CUSHMAN & WAKEFIELD

NORTHERN KEY ECONOMIC ZONE INDUSTRIAL MARKETS

Q3 2024 MarketBeat

Better never settles

MARKETBEAT
NORTHERN KEY ECONOMIC ZONE (*)
INDUSTRIAL Q3 2024

(*) NKEZ includes: Hanoi, Bac Ninh, Hai Phong, Hung Yen, Hai Duong, Quang Ninh, and Vinh Phuc

INDUSTRIAL PARK (IP) LAND

MARKET FUNDAMENTALS

	QOQ Chg	YOY Chg
68% Occupancy Rate	—	▼
158 Net Absorption, HA	▼	▲
$130 Asking Rent, PER SQ.M PER LEASE TERM	▲	▲

ECONOMIC INDICATORS 9M 2024

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

Source: GSO

SUPPLY: TWO NEW INDUSTRIAL PARKS WERE LAUNCHED

Two new industrial park (IP) projects were launched in the NKEZ: Gia Binh II (Bac Ninh Province), and Luong Dien – Ngoc Lien (Hai Duong Province), providing about 274 ha of leasable IP land into the market. Total industrial land supply in the NKEZ now reached 16,700 ha, increasing 1.7% QoQ and 16.0% YoY.

DEMAND: THE NKER KEPT GOOD INVESTMENT MOMENTUM

Thanks to the advantageous location, improved infrastructure, and good investment sentiment, the NKER provinces kept the momentum with a total net absorption of 158 ha this quarter, down 14% QoQ but up 32% YoY. Bac Ninh Province continued to lead IP demand with 30% of total net absorption. This was followed by Hai Duong, Quang Ninh, and Hung Yen with proportions of about 17 – 20% of total.

Demand drivers for IP land this quarter remained from the three major industries: Electronics, Machinery & Equipment, and RBF/RBW development.

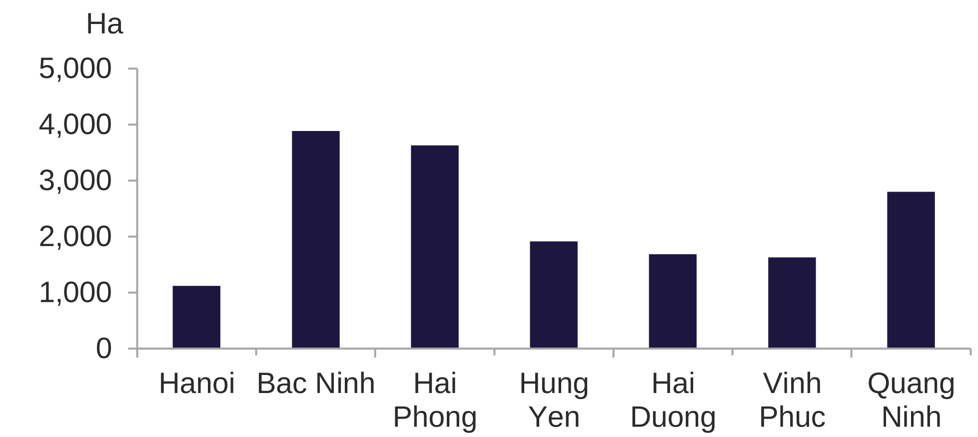
PRICE: INDUSTRIAL LAND PRICE GREW 5.7% YOY

The average primary asking price of IP land was recorded at US$ 130/sq.m/lease term, increasing 1.0% QoQ and 5.7% YoY. Due to high demand, some projects in Bac Ninh and Hung Yen even increased their prices by 10% over the quarter.

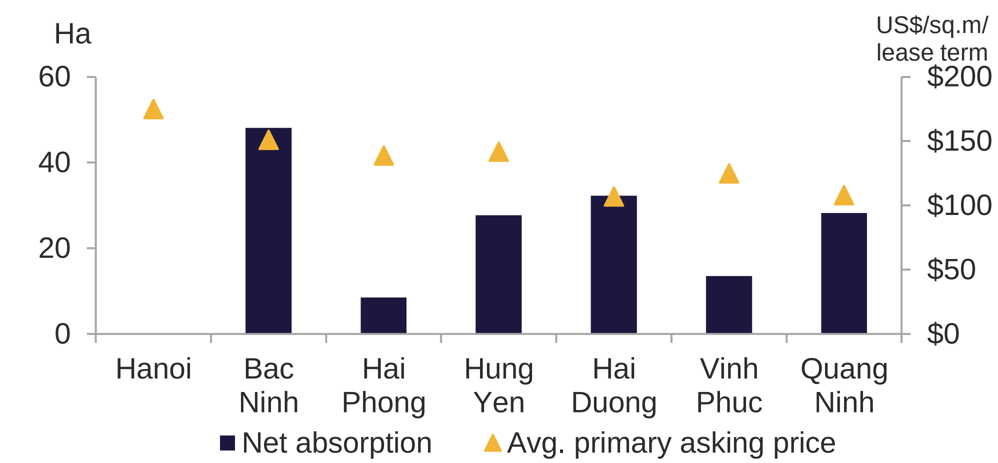
OUTLOOK

From now to 2027, the NKEZ will welcome about 4,700 ha of leasable IP land. Among the provinces, Hai Phong and Hung Yen accounted for up to 27% and 23% of total future supply, respectively. Thanks to good demand, the IP land price trend is expected to be upward.

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

Source: GSO

MARKETBEAT
NORTHERN KEY ECONOMIC ZONE (*)
INDUSTRIAL Q3 2024

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READY-BUILT FACTORY (RBF)

MARKET FUNDAMENTALS

	QOQ Chg	YOY Chg
78% Occupancy Rate	▼	▲
178,000 Net Absorption, SQ.M	▼	▲
$4.9 Asking Rent, PER SQ.M PER MONTH	–	▲

ECONOMIC INDICATORS 9M 2024

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

Source: GSO

SUPPLY: FOUR NEW RBF PROJECTS WERE LAUNCHED

Four new RBF projects were launched in Bac Ninh, Hai Phong, and Vinh Phuc, providing about 256,000 sq.m into the market. The total RBF supply of the NKEZ now reaches over 4.0 million sq.m, increasing by 5.9% QoQ and 21.3% YoY.

DEMAND: DEMAND SUSTAINED BY HEALTHY FDI

Thanks to the healthy FDI inflow into the NKEZ provinces, the RBF total net absorption still maintained at a high level, about 178.000 sq.m. Hai Phong City led the demand with up to 47% of the total. This was followed by Bac Ninh and Vinh Phuc with 23% and 20% respectively.

Demand for RBF in the NKEZ this quarter came from industries such as Plastics, Electronics, and Fabricated Metals.

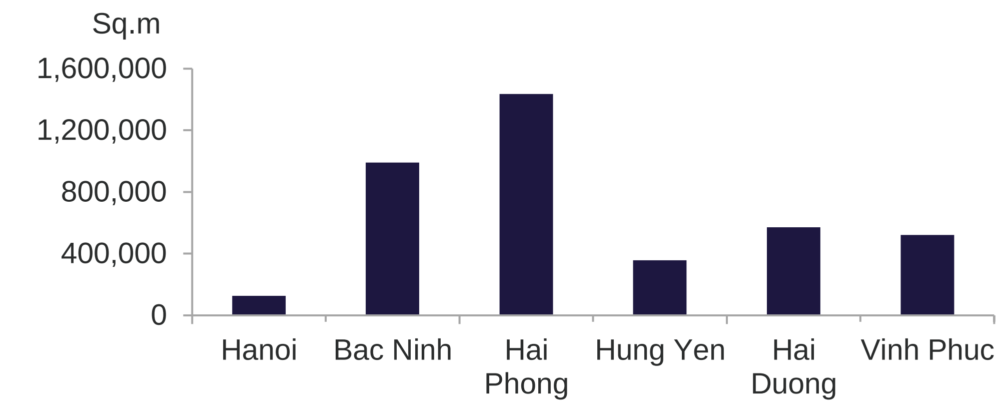
RENT: FACTORY RENTS KEPT STABLE

The average rent of RBF was recorded at US$ 4.9/sq.m/month, stable QoQ and up 2.1% YoY.

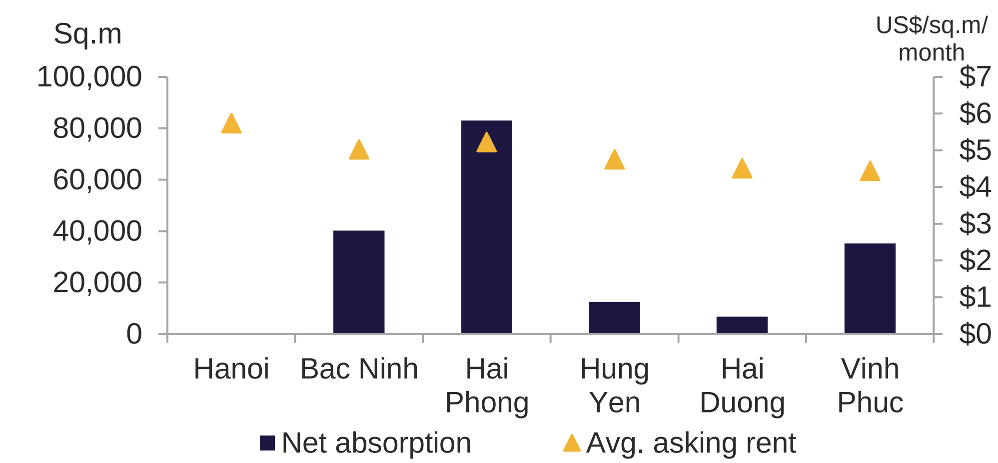
OUTLOOK

The RBF market in the NKEZ will welcome a future supply of about 936,000 sq.m in the upcoming period (2024 – 2027). In the future pipeline, there will be more multi-floor RBF projects entering the Northern market after a long absence period, as the region attracts more and more clients from high-tech and high value-added industries such as Electronics and Semiconductors.

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

Source: GSO

MARKETBEAT
NORTHERN KEY ECONOMIC ZONE (*)
INDUSTRIAL Q3 2024

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READY-BUILT WAREHOUSE (RBW) (*)

MARKET FUNDAMENTALS

	QOQ Chg	YOY Chg
72% Occupancy Rate	—	▲
85,000 Net Absorption, SQ.M	▼	▼
$4.9 Asking Rent, PER SQ.M PER MONTH	▲	▲

ECONOMIC INDICATORS 9M 2024

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

Source: GSO

SUPPLY: ONE NEW PROJECT WAS LAUNCHED

One new project was launched in Hung Yen Province, providing about 85,000 sq.m into the market. This is a hybrid project with dual functions of both RBF and RBW. The total RBW supply of the NKEZ reached 2.5 million sq.m, increasing 3.5% QoQ and 21.1% YoY.

DEMAND: DEMAND DRIVEN BY E-COMMERCE & EXPORT MANUFACTURING SECTOR

The total net absorption of RBW was recorded at about 85,000 sq.m, decreasing 20.3% QoQ and 23% YoY. Bac Ninh Province and Hai Phong City, two major logistics hubs of the Northern region, led the warehouse demand with proportions of 51% and 28%, respectively.

In general, this quarter's demand in the Northern region continued to be driven mostly by the E-commerce sector, followed by the export manufacturing sector, which observed particular demand for the ready-built hybrid (RBH) type.

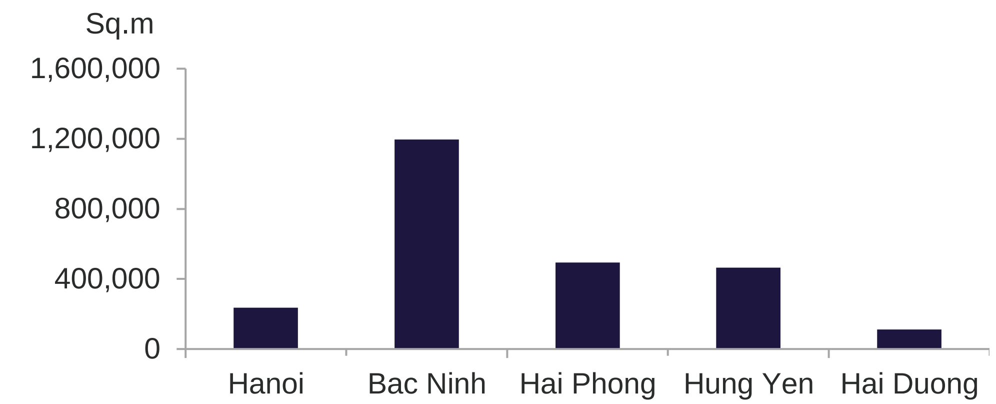
RENT: RENTS INCREASED DUE TO NEWLY-LAUNCHED PROJECTS

The average rent of RBW now reached US$ 4.9/sq.m/month, increasing 1.3% QoQ and 6.7% YoY, due to the launch of new high-quality projects recently.

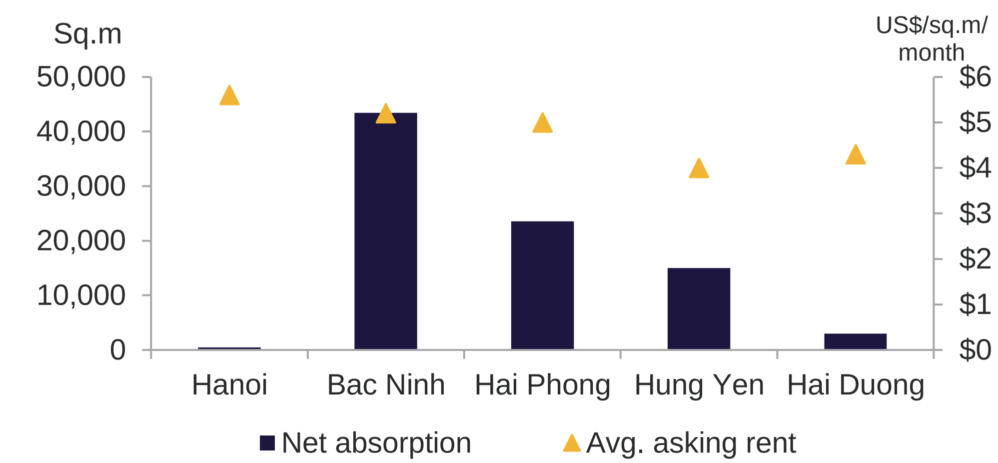
OUTLOOK

In terms of the future RBW supply, the NKER will welcome about 764,000 sq.m into the market in the period 2024 – 2027. However, several RBW projects would likely be used with hybrid functions of both factory and warehouse or converted into RBF to adapt to market demands.

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

Source: GSO

MARKET STATISTICS

	IP LAND				READY-BUILT FACTORY (RBF)				READY-BUILT WAREHOUSE (RBW)			
	INVENTORY (HA)	OCCUPANCY RATE	QTR NET ABSORPTION (HA)	AVG PRIMARY ASKING RENT (US$/sq.m/lease term)	INVENTORY (SQ.M)	OCCUPANCY RATE	QTR NET ABSORPTION (SQ.M)	AVG ASKING RENT (US$/sq.m/month)	INVENTORY (SQ.M)	OCCUPANCY RATE	QTR NET ABSORPTION (SQ.M)	AVG ASKING RENT (US$/sq.m/month)
YTD 2024	16,700	68%	449	$ 130	4,000,000	78%	488,000	$ 4.9	2,500,000	72%	243,500	$ 4.9
Q3 2024			158				178,000				85,000	
QoQ	▲1.7%	◀▶	▼14.1%	▲1.0%	▲ 5.9%	◀▶	▼29.1%	◀▶	▲3.5%	◀▶	▼20.6%	▲1.3%
YoY	▲16.0%	▼3.2 ppts	▲ 31.7%	▲5.7%	▲ 21.3%	▲ 7.5 ppts	▲83.5%	▲2.1%	▲21.1%	▼1.0 ppt	▼23.4%	▲6.7%

Giá thuê sơ cấp trung bình KCN là giá chào thuê trực tiếp từ những Chủ đầu tư KCN, chưa bao gồm Phí quản lý và Thuế GTGT
Giá thuê nhà xưởng xây sẵn (RBF) và nhà kho xây sẵn (RBW) đã bao gồm Phí quản lý, chưa bao gồm Thuế GTGT
USD/VND = 25.100 trong Q3 2024

PLANNED & UNDER CONSTRUCTION SUPPLY 2024 – 2027F

PROPERTY	TOTAL FUTURE SUPPLY	CAGR (2024 – 2027)
IP Land	4,700 ha	5.0%
RBF	936,000 sq.m	2.6%
RBW	764,000 sq.m	6.7%

KEY NEW LAUNCH PROJECTS Q3 2024

PROJECT	PROVINCE / CITY	TYPE	SCALE	DEVELOPER
Luong Dien – Ngoc Lien	Hai Duong	IP Land	105 ha	An Phat Holdings
KTG industrial Yen Phong 2C - phase 2	Bac Ninh	RBF	46,600 sq.m	KTG Industrial
LOGOS Hung Yen	Hung Yen	RBW / RBF Hybrid	85,300 sq.m	LOGOS Property

KEY PLANNED & UNDER CONSTRUCTION SUPPLY 2024 – 2027F

PROPERTY	TYPE	PROVINCE / CITY	SCALE	DEVELOPER	EXPECTED LAUNCH
Tien Thanh IP	IP	Hai Phong	315 ha	Viet Phat JSC	2024 - 2025
Trang Due Phase 3	IP	Hai Phong	481 ha	Kinh Bac City	2025
Core5 Vinh Phuc	RBF	Vinh Phuc	155,000 sq.m	Indochina Kajima	2025
BW ESR Nam Son Hap Linh	RBF	Bac Ninh	112,100 sq.m	BW Industrial	2025
DPL Vietnam Minh Quang	RBW	Hung Yen	35,000 sq.m	Daiwa House & WHA	2025
Mapletree Thuan Thanh 3	RBW	Bac Ninh	140,000 sq.m	Mapletree	2025

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

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