

MARKETBEAT

HO CHI MINH CITY

Q4 2023



GDP GROWTH

GDP GROWTH AT 5.1%, AMONG THE HIGHEST-GROWING ECONOMIES IN THE REGION

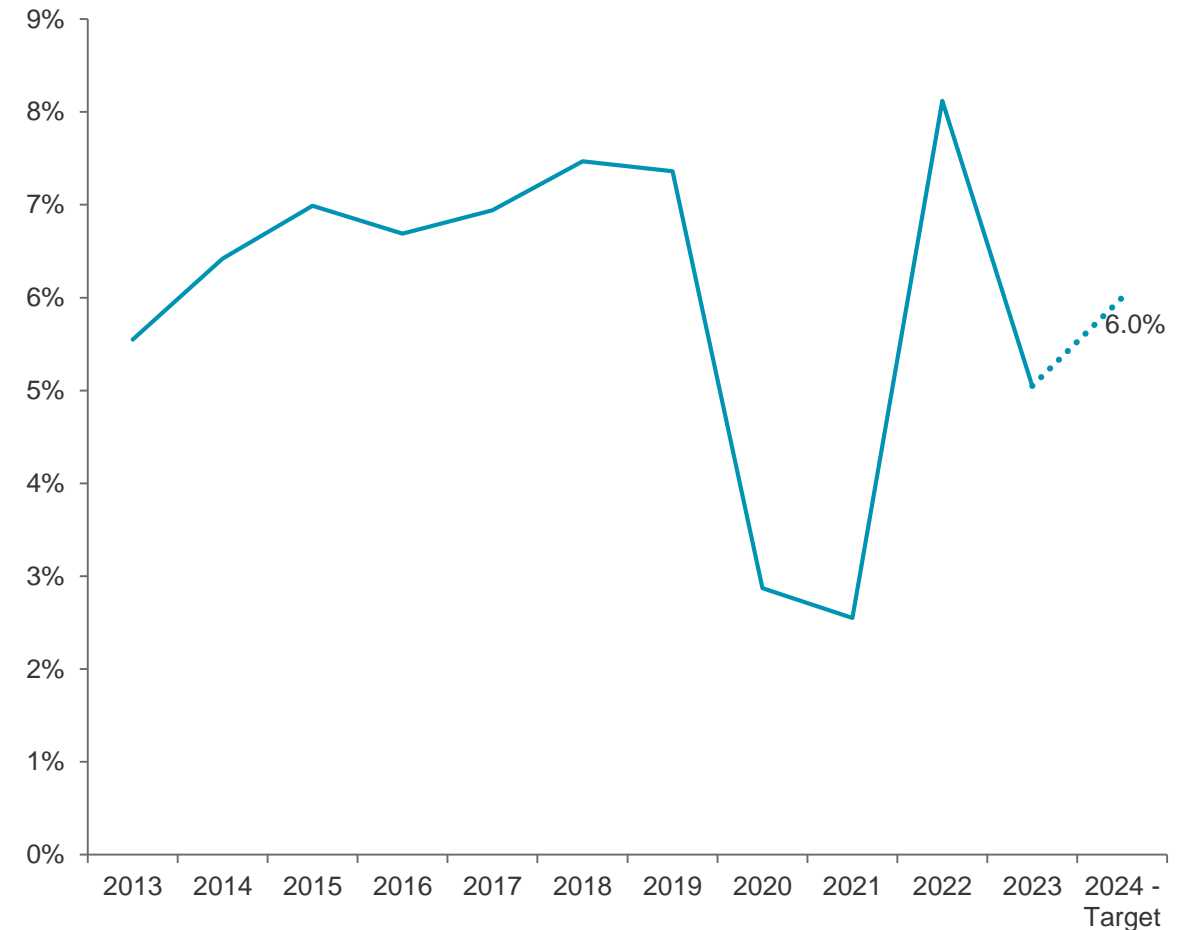
Vietnam has achieved a GDP growth of 5.1% in 2023, lower than the target due to weakening global demands. GDP growth shows improvements throughout the year 2023, going from 3.4% in Q1 to 6.7% in Q4.

In 2023, the Service sector accounts for 42.5% of Vietnam's GDP, followed by the Industrial – construction sector (37.1%), the Agriculture – forestry – fishery (12.0%), and the rest is for product taxes less product subsidies.

The Service sector is the main pillar of the economy with a growth of 6.8%, while the Industrial – construction sector (grows by 3.7%) faces multiple challenges amidst an unstable global economy.

The National Assembly targets to achieve 6.0 – 6.5% GDP growth in 2024, prioritizing economic growth while maintaining balance among economic factors. Accordingly, simplifying legal processes, decreasing interest rates, and adapting regulations in accordance with global economic changes are key directions in 2024.

VIETNAM GDP GROWTH BY YEAR



Source: General Statistics Office, Vietnam

CPI, EXCHANGE RATE, & INTEREST RATE

IMMENSE EFFORT TO BALANCE BETWEEN INFLATION RISK & ECONOMIC GROWTH

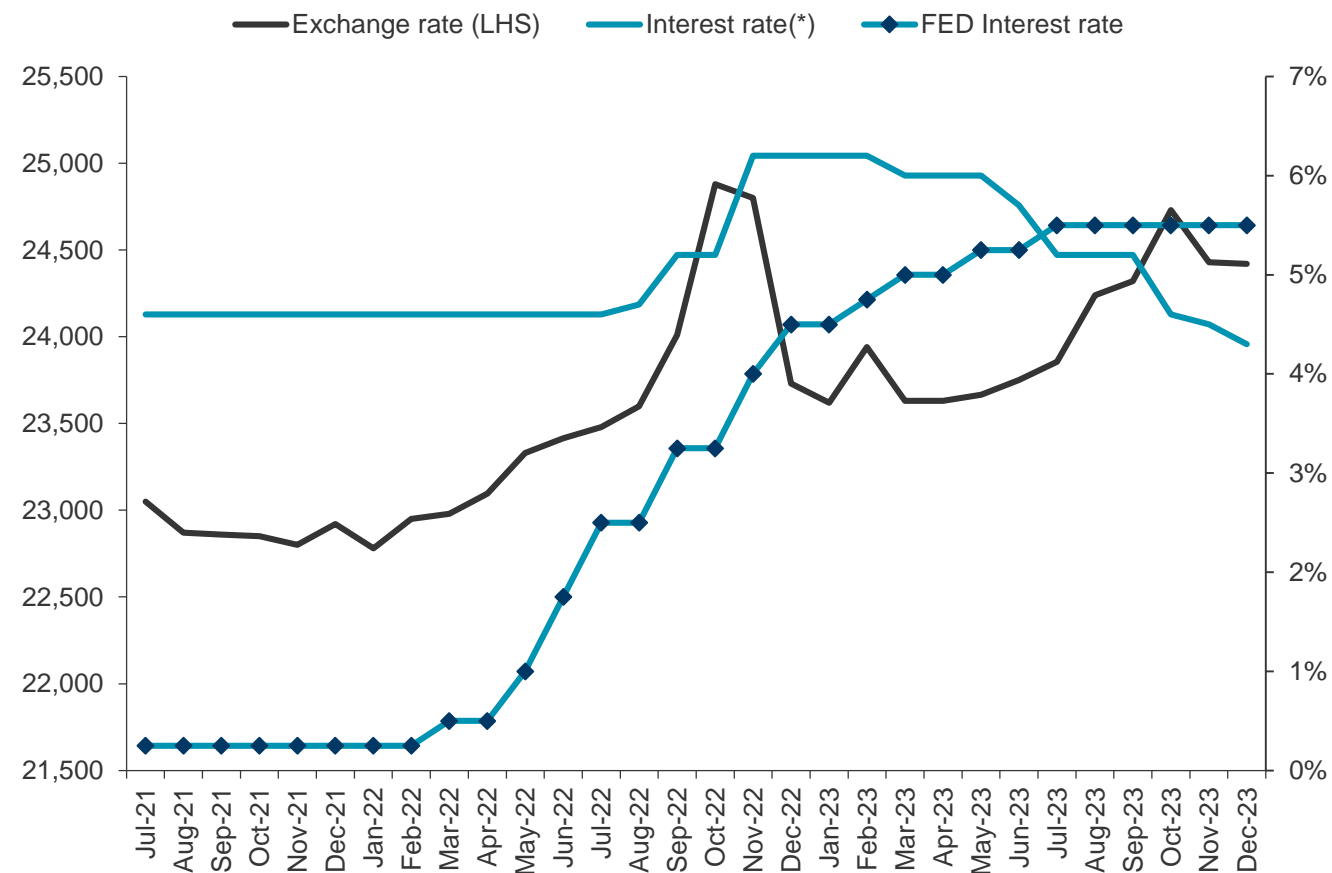
CPI: Vietnam's CPI is well-maintained at 3.25% in 2023, satisfying the national target of below 4.50% for this year.

Interest rate:

- Fed interest rate has been maintained at 5.25% – 5.50% since July 2023, signifying a slowdown of inflationary pressure in the global economy context in H2 2023.
- In Vietnam, since early 2023, interest rates have been decreasing to facilitate economic growth, despite the global trends of rising interest rates to control inflation.
- In 2024, interest rates are expected to slightly decrease, then remain low throughout the year.

Exchange rate: The gap between Vietnam's and Fed interest rates has resulted in the rising USD/VND exchange rate, especially in H2 2023. As global inflation decelerates, pressure on USD/VND exchange rate is expected to alleviate in 2024.

USD/VND EXCHANGE RATE & INTEREST RATE BY MONTHS



Source: Fed, Vietcombank

All rates are taken at the end of the month.

*Vietcombank 12-month-period Interest Rate for Organizations is used as a demonstration of interest rate trend

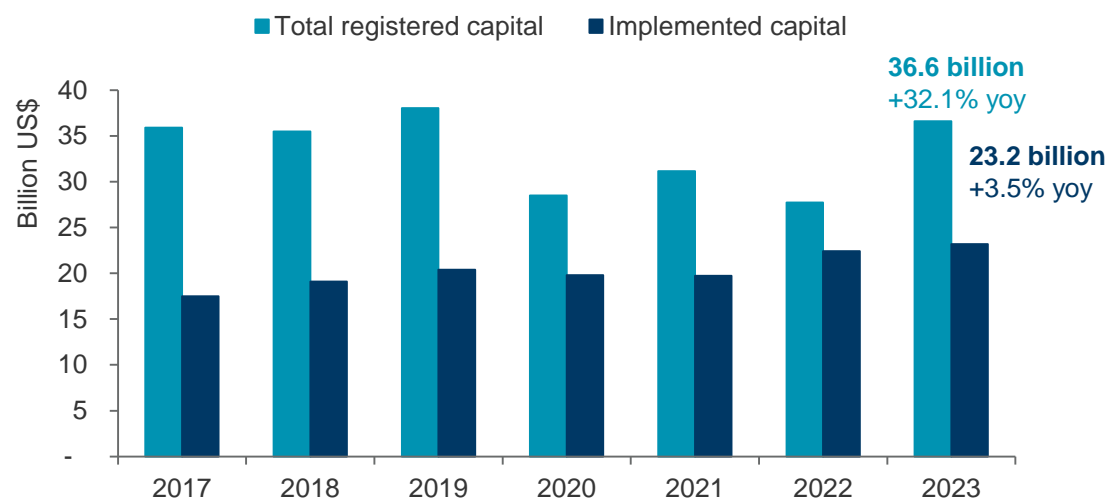
FDI ATTRACTION

FDI IMPROVED IN QUALITY AND QUANTITY

2023 Highlights:

- Vietnam – US relation: Comprehensive strategic partnership
- Sustained FDI attraction despite global economic recession
- Highest implemented FDI capital in the past 5 years
- Increased high-quality projects (Hi-tech, source technology, etc.)

VIETNAM FDI ATTRACTION & IMPLEMENTATION BY YEAR



Source: General Statistics Office, Vietnam

TOP INVESTING COUNTRIES INTO VIETNAM IN 2023



Singapore
16%



Hong Kong
16%



China
15%



South Korea
14%



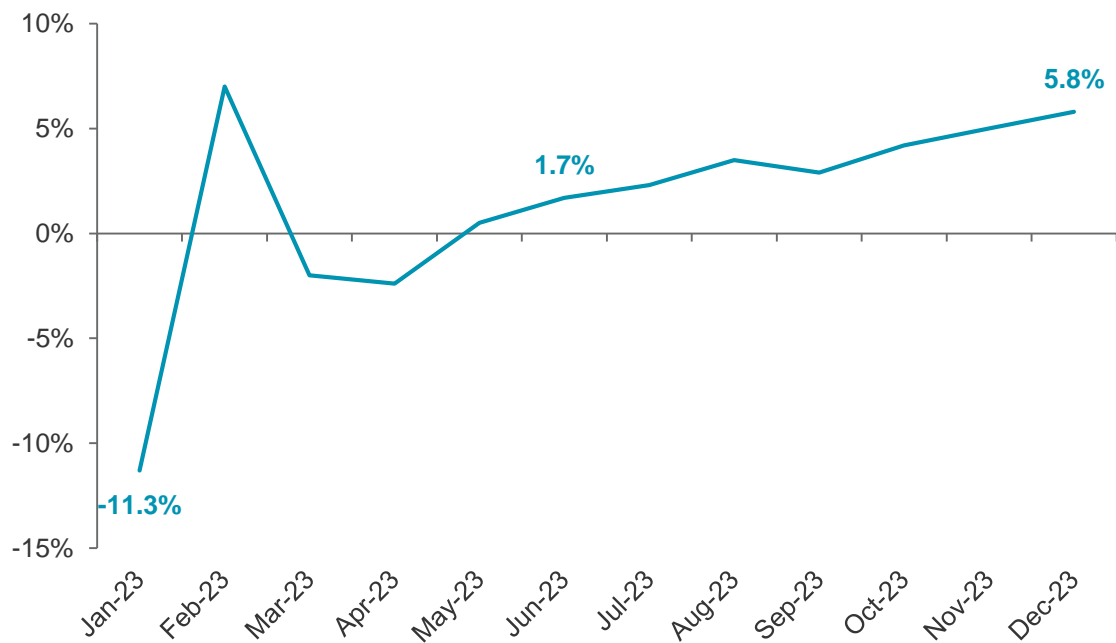
Japan
13%

Notable FDI projects	Investment	Location
Thai Binh Thermal Power Plant	US\$2.0 billion	Thai Binh
Jinko Solar Hai Ha's technology for photovoltaic cell	US\$1.5 billion	Quang Ninh
Factory of LG Innotek	US\$1.0 billion increased capital	Hai Phong
Amkor's factory for semiconductor products	US\$1.6 billion	Bac Ninh

INDUSTRIAL PRODUCTION

WEAKENED DUE TO DECREASED GLOBAL CONSUMPTION DEMANDS

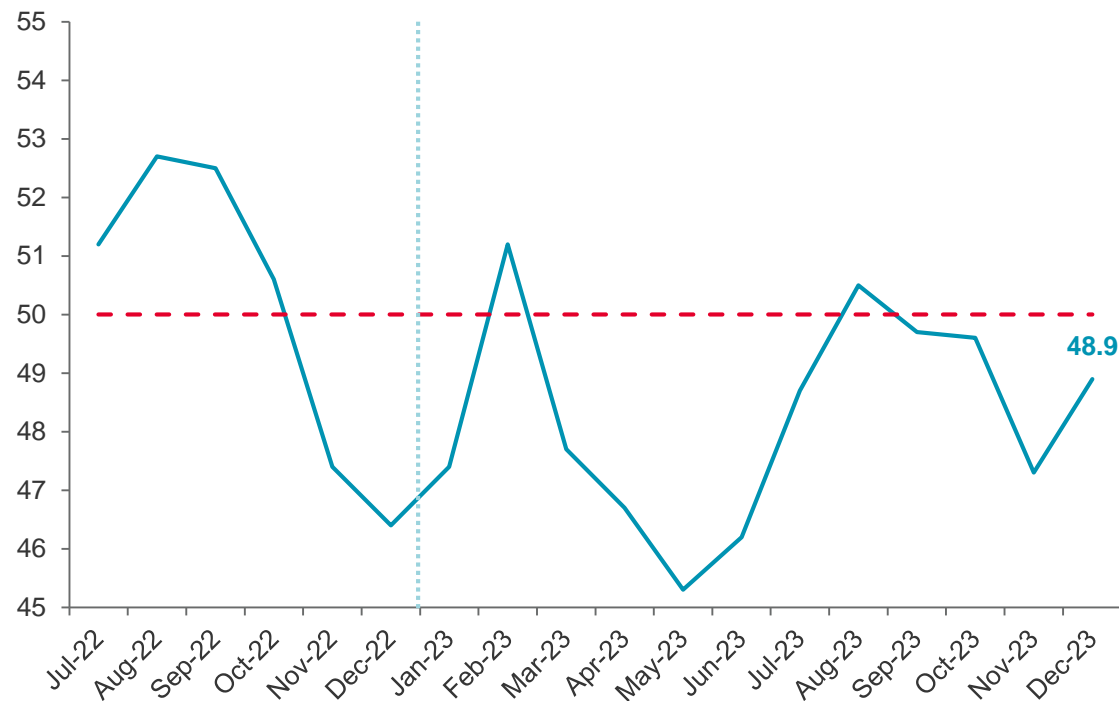
VIETNAM INDEX OF INDUSTRIAL PRODUCTION BY YEAR
(2023)



Source: General Statistics Office, Vietnam

In 2023, Vietnam's IIP is recorded at 3.0%, hindered by weakened global consumption and export demands this year. Although lower than last year's performance (8.1% in 2022), IIP did improve in H2 2023, growing from 1.7% in June to 5.8% in December 2023.

VIETNAM PMI BY MONTH, H2 2022 - 2023



Source: S&P Global

Vietnam's PMI has fallen below 50 points since September, signifying the decline in business conditions in the manufacturing sector. Yet, manufacturers still express optimism for 2024, with hopes that domestic and international demand will recover. Hence, firms kept their employment and purchasing activities stable in December 2023.

IMPORT – EXPORT

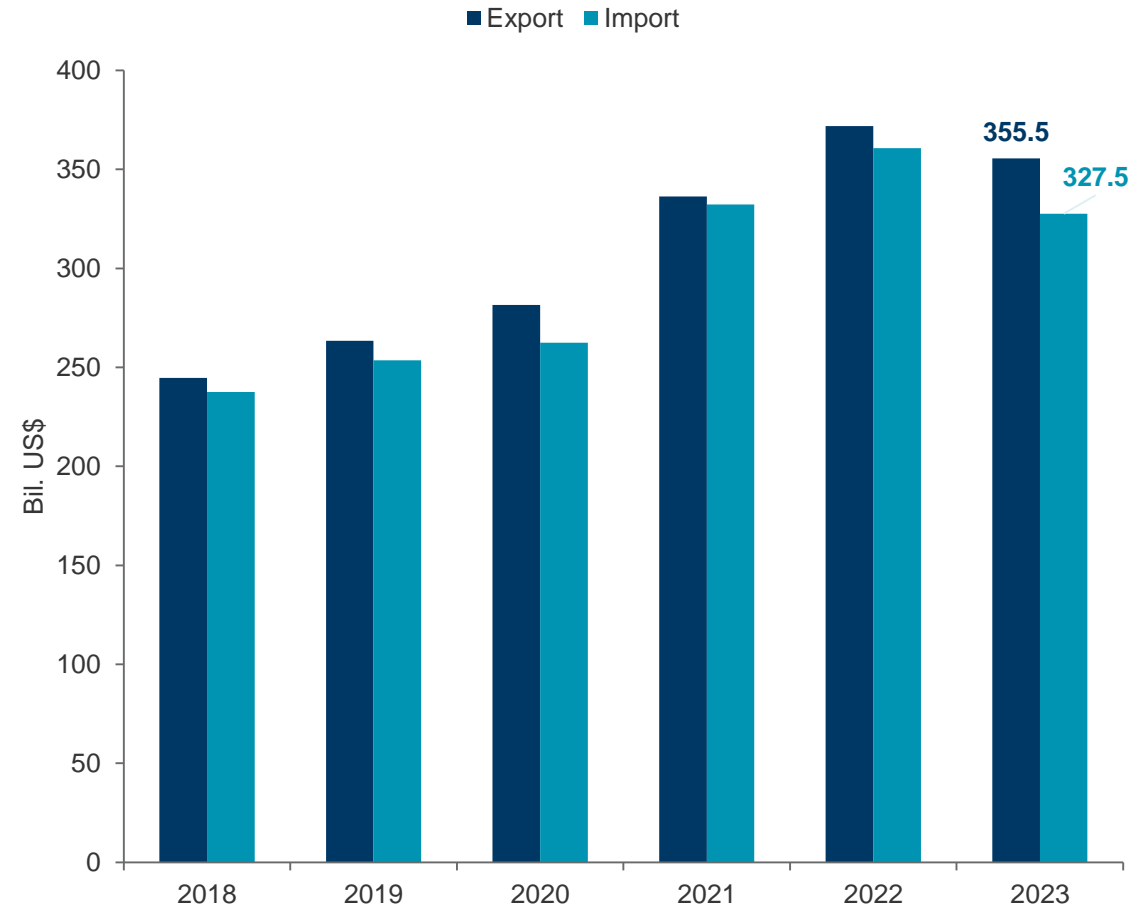
TRADE SURPLUS FOR THE 8TH CONSECUTIVE YEAR

Although both export and import turnover decreased compared to last year, Vietnam managed to maintain a trade surplus of US\$28.0 billion, 2 times higher than 2022's figure.

Electronics, computers, and parts are the product group with the highest turnover in both exports (US\$57.3 billion, +3.3% YoY) and imports (US\$88.2 billion, +7.7% YoY). This product group is the only group with positive YoY growth among those above US\$10 billion turnover.

The **United States** is Vietnam's largest export market (turnover of US\$96.8 billion), and **China** is Vietnam's largest import market (turnover of US\$111.6 billion). China is also Vietnam's largest trading partner with a total import-export turnover reaching US\$173.3 billion.

IMPORT-EXPORT TURNOVER BY YEAR



Source: General Statistics Office, Vietnam

ENTERPRISE REGISTRATION STATUS

HEAVILY IMPACTED BY ECONOMIC INSTABILITY

New and re-operating enterprises

217.7k +4.5% YoY

Temporarily ceased and dissolution enterprises

172.6k +20.5% YoY

Source: General Statistics Office, Vietnam

Though disadvantaged, enterprise registration is not dull in 2023:

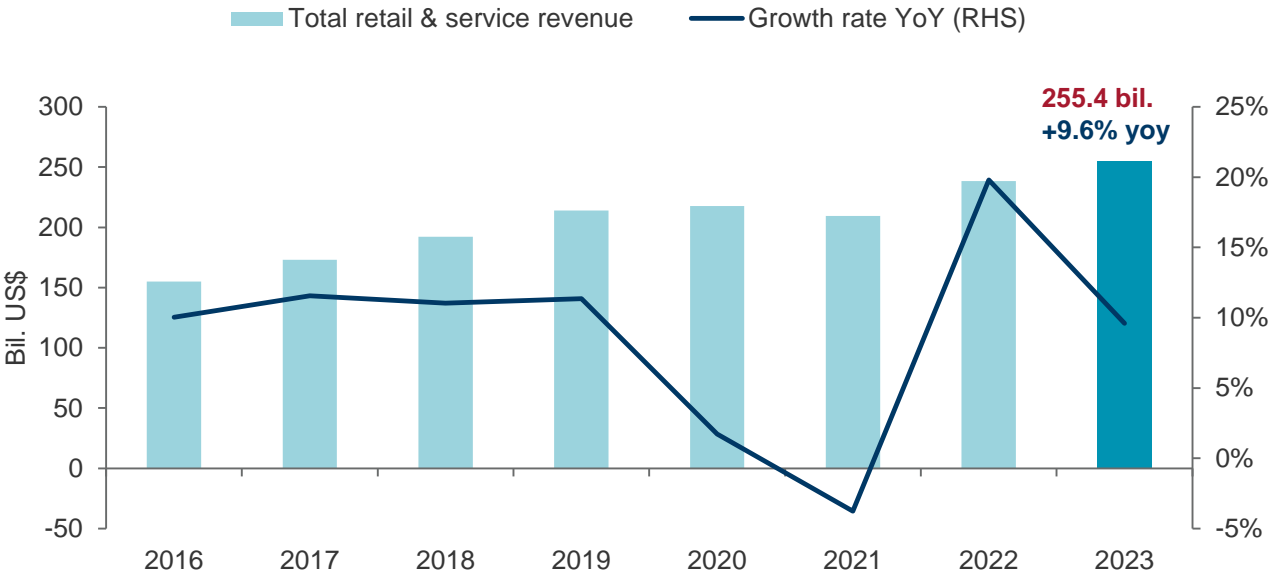
- New record of newly-registered enterprises (about 159,300)
- Temporarily ceased & dissolution enterprises are mainly small and young enterprises (<10 bil. VND capital and <5 years of establishment). Retail – trade – vehicle repair, Construction, and Manufacturing accounts for 62% of the number of temporarily ceased and dissolution enterprises.
- **Government's direction for intervention have been planned for 2024:**
 - Prioritize stabilizing macroeconomy;
 - Facilitate growth factors (e.g., investment, export, consumption);
 - Facilitate business's operation and capital flow;
 - Stabilize the markets, especially those related to real estate;
 - Develop high-quality labor force for key strategic industries and emerging fields.

Source: General Statistics Office, Vietnam

RETAIL SALES & TOURISM

GROWTH AGAINST ECONOMIC HEADWINDS

VIETNAM RETAIL SALES & SERVICE REVENUE BY YEAR



Source: General Statistics Office, Vietnam

International tourists in 2023

12.6 million arrivals

3.4 times higher than 2022
70% of the performance of 2019

Source: General Statistics Office, Vietnam

INFRASTRUCTURE

IN 2024, PUBLIC INVESTMENT IS THE KEY DRIVING FORCE FOR HO CHI MINH CITY'S DEVELOPMENT

HCMC – Moc Bai (Tay Ninh) Expressway

Total investment: VND20.1 trillion

HCMC – Chon Thanh (Binh Phuoc) Expressway

Total investment: VND1,940 billion

HCMC – Long Thanh – Dau Giay Expressway Expansion

Total investment: VND2,350 billion

HCMC – Trung Luong Ramp Expansion

Total investment: VND1,037 billion

National Road 13 Expansion

(Binh Phuoc Intersection – Binh Trieu Bridge)

National Road 22 Renovation

(An Suong Intersection – Ring Road 3 route)

National Road 1 Upgrade & Expansion

(Kinh Duong Vuong – Long An route)

Ring Road 2 (Project 3)

Ring Road 3 – Vo Van Giap Road

Ring Road 4 (Sai Gon Crossing Bridge – Thay Cai Canal)

Rach Doi Bridge

Elavated route No.5

(Station 2 Intersection to An Suong Intersection)

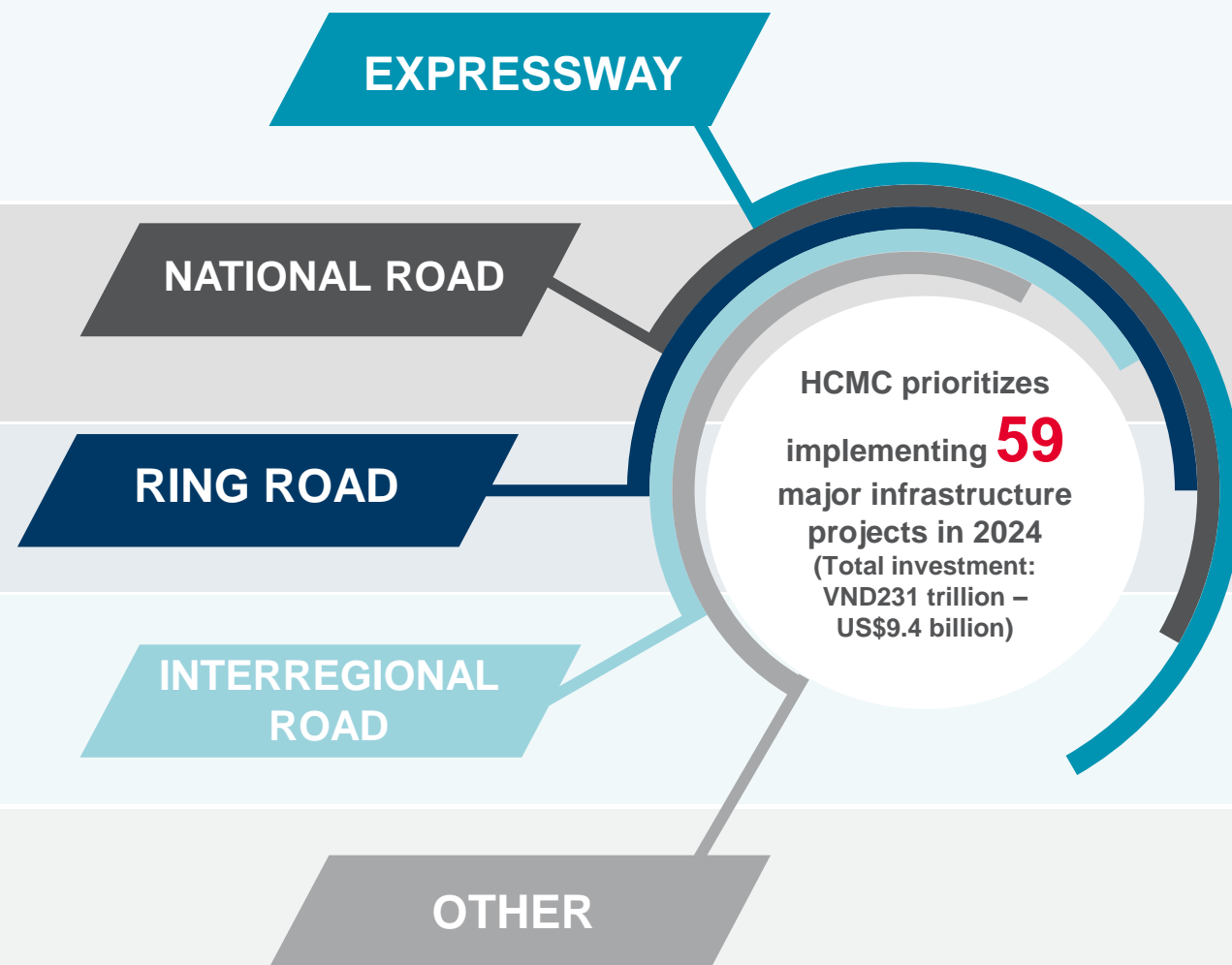
East-West Road Extension

(National Road 1 – Long An)

Thu Thiem 4 Bridge

Can Gio Bridge

Nguyen Khoai Bridge



INFRASTRUCTURE

KEY INFRASTRUCTURE PROJECTS

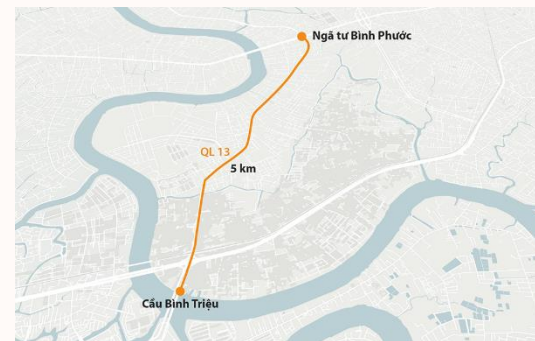
HCMC Projects



Metro line No.2
Exp. Construction: 2025



Thu Thiem 4 Bridge
Exp. Construction: 2025



National Road 13 Expansion
Exp. Construction: 2025



Truong Chinh Road Expansion
Exp. Construction: 2024-2028

Southern Provinces Projects



My Thuan 2 Bridge (Tien Giang)
Completed: 2023



Long Thanh Airport (Dong Nai)
Exp. Completion: 2026

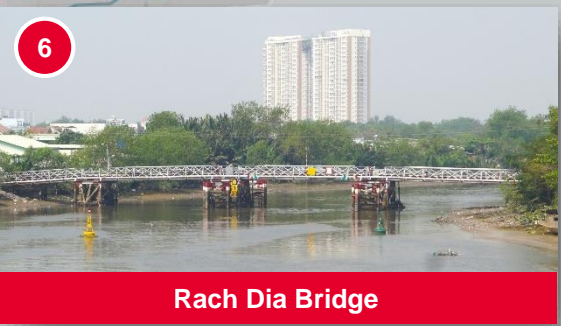
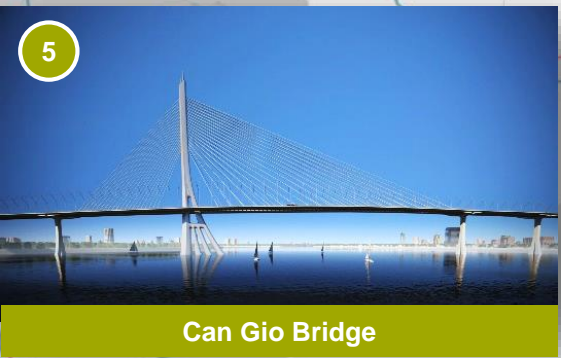
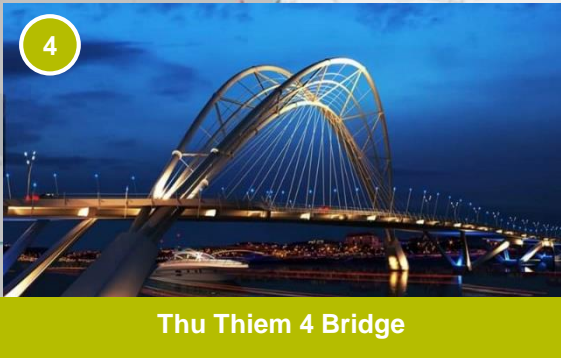
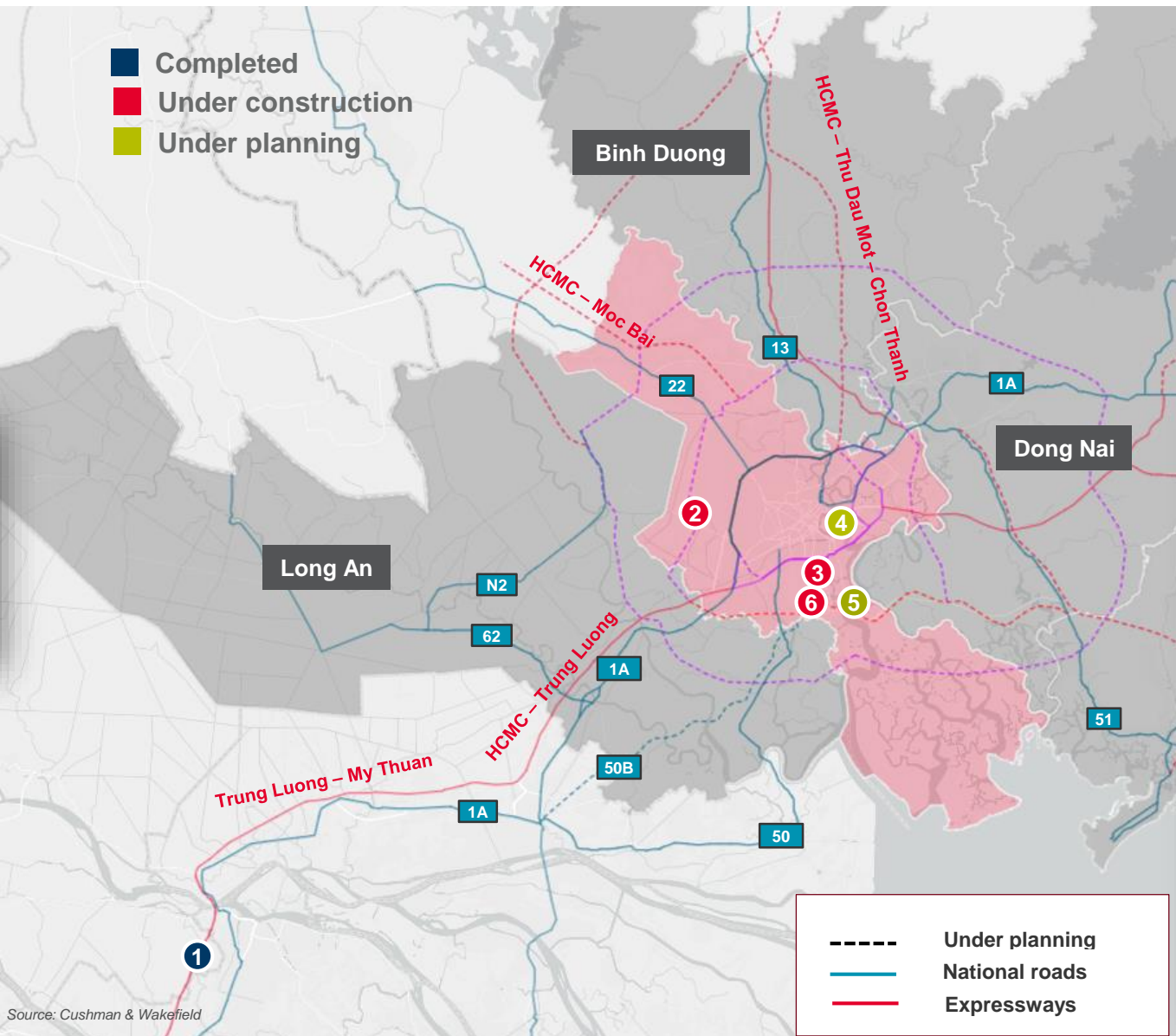


Bien Hoa – Vung Tau Highway
Exp. Completion: 2025



**National Road 13
(Binh Phuoc – Binh Duong)**
Exp. Completion: 2025

INFRASTRUCTURE



INFRASTRUCTURE

INFRASTRUCTURE STARTED IN Q4 2023



INAUGURATION OF MY THUAN – CAN THO EXPRESSWAY

Total investment: VND4,826 bil.
~ US\$201 mil.)

The route is 23km long and 17m wide with 4 lanes, passing through Vinh Long and Dong Thap Provinces. The completion of the project is expected to shorten the travel time from HCMC to the Southwestern region to just over two hours.



RECONSTRUCTION OF TANG LONG BRIDGE

(after 4 years of delay
Total investment: VND688 bil.
~ US\$28.1 mil.)

According to the original plan, the project will be completed in 2019. However, due to the compensation and site clearance issues, the project has stopped construction for 4 years. The reconstruction is expected to be completed by September 2024.



RENOVATION OF XUYEN TAM CANAL

Total investment: VND9,664 bil.
~ US\$39.6 mil.)

Both sides of the canal are built with 2-lane traffic roads on each side with green areas, parks and lighting. The section through Go Vap district is expected to be completed in April 2025 while the section through Binh Thanh district is expected to be completed by April 2028.

LEGAL UPDATES

TWO IMPORTANT NEW LAWS OF REAL ESTATE MARKET HAS BEEN APPROVED



APPROVAL FOR AMENDMENTS IN REAL ESTATE BUSINESS LAW

Notable changes

- Deposit no more than 5% of the selling price of future housing.
- A real estate brokerage business only needs one person to have a real estate brokerage certificate instead of two people as in the current Law.
- Individuals practicing real estate brokerage must have a real estate broker license and practice in a real estate exchange service enterprise or a business enterprise in Vietnam.
- Disclosing information of the property, and the real estate project when put into business.
- Many changes in real estate business contracts.




APPROVAL FOR AMENDMENTS IN HOUSING LAW

Notable changes

- Developers are exempt from land use fees and land rents for the entire land area of the social housing project.
- The standard profit of the social housing project can not exceed 10% of the total construction investment cost.
- Add in two groups of subjects that are qualified to benefit from social housing support policies.
- Within the 5-year period, social housing (fully paid) can only be transferred to social housing developers or other qualified buyers at a price not exceeding the initial price in the Sales Purchasing Agreement (SPA).

APARTMENT



Ultra Luxury: > US\$ 10,000 per sqm
Luxury: US\$ 4,500 - 10,000 per sqm
High-end: US\$ 3,000 - 4,500 per sqm
Mid-end: US\$ 1,500 - 3,000 per sqm
Affordable: < US\$ 1,500 per sqm

New supply
2023

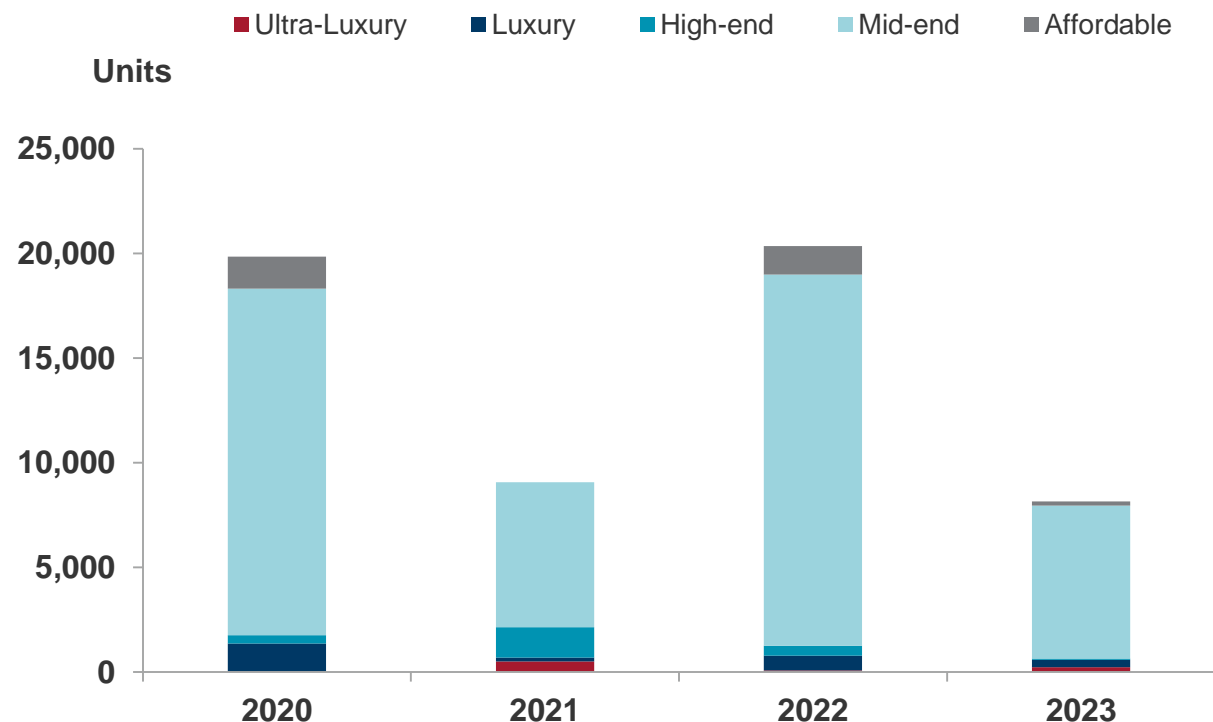
8,147 units -60% YoY

New supply
Q4 2023

1,741 units -54% QoQ
+8% YoY

Primary supply
Q4 2023

6,922 units -14% QoQ
+12% YoY



The Privia
(1.8ha, Khang Dien)



Grand Marina Saigon
(10ha, Masterise Homes)



Elysian
(2.8ha, Gamuda Land)



Akari City
(8.5ha, Nam Long Group)

In Q4 2023, more than 1,700 new units were launched into the market, 54% down compared to the previous quarter and 8% higher YoY. The Mid-end segment continued dominating the current market, most of which came from The Privia (Binh Tan District) and Elysian (Thu Duc City), accounting for 85% of the total new supply.

However, the decrease in new units for sale was mainly due to the lack of new supply in primary projects as a majority of developers are still in the process of completing legal procedures and looking for better market sentiment.

HCMC APARTMENT

PROJECTS WITH TRANSPARENT LEGALITIES STOOD OUT IN THE PUBLIC EYES



Sales volume 2023

7,797 units -57% YoY

Sales volume Q4 2023

1,738 units -44% QoQ
+3% YoY

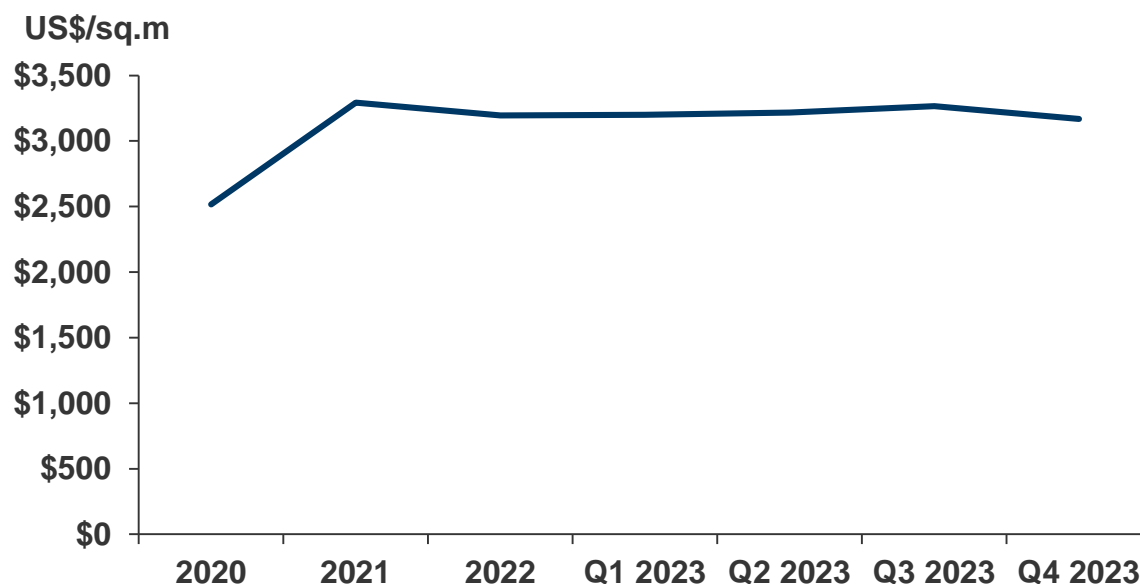
Absorption rate Q4 2023

25.1%

Avg. primary price Q4 2023

3,168 US\$/sq.m -3% QoQ
-1% YoY

HCMC APT AVG. PRIMARY PRICE 2020 - 2023



Similar to the new supply, sales volume in Q4 2023 reached around 1,700 units sold. The Privia was observed good sales performance and contributed to the majority of the market sales volume thanks to its transparent legal status, active marketing campaign, and attractive commission policy.

The overall market still recorded a low absorption rate mainly due to the global economic recession and the cautious mindset of buyers. Nonetheless, developers who offer flexible payment schemes and have transparent and legal status will stand out in the public eye.

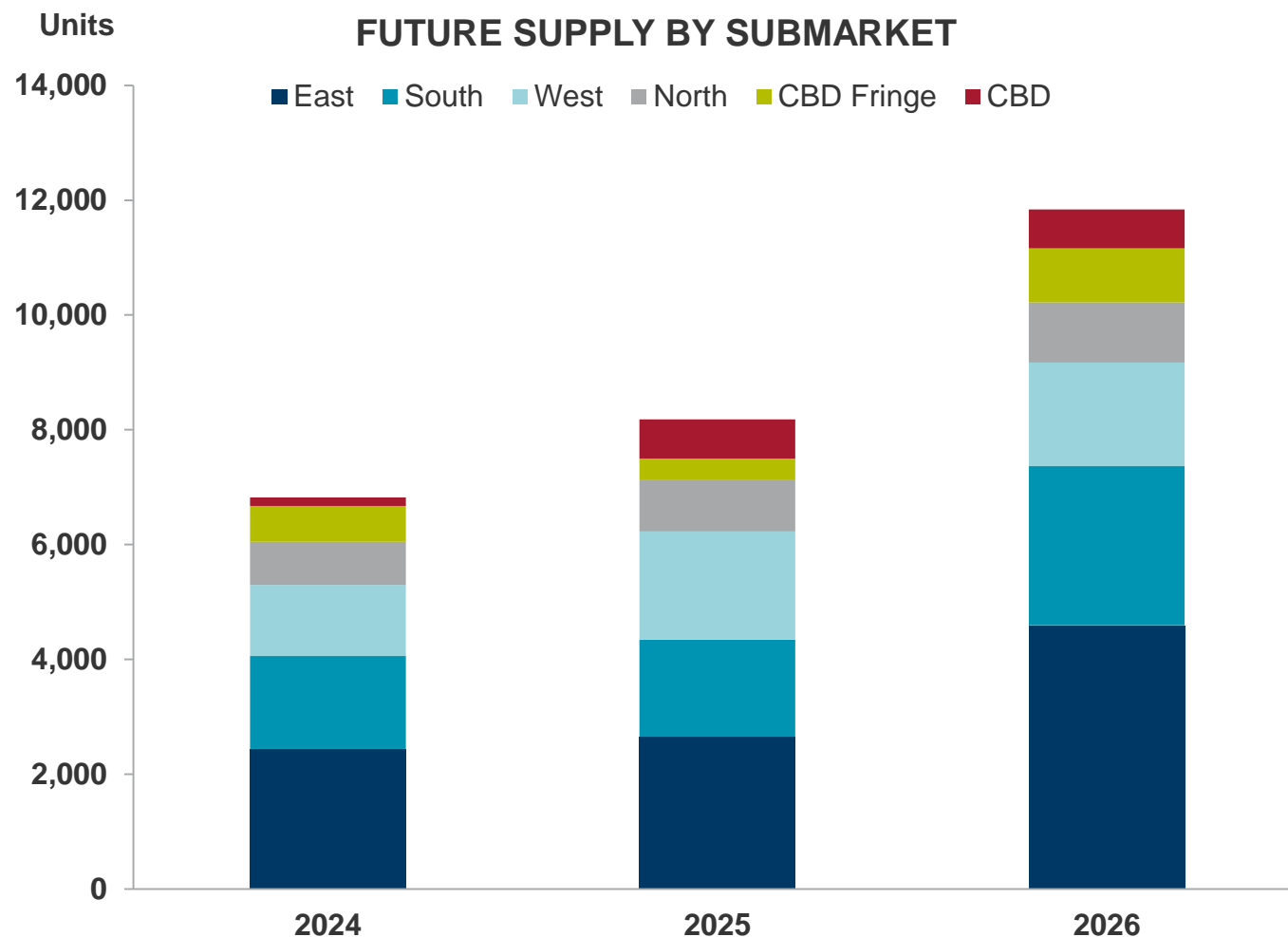
Due to the Mid-end segment dominating the current market, along with the absence of primary supply from upper segments, the average primary price recorded a slight decrease of 3% compared to the previous quarter, reaching approximately US\$3,168 psm. On project basis, most of the primary projects kept the selling price unchanged.

Note: Average primary price is calculated based on NSA, exclusive of VAT and 2% maintenance fee
US\$/VND = 24,400 as of Q4 2023

Source: Cushman & Wakefield

HCMC APARTMENT

THE EAST, SOUTH AND WEST ARE THREE MAIN HUBS OF FUTURE SUPPLY



Future supply - 2024 to 2026

27,000 units

As the land banks are narrowing down and limited in the inner districts, the supply spreads out to further areas following the infrastructure improvement direction. With the establishment of Thu Duc City and abundant landbanks available, the East is expected to continue dominating the market with a significant stock in the pipeline.

With the new legal framework going into effect in 2025, the market promises a strong recovery with a more positive market sentiment and a more transparent & healthier business environment.

LANDED PROPERTY



HCMC LANDED PROPERTY

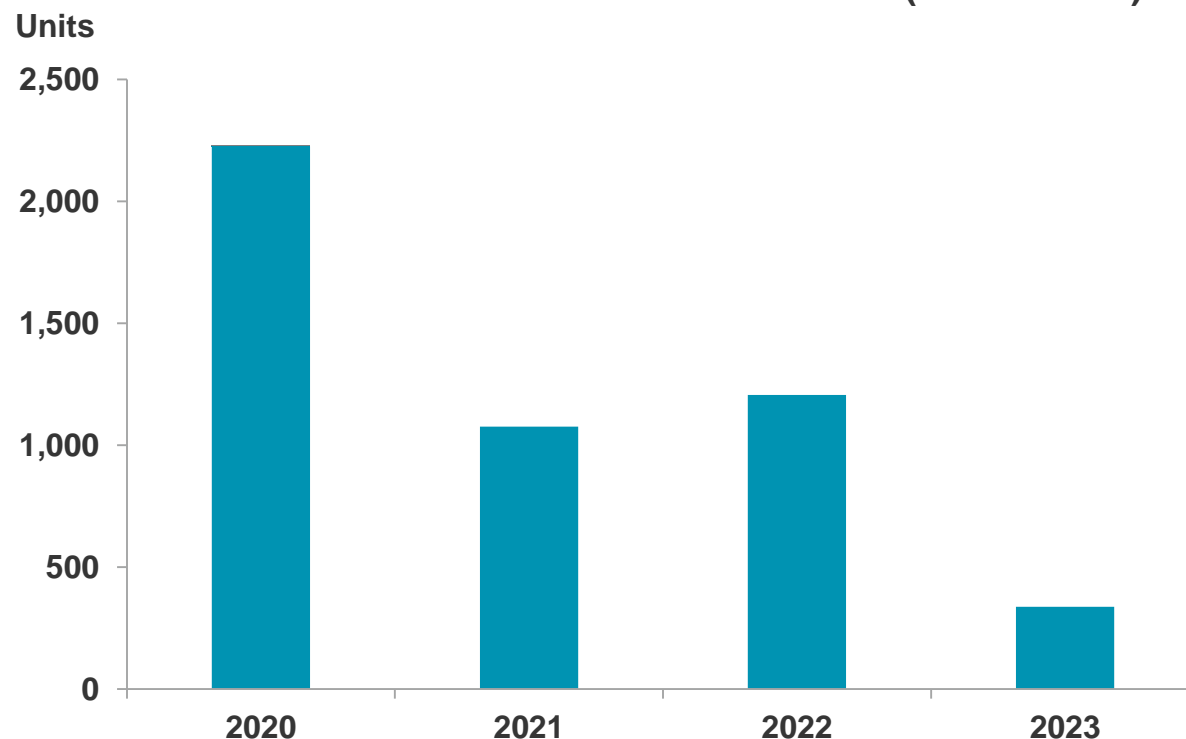
THU DUC CITY CONCENTRATES NEW PROJECTS

New supply 2023 338 units	New supply Q4 2023 0 units	Primary supply Q4 2023 393 units	-15% QoQ -50% YoY
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-72% YoY

-15% QoQ
-50% YoY

HCMC LANDED PROPERTY NEW SUPPLY (2020 – 2023)



Source: Cushman & Wakefield



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)

There was no new supply entering the market in Q4 2023 due to local low market sentiment and economic constraints.

The 2023 new launch predominantly originated from continuous phases of township projects, with a particular focus on Thu Duc City. Recently, HCMC has faced a shortage of available land bank to develop landed property projects.

HCMC LANDED PROPERTY

Sales volume 2023

551 units -42% YoY

Sales volume Q4 2023

63 units -11% QoQ
-64% YoY

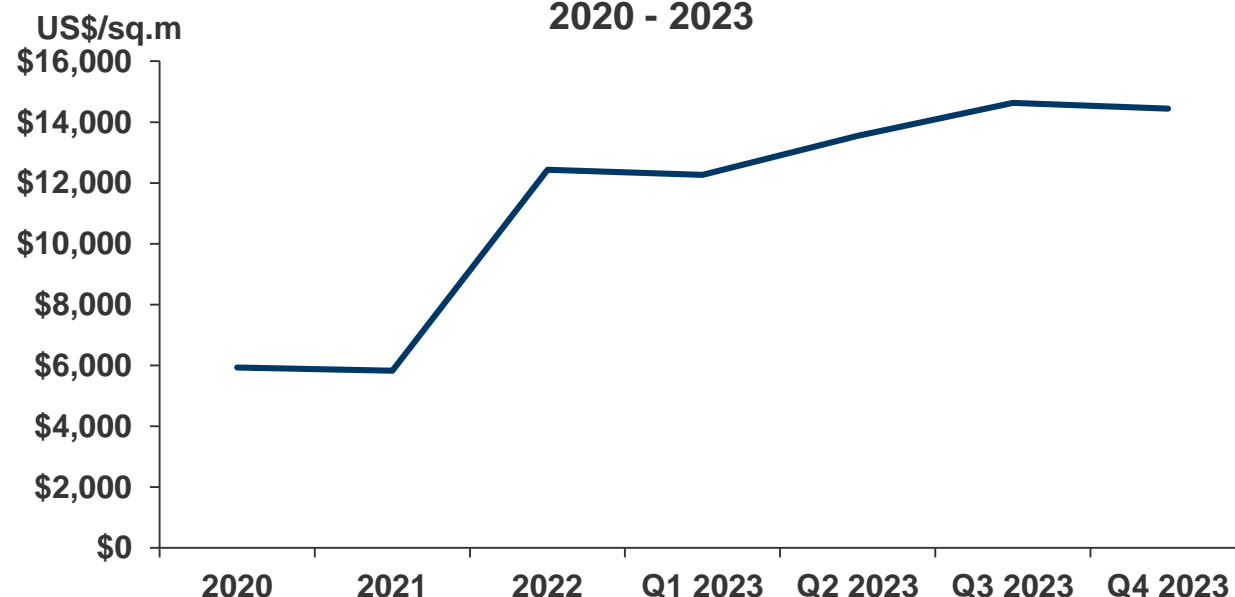
Absorption rate Q4 2023

16%

Avg. primary price Q4 2023

14,442 US\$/sq.m -1% QoQ
+16% YoY

HCMC LANDED PROPERTY AVG. PRIMARY PRICE 2020 - 2023



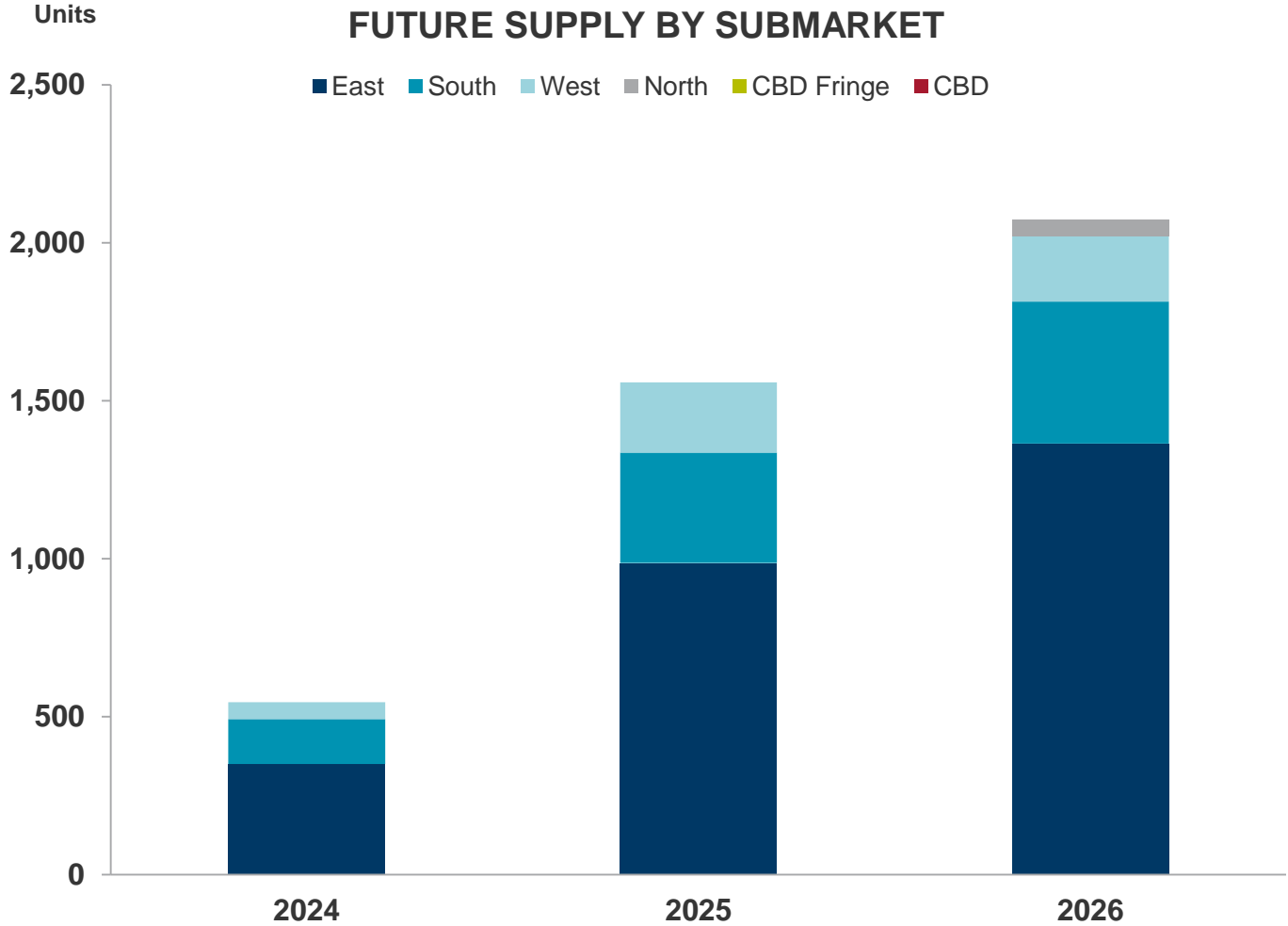
Note: Average primary price is calculated based on land area, exclusive of VAT
US\$/VND = 24,400 as of Q4 2023

Source: Cushman & Wakefield

Sale volume saw a notable decrease compared to year-on-year. The majority of primary supply is located in projects with higher-than-average selling prices. These projects have more selective buyers; therefore, they influenced the limited total sale volume of 2023.

A notable share of the market's primary supply is located in projects in Thu Duc City. Subsequently, Thu Duc City is increasing its effects on the market average primary price. This resulted in HCMC's landed property average primary price continuing to increase in 2023, reaching nearly US\$14,500 psm.

In general, HCMC's landed property market sentiment in 2023 was weaker than the previous, in line with the wait-and-see of the majority of Vietnam buyers. Amid the quiet period of the real estate market and the uncertainty of the global & and Vietnam economy, real estate assets with low liquidity are not the investment priority of investors.



Future supply – 2024 to 2026

4,200 units

HCMC looks to continue urbanization to lesser-dense areas in Thu Duc City and Nha Be District. Thu Duc City looks to launch the most incoming future landed property supply from its readily available landbanks and fast-paced infrastructure network growth.

A notable portion of incoming future supply is expected from mid-scale projects (around 200 units) and the following phases of existing township projects.

Source: Cushman & Wakefield

OFFICE



OFFICE – CURRENT SUPPLY

INFLUX OF NON-CBD NEW GRADE A SUPPLY IN 2023

New supply in 2023

95,800 sq.m

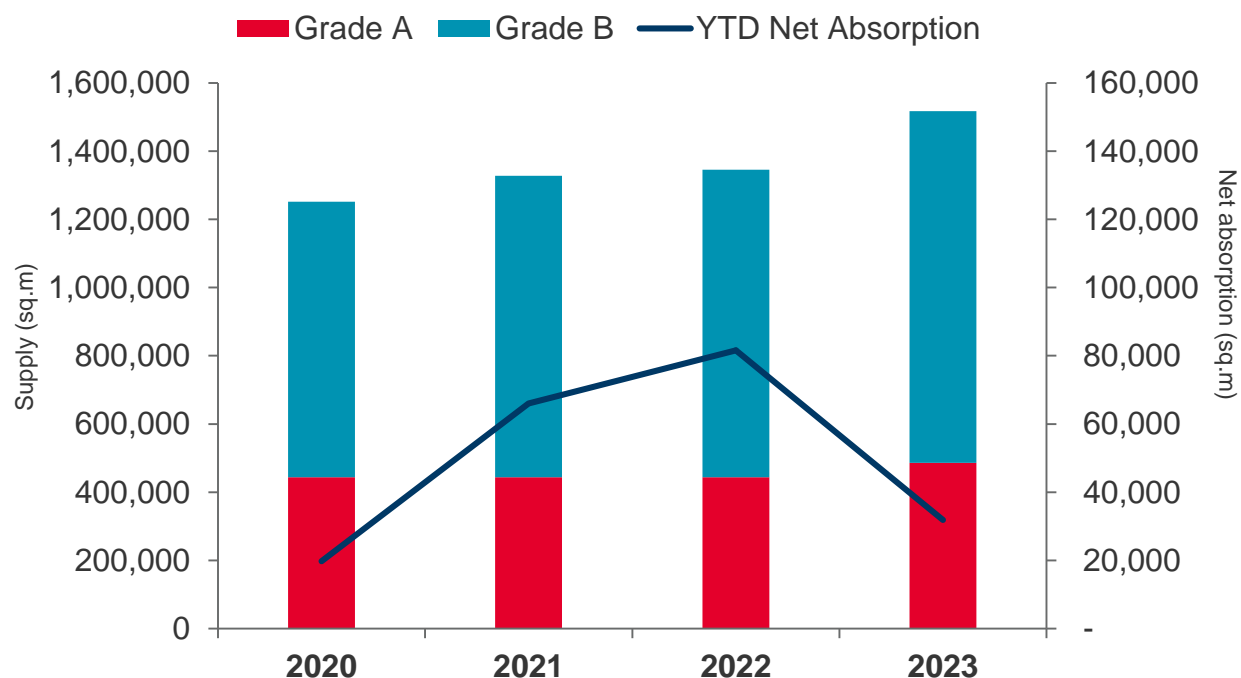
YTD Net absorption in 2023

31,900 sq.m

Total supply Grade A & B

1.5 mil. sq.m Stable QoQ;
+6.7% YoY

HCMC OFFICE GRADE A&B SUPPLY AND ABSORPTION



- In 2023, 2 Grade A and 2 Grade B projects were added to the market, contributing a total of 95,800 sq.m to HCMC Office supply. Therein, both Grade A projects are in Thu Thiem New Urban Area.
- Manufacturing, Banking & Finance, Real Estate & Coworking are the top three most active industries in terms of leasing activities in 2023, accounting for ¾ of total transacted space this year.
- Net absorption in 2023 is estimated at 31,900 sq.m, mainly contributed by absorption at new Grade A supply in Non-CBD area. These projects achieved occupancy of about 30-50% at the time of launching, hinting at tenant's increased willingness to consider options outside the CBD area.

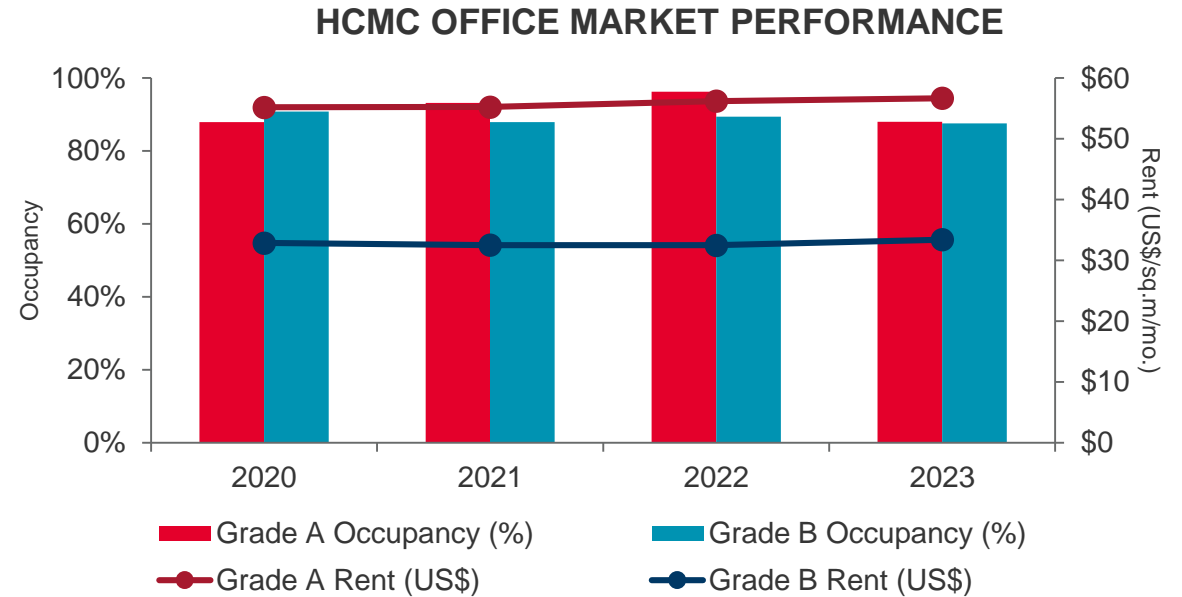
Source: Cushman & Wakefield

OFFICE – PERFORMANCE

MARKET REMAINS RESILIENT AMID UNCERTAINTY

	Grade A	Grade B
Occupancy	88% +0.2ppts QoQ; -8.3ppts YoY	88% +1.2ppts QoQ; -1.8ppts YoY
Average Rent	\$57 /sq.m/mo. +0.7% QoQ; +0.9% YoY	\$33 /sq.m/mo. +0.2% QoQ; +2.3% YoY

All rents are inclusive of SC but exclusive of VAT
US\$/VND = 24,400 as of Q4 2023



Source: Cushman & Wakefield

- Occupancy for both Grade A&B dropped compared to last year, mainly coming from new project entry, alongside notable tenant movement to their own headquarters building, returning a large amount of space to the office-for-lease market.
- Rent remains relatively stable for both Grade A&B with less than 1.0% growth QoQ, recorded at US\$57/sq.m/month and US\$33/sq.m/month, respectively. Grade B witnessed a 2.3% YoY rent growth, which came from rent adjustments at buildings that have been fully occupied for a long time.

- As fiscal constraints continue, tenants remain cost-conscious and reserve less budget on office leasing. Therefore, some landlords are willing to offer more attractive asking rents, even among Grade A buildings in the CBD area.
- On the other hand, tenants who can afford to capitalize on this tenant-favorable-leaning market situation may catch this opportunity to upgrade their office space. Several landlords of old buildings in the CBD also take this opportunity to renovate to enhance their properties' competitiveness once the market has recovered.

OFFICE – FUTURE SUPPLY

FOUR MORE GRADE A PROJECTS EXPECT TO COMPLETED IN SAIGON RIVER WATERFRONT AREA



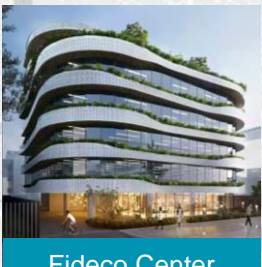
e.Town 6
2024 – 36,800 sq.m



Victory Tower
2024 – 12,500 sq.m



D.' Saint Raffles
2025 – 7,000 sq.m



Fideco Center
2023 – 3,340 sq.m



Marina Central Tower
2025 – 67,600 sq.m



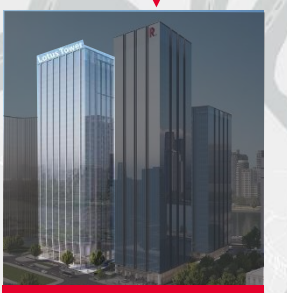
Nexus Tower
2024 – 32,600 sq.m



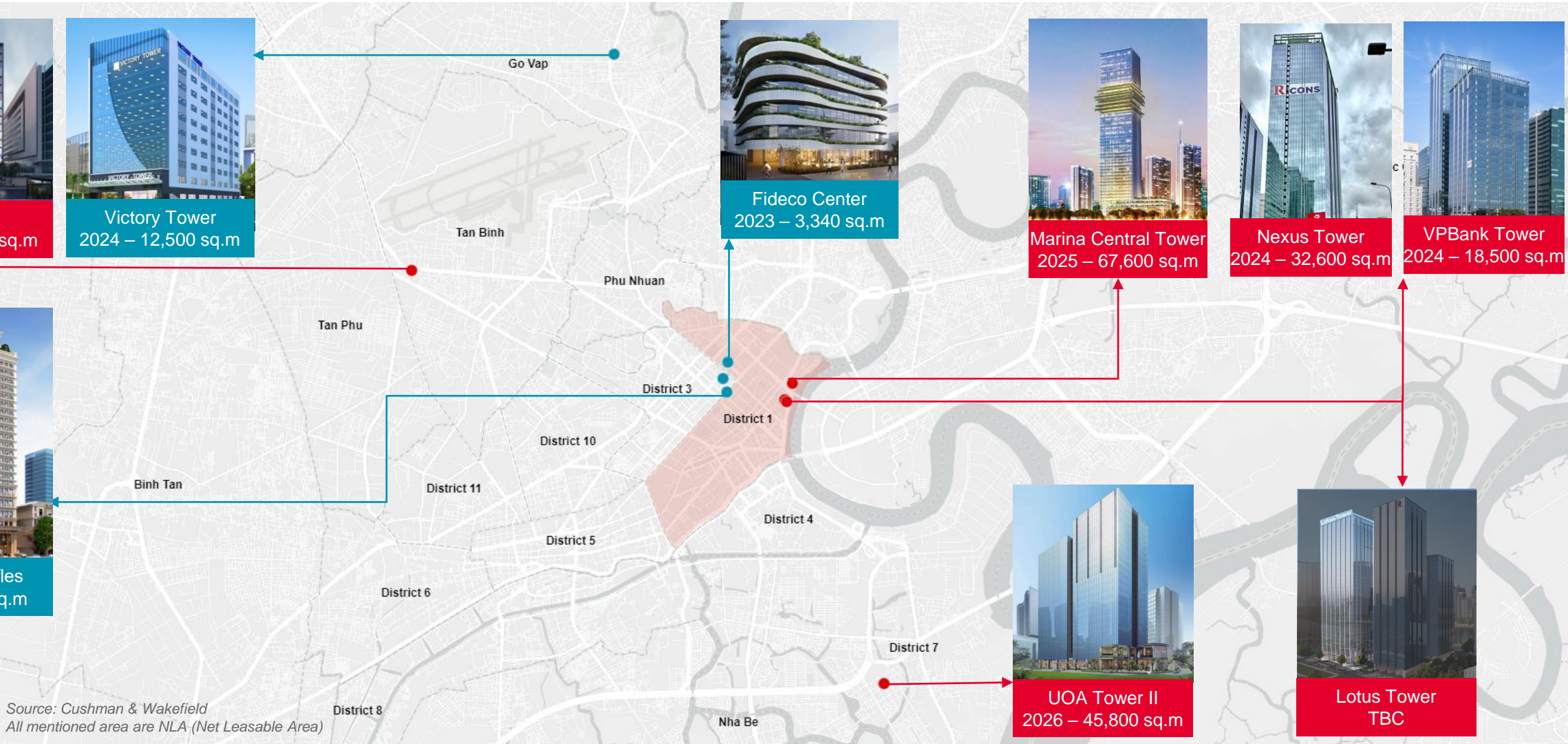
VPBank Tower
2024 – 18,500 sq.m



UOA Tower II
2026 – 45,800 sq.m



Lotus Tower
TBC



Source: Cushman & Wakefield
All mentioned area are NLA (Net Leasable Area)

- Legend:
- Grade A
 - Grade B

RETAIL



RETAIL - OVERVIEW

ONE NEW PROJECT COMPLETED IN NON-CBD AREA IN Q4 2023

Total Active Supply

1.08 mil sq.m +0.4% QoQ;
+2.2% YoY

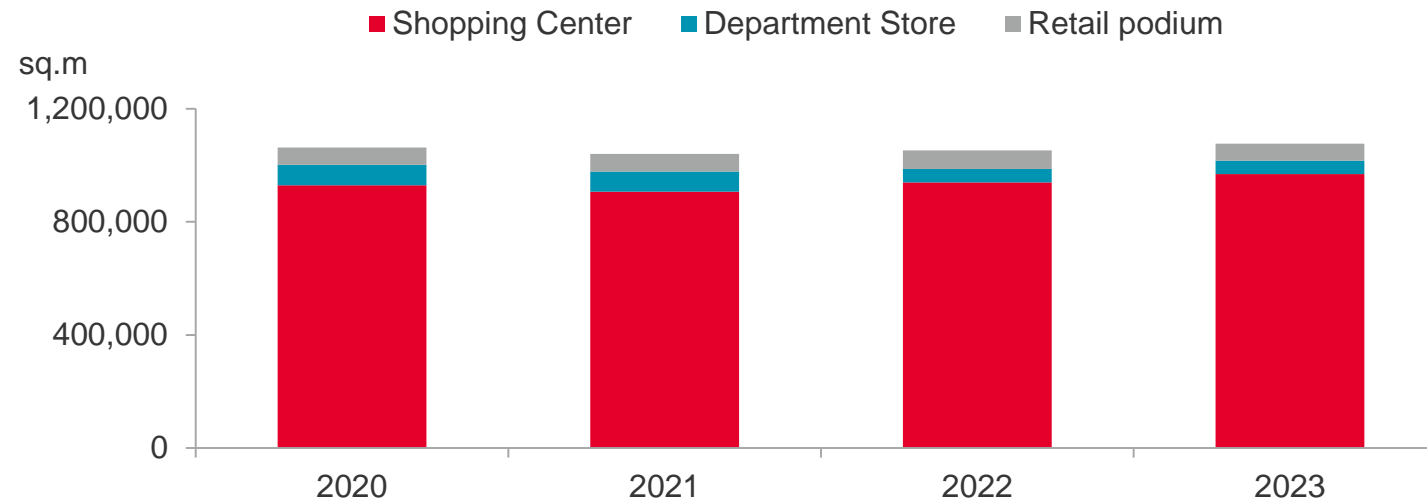
New supply Q4 2023

20,462 sq.m

New supply 2023

45,462 sq.m

HCMC TOTAL RETAIL SUPPLY



Source: Cushman & Wakefield



New shopping center in Go Vap District, Q4 2023

- **Thiso Mall Truong Chinh - Phan Huy Ich** opened in Go Vap District in December 2023.
- In 2023, two new projects (Hung Vuong Plaza and Thiso Mall Truong Chinh - Phan Huy Ich) added a total of 45,500 sq.m to the market.
- Currently, the two largest supply contributors to HCMC retail market are The North and The East, accounting for 26% and 25% respectively.

RETAIL – PERFORMANCE & FUTURE SUPPLY

STABLE MARKET CONDITION IS OBSERVED

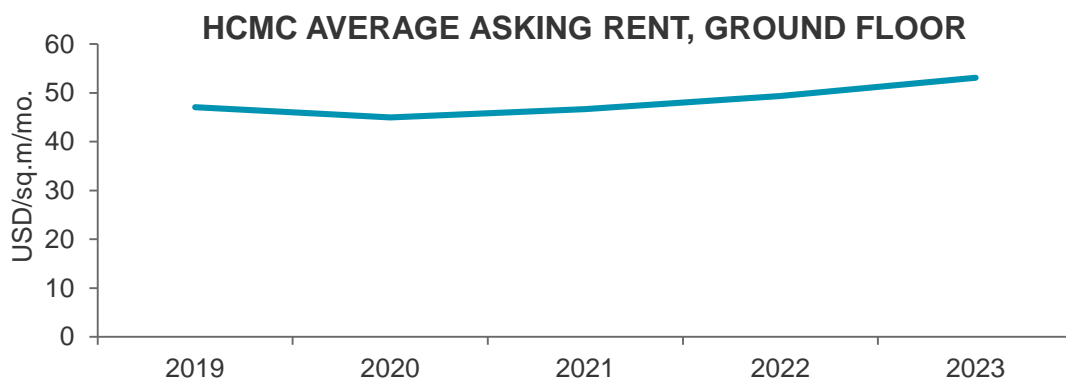
Occupancy

89.7% +0.2 ppts QoQ
+1.9 ppts YoY

Average GF asking rent

53.1 +2.1% QoQ
+7.6% YoY

US\$/sq.m/month



Source: Cushman & Wakefield
All rents are inclusive of service charges and exclusive of VAT
US\$/VND = 24,400 as of Q4 2023

Occupancy: relatively stable QoQ, and increased by 1.9 ppts YoY, driven by good occupancy of recent projects. Besides, 2023 has been an eventful year with multiple projects undergoing transformation or planning to carry out their renovation plan.

Rent: Rent growth was driven by rent adjustment at a few projects, as well as the entry of 2 new projects: Hung Vuong Plaza (Q3) and Thiso Mall Truong Chinh – Phan Huy Ich, resulting in a 7.6% YoY increase and 2.1% QoQ increase in rent.

Future supply 2024 – 2026+



Park Hills Palace
(Go Vap, 8,100 sq.m,
CityLand)



**Vincom Megamall
Grand Park**
(Thu Duc City, 36,000 sq.m,
Vincom)



Marina Central Tower
(District 1, 18,000 sq.m,
Materise Homes)



**Central Premium
Plaza**
(District 8, 16,000 sq.m,
Quoc Cuong Gia Lai)



Parc Mall
(District 8, 35,000 sq.m,
Van Thai Land)



Lancaster Legacy
(District 1, 18,500 sq.m,
Trung Thuy Group)

RETAIL – 2023 RECAP

AN EVENTFUL YEAR OF RETAIL REAL ESTATE



Thiso Mall Sala recorded a successful year after 1 year opening. The project establishes itself as the first shopping mall of Thu Thiem area.



Thiso Mall Truong Chinh – Phan Huy Ich was partially launched, with ground floor out of 4 floors operating. The rest of the project will be opening in H1 2024.



Pandora - BigC Truong Chinh renovated and re-positioned into **Go! Truong Chinh**. The foodcourt area of Pandora is temporarily closed & planned for renovation.



Hung Vuong Plaza was re-opened in August 2023. The project was re-positioned and renovated to shopping center after 15 years operating of Parkson as a department store.

And **+ 4 shopping centers**
in both CBD and Non-CBD are planning to **renovate in 2024**

RETAIL – 2023 RECAP

ENTRY AND EXPANSION OF RETAILERS WERE GOING STRONG



New opening at Union Square



New store at Diamond Plaza



2 first stores in HCMC



First branch with high-end cinema experience



New opening at Union Square



Fitting out at Hung Vuong Plaza



3 first stores in HCMC



2 first branches in HCMC



New opening at Union Square



3 new stores in Vietnam in 2023



3 first stores in HCMC



Launched at Gigamall



2 new stores in HCMC & Hanoi



2 first stores in Hanoi & HCMC



3 first stores in HCMC



New branch at AEON Mall Binh Tan



New opening at Thiso Mall



7 new stores Vietnam in 2023



1st store in HCMC (soon)



Flagship store at Vincom Dong Khoi



First flagship in District 1



1st store at Hung Vuong Plaza



1st store in HCMC in Jan 2024



2 first branches in HCMC and Hanoi



2 first stores in HCMC



Fitting out at Crescent Mall

RETAIL – 2023 RECAP

PREVALENCE OF EXPERIENTIAL RETAIL



Large retailers are expanding & launching new retail models with better segmentation, aiming to craft the shopping experiences for specific consumer groups.

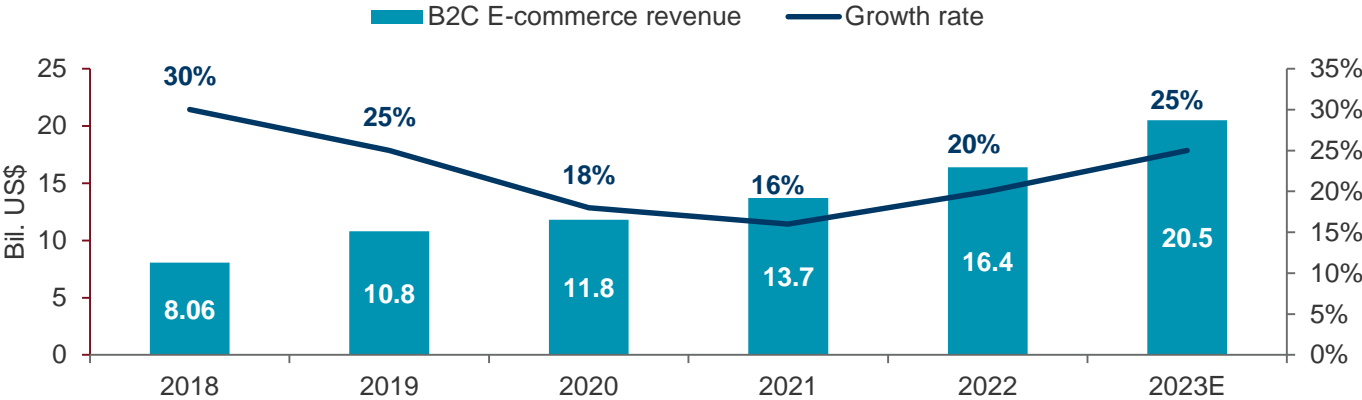


Amid the strengthening of omnichannel shopping, retailers & and developers are more invested in crafting their retail space to deliver comfortable, immersive, and diversified consumer experiences collaborating with online channels to maximize their sales.

RETAIL – 2023 RECAP

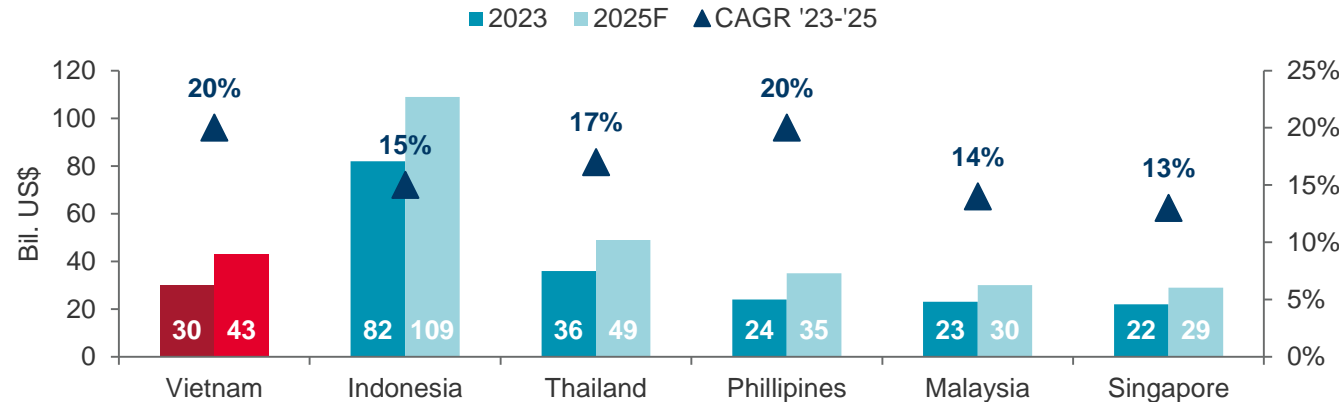
VIETNAM'S ECOMMERCE IS AMONG THE FASTEST GROWING IN THE SEA REGION

VIETNAM B2C ECOMMERCE REVENUE BY YEAR



Source: Vietnam eCommerce & Digital Economy Agency - "Vietnam Ecommerce Report 2023"

DIGITAL ECONOMY GROSS MERCHANDISE VALUE*



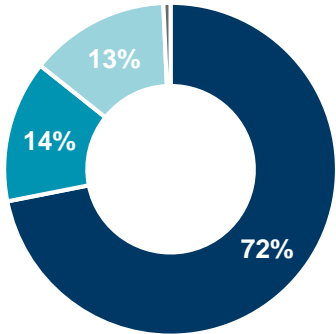
Source: Google, Temasek, Bain & Company – "SEA e-Economy 2023"

*"Digital economy" comprises of E-commerce, Transport & food, Online travel, Online media, and Financial services

B2C E-commerce estimated to contribute

Approx. 8% in total retail sales & services revenue 2023

MARKET SHARE ON REVENUE OF E-COMMERCE PLATFORMS



■ Shopee
■ TikTok
■ Lazada
■ Tiki

Source: Metric.vn
Access in January 2024,
revenue data of 180-day period

KEY E-COMMERCE TRENDS



Omni-channel shopping



Mobile commerce



Social commerce



Cross-border e-commerce

INDUSTRIAL & LOGISTICS



SOUTHERN INDUSTRIAL MARKET – IP LAND

ASKING PRICES INCREASED AMID STRONG DEMAND TOWARDS IP LAND AND LIMITED LAND BANK AVAILABLE

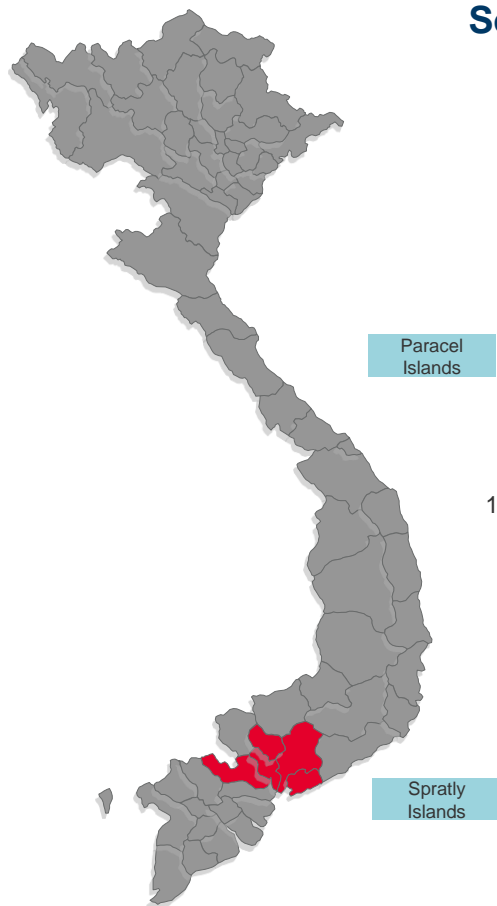
Southern Key Economic Region (SKER)

Total leasable land (ha)
~ 28,000 unchanged QoQ
+0.6% YoY

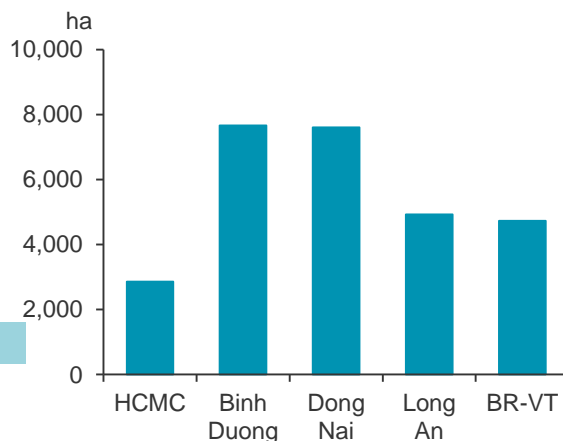
Occupancy
~ 82% +0.3 ppt QoQ
+0.6 ppt YoY

Average primary asking price (US\$/sq.m/term) (*)
US\$ 168 +1.1% QoQ
+4.7% YoY

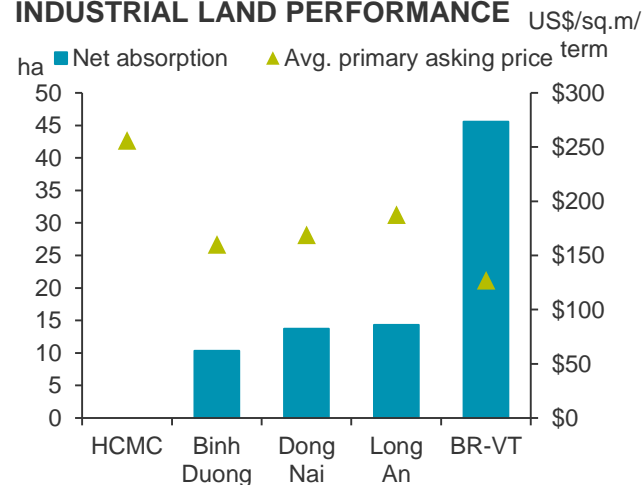
Net Absorption (ha) Q4 2023
~ 84



INDUSTRIAL LAND SUPPLY



INDUSTRIAL LAND PERFORMANCE



- In Q4 2023, no new supply of IP land was recorded.
- The net absorption of IP land in Q4 2023 was 84 ha, indicating the strong demand for IP land. Ba Ria – Vung Tau Province accounted for up to 54% of total net absorption this quarter thanks to two large investment projects in the Electronics and Chemicals sectors. Long An, Dong Nai, and Binh Duong contributed 17%, 16%, and 12% of total net absorption, respectively.
- The primary asking price of IP land was recorded at USD 168/sq.m/lease term, up 1.1% QoQ and 4.7% YoY due to limited IP land supply amid high demand.

SOUTHERN INDUSTRIAL MARKET – RBF

LEASING RBF IS AN ALTERNATIVE OPTION THANKS TO LOWER INVESTMENT COST

Southern Key Economic Region (SKER)

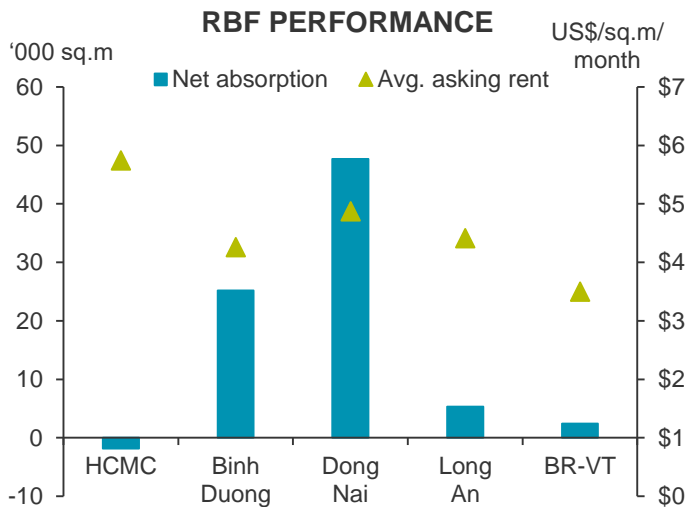
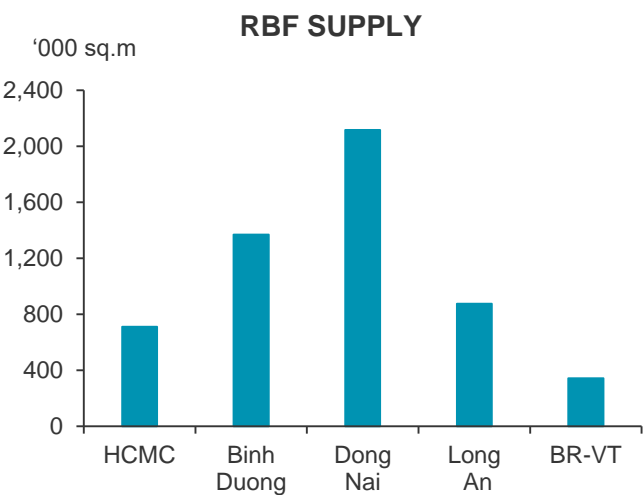


Total RBF supply (sq.m)
~ 5,400,000 +0.4% Q-o-Q
+3.2% Y-o-Y

Occupancy
~ 74% +1.2 ppt Q-o-Q
+3.8 ppts Y-o-Y

Average asking rent (US\$/sq.m/month) (*)
US\$ 4.7 stable Q-o-Q
+1.4% Y-o-Y

Net Absorption (sq.m) Q4 2023
~ 79,000



- The market welcomed one new RBF supply from the GT II Industrial Nhon Trach project in Dong Nai Province.
- Demand for RBF space this quarter originated not only from small and medium enterprises (SMEs) but also from large manufacturers. Given the limited IP land bank situation, several enterprises consider RBF an alternative option thanks to lower investment costs. Dong Nai and Binh Duong, two main RBF hubs, accounted for up to 52% and 39% of total net absorption this quarter, respectively.
- Rents of RBF remained stable QoQ, at US\$ 4.7/sq.m/month, increasing 1.4% YoY. On the project level, most developers now kept the rent stable.

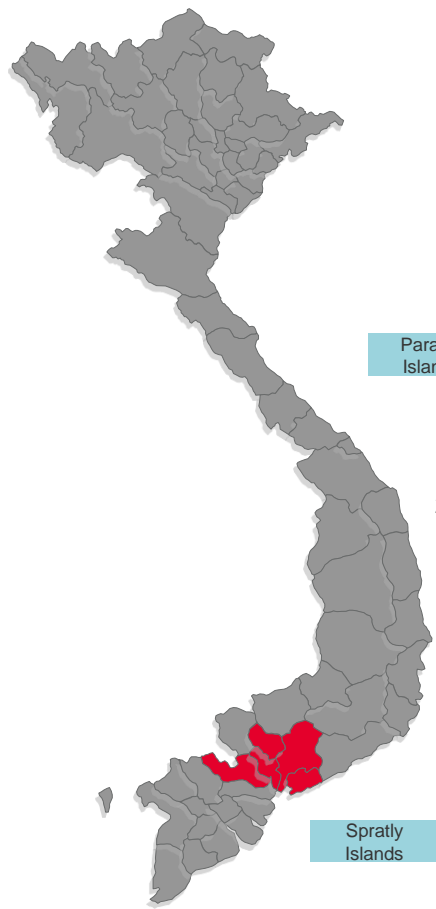
Source: Cushman & Wakefield

(*) Note: All rents are inclusive of SC but exclusive of VAT
US\$/VND = 24,400 as of Q4 2023

SOUTHERN INDUSTRIAL MARKET – RBW

DEMAND FROM MANUFACTURING AND EXPORT-DRIVEN SECTORS STILL NOT YET RECOVERED

Southern Key Economic Region (SKER)

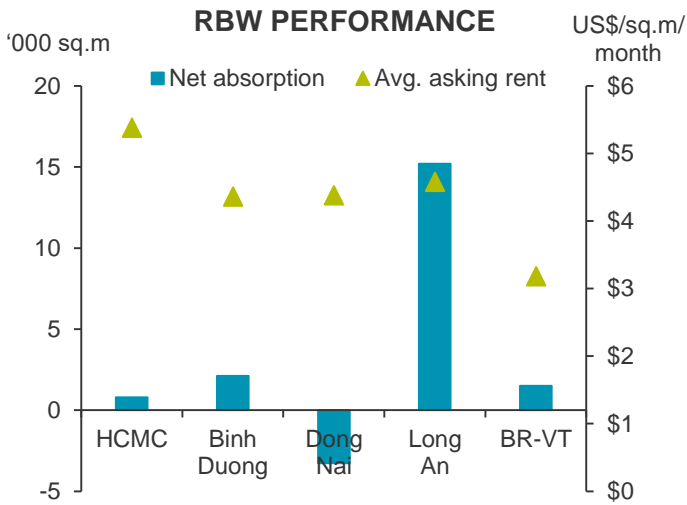
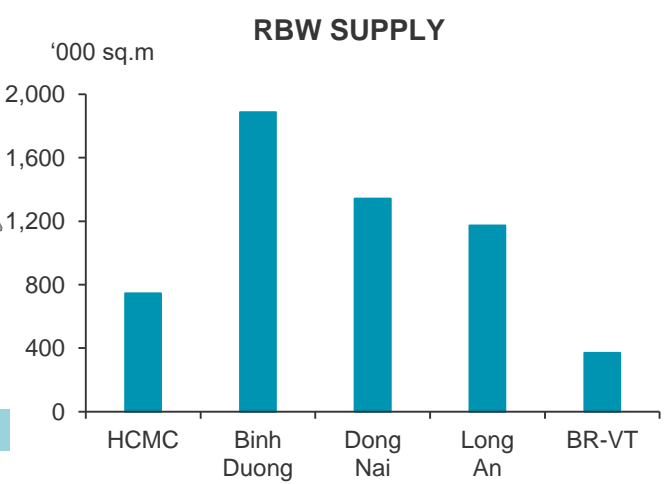


Total RBW supply (sq.m)
~ 5,500,000 +5.4% Q-o-Q
+11.2% Y-o-Y

Occupancy
~ 68% -3.3 ppts Q-o-Q
-5.8 ppts Y-o-Y

Average asking rent (US\$/sq.m/month) (*)
US\$ 4.5 +1.6% Q-o-Q
+2.9% Y-o-Y

Net Absorption (sq.m) Q4 2023
~ 16,000



- The market welcomed a huge new RBW supply of 280,000 sq.m from two projects in Long An Province, namely BW Xuyen A and LOGOS Long Hau.
- Demand from manufacturing and export-oriented sectors still has not yet recovered amid weakened global demand and an unstable economic outlook. Therefore, the overall demand mostly came from domestic purposes to stock goods before the year-end holidays. The total net absorption recorded was 16,000 sq.m.
- The average rent reached US\$ 4.5/sq.m/month, increasing 1.6% QoQ and 2.9% YoY thanks to the large influx of Grade-A RBW this quarter.

Source: Cushman & Wakefield

(*) Note: All rents are inclusive of SC but exclusive of VAT
US\$/VND = 24,400 as of Q4 2023

OUTLOOK

Future land supply (2024 – 2026F) ~ 6,127 ha	Future RBF supply (2024 – 2026F) ~2.2 million sq.m	Future RBW supply (2024 – 2026F) ~1.4 million sq.m
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- With the announcement and approval of overall provincial master planning (period 2021 – 2030, vision to 2050, the future IP land supply will continuously keep increasing and is forecasted to reach about 6,100 ha in the 2024 – 2026 period, thereby solving the limited situation of readily-available land banks in the SKER.
- The RBF market will welcome a future supply of about 2.2 million sq.m in the period 2024 – 2026. Demand for RBF in the future will be sustained by both large manufacturers and SMEs, following the wave of manufacturing FDI into Vietnam.
- There will be about 1.4 million sq.m of RBW entering the market in 2024 – 2026 period, two-thirds of which are located in Dong Nai Province.

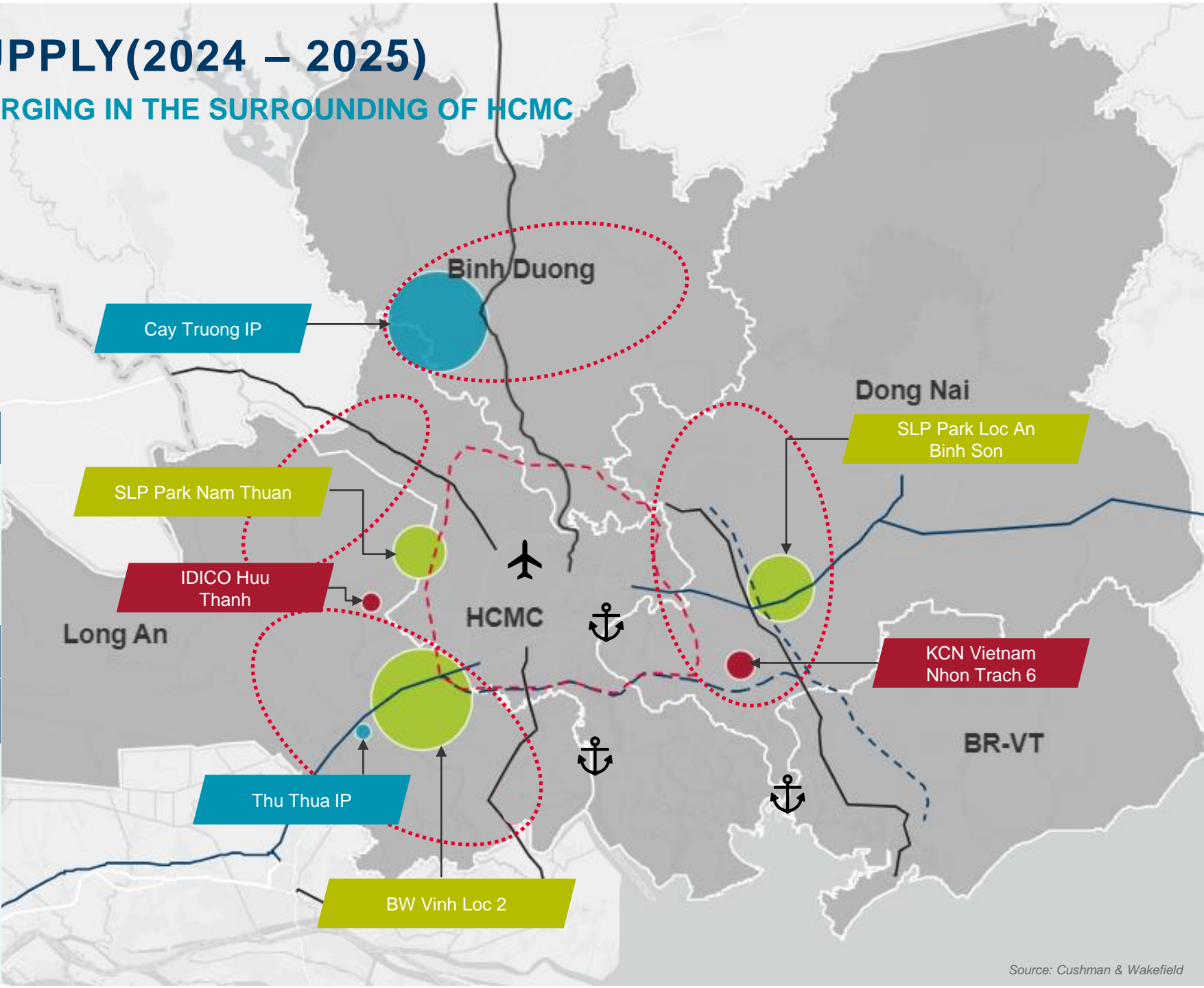
Property type	Supply CAGR (2024 – 2026F)
IP Land	6.9%
RBF	12.0%
RBW	7.4%

Source: Cushman & Wakefield

NOTABLE FUTURE SUPPLY(2024 – 2025)

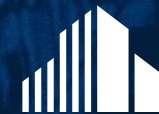
NEW WAREHOUSE HUBS ARE EMERGING IN THE SURROUNDING OF HCMC

LEGEND			
International Airport			
International Seaport			
Existing Industrial Hubs			
NOTABLE PROJECTS			
Industrial Land (ha)	RBF (sq.m)	RBW (sq.m)	
< 100	< 50,000		
100 – 150	50,000 – 100,000		
150 – 200	100,000 – 200,000		
> 200	> 200,000		





AT THE
CENTER OF
WHAT'S
NEXT



**CUSHMAN &
WAKEFIELD**

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