



SOUTHERN KEY ECONOMIC ZONE INDUSTRIAL MARKETS

Q3 2024 MarketBeat

Better never settles

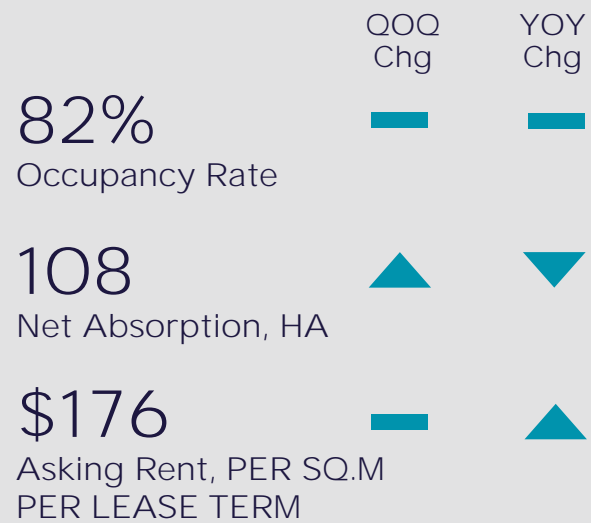
MARKETBEAT SOUTHERN KEY ECONOMIC ZONE (*) INDUSTRIAL Q3 2024



(*) SKEZ includes: HCMC, Binh Duong, Dong Nai, Long An, and Ba Ria - Vung Tau

INDUSTRIAL PARK (IP) LAND

MARKET FUNDAMENTALS



ECONOMIC INDICATORS



Source: GSO

SUPPLY: ONE NEW INDUSTRIAL PARK WAS LAUNCHED

Q3 2024 recorded one new Industrial Park (IP) launched in Long An Province, namely Prodezi Eco-Industrial Park, bringing about 280 ha of leasable IP land into the market. Total industrial land supply reached 28,300 ha, increasing 1.0% QoQ and 1.6% YoY.

DEMAND: INDUSTRIAL LAND OBSERVED HIGH DEMAND

Demand for industrial land remained high this quarter thanks to the sustained FDI inflow into the Southern Key Economic Zone (SKEZ), with the net absorption of IP land recorded at 108 ha, increasing by 37.2% QoQ but down 6.6% YoY. Long An and Ba Ria - Vung Tau (BR-VT), the two provinces with large available industrial land banks, led the total net absorption with a combined proportion of 85%.

Major IP land tenants this quarter mostly came from industries such as Machinery & Equipment, Plastics, and Pharmaceuticals.

PRICE: INDUSTRIAL LAND PRICE GREW 5.6% YOY

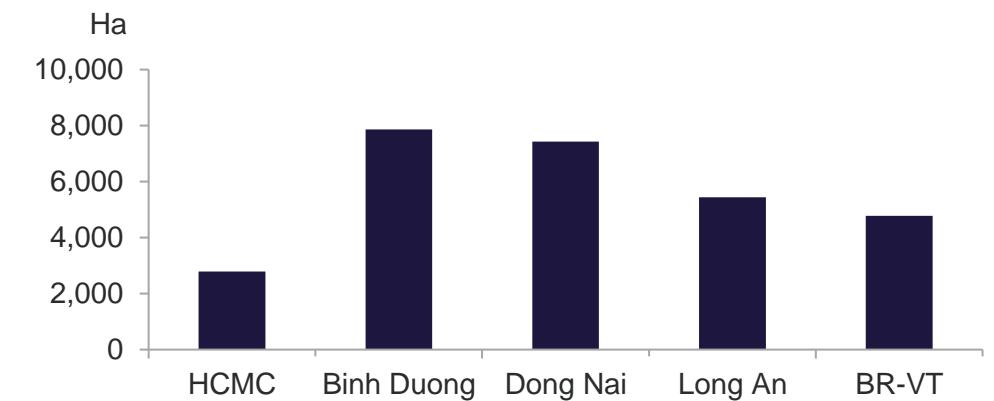
The average primary asking price of IP land was recorded at US\$ 176/sq.m/lease term, unchanged QoQ, but increased 5.6% YoY.

OUTLOOK

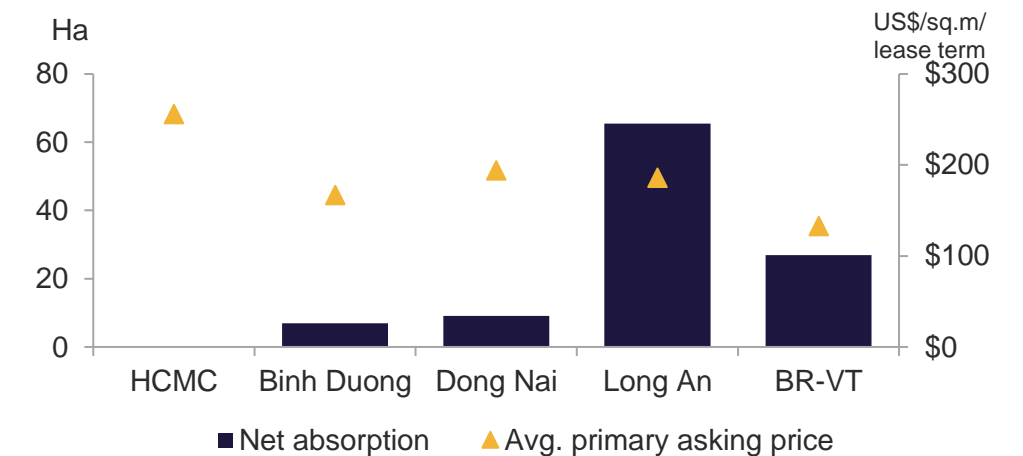
Until Q3 2024, all 4 important industrial provinces in the SKEZ (except HCMC) have the 2021 - 2030 master plan approved by the Prime Minister. Therefore, the SKEZ is expected to be supplemented with several new industrial parks comprising nearly 6,000 hectares of industrial land in the period from now to 2027. The price trend is expected to be upward thanks to good market sentiment.

Future industrial development will be based on the following orientations: ecological industrial parks, urban and industrial integration, and digital transformation.

EXISTING INDUSTRIAL LAND SUPPLY



INDUSTRIAL LAND PERFORMANCE



Note: Average primary asking prices of IP land are prices offered directly from IP developers, exclusive of VAT and management fee
US\$/VND Exchange rate in Q3 2024 = 25,100

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READY-BUILT FACTORY (RBF)

MARKET FUNDAMENTALS

	QOQ Chg	YOY Chg
74% Occupancy Rate	▲	▲
245,000 Net Absorption, SQ.M	▲	▲
\$4.8 Asking Rent, PER SQ.M PER MONTH	▲	▲

ECONOMIC INDICATORS

	YOY Chg
6.82% GDP Growth	▲
3.88% Inflation (CPI)	▼
24.78 FDI (bil. US\$)	▲
8.6% IIP	▲

Source: GSO

SUPPLY: ONE NEW RBF PROJECT WAS LAUNCHED

One new RBF project in Binh Duong was launched, making the total RBF supply of five provinces/cities in the SKEZ now reach approximately 6.3 million sq.m, increasing by 1.1% QoQ and 16.8% YoY.

DEMAND: MARKET DEMAND FOR RBF SIGNIFICANTLY INCREASED

The total net absorption of RBF this quarter was recorded at over 245,000 sq.m, increasing 43% QoQ and more than doubling last year's figure. Among the five provinces, Binh Duong led in terms of net absorption with 159,000 sq.m, accounting for 65% of the total. This was followed by Dong Nai with 27%.

Demand drivers of RBF sector this quarter came from industries such as: Electrical Equipment, Furniture, and Paper Products.

RENT: RENT INCREASED DUE TO NEWLY-LAUNCHED PROJECTS

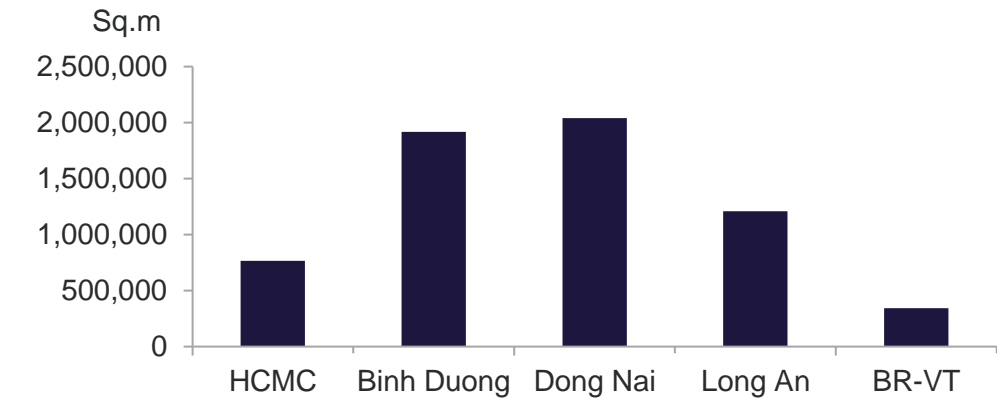
Rents of RBF was recorded at US\$ 4.8 /sq.m/month, increasing slightly by 0.3% QoQ and 1.1% YoY. The rent increase was attributed to the launch of new projects with higher rents than the market average.

On the project level, most developers still kept their project rents stable to be competitive in the market.

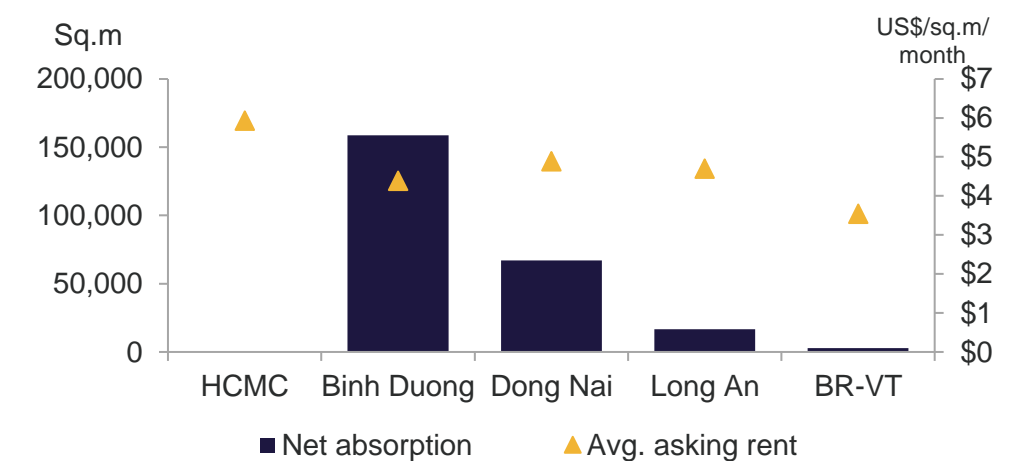
OUTLOOK

The RBF market will welcome a future supply of about 1.0 million sq.m in the period 2024 - 2027. Amid weak demand for ready-built warehouse (RBW), the conversion trend of RBW to RBF might continue for a period of time, making more RBF supply entering the market than forecasted.

EXISTING RBF SUPPLY



RBF PERFORMANCE



Note: All rents of RBF/RBW are inclusive of SC but exclusive of VAT
US\$/VND Exchange rate in Q3 2024 = 25,100

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READY-BUILT WAREHOUSE (RBW) (*)

MARKET FUNDAMENTALS

	QOQ Chg	YOY Chg
79% Occupancy Rate	▲	▲
79,000 Net Absorption, SQ.M	▲	▲
\$4.5 Asking Rent, PER SQ.M PER MONTH	▬	▲

ECONOMIC INDICATORS

	YOY Chg
6.82% GDP Growth	▲
3.88% Inflation (CPI)	▼
24.78 FDI (bil. US\$)	▲
8.6% IIP	▲

Source: GSO

SUPPLY: NO NEW RBW SUPPLY RECORDED THIS QUARTER

No new supply RBW supply was recorded in the SKEZ this quarter. However, due to the effect of RBW conversion to RBF, the total RBW supply still stayed at nearly 5.2 million sq.m, stable both QoQ and YoY.

DEMAND: DEMAND WAS DRIVEN BY E-COMMERCE & DOMESTIC SECTOR

The total net absorption of RBW was recorded at over 79,000 sq.m in Q3 2024, increasing 6.7% QoQ and 84.1% YoY. Among the SKEZ provinces, Dong Nai led the warehouse demand with 59% of total net absorption. This was followed by HCMC and Binh Duong with proportions of 18% and 15%, respectively.

Warehouse demand this quarter is mostly driven by the E-commerce and domestic sectors, while demand from export manufacturing sectors is also gradually recovering.

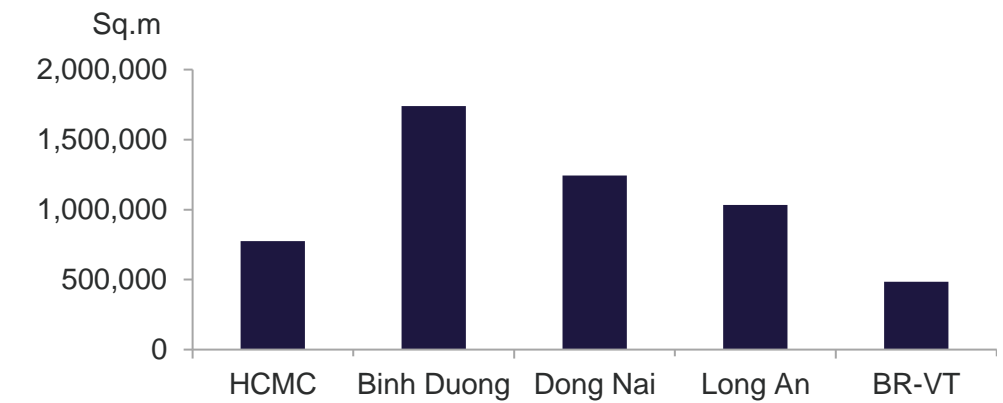
RENT: WAREHOUSE RENTS KEPT STABLE

The average rent of RBW was recorded at US\$ 4.5/sq.m/month, stable QoQ and increasing 1.0% YoY.

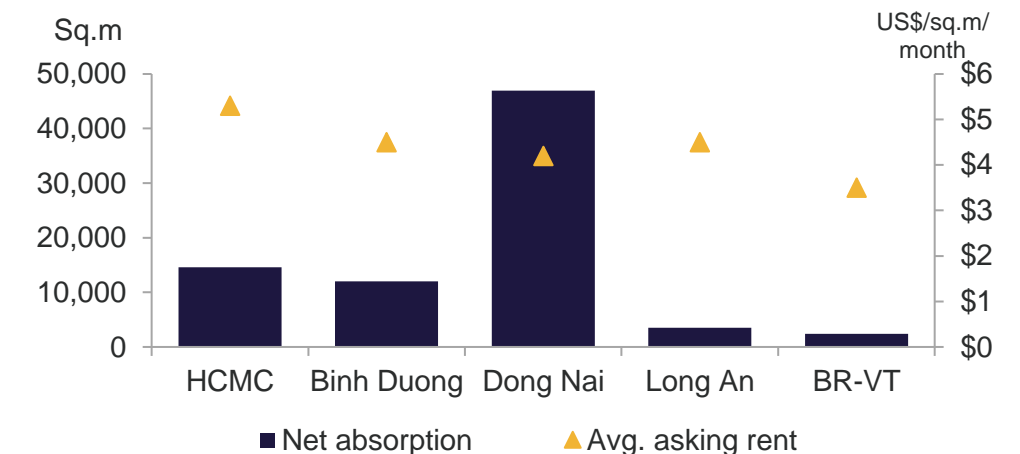
OUTLOOK

From now to 2027, there will be an RBW supply of about 1.9 million sq.m entering the market. However, to adapt to market conditions, developers might need to consider converting their projects from RBW to RBF, as well as offer competitive schemes to attract clients.

EXISTING RBW SUPPLY



RBW PERFORMANCE



Note: All rents of RBF/RBW are inclusive of SC but exclusive of VAT
US\$/VND Exchange rate in Q3 2024 = 25,100

(*) Includes Ready-Built Hybrid (RBH) type

MARKET STATISTICS

SUBMARKET	IP LAND				READY-BUILT FACTORY (RBF)				READY-BUILT WAREHOUSE (RBW)			
	INVENTORY (HA)	OCCUPANCY RATE	NET ABSORPTION (HA)	AVG PRIMARY ASKING RENT (US\$/sq.m/lease term)	INVENTORY (SQ.M)	OCCUPANCY RATE	NET ABSORPTION (SQ.M)	AVG ASKING RENT (US\$/sq.m/month)	INVENTORY (SQ.M)	OCCUPANCY RATE	NET ABSORPTION (SQ.M)	AVG ASKING RENT (US\$/sq.m/month)
YTD 2024	28,000	82%	259	\$ 176	6,300,000	74%	560,000	\$ 4.8	5,200,000	79%	199,000	\$ 4.5
Q3 2024			108				245,000				79,000	
QoQ	▲ 1.0%	◀▶	▲ 37.2%	◀▶	▲ 1.1%	▲ 2.1 pts	▲ 42.4%	▲ 0.3%	◀▶	▲ 1.8 ppt	▲ 6.7%	◀▶
YoY	▲ 1.6%	◀▶	▼ 6.6%	▲ 5.6%	▲ 16.8%	▲ 0.6 ppt	▲ 91.4%	▲ 1.1%	◀▶	▲ 8.2 pts	▲ 84.1%	▲ 1.0%

Average primary asking prices of IP land are prices offered directly from IP developers, exclusive of VAT and management fee
All rents of RBF/RBW are inclusive of SC but exclusive of VAT
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PLANNED & UNDER CONSTRUCTION SUPPLY 2024 - 2027F

PROPERTY TYPE	TOTAL FUTURE SUPPLY	CAGR (2024 - 2027)
IP Land	5,900 ha	5.9%
RBF	1.0 million sq.m	4.5%
RBW	1.8 million sq.m	6.8%

KEY NEW LAUNCH PROJECTS Q3 2024

PROJECT	PROVINCE / CITY	TYPE	SCALE	DEVELOPER
Prodezi IP	Long An	IP Land	280 ha	Prodezi Long An
Viet Huong II Lot N - p1	Binh Duong	RBF	51,000 sq.m	Viet Huong JSC

KEY PLANNED & UNDER CONSTRUCTION SUPPLY 2024 - 2027F

PROJECT	TYPE	PROVINCE / CITY	SCALE	DEVELOPER	EXPECTED LAUNCH
Long Duc 3 IP	IP	Dong Nai	170 ha	KN Group	2025
Loc Giang IP	IP	Long An	326 ha	Kinh Bac City	2025
BW Vinh Loc 2A - Phase 2	RBF	Long An	120,000 sq.m	BW Industrial	2025
Viet Huong II Lot N - next phase	RBF	Binh Duong	98,000 sq.m	Viet Huong JSC	2026
SLP Park Loc An Binh Son	RBW (expected)	Dong Nai	148,000 sq.m	SLP	2025 - 2026

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

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