

HANOI

Office Q1 2021

y-o-y Change 12-Mo. Forecast

1,513,700
Current Supply (Grades A & B)

2.6%
Rent Growth (Grades A & B, y-o-y)

12.8%
Vacancy Rate (Grades A & B)

Source: Cushman & Wakefield Vietnam – Research & Consultancy

Economy on the Mend

With effective measures to contain the pandemic during the third wave which began at the end of January, Vietnam’s GDP growth rate remained stable at 4.5% in Q1 2021, equal to that of the last quarter but higher than the growth of 3.8% in Q1 2020. Industrial output in Q1 rose 6.5% y-o-y, with retail sales and services recording growth of 5.1% y-o-y. Total import and export values surged by 26.3% and 22.0% y-o-y, respectively, resulting in a trade surplus of over US\$2.0 billion. FDI attraction and disbursement also rose by 18.5% and 6.5% y-o-y, respectively. The economy is expected to continue recovering in Q2, with full year growth for 2021 projected at 6.6% resulting from successful control of the pandemic, good performance in the manufacturing sector, and robust recovery in domestic demand.

One New Completion, Improved Market Performance

One new Grade B project completed in Q1 2021, adding around 8,000 sq m of space to the market. Total supply increased slightly by 1% q-o-q and 11% y-o-y. Absorption in the quarter was primarily from the newly completed Grade B building as well as the recent Grade A entrant in the previous quarter. Overall occupancy remained stable q-o-q but fell by 5.3 pp y-o-y, mainly due to low occupancy at new projects, standing at 87.2%. The market is expected to remain stable in the short-to-medium term with the economy predicted to recover soon.

Rental Continued Trending Upwards

Overall average asking rents stayed stable q-o-q but rose by 2.6% y-o-y, mainly due to higher rents in the Grade A segment. The upwards trend is expected to persist in the short to medium-term with forecasts of better market performance in the upcoming period.

VIETNAM ECONOMIC INDICATORS Q1 2021

y-o-y Change 12-Mo. Forecast

4.48%
GDP growth

0.29%
Inflation (CPI)

10.07
FDI (bil. US\$)

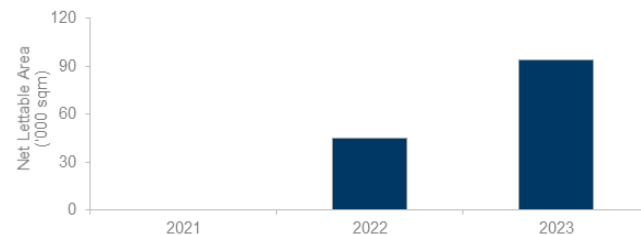
Source: General Statistic Office

GRADE A OVERALL VACANCY & ASKING RENT



Source: Cushman & Wakefield Vietnam – Research & Consultancy

GRADE A SUPPLY PIPELINE



Source: Cushman & Wakefield Vietnam – Research & Consultancy

MARKET STATISTICS

| SUBMARKET | INVENTORY (SQ M) | OVERALL VACANCY RATE | CURRENT QTR ABSORPTION (SQ M) | OVERALL NET ABSORPTION (SQ M) | YTD OVERALL NET ABSORPTION (SQ M) | PLANNED & UNDER CNSTR (SQ M) | OVERALL AVG ASKING RENT * | | |
|-------------------------------------|------------------|----------------------|-------------------------------|-------------------------------|-----------------------------------|------------------------------|---------------------------|-------------|-------------|
| | | | | | | | VNDSQ MMO | US\$/SQ MMO | EUR/SQ MMO |
| Grade A | 489,600 | 22.7% | 3,400 | 3,400 | 3,400 | 139,200 | 771,900 | 33.4 | 27.9 |
| CBD | 123,900 | 9.2% | (200) | (200) | (200) | 0 | 824,500 | 35.6 | 29.8 |
| Non-CBD | 365,700 | 27.3% | 3,600 | 3,600 | 3,600 | 139,200 | 754,100 | 32.6 | 27.2 |
| Grade B | 1,024,100 | 8.0% | 4,400 | 4,400 | 4,400 | 996,600 | 456,800 | 19.7 | 16.5 |
| CBD | 107,400 | 6.4% | 2,400 | 2,400 | 2,400 | 25,600 | 693,700 | 30.0 | 25.1 |
| Non-CBD | 916,700 | 8.2% | 2,000 | 2,000 | 2,000 | 971,000 | 429,000 | 18.5 | 15.5 |
| HANOI GRADE A & B TOTALS | 1,513,700 | 12.8% | 7,800 | 7,800 | 7,800 | 1,135,800 | 558,700 | 24.1 | 20.2 |

*All rents are inclusive of SC but exclusive of VAT

US\$/VND = 23,139; US\$/€ = 0.836 as at 11 March 2021

KEY LEASE TRANSACTIONS Q1 2021

| PROPERTY | SUBMARKET | SQ M | TYPE |
|----------------------|-----------|------|------------|
| Capital Place | Secondary | 687 | Relocation |
| Pax Sky Ngo Thi Nham | Secondary | 444 | New Lease |

SIGNIFICANT PROJECTS PLANNED AND UNDER CONSTRUCTION

| PROPERTY | SUBMARKET | MAJOR TENANT | SQ M | COMPLETION DATE |
|-----------------|-----------|--------------|---------|-----------------|
| Vinfast Tower | Suburban | N/A | 115,000 | 2021 |
| Thai Building | West | N/A | 24,750 | 2021 |
| Vinacomin Tower | West | N/A | 72,160 | 2022 |

KEY CONSTRUCTION COMPLETIONS YTD Q1 2021

| PROPERTY | SUBMARKET | DEVELOPER | SQ M |
|----------------|-----------|-----------|-------|
| Tecos Building | Secondary | Tecos JSC | 8,024 |

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