.2
FDI (billion US\$)

	y-o-y Change
FDI (billion US\$)	

Source: General Statistic Office

High-Quality Supply Is A Trend

In Q3 2023, two new Grade A projects in non-CBD area officially entered HCMC office market, contributing a total of 65,500 sq.m. of office space. Both of the new buildings, as well as some of the upcoming supply, have pursued and/or obtained green certifications such as BCA Green Mark, LEED, and WELL, signifying the increased interests in and adoption of sustainability and ESG standards by office developers.

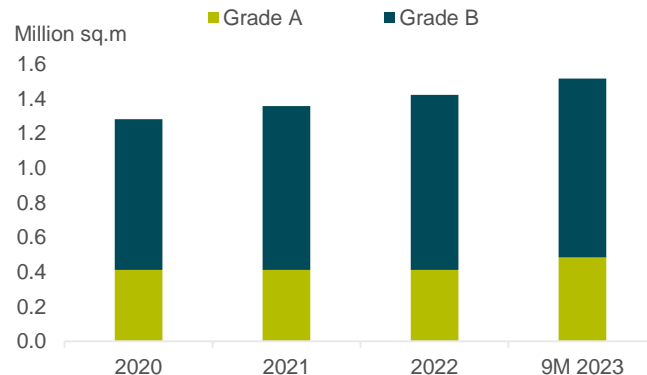
The total Grade A&B office supply exceeds 1.5 million sq.m., up 4.5% QoQ and 6.1% YoY. Grade A supply accounts for nearly 1/3 the city's total Grade A&B supply.

Landlord Is More Flexible To Catch The Market Demand

With two new Grade A entrants in Non-CBD area, Grade A rent and occupancy across the city decreased by 1.7% and 7.9% QoQ, respectively. Meanwhile, Grade B office market performance remains relatively stable with less than 1% change QoQ in rent and occupancy. Compared to the same period last year, both Grade A rent and Grade B rent recorded a 2.2% and 2.0% growth, attributable to the new-year rent escalation at some buildings.

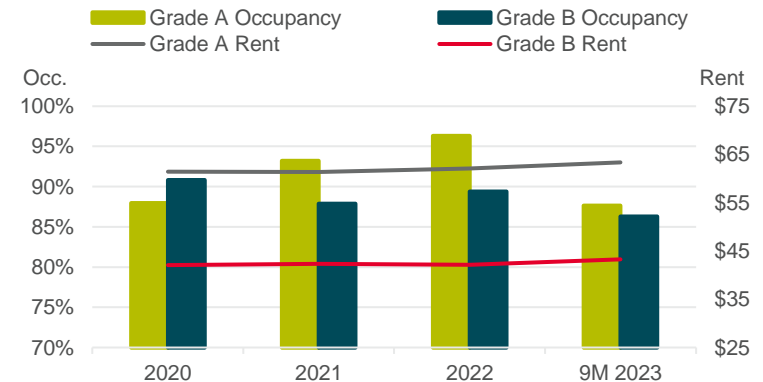
The influx of high-quality new supply in this quarter and in later years also increases competition among landlords. Accordingly, some landlords have offered more incentives to attract and retain tenants. Yet, despite the sustained demands to upgrade office space along with the tenant-favorable market condition, tenants are still facing various constraints preventing them from carrying out expansion and upgrade plans, such as pressure on business revenue, rising exchange rate, additional costs and concerns regarding fire fighting and prevention regulations, etc.

TOTAL GRADE A&B SUPPLY



Source: Cushman & Wakefield

HCMC OFFICE MARKET PERFORMANCE BY YEAR



Source: Cushman & Wakefield



HO CHI MINH CITY

Office Q3 2023

MARKET STATISTICS

GRADE	SUBMARKET	INVENTORY (SQ.M)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION(SQ M)	PLANNED & UNDER CNSTR UNTIL 2025 (SQ M)	AVG. RENTAL RATE (US\$/sq.m/month)
Grade A	Overall	476,897	12.38%	24,904	163,182	56.31
	CBD	323,331	4.37%			63.26
	Non-CBD	153,566	29.24%			41.68
Grade B	Overall	1,031,264	13.65%	1,371	81,706	33.35
	CBD	389,289	12.08%			43.09
	Non-CBD	641,975	14.61%			27.43
HCMC GRADE A & B TOTAL		1,508,161	13.25%	26,275	244,888	40.61

*All rents are inclusive of SC but exclusive of VAT; US\$/VND = 24,000 as in Q3 2023

NEW SUPPLY YTD 2023

PROPERTY	SUBMARKET	GRADING	DEVELOPER	SQ M
OfficeHaus	Non-CBD	B	OFH Company Limited	15,250
Waterfront Saigon	CBD	B	Canh Hung Hai Thanh Corporation	6,000
The Hallmark	Non-CBD	A	Quoc Loc Phat - Son Kim Land	47,000
The Mett	Non-CBD	A	Son Kim Land	18,479
TOTAL				86,729

NOTABLE FUTURE PROJECTS Q4 2023 - 2025



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HO CHI MINH CITY

Retail Q3 2023

MARKET SNAPSHOT

1.07 million sq.m

Current Supply

Change
Q-o-Q

2.4%

Change
Y-o-Y

5.1%

US\$52 /sq.m/month

Avg. GF Rental Rate



1.9%



7.3%

10.5%

Vacancy Rate



0.3%



3.6%

Source: Cushman & Wakefield

*All rents are inclusive of SC but exclusive of VAT

US\$/VND = 24,000 as in Q3 2023

VIETNAM ECONOMIC
INDICATORS 9M 2023Change
Y-o-Y

4.2%

GDP growth



3.2%

Inflation (CPI)



US\$190.3 billion

Total retail & services revenue



8.9 million

International tourist arrivals



Source: General Statistic Office

Growing Revenue from Retail Sales and Tourist Arrivals in Vietnam

Despite unfavorable economic conditions, the Services sector still grew by 6.3% in 9M 2023, the highest growing economic sector compared to Agriculture – Forestry – Fishery and Industrial – Construction sectors. Total revenue from retail sales and services in 9M 2023 reached VND4,567.8 trillion (~US\$ 190.3 billion), up 9.7% YoY, of which revenue from retail of goods accounts for 78%. International tourist arrivals were also recorded at nearly 8.9 million in 9M 2023, about 4.7 times higher than the same period last year and exceeding the target for 2023 of 8 million arrivals.

Renovation and Restructuring of Older Projects

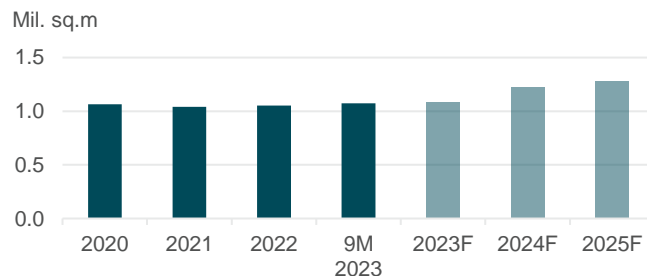
Q3 2023 welcomes the re-entry of Hung Vuong Plaza (25,000 sq.m) in District 5, attracting a diverse tenant portfolio including new brands in Vietnam recently such as Jin Din Rou, Charles Tyrwhitt, Lush, etc. Additionally, restructuring retail space is also happening at a few shopping centers, promising to deliver a fresh experience to their visitors.

Stable Market Condition

Average GF asking rent is recorded at around US\$52/sq.m./month, up 1.9% QoQ and 7.3% YoY, driven by new and renovated supply in recent quarters. Occupancy is estimated at around 89.5%, down 0.34% QoQ and 3.6% YoY, attributable to the entry of new supply, spatial restructuring at some projects, and movement of some large-scaled tenants.

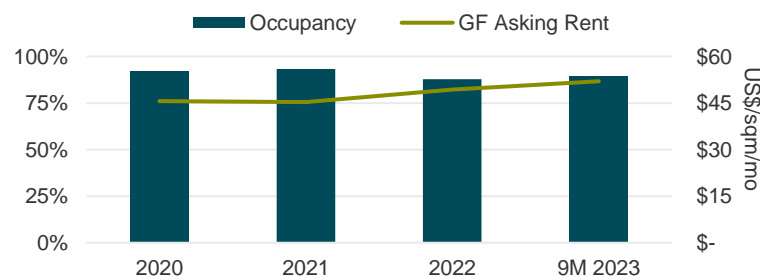
In general, Vietnam appears as a promising retail market as international brands setting up their first stores and/or flagship stores as well as expanding to new submarkets throughout the nations. New retail supply in HCMC and Hanoi in this quarter has achieved good occupancy rate in their launching quarter, hinting at a thirst for high-quality and well-managed retail space to welcome the influx of reputable tenants looking to enter and expand in Vietnam.

TOTAL RETAIL SUPPLY BY YEAR



Source: Cushman & Wakefield

RETAIL MARKET PERFORMANCE BY YEAR



Source: Cushman & Wakefield

HO CHI MINH CITY

Retail Q3 2023

MARKET STATISTICS

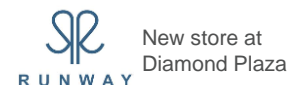
SUBMARKET	INVENTORY (SQ.M.)	OVERALL VACANCY RATE	PLANNED & UNDER CNSTR UNTIL 2025	AVG. GF RENTAL RATE (US\$/sq.m./month)
CBD	127,395	6.9%	18,126	118.65
Non-CBD	944,721	11.0%	191,500	43.07
HCMC Overall	1,072,116	10.5%	209,626	52.05

Source: Cushman & Wakefield

*All rents are inclusive of SC but exclusive of VAT
US\$/VND = 24,000 as in Q3 2023

NOTABLE BRAND MOVEMENT IN Q3 2023

NEW OPENING



CLOSURE



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NOTABLE FUTURE SUPPLY

PROPERTY	SUBMARKET	EXPECTED YEAR	DEVELOPER	SQ M
Vincom Mega Mall Grand Park	Non-CBD	2023 – 2024	Vincom Retail	44,000
Emart Phan Huy Ich	Non-CBD	2023 – 2024	Thaco Group	37,500
Parc Mall	Non-CBD	2024	Van Thai Land	35,000
Central Premium Plaza	Non-CBD	2024	Hoang Anh Gia Lai	24,000

Source: Cushman & Wakefield



SOUTHERN REGION

Industrial Land Q3 2023

MARKET SNAPSHOT

28,000 ha
Leasable Area

Q-o-Q Change
▲ +0.6%

Y-o-Y Change
▲ +5.2%

US\$167/sq.m/term
Avg. Primary Price

▲ +1.0%

▲ +8.5%

81.8%
Occupancy Rate

■ stable

▼ -2.8 pts

116 ha
Net Absorption

▲ +0.6%

Source: Cushman & Wakefield

*All rents are exclusive of SC and exclusive of VAT
US\$/VND = 24,000 as of September 2023

VIETNAM ECONOMIC INDICATORS 9M 2023

Y-o-Y Change

4.2%
GDP growth

▼

3.2%
Inflation (CPI)

▼

20.2
FDI (billion US\$)

▲

0.3%
Industrial Index

▼

Source: General Statistic Office (GSO)

One new IP was officially launched, significantly improving of absorption

After about 2-3 years with no new IP land supply in the Southern Key Economic Region (SKER), Q3 2023 observed a new supply from Long An Province, i.e. Nam Tan Tap IP developed by Saigontel, contributing about 171 ha into the market.

The occupancy rate reached nearly 82%, equivalent to an absorption of 116 ha, increasing 66% QoQ. Long An and BR-VT provinces accounted for the highest net absorption, with proportion of about 59% and 28%, respectively. The market sentiment is relatively good on the back of positive recovery of manufacturing sector.

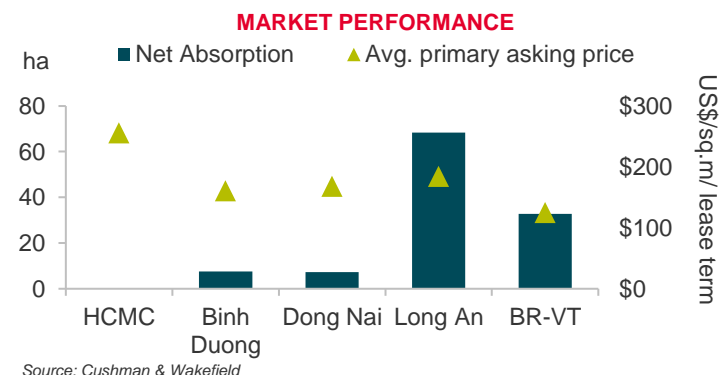
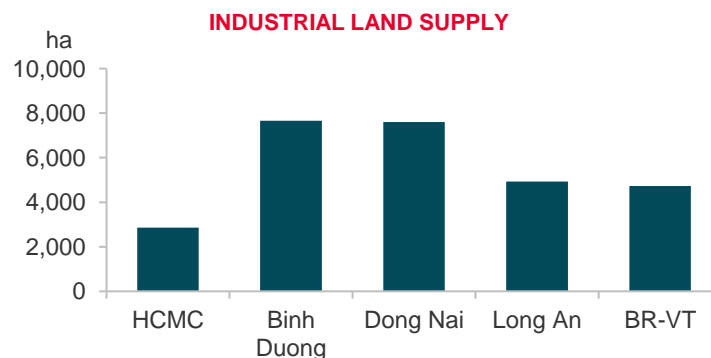
The industrial index of some products has recorded positive signals, especially the Electronics, Computer, and Optical Products with IIP of 3.2% in Q3 2023. FDI attraction achieved US\$ 20.2 billion, increasing 7.7% YoY. The manufacturing sector continues to lead with 84.7% of new capital.

Asking Price Kept Stable Q-o-Q

The average primary asking price was recorded at US\$ 165/sq.m/lease term, up 1.0% QoQ and up 8.5% YoY. There were several adjustments of price in some IPs, varying from 3 to 5% YoY increase.

Market Outlook

With the continuing efforts from developers and local authorities, there will be remarkable new IP land supply into the market. From present to 2026, the future supply will be about 5,700 ha, mostly from surrounding provinces of HCMC such as Binh Duong, Dong Nai, Long An, and BR-VT provinces. Thanks to high demand, the price is still expected to be on upward trend.





SOUTHERN REGION

Ready Built Factory (RBF) Q3 2023

MARKET SNAPSHOT

5.4 million sq.m

Current Supply

Q-o-Q
Change



+0.6%

Y-o-Y
Change



+12.9%

US\$4.7 /sq.m/month

Avg. Rental Rate



stable



stable

73.2%

Occupancy Rate



+2.4 ppts



-12.2 ppts

128,000 sq.m

Net Absorption



+137.0%

Source: Cushman & Wakefield

*All rents are inclusive of SC but exclusive of VAT

US\$/VND = 24,000 as in Q3 2023

VIETNAM ECONOMIC INDICATORS Q3 2023

Y-o-Y
Change

4.2%

GDP growth



3.2%

Inflation (CPI)



20.2

FDI (bil. US\$)



0.3%

Industrial Index



Source: General Statistic Office

One new project launched in Dong Nai, absorption nearly tripled in line with industrial recovery

One new RBF project in Dong Nai Province was launched, contributing 32,500 sq.m into the market. The industrial index of some products has recorded positive signals, especially the Electronics, Computer, and Optical Products with IIP of 3.2% in Q3 2023. FDI attraction achieved US\$ 20.2 billion, increasing 7.7% YoY, in which the newly registered FDI was US\$ 10.23 billion. The manufacturing sector continues to lead with 84.7% of newly registered capital. HCMC and Dong Nai province led the Southern provinces in terms of FDI attraction, ranking 5th and 7th nationwide.

In line with the recovery of the industrial sector, leasing activities have become dynamic, with occupancy increasing 2.2 ppts QoQ, equivalent to 143,000 sq.m of RBF absorbed. This net absorption was 2.4 times compared to Q2 2023. Dong Nai led the demand for RBF with its absorption taking up nearly 60% of total absorption. Demand for RBF in the South came from various industries, ranging from Textile, Chemicals, to Electronics.

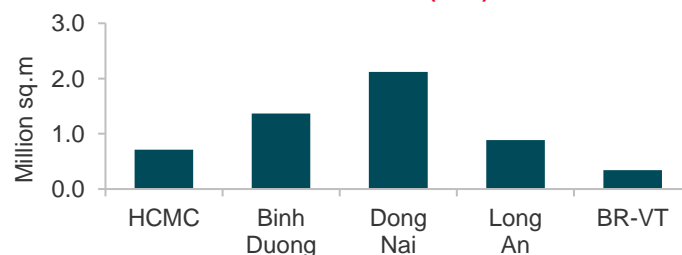
Asking Price Kept Stable Q-o-Q

The average rent of RBF remained stable in both QoQ and YoY, reaching US\$4.7/sq.m/month. The majority of RBF projects kept the rent unchanged amid the competitive supply landscape. Highly sought-after destinations like Dong Nai and BR-VT registered the highest growth YoY of about 2.4 – 2.5%

Market Outlook

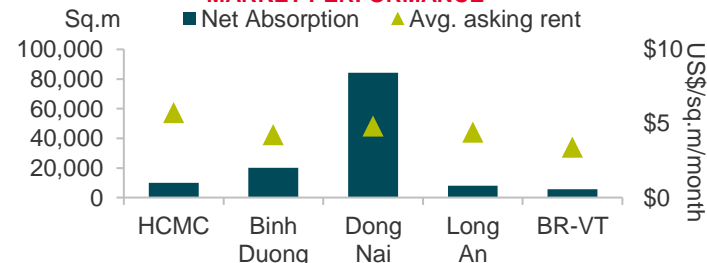
The RBF market will continue to be dynamic with about 2.5 million sq.m of RBF coming into the market from the remainder of 2023 to 2026, with footprint from both local and foreign developers. The RBF absorption is forecasted to keep increasing in the following quarters, thanks to the market benefiting from the relocation of manufacturing facilities from China to Vietnam.

READY-BUILT FACTORY (RBF) SUPPLY



Source: Cushman & Wakefield

MARKET PERFORMANCE



Source: Cushman & Wakefield



SOUTHERN REGION

Ready Built Warehouse (RBW) Q3 2023

MARKET SNAPSHOT

5.2 million sq.m

Current Supply

Q-o-Q
Change



+2.1%

Y-o-Y
Change



+11.6%

US\$4.4 /sq.m/month

Avg. Rental Rate



stable



2.2%

70.5%

Occupancy Rate



-0.7 ppts



-6.9 ppts

43,000 sq.m

Net Absorption



+568.4%

Source: Cushman & Wakefield

*All rents are inclusive of SC but exclusive of VAT

US\$/VND = 24,000 as of September 2023

VIETNAM ECONOMIC INDICATORS Q3 2023

Y-o-Y
Change

4.2%

GDP growth



3.2%

Inflation (CPI)



20.2

FDI (billion US\$)



0.3%

Industrial Index



Source: General Statistic Office

Two new projects launched in Dong Nai and Binh Duong, increasing demand from the expansion of 3PL footprint

Two new projects in Dong Nai and Binh Duong were launched this quarter, bringing about 110,000 sq.m to the market. The freight transport was recorded at 1.68 billion ton, increasing 14.6% YoY, and freight traffic at 226.4 billion ton.km, increasing 12.5% YoY. These indicated the transportation sector observed positive growth thanks to increasing demand from the manufacturing sector and domestic consumption.

In line with the growth of transportation sectors, RBW leasing also witnessed a remarkable increase in absorption, 6.7 times than the previous quarter. Dong Nai province topped the demand for RBW with 67% of total net absorption thanks to the expansion of 3PLs footprint into the province.

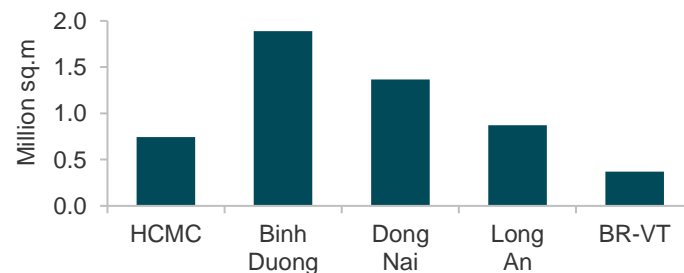
Asking Price Kept Stable Q-o-Q

The average RBW rent was stable QoQ, but increasing 2.2% YoY, reaching US\$ 4.4/sq.m/month. Similar to the RBF market, RBW developers still kept the rent stable to attract tenants amid the competitive landscape.

Market Outlook

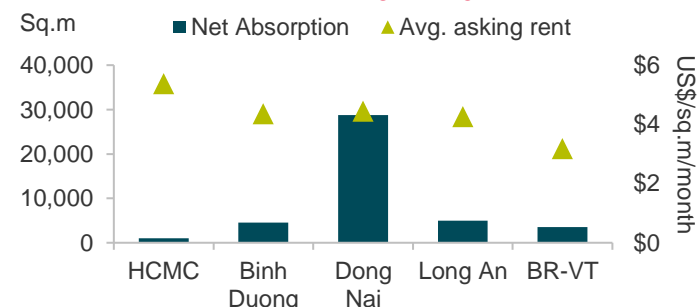
After a period of abundant new supply into the market, there will be less supply of RBW in the future with about only 1.7 million sq.m in the period Q4 2023 - 2026. The demand for warehouses will continue to be sustained by domestic consumption, the export-driven economy of Vietnam, and the expansion of the logistics and E-commerce market.

READY-BUILT WAREHOUSE (RBW) SUPPLY



Source: Cushman & Wakefield

MARKET PERFORMANCE



Source: Cushman & Wakefield



SOUTHERN REGION

Industrial Property Q3 2023

MARKET STATISTICS

PROPERTY TYPE	SUPPLY	OVERALL OCCUPANCY RATE	CURRENT QTR OVERALL NET ABSORPTION	PLANNED & UNDER CONSTRUCTION (2023 Remaining – 2026F)	AVG. RENTAL RATE
IP Land	~ 28,000 ha	82%	116 ha	~ 5,700 ha	US\$ 167 /sq.m/term
RBF	~ 5,400,000 sq.m	74%	143,000 sq.m	~ 2,500,000 sq.m	US\$ 4.7/sq.m/month
RBW	~ 5,200,000 sq.m	71%	44,000 sq.m	~ 1,700,000 sq.m	US\$ 4.4/sq.m/month

*IP land primary asking prices are exclusive of SC and exclusive of VAT.

RBF and RBW rents are inclusive of SC but exclusive of VAT

US\$/VND = 24,000 as at September 2023

KEY NEW LAUNCHES Q3 2023

PROPERTY	TYPE	LOCATION	DEVELOPER	SCALE
Nam Tan Tap IP	IP Land	Long An	Saigontel	171 ha
KTG Nhon Trach 2 Nhon Phu p3	RBF	Dong Nai	KTG Industrial	32,500 sq.m
Cainiao Giang Dien	RBW	Dong Nai	Cainiao	90,000 sq.m

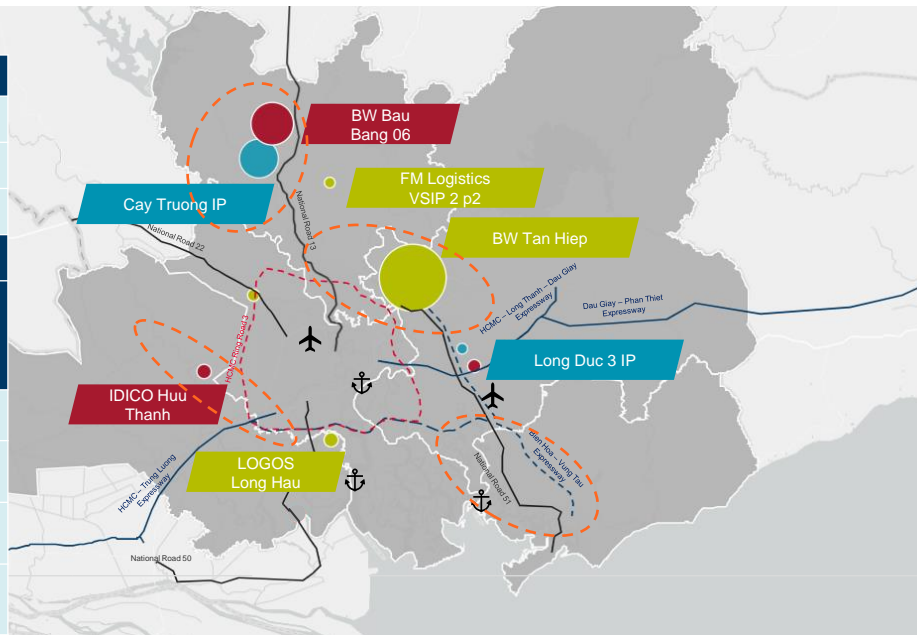
NOTABLE FUTURE PROJECTS (2023 – 2026F)

LEGEND

International Airport	
International Seaport	
Existing Industrial Hubs	

NOTABLE PROJECTS

IP Land (ha)	RBF (sq.m)	RBW (sq.m)	
< 100	< 20,000		○
100 – 200	20,000 – 70,000		○
200 – 300	70,000 – 100,000		○
> 300	> 100,000		○



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