

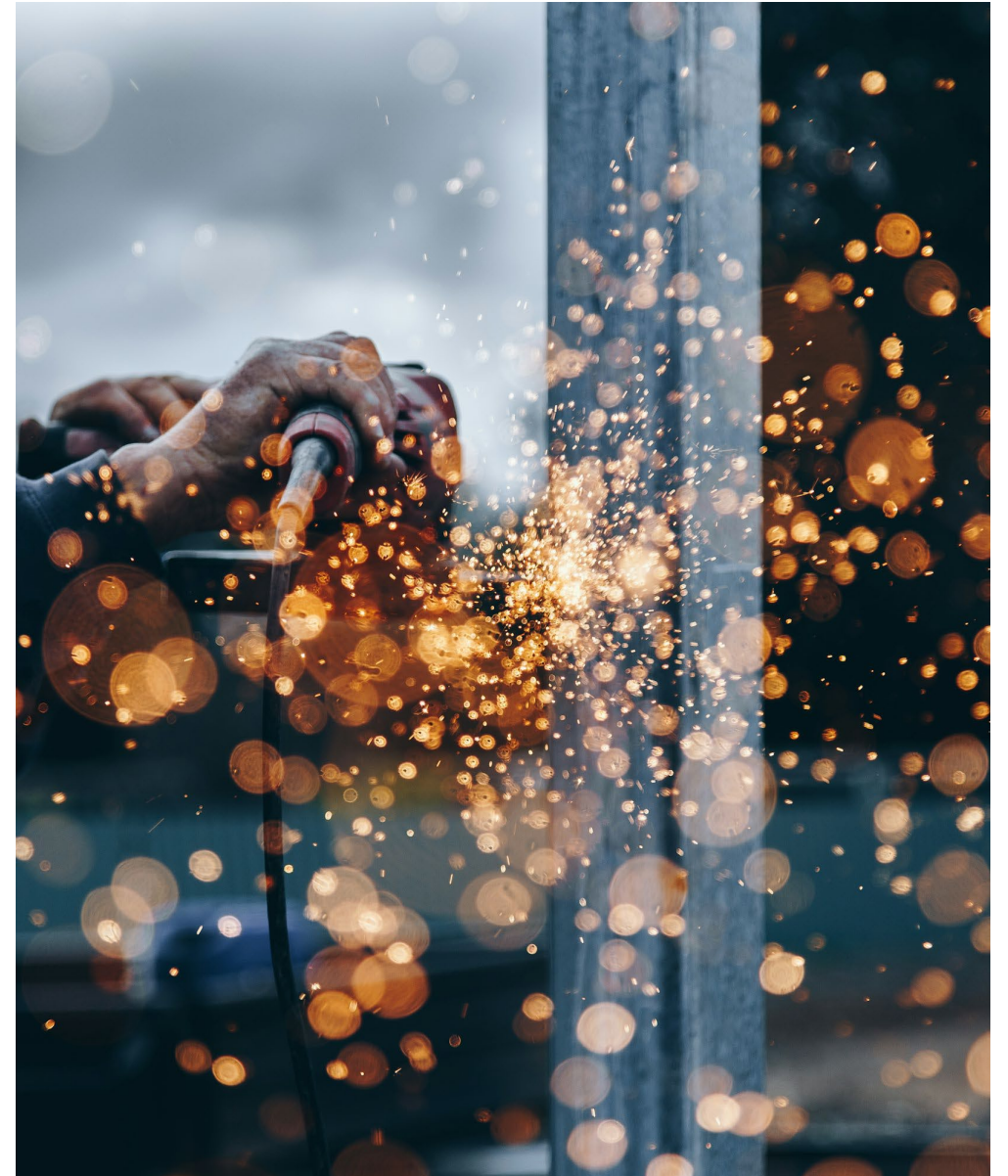
MARKETBEAT Q2 2024

HANOI

INDUSTRIAL

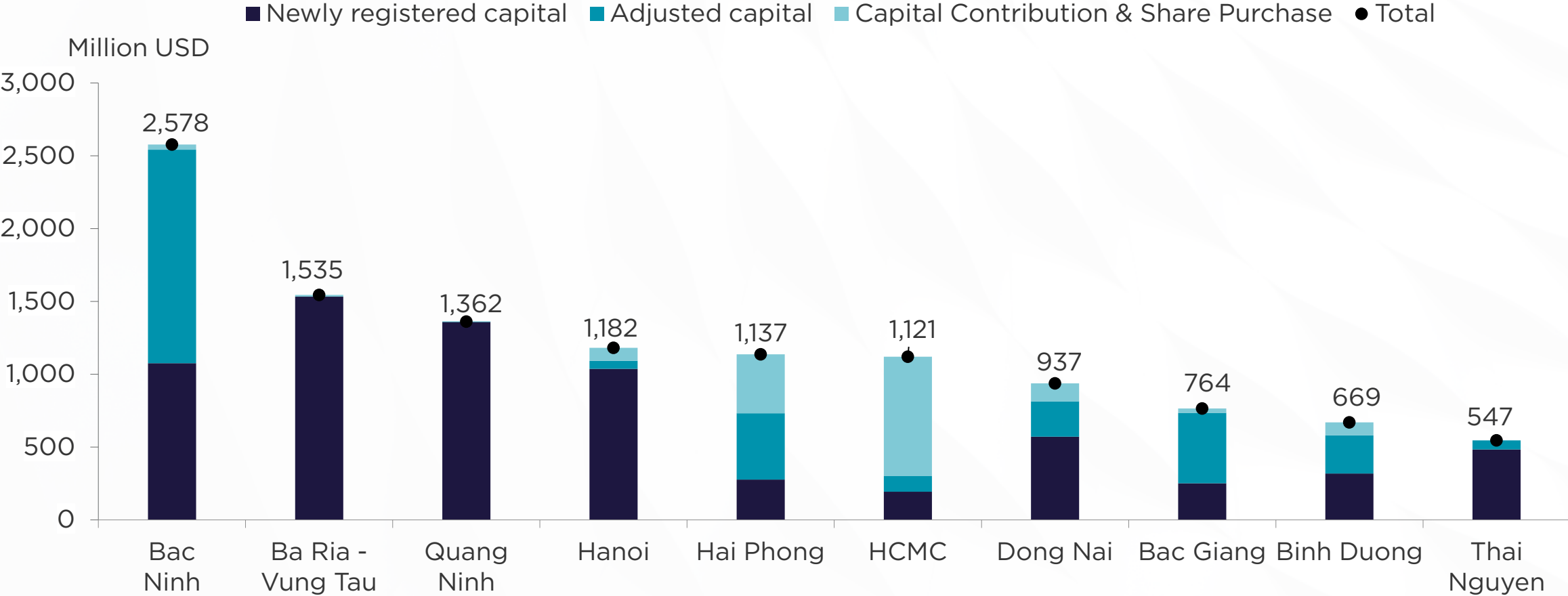
- *Industrial Park (IP) Land*
- *Ready-Built Factory (RBF)*
- *Ready-Built Warehouse (RBW)*

Better never settles



TOP FDI DESTINATIONS IN H1 2024

LEADING PROVINCES IN ATTRACTING FDI, H1 2024



NORTHERN INDUSTRIAL MARKET – IP LAND

HUGE INVESTMENT CAPITAL FLOW INTO IP LAND WITH MORE THAN 184 HA LAND ABSORBED

Northern Key Economic Region (NKER)

Total leasable land (ha)

~ 16,000 +6.6% QoQ
+9.7% YoY

Occupancy

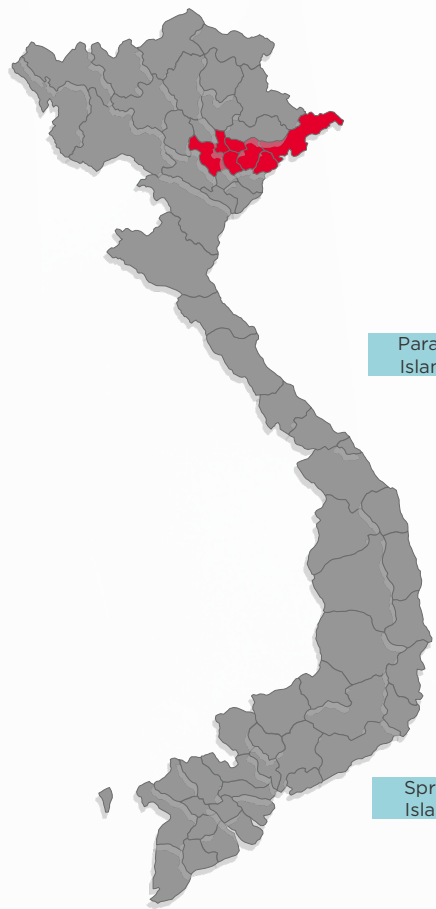
~ 69% -3.4 ppts QoQ
-2.3 ppts YoY

Average primary asking price (US\$/sq.m/term) (*)

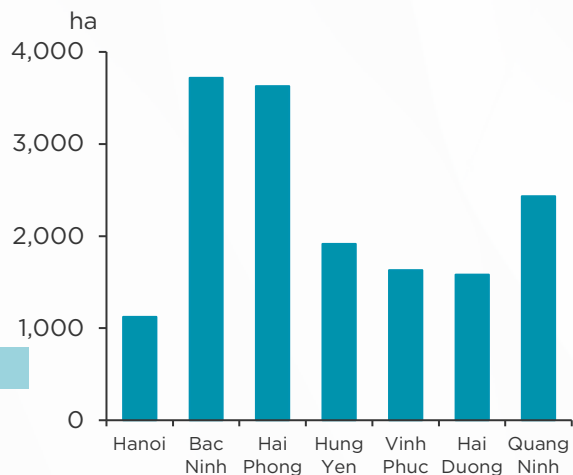
US\$129 +3.1% QoQ
+8.5% YoY

Net Absorption (ha) Q2 2024

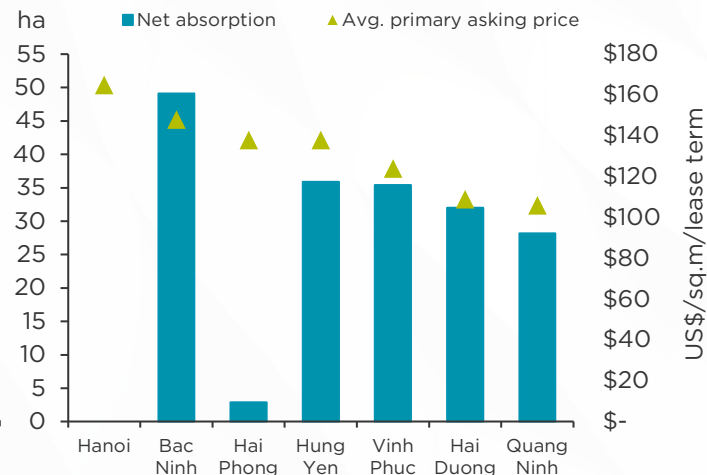
~ 184 +72.0% QoQ
+2.8% YoY



INDUSTRIAL LAND SUPPLY



INDUSTRIAL LAND PERFORMANCE



Source: Cushman & Wakefield

(*) Note: Average primary asking price is prices offered directly from IP developers, exclusive of VAT and management fee
US\$/VND = 25,500 as of Q2 2024

- Four new industrial parks (IP) projects were launched in the NKER: Gia Loc IP (Hai Duong Province), Xuan Cau Non-Tariff IP (Hai Phong City), Son Loi IP, and Song Lo II IP in Vinh Phuc Province, providing nearly 1,000 ha of leasable area into the market.
- Following the series of provincial master plan announcements and investment promotion activities, the NKER provinces continue to receive huge investment capital flows, demonstrated by the total net absorption of 184 ha. Bac Ninh Province continued to lead with nearly 50 ha absorbed. Other major industrial provinces such as Hung Yen, Vinh Phuc, Hai Duong, and Quang Ninh each recorded around 30 ha absorbed. Demand this quarter mostly came from Electronics, Machinery & Equipment, and RBF/RBW development.
- Amid high investment sentiment, the average primary asking price of IP land increased strongly, recorded at US\$129/sq.m/lease term, up 3.1% QoQ and 8.5% YoY.

NORTHERN INDUSTRIAL MARKET – RBF

MARKET SENTIMENT CONTINUED TO BE POSITIVE

Northern Key Economic Region (NKER)

Total RBF supply (sq.m)

~ 3,700,000 +5.7% QoQ
+18.6% YoY

Average asking rent (US\$/sq.m/month) (*)

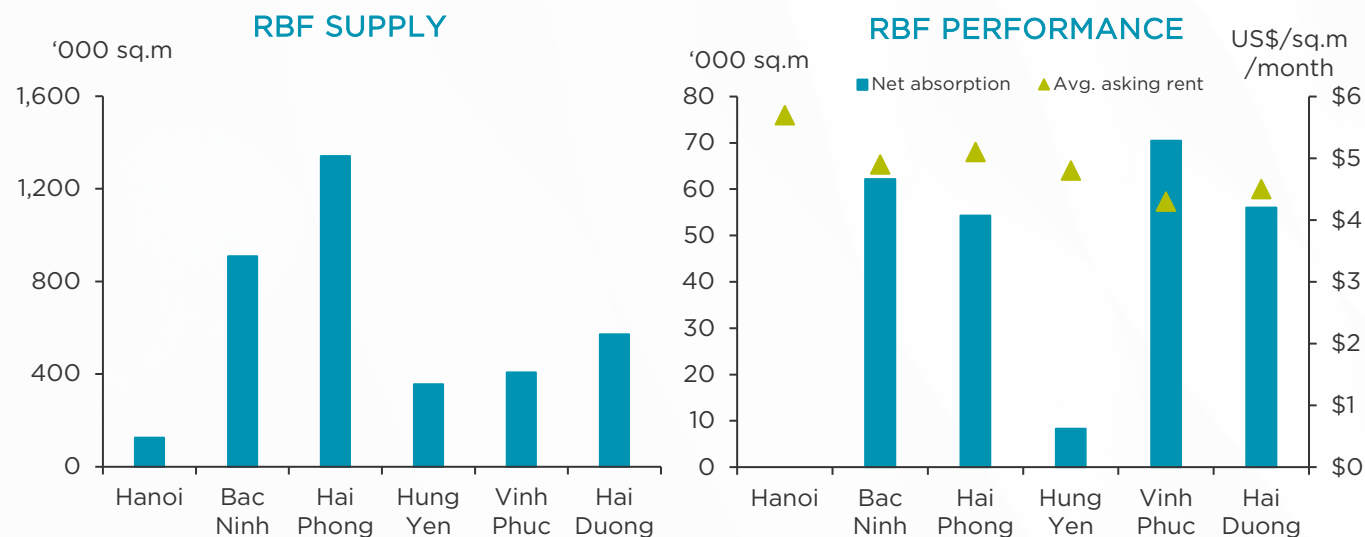
US\$ 4.9 stable QoQ
+2.4% YoY

Occupancy

~ 79% +2.7 ppts QoQ
+4.3 ppts YoY

Net Absorption (sq.m) Q2 2024

~ 251,000 +325.9% QoQ
+230.7% YoY



- Four new ready-built factories (RBF) projects were launched, including BW Thuan Thanh 3B, KCN Vietnam Thuan Thanh 3B, Industrial Centre Yen Phong Expansion in Bac Ninh Province, and Bigland ID in Hai Duong Province. The new supply from these projects was nearly 200,000 sq.m.
- Market sentiment continued to be positive with over 251,000 sq.m RBF absorbed. Vinh Phuc Province led RBF net absorption with a 28% contribution. Other major RBF markets such as Bac Ninh, Hai Duong, and Hai Phong accounted for about 22%-25% of total net absorption. Demand for RBF in the NKER this quarter came from Electronics, Fabricated Metals, and Production of Motor Vehicle.
- Rents of RBF was stable this quarter, and up 2.4% YoY, at US\$4.9/sq.m/month.

Source: Cushman & Wakefield

(*) Note: All rents are inclusive of SC but exclusive of VAT

US\$/VND = 25,500 as of Q2 2024

NORTHERN INDUSTRIAL MARKET – RBW

DEMAND IMPROVED SIGNIFICANTLY THANKS TO THE RECOVERY OF MANUFACTURING & IMPORT-EXPORT SECTOR

Northern Key Economic Region (NKER)

Total RBW supply (sq.m)

~ 2,400,000 +13.2% QoQ
+27.6% YoY

Average asking rent (US\$/sq.m/month) (*)

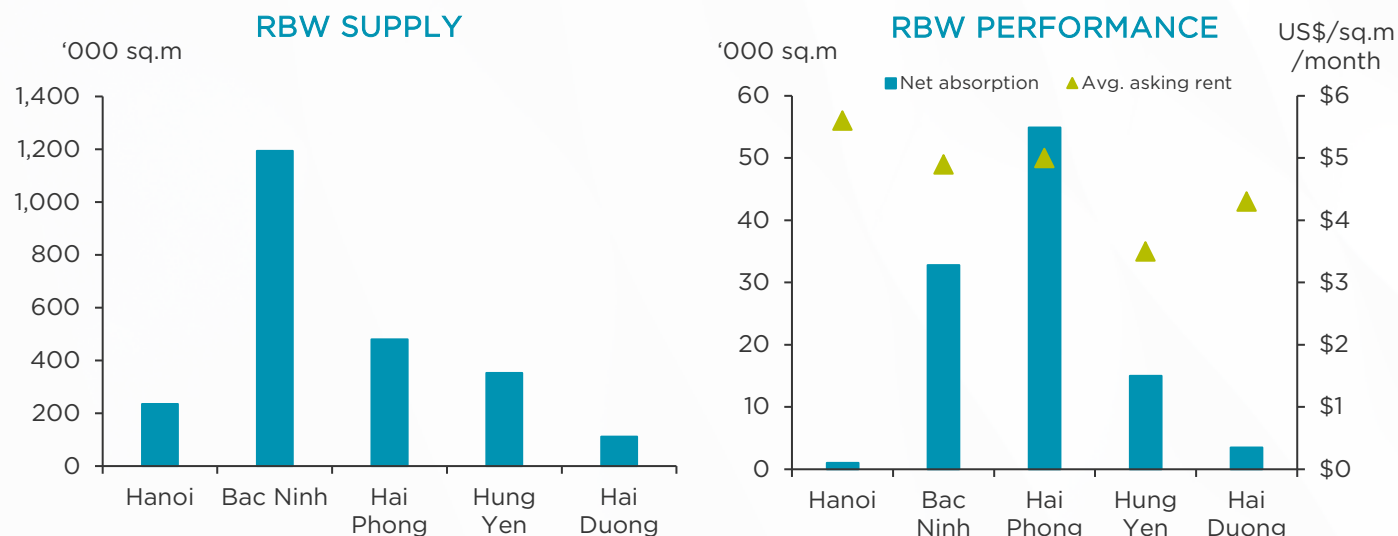
US\$ 4.8 +1.5% QoQ
+4.3% YoY

Occupancy

~ 72% -4.4 ppts QoQ
+1.2 ppt YoY

Net Absorption (sq.m) Q2 2024

~ 107,000 +107.7% QoQ
+234.2% YoY



Source: Cushman & Wakefield

(*) Note: All rents are inclusive of SC but exclusive of VAT

US\$/VND = 25,500 as of Q2 2024

- Three new ready-built warehouses (RBW) projects were launched this quarter: BW VSIP Bac Ninh 2, LOGOS Yen Phong 2A, and KCN Vietnam Thuan Thanh 3B, all located in Bac Ninh Province, providing a new supply of over 277,000 sq.m into the market.
- Thanks to the good recovery of the import-export and manufacturing sector this quarter, the major demand source for RBW in the NKER region, the net absorption increased significantly, recorded at 107,000 sq.m, doubling the previous quarter's figure, and tripling last year's. Hai Phong City, the regional gateway port city, led the demand for RBW with 51% contribution, followed by the industrial province Bac Ninh with 31%.
- The average rent of RBW was recorded at US\$ 4.8/sq.m/month, increasing 1.5% QoQ and 4.3% YoY.

MARKET OUTLOOK (2024 - 2027)

Future land supply (2024R - 2027F)

~ 5,100 ha

Future RBF supply (2024R - 2027F)

~1.1 million sq.m

Future RBW supply (2024R - 2027F)

~1.0 million sq.m

- The Northern Key Economic region will continue to benefit from its locational advantage, and the improving infrastructure network. In the remaining 2024 - 2027 period, there will be about 5,100 ha of leasable IP land entering the market. Besides the NKER region, other surrounding industrial provinces such as Bac Giang, Ha Nam, and Thai Binh also announced several new industrial parks in their newly approved provincial master plan 2021 - 2030, vision to 2050.
- In the 2024 - 2027 period, the Northern region is expected to welcome about 1.1 million sq.m of RBF. Following the investment capital flow into Vietnam from large manufacturers, demand for RBF is forecasted to be healthy.
- In terms of future RBW supply, the NKER will welcome about 1 million sq.m into the market in 2024 - 2027. As the market now evolves with increasing demand from high value-added industries such as the Electronics and Semiconductor industry, there will be more supply of multi-floor factory/warehouse, and the hybrid, dual-function model of both ready-built factory and ready-built warehouse, to cater to this demand.

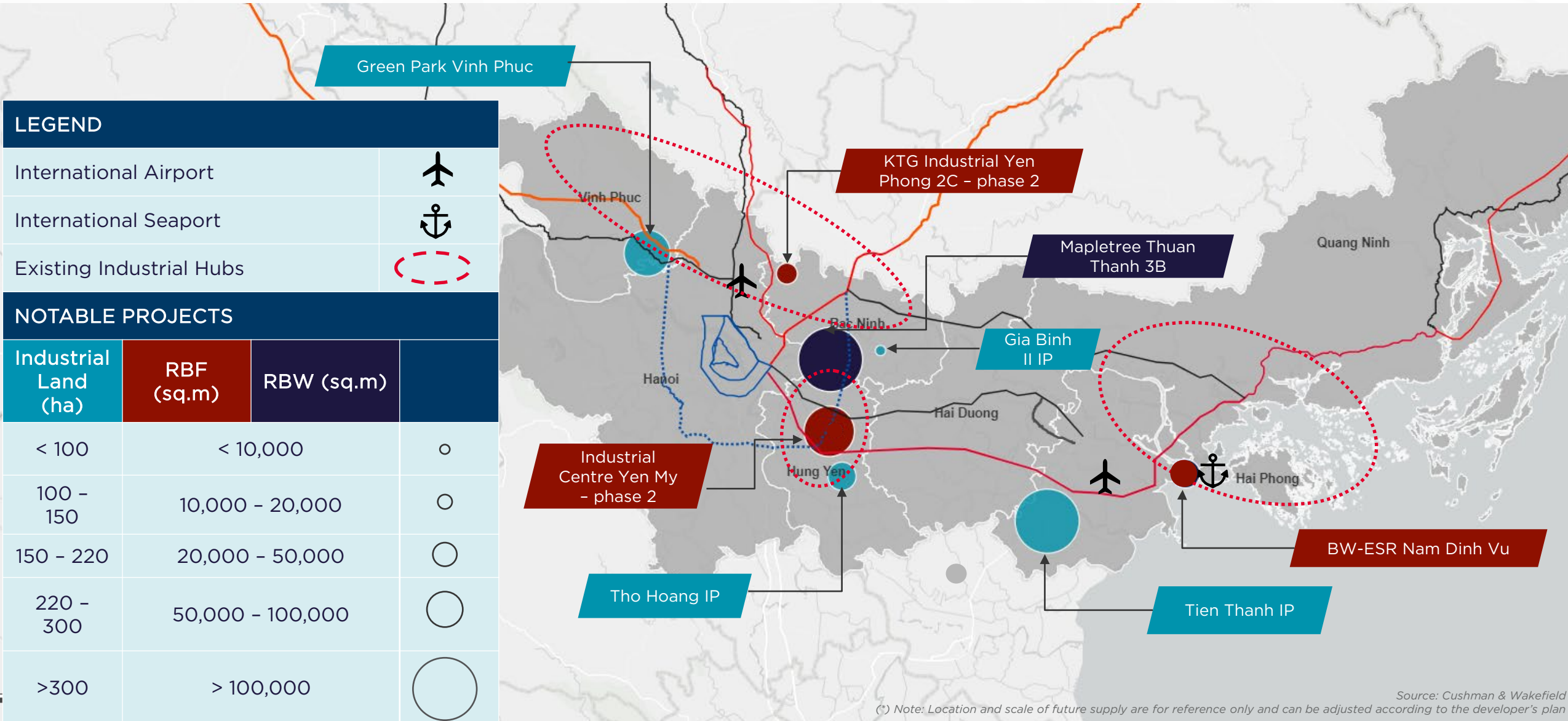
Property type	Supply CAGR (2024 - 2027F)
IP Land	6.2%
RBF	4.8%
RBW	8.7%

Source: Cushman & Wakefield

- Recently, C&W has observed that the conversion trend from ready-built warehouse (RBW) to ready-built factory (RBF) is starting to happen in a number of projects in the Northern Key Economic Region to meet the needs of tenants, but on a smaller scale than the Southern Key Economic Region.

NOTABLE FUTURE SUPPLY (2024 - 2027)

MARKET EVOLVES WITH MORE HIGH VALUE-ADDED INDUSTRIES



Source: Cushman & Wakefield
 (*) Note: Location and scale of future supply are for reference only and can be adjusted according to the developer's plan



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ABOUT CUSHMAN & WAKEFIELD

Cushman & Wakefield (NYSE: CWK) is a leading global commercial real estate services firm for property owners and occupiers with approximately 52,000 employees in nearly 400 offices and 60 countries. In 2023, the firm reported revenue of \$9.5 billion across its core services of property, facilities and project management, leasing, capital markets, and valuation and other services. It also receives numerous industry and business accolades for its award-winning culture and commitment to Diversity, Equity and Inclusion (DEI), sustainability and more. For additional information, visit www.cushmanwakefield.com.

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