

HO CHI MINH CITY

Industrial Q1 2021

YoY Chg 12-Mo. Forecast

7.1%
Rent Growth (YoY)



14.2%
Vacancy Rate



2,014 ha
Supply pipeline



Source: Cushman & Wakefield Vietnam – Research & Consultancy

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

Sustained Economic Growth

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.

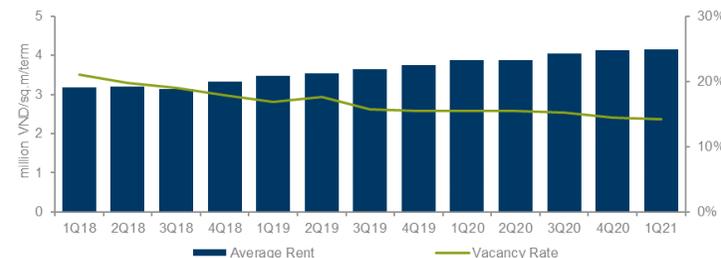
Stable Supply and Sustained Market Performance

Total industrial stock in Ho Chi Minh City remained unchanged at nearly 2,500 ha. The occupancy rate stayed the same q-o-q and increased by 1 pp y-o-y, reaching 85.8%, mainly due to improved take up recorded at industrial parks in districts to the north of the city. Overall, the sector has not been affected much by the COVID-19 outbreak. A combination of longstanding issues and new challenges such as high tariffs, COVID-19, and geopolitical tensions have led to a mass exodus from China. Vietnam has become the first choice in this manufacturing diaspora due to favorable government incentives, competitive labor costs, and stable macroeconomic and political environments.

Notable Y-o-Y Rent Rise

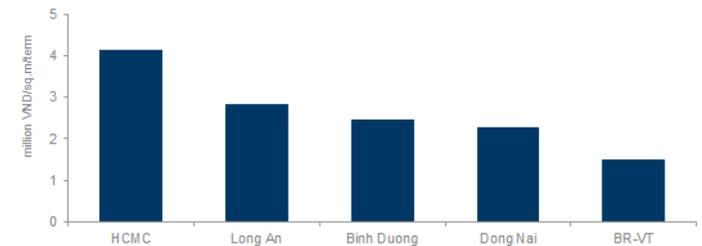
The overall average asking rent stayed the same q-o-q and increased by 7% y-o-y, mainly due to limited available supply and rising demand for industrial land amid the wave of companies moving production out of China. The overall market rent remained the highest nationwide, 27% higher than Hanoi's, 46% higher than Long An's, 68% higher than Binh Duong's, 83% higher than Dong Nai's, and more than double Ba Ria - Vung Tau's.

AVERAGE RENT/VACANCY RATE



Source: Cushman & Wakefield Vietnam – Research & Consultancy

INDUSTRIAL PARK AVERAGE RENT BY PROVINCE



Source: Cushman & Wakefield Vietnam – Research & Consultancy

MARKET STATISTICS

SUBMARKET	INVENTORY (HA)	VACANCY RATE	YTD OVERALL NET ABSORPTION (HA)	PLANNED & UNDER CNSTR (HA)	OVERALL AVG ASKING RENT *		
					VND/SQ M/TERM	US\$/SQ M/TERM	EUR/SQ M/TERM
West	834	15.6%	0	1,441	4,350,000	187.7	156.9
North	778	5.5%	26.1	73	3,309,000	142.6	119.2
South	701	25.8%	7.7	500	5,067,000	218.9	183.0
East	182	0.0%	0	0	3,378,000	146.1	122.1
HO CHI MINH TOTAL	2,495	14.2%	33.8	2,014	4,150,000	179.4	151.7

*All rents are inclusive of SC but exclusive of VAT

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

SIGNIFICANT PROJECTS PLANNED & UNDER CONSTRUCTION Q1 2021

PROPERTY	SUBMARKET	MAJOR TENANT	HA	COMPLETION DATE
Hiep Phuoc – Phase 3	Nha Be	N/A	500	2023
Le Minh Xuan 3 – Phase 2	Binh Chanh	N/A	338	2023
Vinh Loc3	Binh Chanh	N/A	200	2023

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