



# MARKETBEAT Q2 2024

HO CHI MINH CITY

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# VIETNAM ECONOMIC OVERVIEW

Better never settles



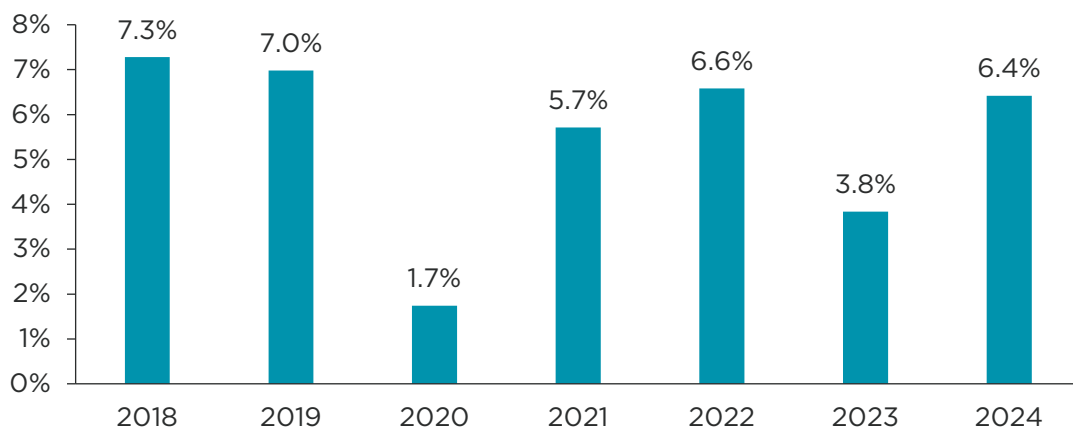
# GDP GROWTH

## Strong growth amidst slowdown

Vietnam has achieved a GDP growth of 6.4% in H1 2024<sup>(\*)</sup>, the second highest H1 growth in 2020-2024 period. The GDP growth in Q2 improved compared to Q1, reaching 6.9% from the previous 5.7%.

The National Assembly targets to achieve 6.0-6.5% GDP growth in 2024, prioritizing economic growth while maintaining balance among economic factors. To achieve this target, Vietnam strives to achieve the GDP growth of above 6.5% in the latter half of 2024.

### VIETNAM GDP GROWTH IN H1 PERIOD, BY YEAR



Source: General Statistics Office, Vietnam

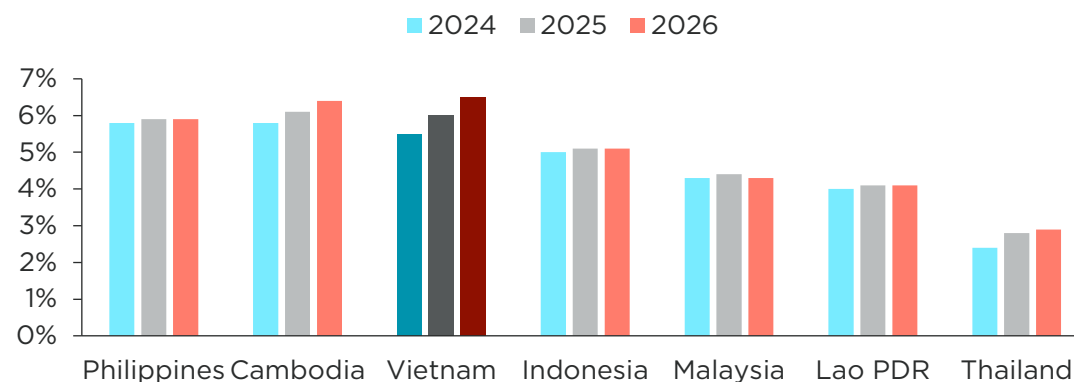
<sup>(\*)</sup> H1: First half of the year

## Bright growth prospect

In the “Global Economic Prospects” launched by World Bank in June 2024, Vietnam is forecast to witness rapid market growth throughout 2024-2026 (5.5% - 6.0% - 6.5% respectively).

Vietnam is among the highest-growing countries forecasted in the ASEAN region. Other organizations share similar outlooks on Vietnam economic growth in 2024, such as IMF (5.8%), ADB (6.0%), OECD (6.0%).

### WORLD BANK GDP FORECAST FOR ASEAN (JUNE 2024)



Source: World Bank

# CPI, EXCHANGE RATE, & INTEREST RATE

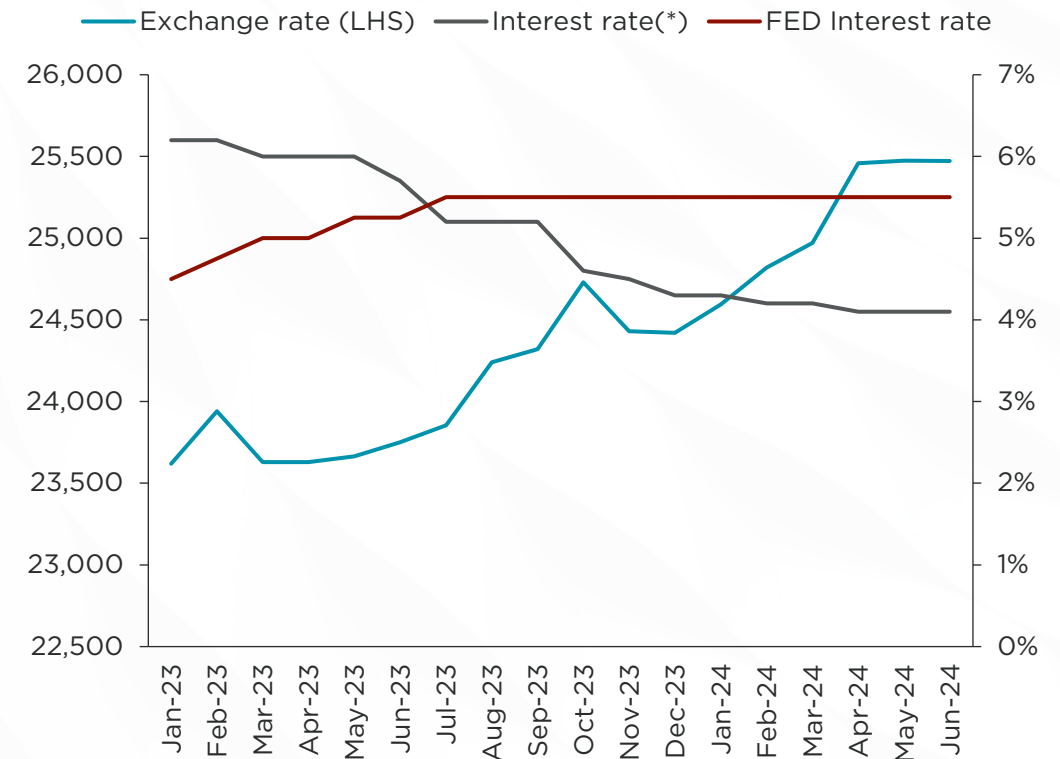
**CPI:** Vietnam's CPI reached 4.08% in H1 2024, driven by rising prices in food (especially rice prices upon export recovery), education, healthcare, energy, and other aspects. Although approaching the 4.5% limit for 2024, the CPI is still under control.

## Interest rate:

- Fed interest rate has been maintained at 5.25–5.50% since July 2023, and Fed expects to decrease the interest rates once in 2024 upon favorable context.
- In Vietnam, the lending interest rate remains low to encourage economic growth. However, amidst rising inflation and competition with other investment channels (e.g., gold, stocks), some banks have slightly increased the deposit interest rates in recent months.

**USD/VND exchange rate:** The gap between Vietnam's and Fed interest rates has contributed to the rising USD/VND exchange rate. After the soaring period in Q1, the exchange rate has been regulated at around 25,500 VND per 1 USD in Q2 2024.

USD/VND EXCHANGE RATE AND INTEREST RATE IN VIETNAM, 2023 - H1 2024



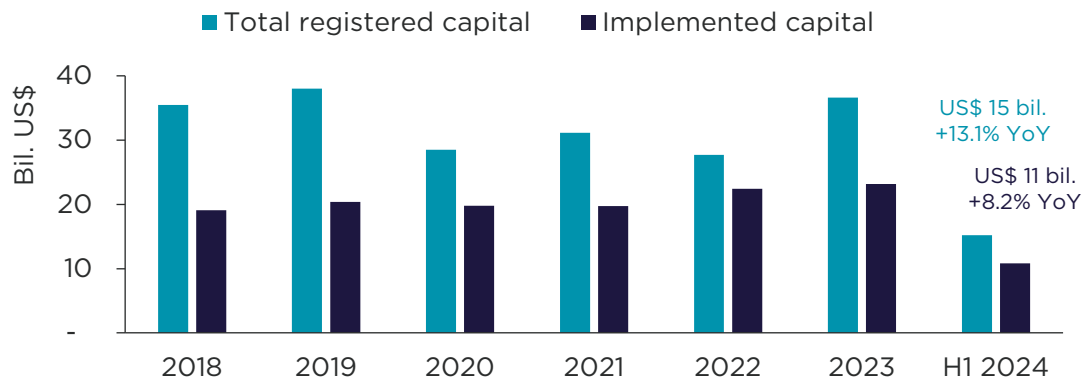
Source: Fed, Vietcombank  
 All rates are taken at the end of the month.  
 \*Vietcombank's 12-month-period Interest Rate for Organizations is used as a demonstration of interest rate trend

# FDI ATTRACTION

## H1 2024 highlights

- New record of highest FDI implementation in the H1 period in the past 5 years. Additionally, both registered FDI inflow and implementation FDI recorded high YoY growth.
- The Manufacturing sector accounts for 72% of newly registered FDI capital and 79% of implemented FDI, signifying the rebound of manufacturing industries.
- Real estate business accounts for 20% of newly registered capital and 9% of implemented capital, which hints that the real estate market is preparing to welcome the upcoming cycle

### VIETNAM FDI ATTRACTION & IMPLEMENTATION BY YEAR



Source: General Statistics Office, Vietnam

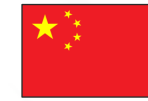
## TOP INVESTING COUNTRIES INTO VIETNAM IN H1 2024



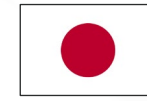
Singapore  
42%



Hong Kong  
12%



China  
11%



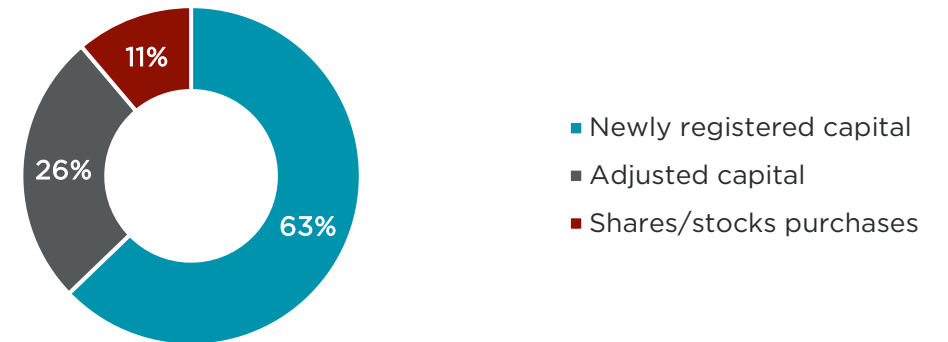
Japan  
10%



Türkiye  
8%

\*Of total newly registered capital

### STRUCTURE OF FDI INFLOW IN H1 2024



Source: General Statistics Office, Vietnam

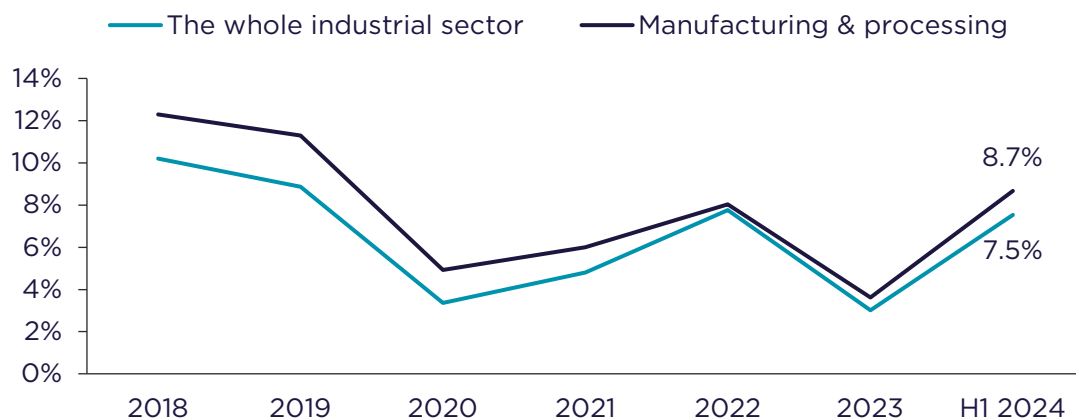
# INDUSTRIAL PRODUCTION

## RECOVERY OF MANUFACTURING ACTIVITIES

The industrial sector improved in Q2 2024, with the quarter's IIP reaching 8.6% compared to 6.2% in Q1. Altogether, in H1 2024, the overall IIP was recorded at 7.5%, with the manufacturing segment achieving 8.7%. Electricity production and distribution also recorded a high IIP of 13.3% in H1 2024, as Vietnam is striving for energy security to attract FDI inflow.

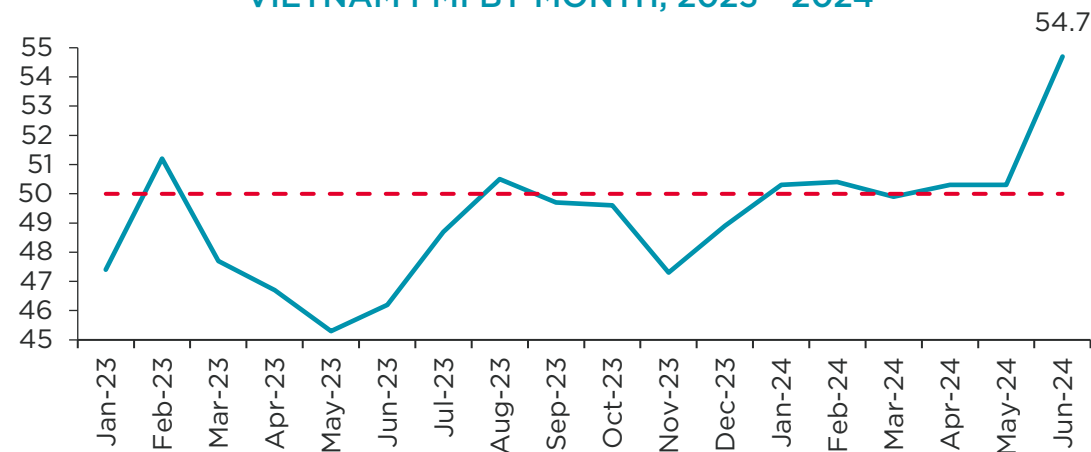
According to S&P Global, Vietnam's PMI hovered around 50.3 in April and May, then leaped to 54.7 in June, signifying the rapid expansion of the manufacturing sector at the end of Q2 2024. New orders surged at one of the fastest rates on record (only second to March 2011's record), which in turns drove new staff hiring, production, and purchasing activities for the first time in the past three months.

### VIETNAM INDEX OF INDUSTRIAL PRODUCTION (IIP)



Source: General Statistics Office, Vietnam

### VIETNAM PMI BY MONTH, 2023 - 2024



Source: S&P Global

# IMPORT - EXPORT

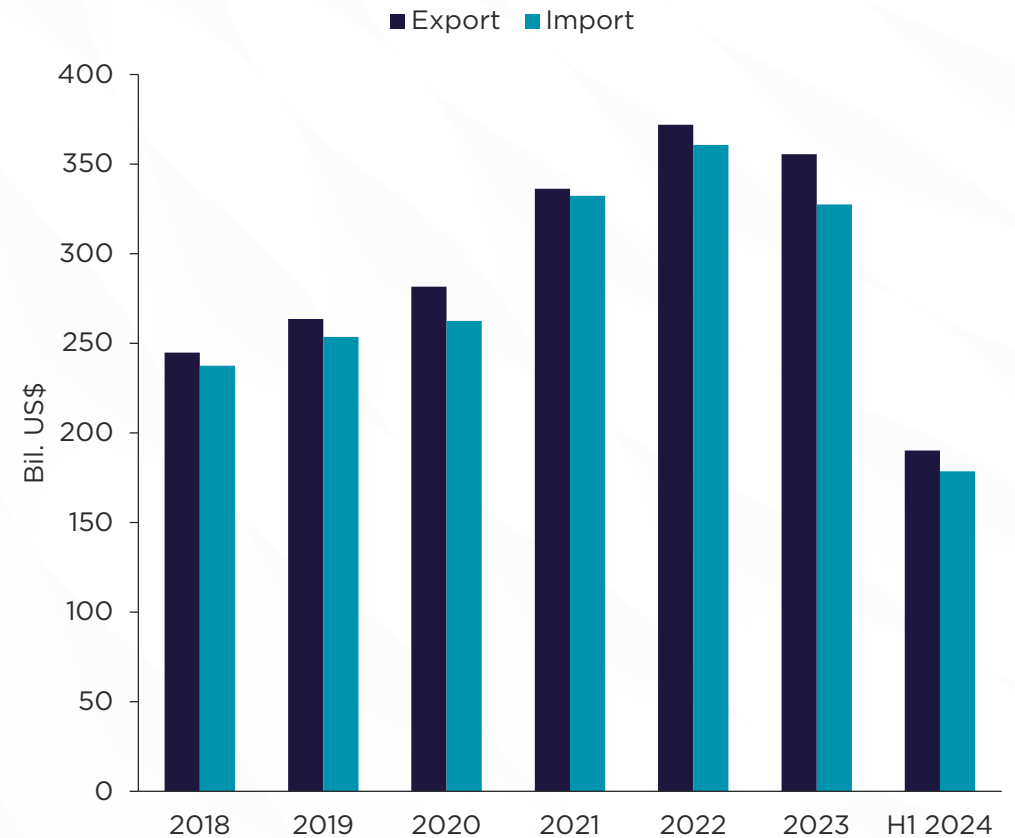
## HIGHEST EXPORT TURNOVER IN H1 PERIOD SINCE 2020

Global trade in 2024 is forecast to grow by 2.5% by World Bank and 2.6% by IMF, compared to last year. The general global economy is expected to improve and stabilize, consumption demands will start to recover, and inflation will be put under control. Vietnam's major export markets (such as the US and EU) are witnessing positive market signs with easing inflation and recovered demands.

Import-export is one of the spotlights in Vietnam's economy in H1 2024, with 14.5% YoY growth in export turnover and 17.0% YoY growth in import turnover. Altogether, the total turnover amounts to US\$368.5 billion, up 15.5% YoY, with a trade surplus of US\$11.6 billion.

The current export turnover was the highest record in H1 period since 2020; and the import turnover was the second-highest record (only after the figure of H1 2022). This hints at the improved manufacturing demands domestically as well as the recovery of consumption demands internationally.

### VIETNAM IMPORT - EXPORT TURNOVER



Source: General Statistics Office, Vietnam

# ENTERPRISE REGISTRATION STATUS

## IMPROVED BUSINESS REGISTRATION AND OPERATION

New and re-operating enterprises

**119.6 thou.** +5.3% YoY

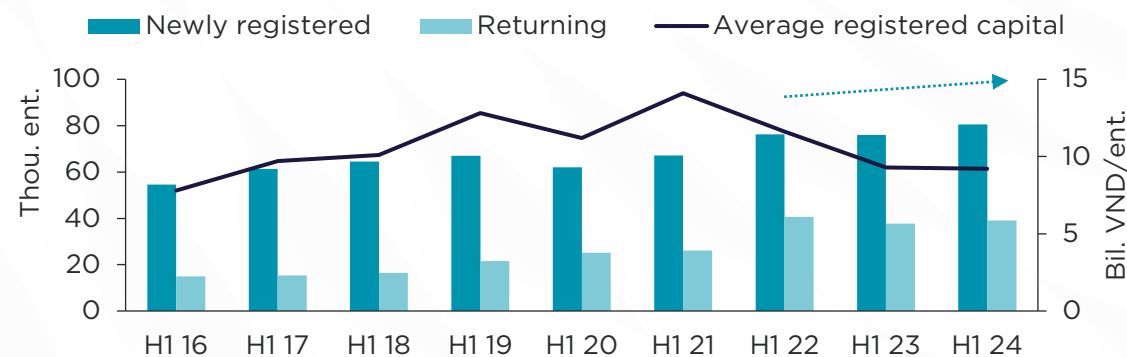
Temporarily ceased and dissolution enterprises

**110.3 thou.** +18.4% YoY

### Key highlights:

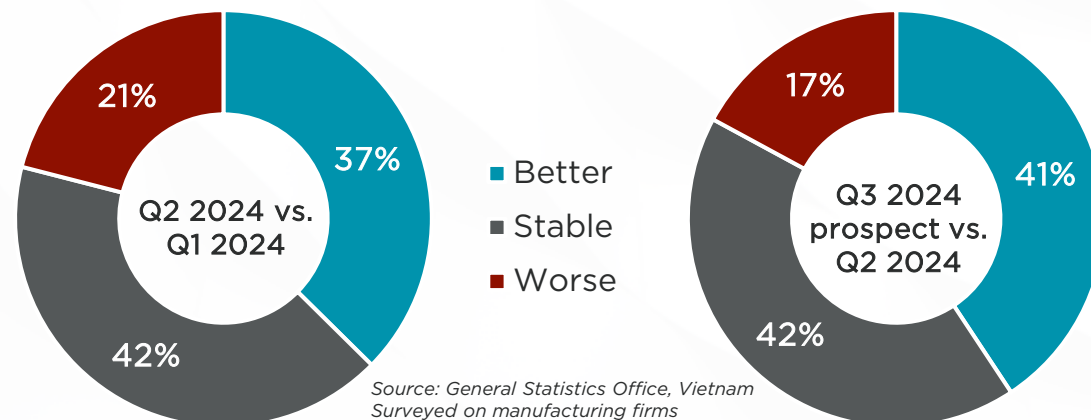
- The number of new and returning enterprises grew sustainably.
- The number of new enterprises is the highest record since 2016.
- However, capital flow remains a key pain point:
  - Total capital inflow into the market -7.7% YoY,
  - Fewer enterprises with increased capital (-8.3% in the number of enterprises and -17.3% in increased capital);
  - 92% of new enterprises are of small scale (0-10 billion VND in capital).

### NEW AND RETURNING ENTERPRISES (ENT.) AND AVERAGE CAPITAL, IN H1 PERIOD, BY YEAR



Source: General Statistics Office, Vietnam

### BUSINESS OPERATION EVALUATION



Source: General Statistics Office, Vietnam  
Surveyed on manufacturing firms



# RETAIL SALES & TOURISM

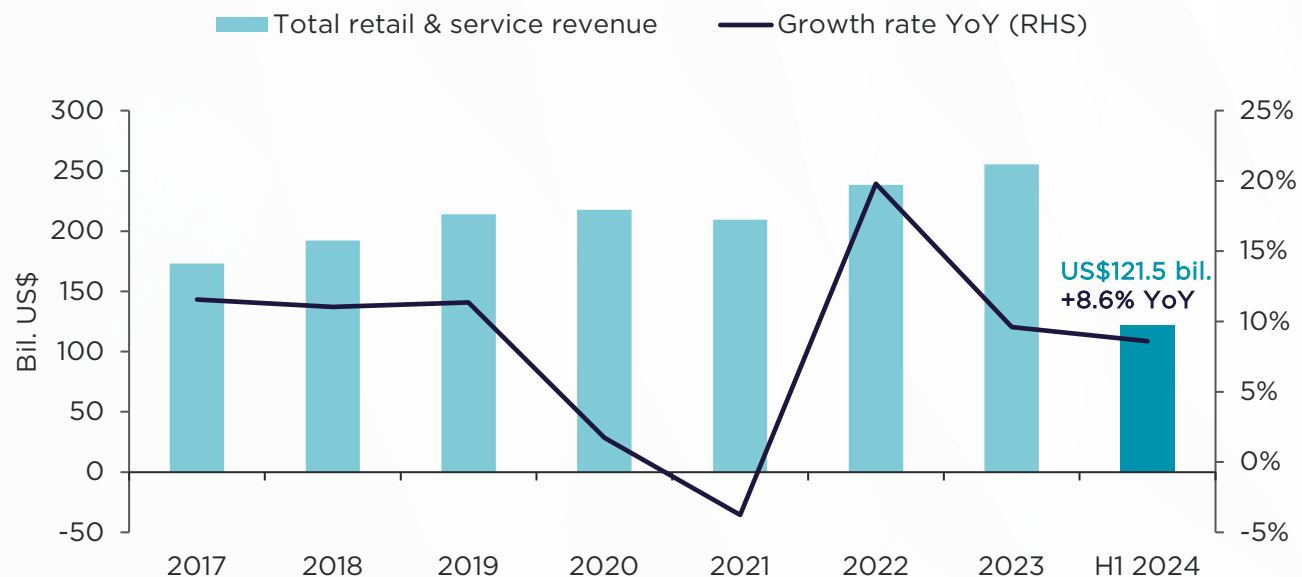
## SUSTAINING THE GROWTH TRAJECTORY

Vietnam's commercial landscape remains bustling in H1 2024 with improved revenue across all subsectors. However, the growth of 8.6% is modest compared to the H1 2023 figure of 11.6%, as consumers are still dealing with a difficult labor market and tightening income and budgets.

Some solutions have been implemented to sustain domestic consumption such as raising minimum wage from 1 July, maintaining low VAT of 8% throughout 2024, etc.

Tourism recovered magnificently thanks to convenient visa policies and tourism promotion programs. Multiple cities/provinces recorded high growth in total tourism revenue such as Dien Bien (+126%, exceeding the target by +12.5%), Khanh Hoa (+97%), Thanh Hoa (+30.2%), Hanoi (+22.8%), Ho Chi Minh City (+14.6%), etc.

### VIETNAM RETAIL SALES & SERVICE REVENUE BY YEAR



Source: General Statistics Office, Vietnam

### International tourists in H1 2024

**8.8 million** arrivals

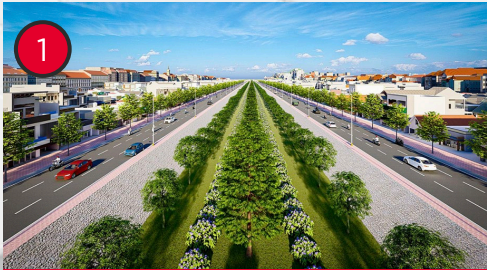
+58.4% compared to H1 2023

+4.1% compared to H1 2019

Approx. 50% of 2024's target of 17-18 mil.

Source: General Statistics Office, Vietnam

# INFRASTRUCTURE



Ring Road 2



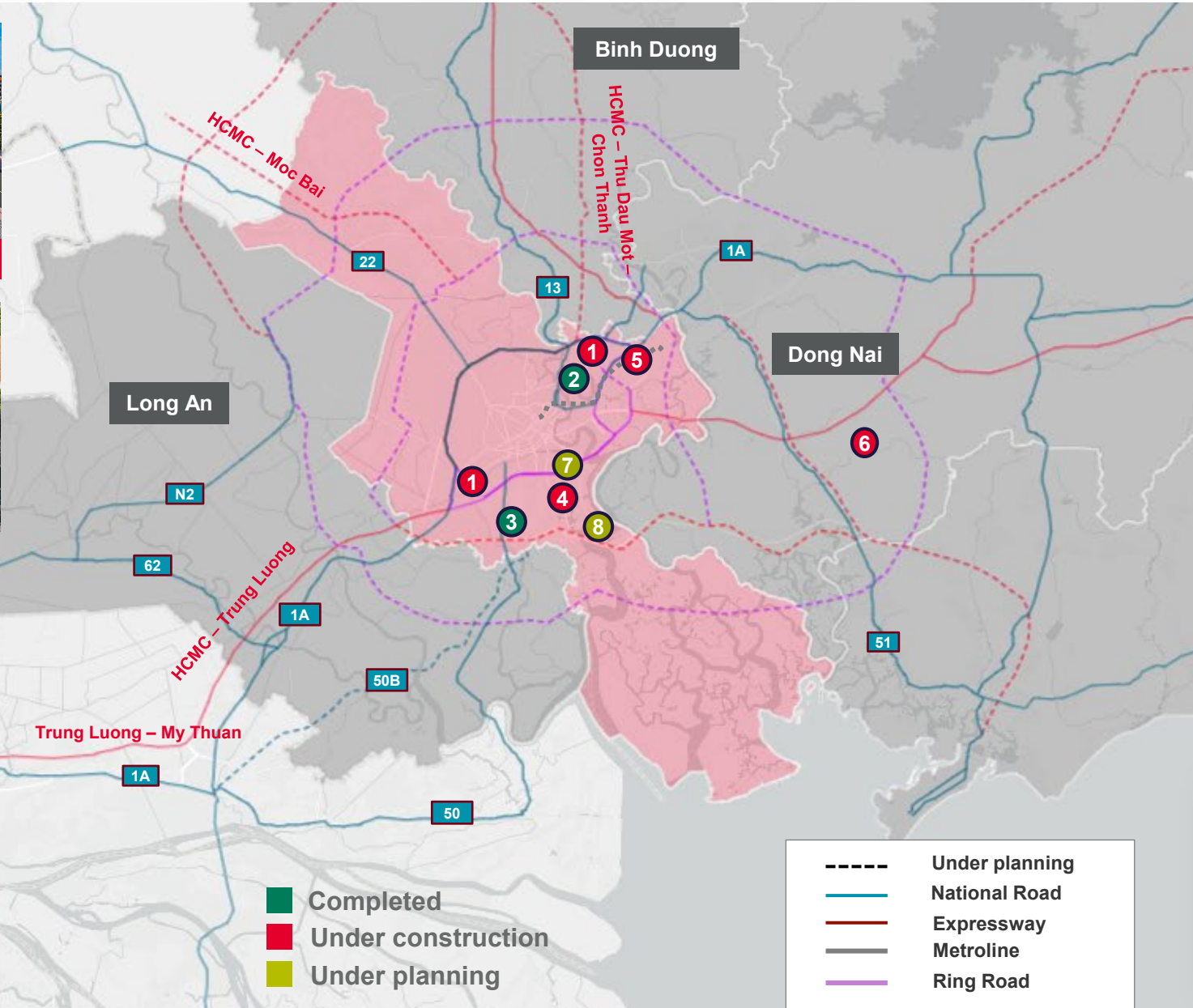
Vo Van Ngan Street



Ta Quang Buu Street



Nguyen Van Linh underground tunnel



Metroline No. 1



Long Thanh International Airport



Nguyen Khoai Bridge



Can Gio Bridge

# INFRASTRUCTURE



## COMPLETION OF VO VAN NGAN STREET DRAINAGE PROJECT

Total investment  
VND248 billion (~ US\$9 million)

The project locates in Vo Van Ngan Street, the East of HCMC. The project to construct the drainage system for Vo Van Ngan Street in Thu Duc City has been officially completed. It aims to improve convenience for residents and prevent flooding during heavy rains.



## PREPARATION FOR LAND ACQUISITION FOR NGUYEN KHOAI BRIDGE

Total investment  
VND3.7 trillion (~ US\$145 million)

The project spans nearly 5 km, with a bridge section of approximately 2.5 km (6.5-25.5 meters wide) and a road section of over 2.3 km (26.5-61.5 meters wide). It starts at D1 Road, connecting Saigon University to Nguyen Van Linh Road and the Him Lam residential area in District 7. The main bridge crosses the Te Canal via a causeway along Nguyen Khoai Street, continuing over Ben Nghe Creek to connect with Vo Van Kiet Street in District 1.



## INAUGURATION OF TA QUANG BUU STREET

Total investment  
VND330 billion (~ US\$13 million)  
(after 18 years of delay)

Ta Quang Buu Street runs through wards 2, 3, 4, 5, and 6 of District 8. It serves as a major transportation artery, connecting to significant roads such as National Highway 50, Pham Hung Street, Cao Lo Street, and Duong Ba Trac Street, as well as Nguyen Van Linh Boulevard and the South City new urban area.

# INFRASTRUCTURE (CONT.)



## PREPARATION FOR CONSTRUCTION OF 2 PROJECTS WITHIN RING ROAD 2

Total investment  
VND14 trillion (~ US\$549 million)

Project 1 extends from Phu Huu Bridge to Vo Nguyen Giap Street, covering a distance of 3.5 km, with a total investment of VND9,328 billion. Project 2 spans from Vo Nguyen Giap Street to Pham Van Dong Street, covering a distance of 2.5 km, with the total investment of over VND4,543 billion. Both projects are expected to commence in early Q1 2025.



Source: HOÀNG HÙNG

## METROLINE NO.1 (BEN THANH - SUOI TIEN) OFFICIALLY OPERATING IN OCTOBER 2024

Total investment  
VND86 trillion (~ US\$3.6 billion)

Metro Line No. 1's operating time has been delayed and the project completion schedule has been extended. Therefore, the project will be officially operated in October 2024.

# LEGAL UPDATES

NEW REAL ESTATE LAWS - EFFECTIVE ON 1 AUGUST 2024 INSTEAD OF 1 JANUARY 2025

01

## LAND LAW

- Contributing to eliminate legal obstacles and accelerate the recovery momentum of the real estate market
- Promoting land pricing close to the market level and improving land use efficiency

02

## REAL ESTATE BUSINESS LAW

- Upgrading market transparency
- Restricting land lot division
- Filter the market with developers that have strong financial capability, good expertise, and reputation

03

## HOUSING LAW

- Offering more solutions for housing issues and promoting the target of one million social housing to 2030
- Re-gain the buyer's confidence with the freehold ownership of the apartment

## MARKETBEAT Q2 2024

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# APARTMENT

Ultra-luxury: > US\$ 10,000 per sqm

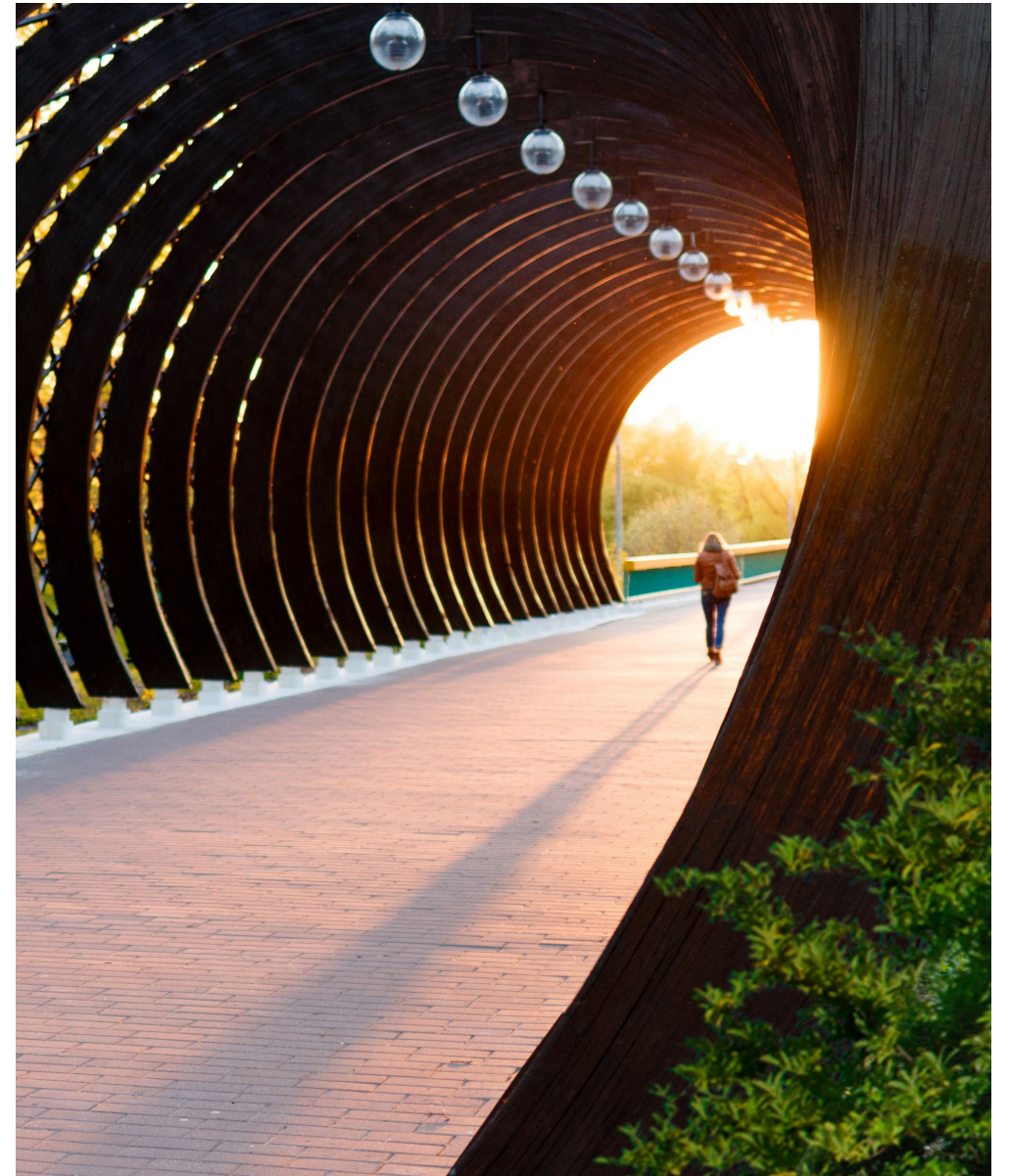
Luxury: US\$ 4,500 - 10,000 per sqm

High-end: US\$ 3,000 - 4,500 per sqm

Mid-end: US\$ 1,500 - 3,000 per sqm

Affordable: < US\$ 1,500 per sqm

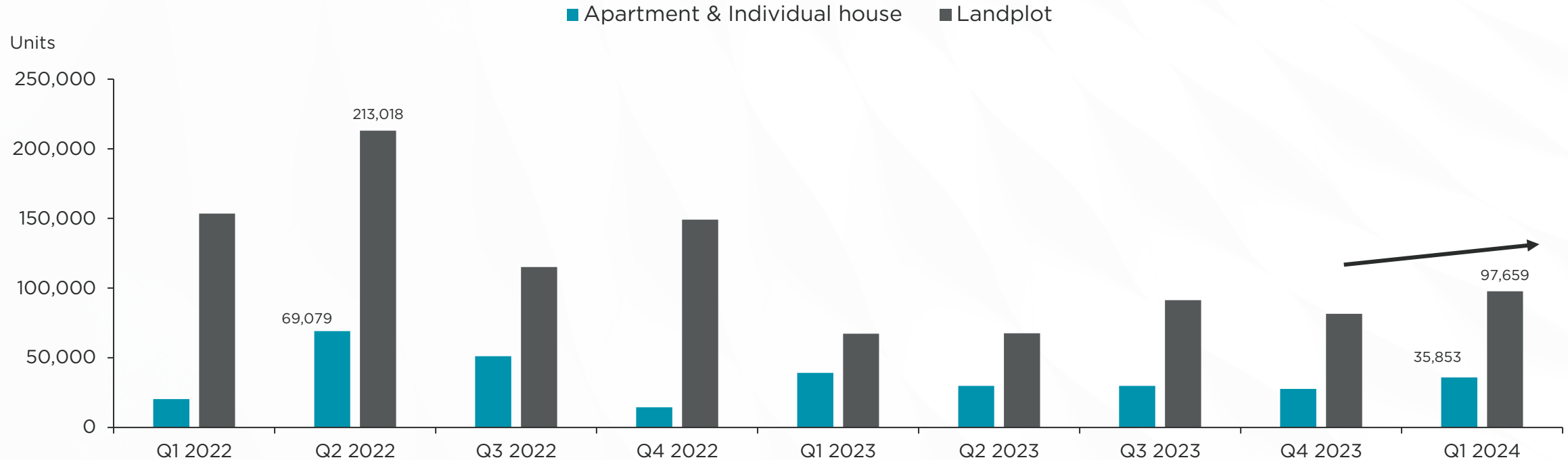
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# NOTABLE NEWS

## Q1 2024 RECORDED A SLIGHT INCREASE IN SALE VOLUME

### TOTAL SALES VOLUME OF APARTMENTS, INDIVIDUAL HOUSES AND LAND PLOTS, Q1 2022 - Q1 2024



Source: Ministry of Construction (MOC)

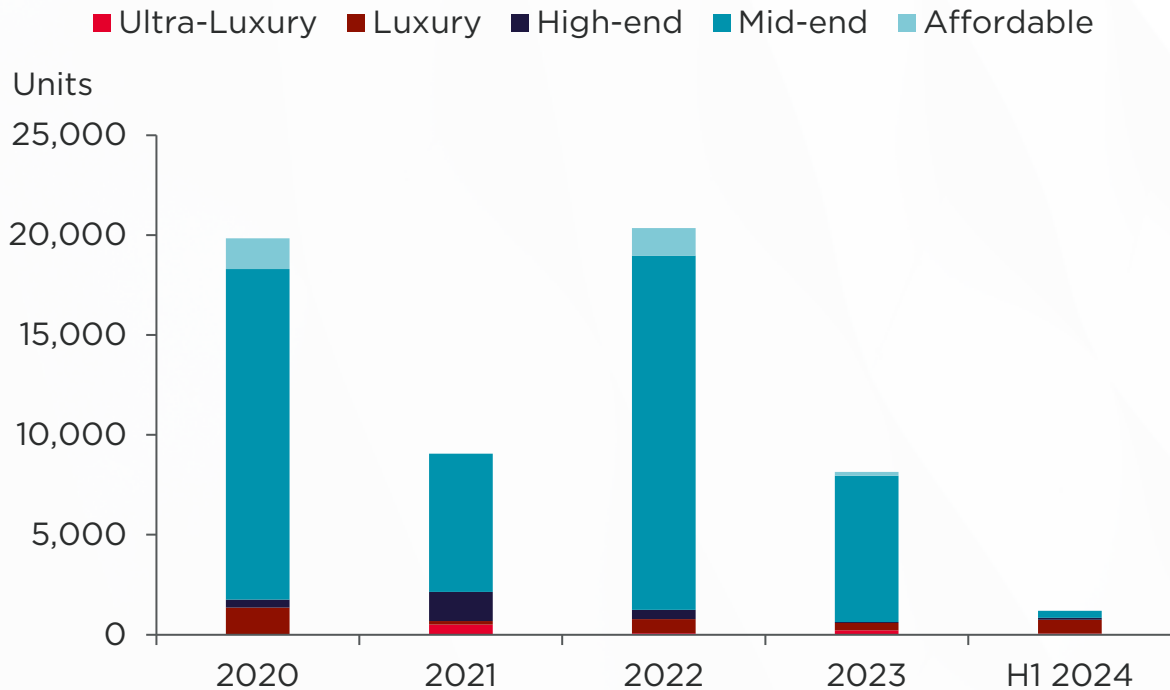
After a strong recovery in H1 2022, the real estate market faced challenges from Q3 2022 due to credit restrictions and legal issues. Apartment and house sales dropped significantly (around 93%) compared to the Q2 2022 peak. However, recent quarters show increased transaction activity.

# HCMC APARTMENT MARKET

## THE EMERGENCE OF NEW HIGH-END, LUXURY PROJECTS

<b>New supply H1 2024</b> <b>1,196</b> units <small>-54% YoY</small>	<b>New Supply Q2 2024</b> <b>924</b> units <small>+240% QoQ -5% YoY</small>	<b>Primary supply Q2 2024</b> <b>4,402</b> units <small>-16% YoY</small>
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HCMC APT NEW SUPPLY (2020 - H1 2024)



Source: Cushman & Wakefield



**The Privia**  
(1.8ha, Khang Dien)



**Eaton Park**  
(3.7ha, Gamuda Land)



**Elysian**  
(2.8ha, Gamuda Land)



**The Aurora**  
(0.2ha, Phu My Hung)

In H1 2024, approximately 1,200 new units were launched, down 54% YoY. Notably, Q2 2024 saw around 924 units launched, up 240% QoQ but down 5% YoY. In the first half of 2024, two newly launched projects contributed to 66% of the total new supply. The remaining units were derived from subsequent phases of existing projects. Developers are strategically managing inventory, closely monitoring market sentiment, and completing legal procedures while preparing for the upcoming implementation of new laws. The Luxury segment dominated with a 59% market share of new supply in the first half of 2024.



# HCMC APARTMENT MARKET

## REPUTABLE DEVELOPERS REMAINED PROMINENT IN THE MARKET

### Sales volume H1 2024

**2,074** units -29% YoY

### Sales volume Q2 2024

**1,331** units +79% QoQ  
-8% YoY

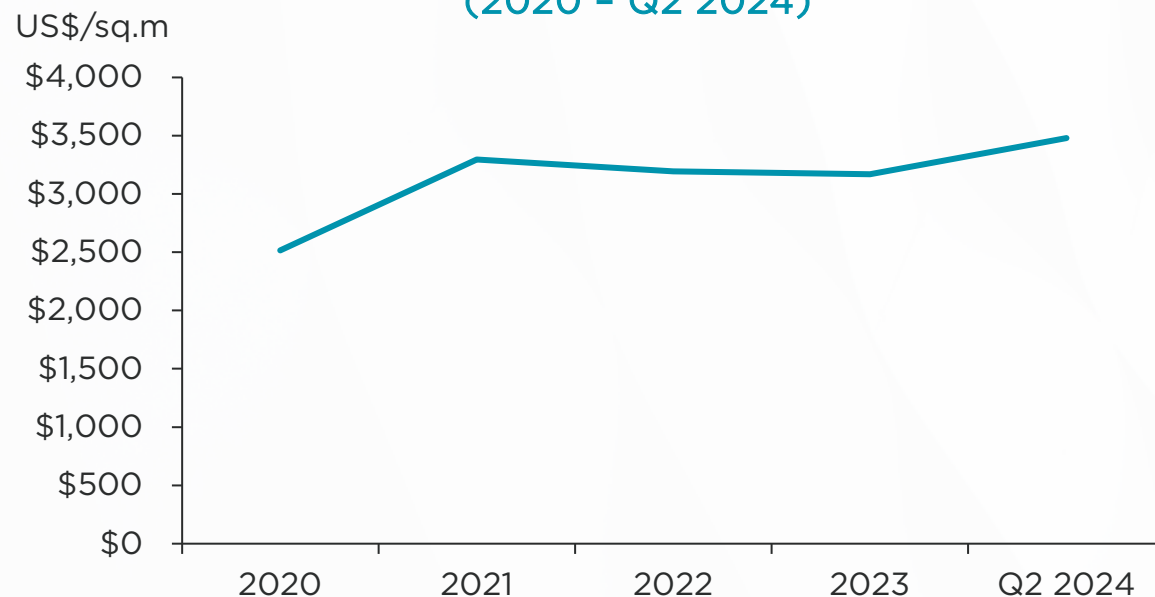
### Absorption rate Q2 2024

**30%**

### Avg. primary price Q2 2024

**3,480** US\$/sq.m +9% QoQ  
+8% YoY

### HCMC APARTMENT AVERAGE PRIMARY PRICE (2020 - Q2 2024)



In H1 2024, the market recorded a sales volume of approximately 2,100 units. Over 50% of the sales volume resulted from the strong sales performance of the Mid-end segment during H1 2024. Around 34% of the sales volume in H1 2024 was attributed to a new project in the Luxury segment in Q2 2024.

Driven by the new launch of a Luxury project, the average primary price increased by 9% compared to the previous quarter and 8% YoY, reaching approximately US\$3,480 per sq.m in Q2 2024.

Given the ongoing challenges in the global and local economy, buyers have remained cautious and directed their attention toward projects developed by reputable developers or having attractive payment schemes.

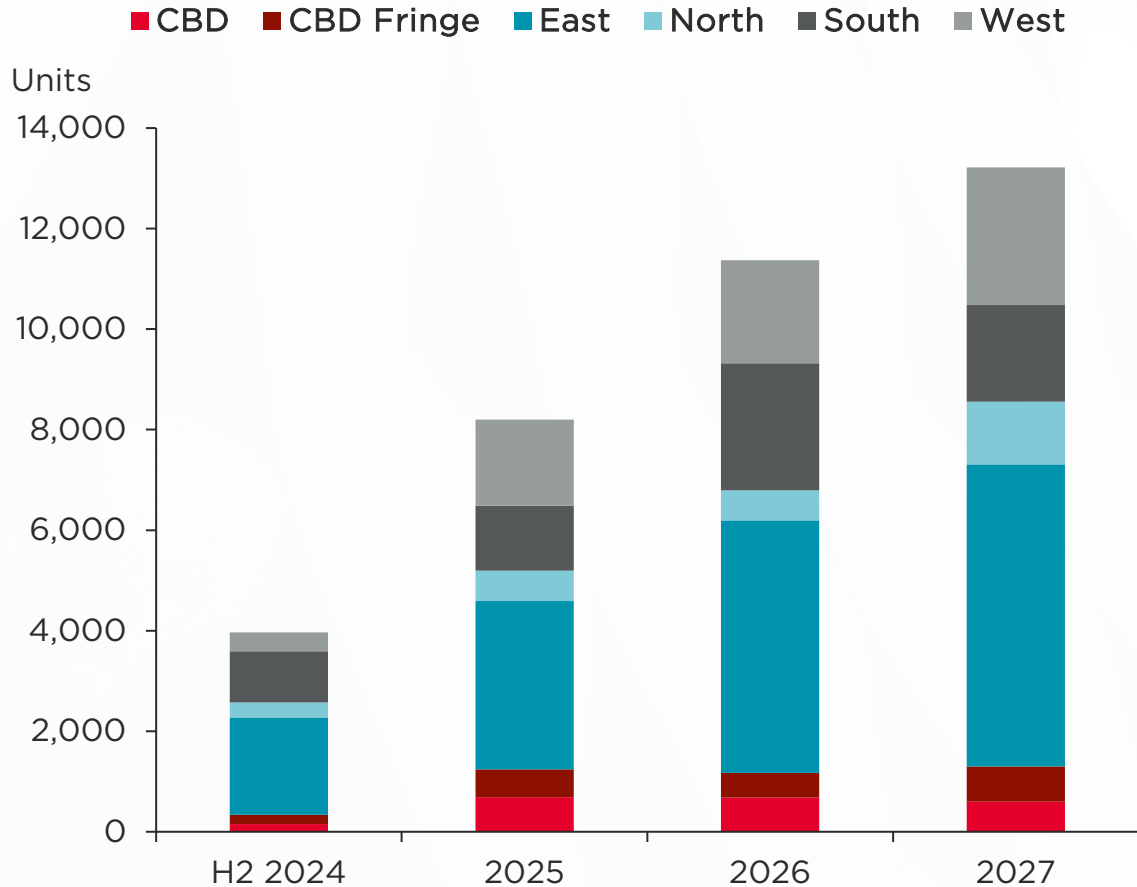
Source: Cushman & Wakefield

Note: The average primary price is calculated based on GFA, exclusive of VAT and maintenance fee  
US\$/VND Exchange rate in Q2 2024 = 25,500

# HCMC APARTMENT MARKET

## THE EAST CONTINUES TO BE MAIN FUTURE SUPPLY CLUSTER

### FUTURE SUPPLY BY SUBMARKET



Future supply - 2024 to 2027

**37,000** units

As land availability becomes scarcer in inner districts, the supply is extending to more distant areas, in line with infrastructure development in the future. The establishment of Thu Duc City and the abundance of available land parcels position the East as a significant player in the market, with a substantial pipeline of properties.

Market trends are anticipated to see a positive shift in line with the economic upturn and the introduction of new legal measures by the end of 2024.

Source: Cushman & Wakefield



## MARKETBEAT Q2 2024

HO CHI MINH CITY

# LANDED PROPERTY

*Shophouse, Townhouse, Villa*

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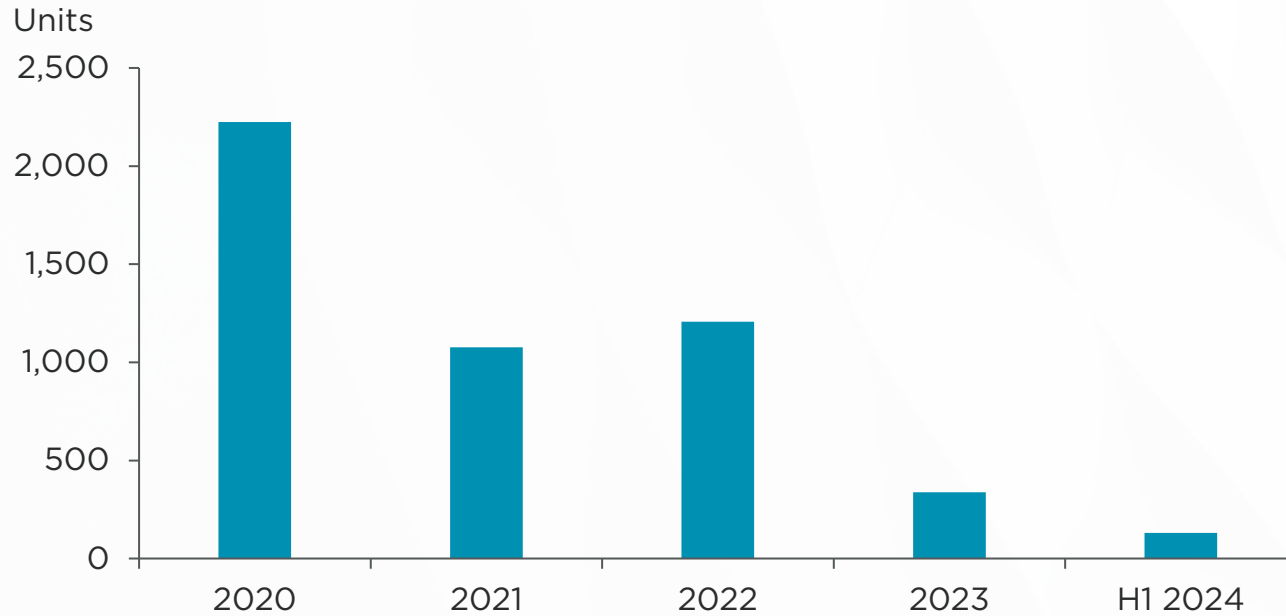


# HCMC LANDED PROPERTY

## THE APPEARANCE OF A NEW ASSET CLASS

<b>New supply H1 2024</b> <b>131</b> units -61% YoY	<b>New Supply Q2 2024</b> <b>85</b> units +85% QoQ -70% YoY	<b>Primary supply Q2 2024</b> <b>337</b> units -6% QoQ -60% YoY
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HCMC LANDED PROPERTY NEW SUPPLY (2020 - H1 2024)



Source: Cushman & Wakefield



**The Rivus – Elie Saab**  
(26.73 ha, Masterise Homes)



**The Global City**  
(117 ha, Masterise Homes)



**L'Arcade**  
(0.8 ha, Phu My Hung)



**Van Phuc City**  
(198 ha, Van Phuc Group)

In H1 2024, approximately 131 new units were introduced into the market, primarily concentrated in the East and South regions.

Amid the limitation of land banks in established urban areas, developers are more innovative and flexible in designing products to utilize the advantages of currently available resources and maximize the project's value.

During the quiet period of the market, developers strategically offer attractive payment schemes presented as an optimal solution for buyers' cash flow such as a small initial payment, longer payment periods, and up-front payment discounts, etc.

# HCMC LANDED PROPERTY

## AVERAGE PRIMARY PRICE SURGE DESPITE THE DECREASE IN SALE VOLUME

**Sales volume H1 2024**

**173** units -59% YoY

**Sales volume Q2 2024**

**65** units -40% QoQ  
-93% YoY

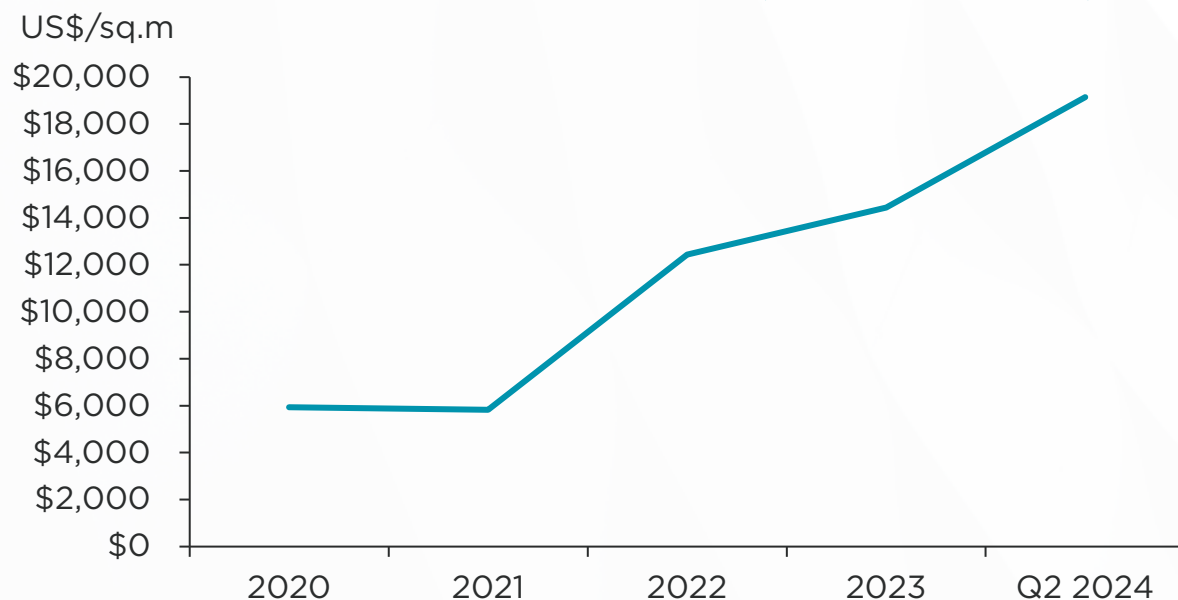
**Absorption rate Q2 2024**

**19%**

**Avg. primary price Q2 2024**

**19,146** US\$/sq.m +17% QoQ  
+41% YoY

**HCMC LANDED PROPERTY  
AVERAGE PRIMARY PRICE (2020 - Q2 2024)**



Source: Cushman & Wakefield

Note: The average primary price is calculated based on land area, exclusive of VAT and maintenance fee  
US\$/VND Exchange rate in Q2 2024 = 25,500

During the first half of 2024, the HCMC landed property market experienced a decrease in sales volume, with 173 units sold. This represents a 59% decrease compared to the previous year. The sales volume remained relatively low as buyers continued to exercise caution and observe market trends.

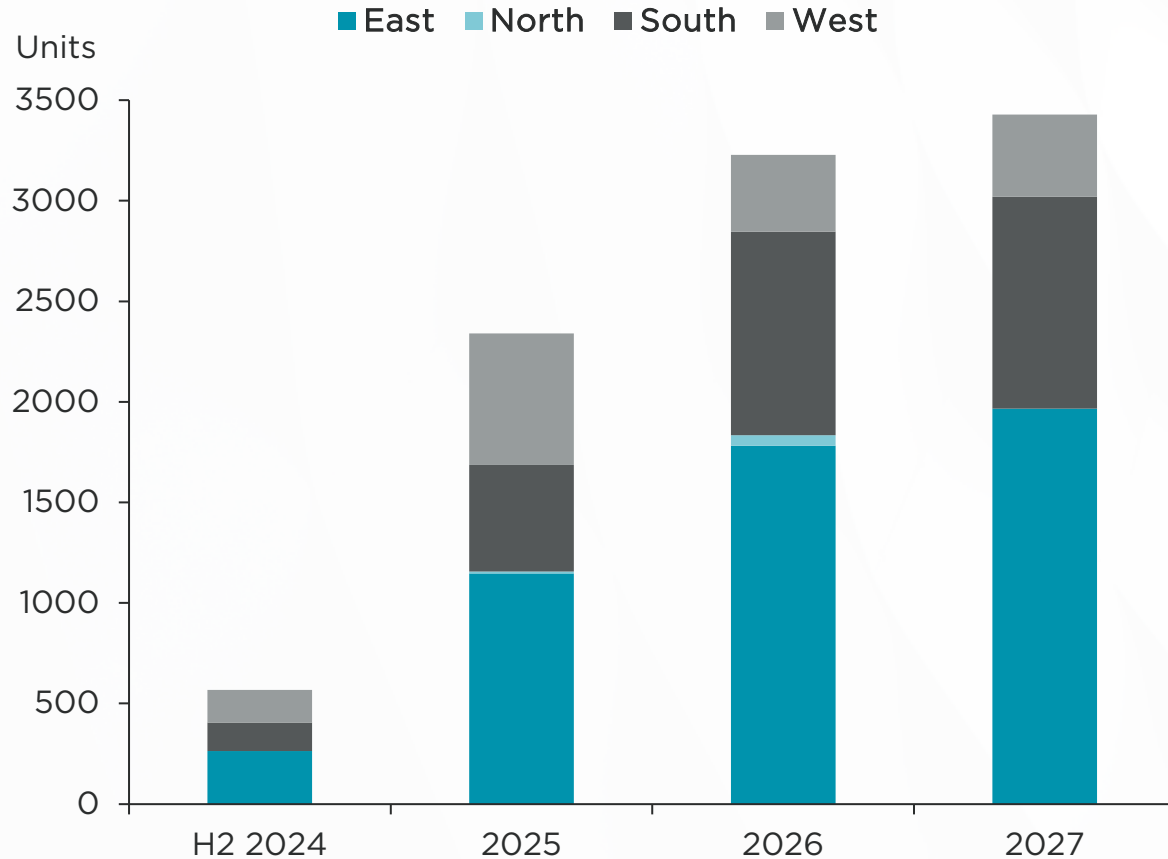
A newly launched project in the South has dramatically driven the Q2 2024 average primary price upward, reaching approximately US\$19,146 per sq.m, up 17% QoQ and 41% YoY.

In general, the limited land bank in the city had driven the surge of HCMC landed property average selling price and property value. Consequently, this asset class's liquidity is becoming relatively low due to high property value. Gradually, investors are transferring to favor real estate assets with lower value and higher liquidity during the subdued market and amidst global economic uncertainty.

# HCMC LANDED PROPERTY

## FUTURE SUPPLY IS EXTENDING FURTHER TO THE EAST AND THE SOUTH AREAS

### FUTURE SUPPLY BY SUBMARKET



Future supply - 2024 to 2027

**9,600** units

HCMC strategically pursues urban expansion into less densely populated areas. In the eastern part, Thu Duc City serves as the focal point for development, while in the southern region, both Nha Be District and Can Gio District are actively involved in planning numerous large-scale projects.

Over the next three years, most of the upcoming projects will be located within a range of 5 to 25 kilometers from the city center. Simultaneously, other projects, slated for the more distant future, extend up to 50 kilometers away. In addition, the concept of Transit-oriented development (TOD) has begun to take shape.

Apart from that, in 2024, the supply is expected to come from new phases of the current large-scale projects

Source: Cushman & Wakefield



# MARKETBEAT Q2 2024

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# OFFICE

*Grade A, Grade B*

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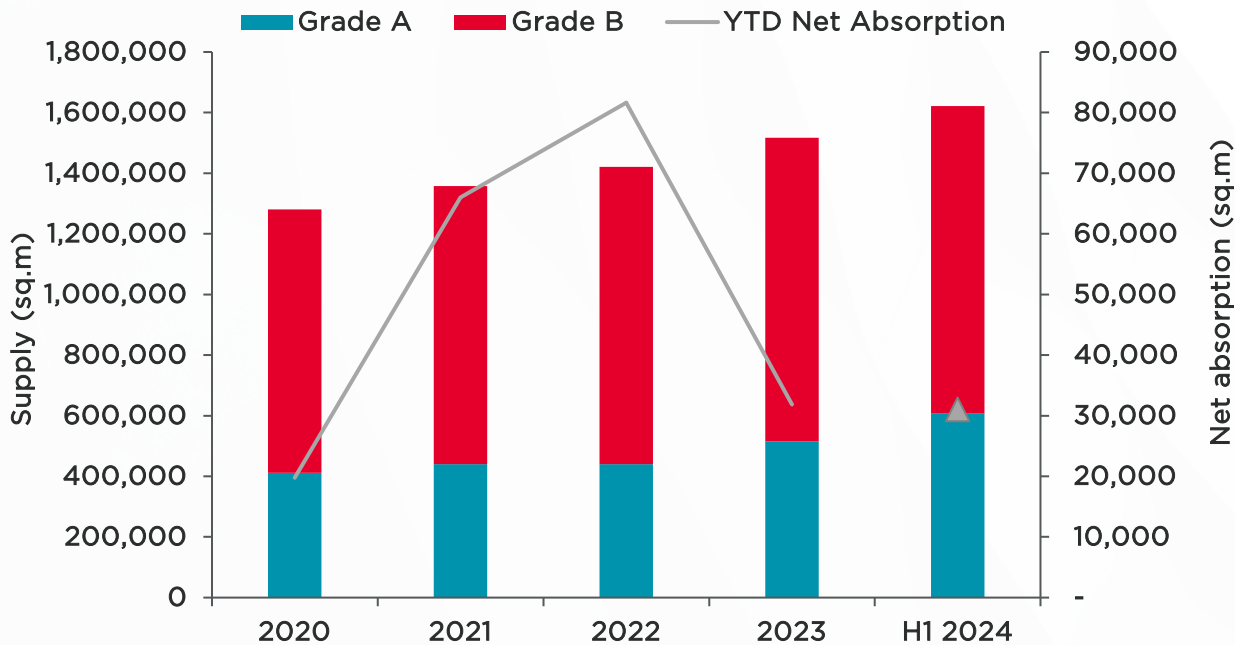


# HCMC OFFICE

## INFLUX OF GRADE A SUPPLY IN H1 2024

<p>New supply in H1 2024</p> <p><b>104,596</b> sq.m</p> <p>+392% YoY</p>	<p>YTD Net absorption in H1 2024</p> <p><b>31,025</b> sq.m</p>	<p>New supply in Q2 2024</p> <p><b>36,780</b> sq.m</p> <p>-46% QoQ; +513% YoY</p>	<p>Net absorption in Q2 2024</p> <p><b>-7,311</b> sq.m</p> <p>Mainly from Grade B</p>	<p>Total supply Grade A &amp; B</p> <p><b>1.6 million</b> sq.m</p> <p>+2.3% QoQ; +12.4% YoY</p>
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### HCMC OFFICE GRADE A&B SUPPLY AND ABSORPTION



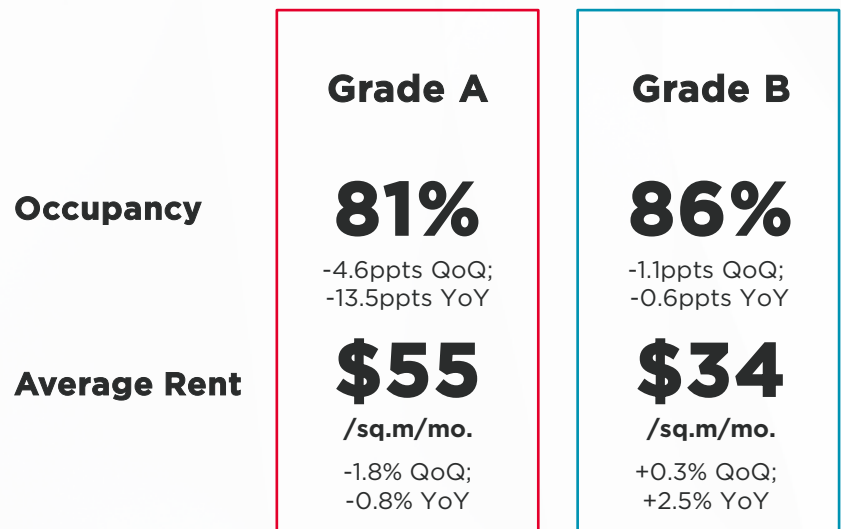
- In H1 2024, the HCMC market welcomed the entry of four new office projects, including one Grade B project in the Non-CBD, and three Grade A buildings in both the CBD and Non-CBD area. Altogether, nearly 105,000 sq.m of new supply was added to the HCMC market in H1 2024, bringing the city's total Grade A&B office stock above 1.6 million sq.m.
- Net absorption is estimated at around 31,000 sq.m, driven by absorption at new Grade A projects. Some tenants at Grade B projects have been observed to capitalize on the current market to upgrade their office space, hindering the absorption among the Grade B segment.
- Alongside the prominent trend of green and sustainable buildings, there has been an increasing interest in occupiers' well-being and experiences. Some projects are equipped with additional amenities such as F&B outlets, gym, landscape, and other technologies to monitor water and air quality inside the buildings. Certification of well-being such as WELL and Fitwel has become more popular in the HCMC office market recently, interested by both tenants and landlords.

Source: Cushman & Wakefield

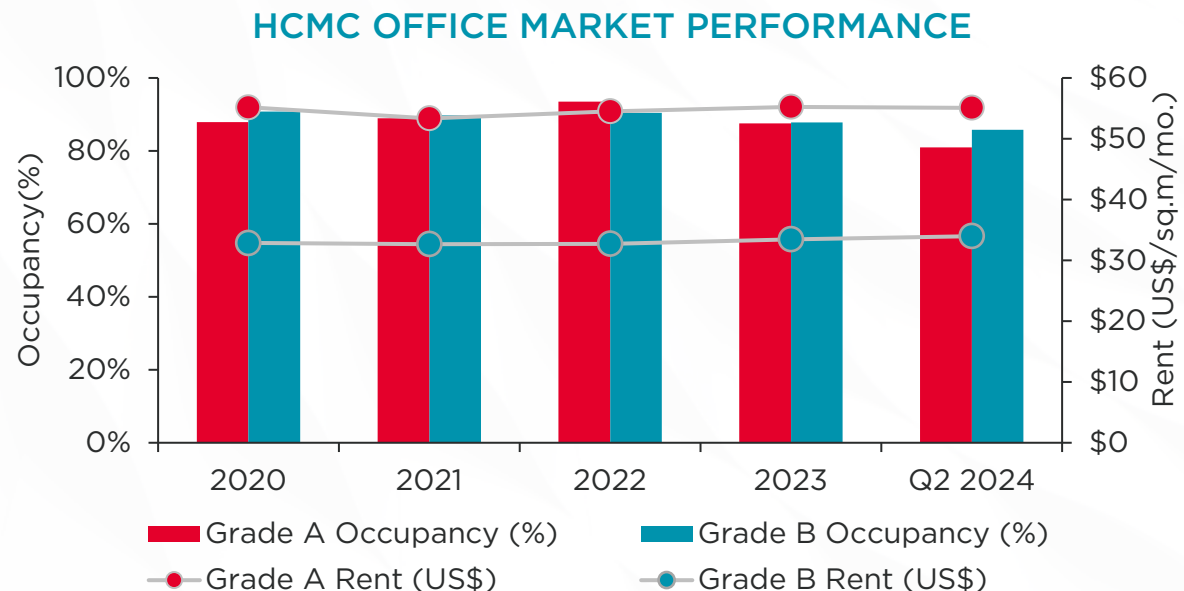


# HCMC OFFICE

## DIVERGENT TRENDS IN MARKET DEMAND ARE OBSERVED IN THE MARKET SLOWDOWN PERIOD



All rents are inclusive of SC but exclusive of VAT  
US\$/VND = 25,500 as of Q2 2024



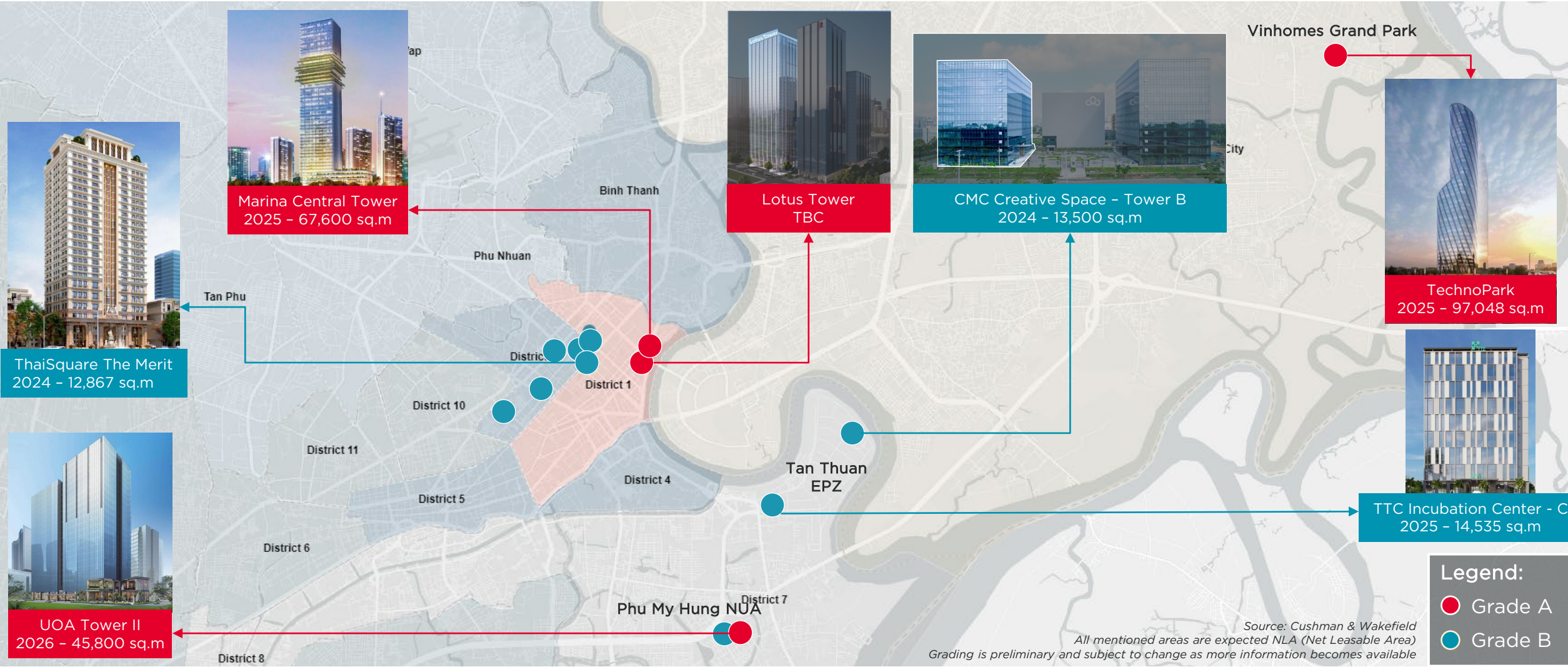
Source: Cushman & Wakefield

- The market demand witnessed two divergent trends in H1 2024. On the one hand, a few large-scale transactions have warmed up the market as MNC tenants seize the opportunity to negotiate and upgrade to better or newer office buildings. On the other hand, tenants who face financial challenges are looking for lower-budget office space.
- Grade A occupancy was recorded at 81%, decreasing both QoQ and YoY mainly attributable to the influx of new supply since mid-2023 (i.e., five new buildings totaling above 166,000 sq.m throughout Q3 2023 – Q2 2024, which is the largest influx of Grade A supply in HCMC in four-quarter period).

- Grade B occupancy was estimated at 86%, slightly dropping both YoY and QoQ as office demand remained relatively stagnant in the past quarters.
- Grade A rent witnessed both QoQ and YoY drops in Q2 2024 due to a new supply from the Non-CBD area this quarter. Meanwhile, most landlords at Grade A projects still held their rental rates stable amidst heightened competition.
- Grade B rent witnessed some escalation (+0.3% QoQ; +2.5% YoY) coming from notable rent growth from projects after undergoing renovation or after a long period of full occupancy.

# HCMC OFFICE - FUTURE SUPPLY

THE CBD, CBD FRINGE, AND THE SOUTH REMAIN THE MAJOR OFFICE HUBS OF HCMC



**Legend:**

- Grade A
- Grade B

Source: Cushman & Wakefield  
 All mentioned areas are expected NLA (Net Leasable Area)  
 Grading is preliminary and subject to change as more information becomes available

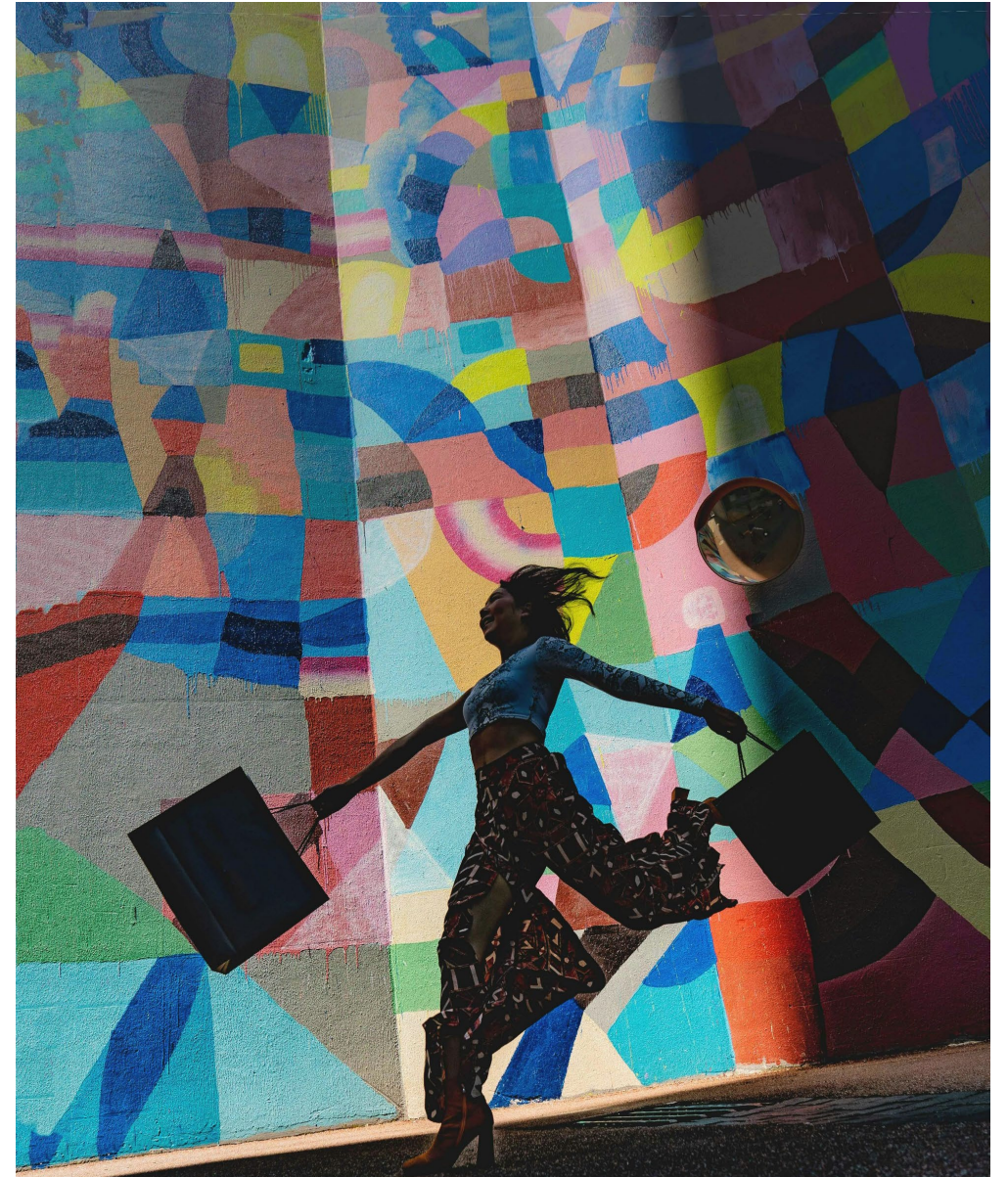
## MARKETBEAT Q2 2024

HO CHI MINH CITY

# RETAIL

*Shopping center, Department store, Retail podium*

Better never settles



# HCMC RETAIL

## BUSTLING MARKET WITH NEW AND RENOVATED RETAIL SPACES

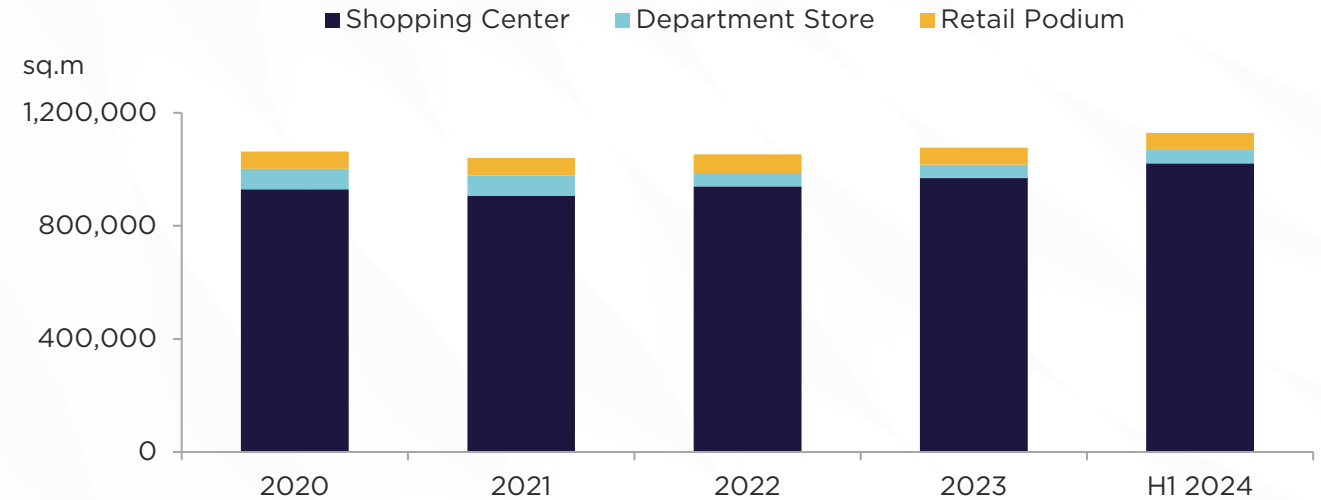
Total supply

**1.13 million** sq.m. +4.9% QoQ;  
+7.8% YoY

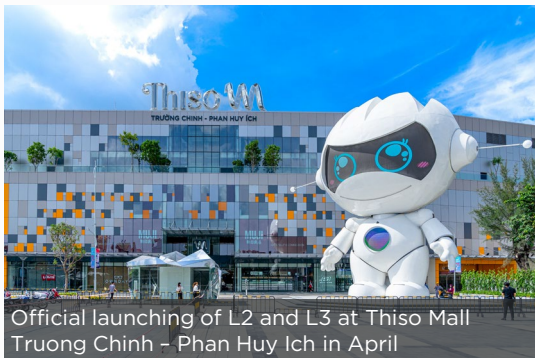
New & renovated supply H1 2024

**52,421** sq.m.

### HCMC TOTAL RETAIL SUPPLY



Source: Cushman & Wakefield



New retail supplies were launched in Q2 2024 across HCMC, offering high-quality retail space to welcome a diverse mix of domestic and international brands.

# HCMC RETAIL

## IMPROVED OCCUPANCY THANKS TO GOOD UPTAKE BY LARGE TENANTS

Occupancy

**90%**

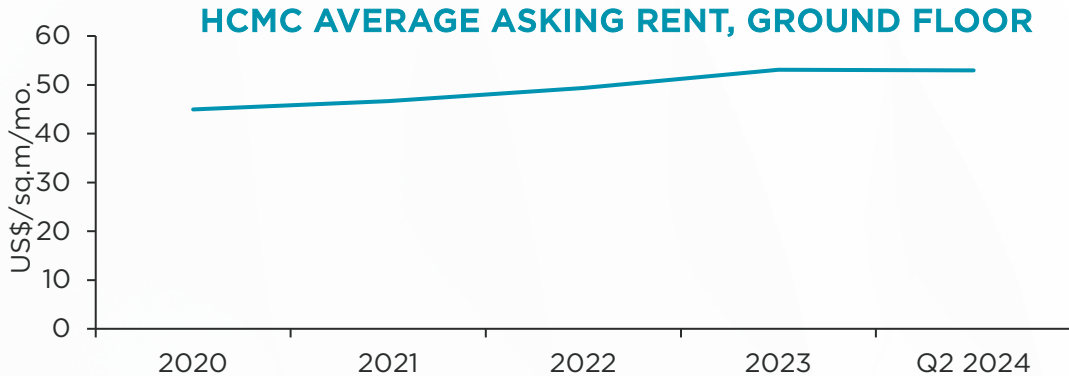
+0.8ppts QoQ  
Stable YoY

Average GF asking rent

**53**

-1.5% QoQ  
+3.6% YoY

US\$/sq.m/month



Source: Cushman & Wakefield  
All rents are inclusive of service charges and exclusive of VAT  
US\$/VND = 25,500 as of Q2 2024

**Occupancy:** slightly increased by 0.8ppts QoQ and relatively stable YoY, as new and renovated shopping centers started to partially and fully operate with good occupancy. Additionally, some projects finished restructuring their tenancy mix and welcomed more large-scale tenants in supermarkets, interior design, fashion, and F&B, thus contributing partly to the overall occupancy improvement.

**Rent:** Rent was slightly dropped by 1.5% QoQ with the entry of new supply from non-CBD area. Besides, a few underperforming projects were adjusting their rental rates to boost the leasing activities at their premises.

### Future supply 2024 - 2027+



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



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



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



**Marina Central Tower**  
(District 1,  
11,000 sq.m,  
Materise Homes)



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

Note: Provided information is subject to change/updated depending on the developer's plan in the future

# NOTABLE MARKET MOVEMENT H1 2024

## NEW ENTRY AND EXPANSION OF INTERNATIONAL RETAILERS HAPPENED IN ALL SEGMENTS

### LUXURY & HIGH-END GOODS

**PIAGET** First store in HCMC at Union Square

*Cartier* First official flagship store in Vietnam, at Union Square

**J&CO** JACOB & CO First flagship store in Vietnam, on Dong Khoi Street, District 1

**FRANCK MULLER** GENEVE First boutique flagship in Vietnam, at Opera View

**RENE CAO VILLA** New boutique store at Union Square

**LONGINES** Renovated with new boutique concept at Grand Hotel Sai Gon, District 1

*Vin Rose*  
**GALERIES de PARFUMS** New opening at Thiso Mall

**TAG Heuer** New store at Crescent Mall

**TUMI** New opening near HCMC's Post Office building

**VERTU** Third showroom in Vietnam at Caravelle Hotel

### MID-END GOODS

**Bath & Body Works** Three first stores in HCMC at Vincom projects in District 1, Binh Thanh, and Thu Duc City

**KOHNAN JAPAN** New store at Vincom Plaza Le Van Viet

**AEON** New "Super Supermarket" at Crescent Mall

**DECATHLON** New store at Vincom Mega Mall Grand Park (VMM Grand Park)

**UNIQLO** New stores at Giga Mall, Vincom Plaza Le Van Viet (soon), VMM Grand Park (soon)

**MUJI** 無印良品 Soon at Vincom Plaza Le Van Viet, VMM Grand Park, Thiso Mall Truong Chinh - Phan Huy Ich, Thiso Mall Sala

**NITORI** First store in HCMC at VMM Grand Park

### F&B

**POSEDON** New openings across HCMC in District 11, Tan Binh District, District 10

**CUU VAN LONG** SEAFOOD BUFFET First restaurant in HCMC at Icon68 Shopping Center

**SEAGRAM** Four new openings across HCMC in District 3, Tan Binh District, and Thu Duc City (Giga Mall & VMM Grand Park)

**DABU HOTPOT** New hotpot brand coming at VMM Grand Park & Vincom Center Dong Khoi

**MIKADO SUSHI** New brand with four stores in HCMC in Thao Dien area, VMM Grand Park (soon), Van Hanh Mall (soon), and Estella Place (soon)

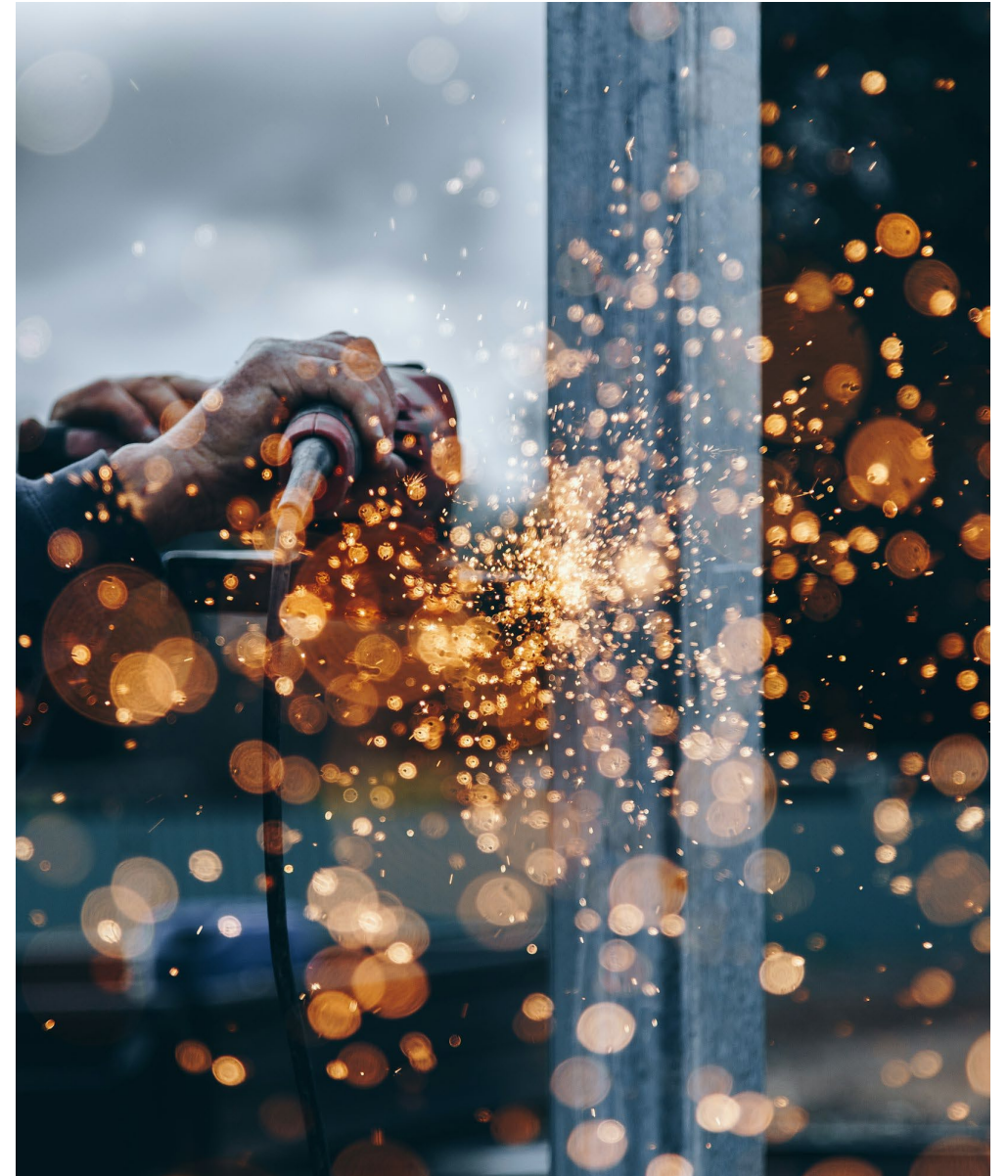
## MARKETBEAT Q2 2024

HO CHI MINH CITY

# INDUSTRIAL

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

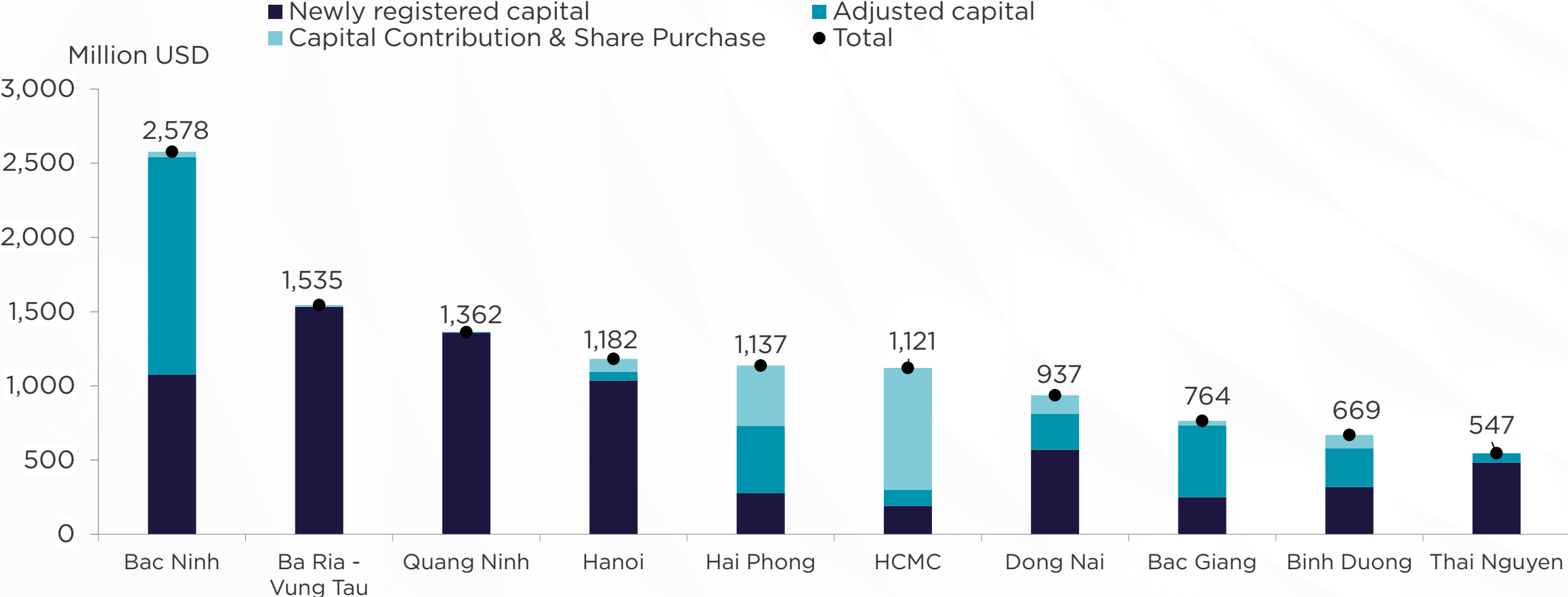
Better never settles



# TOP FDI DESTINATIONS IN H1 2024

FOUR OUT OF FIVE PROVINCES IN THE SKER CONTRIBUTED IN THE TOP FDI ATTRACTION IN H1 2024

### Leading provinces in attracting FDI, H1 2024





# SOUTHERN INDUSTRIAL MARKET – IP LAND

## POSITIVE SENTIMENT FOR INDUSTRIAL LAND

### Southern Key Economic Region (SKER)

Total leasable land (ha)  
**~ 28,000** +0.6% QoQ  
 +1.2% YoY

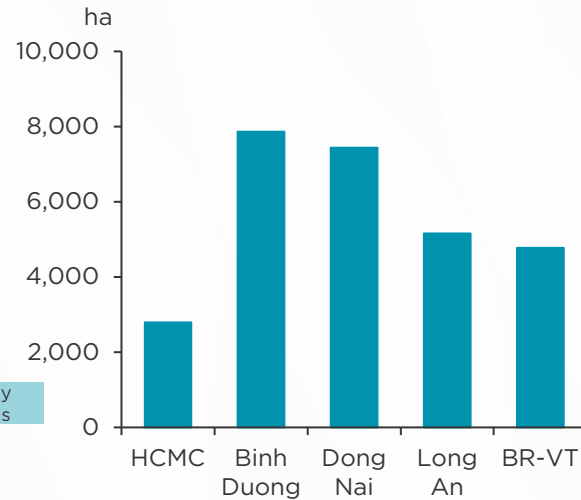
Average primary asking price  
 (US\$/sq.m./term) (\*)  
**US\$ 176** +2.9% QoQ  
 +4.8% YoY

Occupancy  
**~ 82%** -0.2 ppt QoQ  
 +0.3 ppt YoY

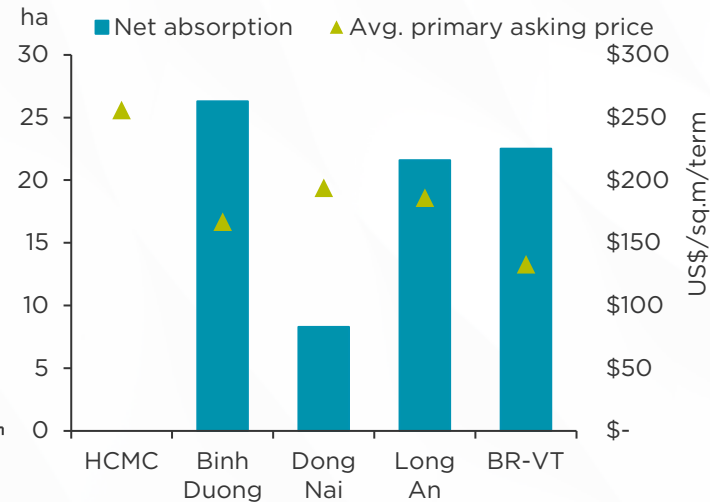
Net Absorption (ha) Q2 2024  
**~ 79**



### INDUSTRIAL LAND SUPPLY



### INDUSTRIAL LAND PERFORMANCE



- One new Industrial Park (IP) project was launched in Long An Province, namely Thu Thua IP, providing about 115 ha of leasable area into the market.
- Market sentiment is positive this quarter with the net absorption reaching 79 ha. Binh Duong, Long An, and Ba Ria - Vung Tau each recorded above 20 ha absorbed. Demand for IP land this quarter came from various industries, from high value-added such as Electronics, Pharmaceutical, to traditional industries such as Plastics, Vehicle Production, and Animal Feed.
- Amid high demand for IP land, the average primary asking price of IP land was recorded at US\$ 176/sq.m./lease term, up 2.9% QoQ and 4.8% YoY.

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

# SOUTHERN INDUSTRIAL MARKET - RBF

## INCREASING DEMAND, RBF MARKET GREATLY BENEFITED FROM THE INVESTMENT WAVE

### Southern Key Economic Region (SKER)

Total RBF supply (sq.m)

~ 6,100,000 <sup>+11.1% QoQ</sup>  
<sub>+8.0% YoY</sub>

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

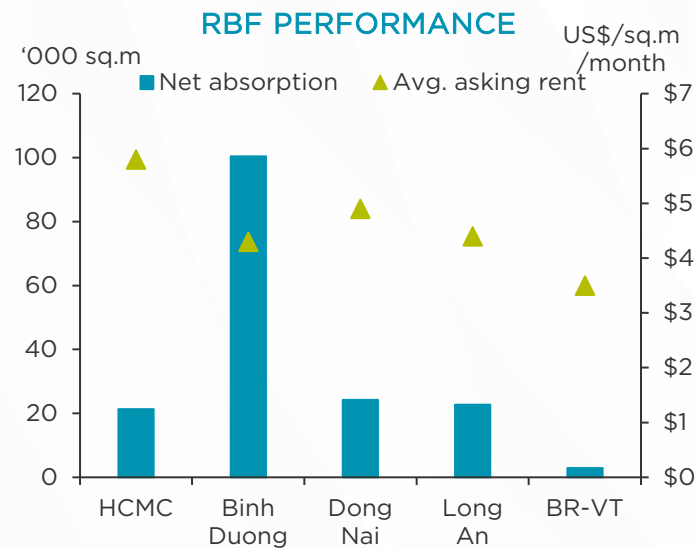
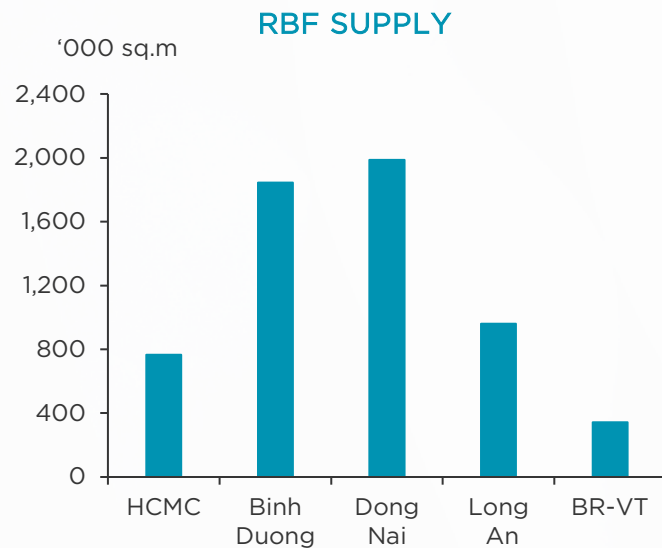
US\$ 4.7 <sup>+1.1% QoQ</sup>  
<sub>+2.5% YoY</sub>

Occupancy

~ 71% <sup>-4.8 ppts QoQ</sup>  
<sub>+2.3 ppts YoY</sub>

Net Absorption (sq.m) Q2 2024

~ 172,000



Source: Cushman & Wakefield  
 (\*) Note: All rents are inclusive of SC but exclusive of VAT  
 US\$/VND = 25,500 as of Q2 2024

- One new RBF project was launched, namely BW Bau Bang 06 in Binh Duong Province, bringing nearly 300,000 sq.m into the market.
- In line with the industrial land market, the RBF market has greatly benefited from the investment wave, with total net absorption recorded at about 172,000 sq.m. Binh Duong Province led in terms of RBF absorption with 59% contributions. Demand for RBF this quarter came from industries that are existing strengths of the SKER region such as Vehicle Production, Machinery & Equipment, and Textile.
- Rents of RBF increased 1.1% QoQ, and 2.5% YoY, at US\$4.7/sq.m/month.

# SOUTHERN INDUSTRIAL MARKET - RBW

## MARKET DEMAND HAS BEEN SLIGHTLY BOUNCING BACK

### Southern Key Economic Region (SKER)

Total RBW supply (sq.m)

~ 5,300,000 -5.5% QoQ  
+5.3% YoY

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

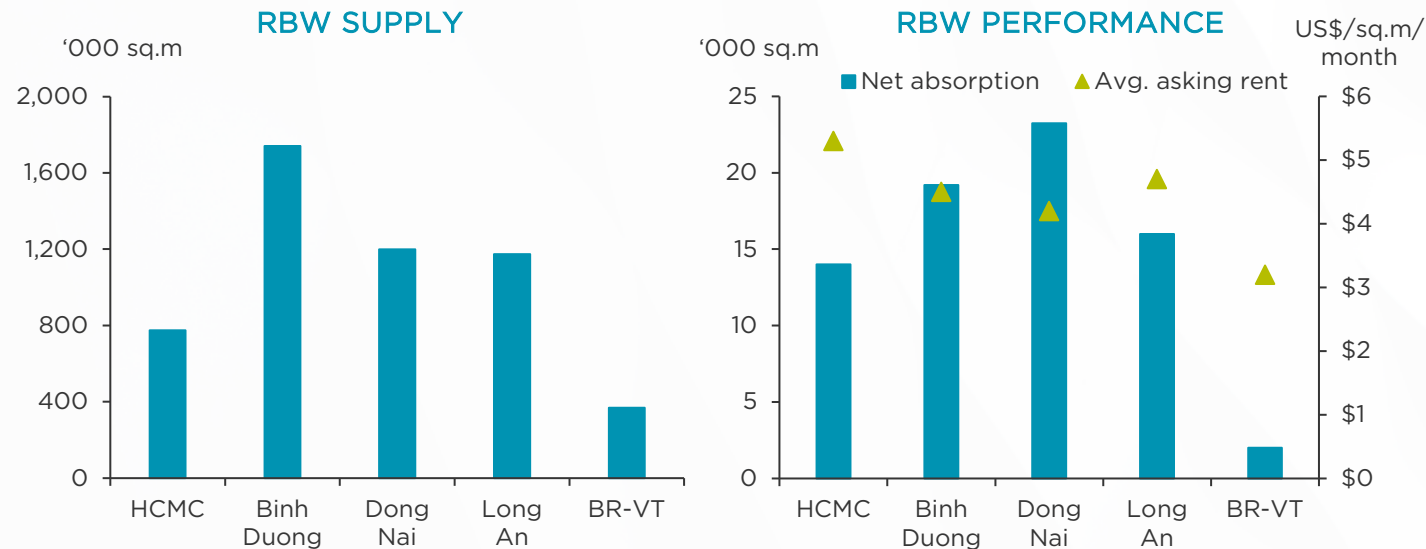
US\$ 4.5 stable QoQ  
+1.2% YoY

Occupancy

~ 79% +5.7 ppts QoQ  
+4.0 ppts YoY

Net Absorption (sq.m) Q2 2024

~ 74,000



Source: Cushman & Wakefield

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

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

- One new RBW was launched this quarter, namely BW Dong An 2 project in Binh Duong Province, with a 19,000 sq.m GFA scale. In addition, two projects in Binh Duong and Long An Province were converted from warehouse to factory function, leading to a decline in supply.
- The net absorption of RBW was recorded at about 74,000 sq.m in Q2 2024. Dong Nai Province led the warehouse demand with over 23,000 sq.m absorbed. Market demand has bounced back thanks to new FDI flow into Vietnam and increased domestic consumption.
- The average rent of RBW was recorded at US\$ 4.5/sq.m/month, stable QoQ and increasing 1.2% YoY.

# OUTLOOK

## Future land supply (2024R - 2027F)

~ 6,200 ha

## Future RBF supply (2024R - 2027F)

~1.4 million sq.m

## Future RBW supply (2024R - 2027F)

~1.9 million sq.m

- The outlook for the industrial market remained brilliant with several positive factors: Vietnam’s participation in global trade through free-trade agreements (FTAs), strengthening of strategic partnerships, and the China+1 strategy of large manufacturers. Therefore, the developers are preparing future pipelines to welcome the investment wave. From present until 2027, about 6.200 ha of IP land will be added to the market.
- Investors and manufacturers are gradually keeping eyes on further-located provinces in Central Vietnam and the Mekong Delta region thanks to competitive land prices, the active FDI attraction strategy, and continuously improving infrastructure system.
- The RBF market will welcome a future supply of about 1.4 million sq.m in the period 2024 - 2027. Following the investment wave into industrial land, demand for RBF is expected to be healthy due to low initial investment costs, time-saving, and more flexibility for investors.

Property type	Supply CAGR (2024 - 2027F)
IP Land	6.2%
RBF	6.2%
RBW	7.7%




Source: Cushman & Wakefield

- There will be about 1.9 million sq.m of RBW entering the market in the 2024 - 2027 period, with 55% of future supply will be located in Dong Nai Province, home to the future Long Thanh Airport.






# NOTABLE FUTURE SUPPLY (2024 - 2027)

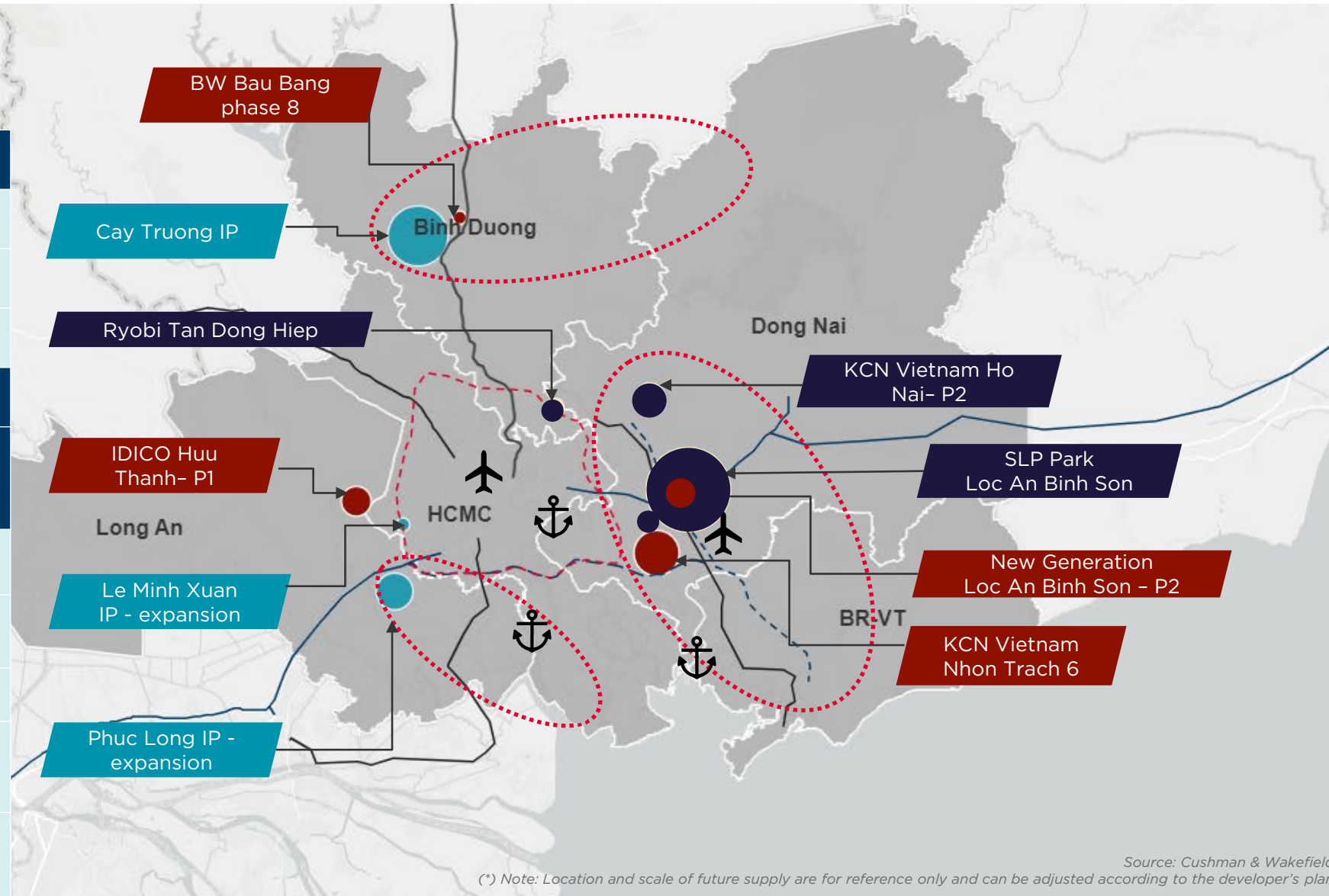
FUTURE SUPPLY WILL DEVELOP ALONG THE INFRASTRUCTURE NETWORK

## LEGEND

International Airport	
International Seaport	
Existing Industrial Hubs	

## NOTABLE PROJECTS

Industrial Land (ha)	RBF (sq.m)	RBW (sq.m)	
< 100	< 10,000		
100 - 150	10,000 - 20,000		
150 - 220	20,000 - 50,000		
220 - 300	50,000 - 100,000		
>300	> 100,000		



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

# CONVERSION TREND

Total RBF & RBW supply (sq.m), Q2 2024

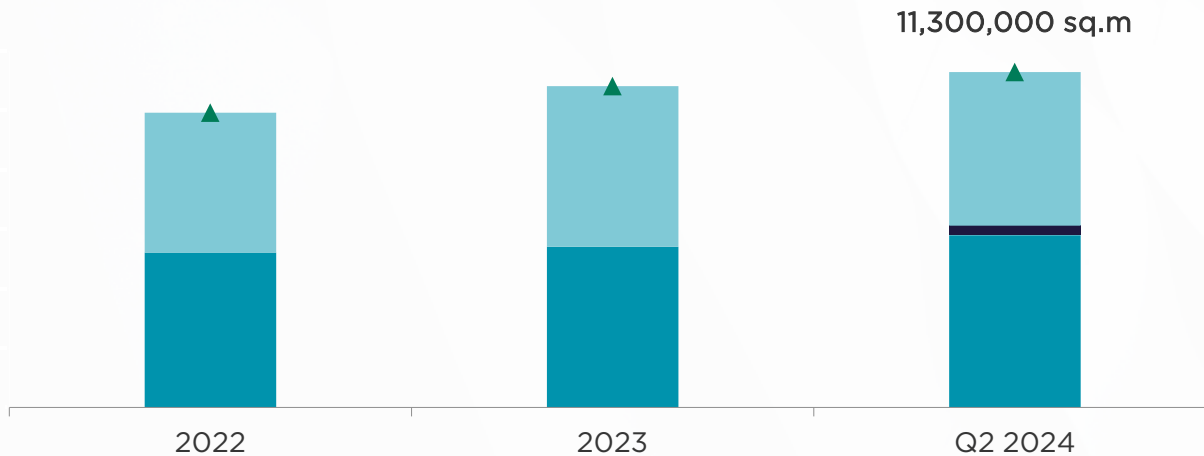
~ 11,300,000

Total RBW → RBF supply conversion (sq.m), Q2 2024

~ 322,400

Total RBF/RBW supply in the SKER, 2022 - Q2 2024

■ RBF ■ RBW-->RBF Conversion ■ RBW ▲ Total



Ready-Built Warehouse  
(RBW)

Ready-Built Factory  
(RBF)

- In Q2 2024, Cushman & Wakefield observed an ongoing trend: the conversion of the Ready-Built Warehouse project into the Ready-Built Factory project.
- This strategy is to adapt to the market demand: While demand for warehouses was slowed down recently, demand for RBF still proved healthy following the FDI inflow into Vietnam, the developers have been preparing for this conversion process to ensure asset stabilization and secure the cash flow.



## **TRANG BUI**

Country Head

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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](http://www.cushmanwakefield.com).

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