

HO CHI MINH CITY

Office Q1 2021

1,365,000
Current Supply (Grades A & B)

y-o-y Change	12-Mo. Forecast
▲	▲

0.5%
Rent Growth (Grades A & B, y-o-y)

y-o-y Change	12-Mo. Forecast
▲	▲

12.5%
Vacancy Rate (Grades A & B)

y-o-y Change	12-Mo. Forecast
▲	▼

Source: Cushman & Wakefield Vietnam – Research & Consultancy

VIETNAM ECONOMIC INDICATORS Q1 2021

4.48%
GDP growth

y-o-y Change	12-Mo. Forecast
▲	▲

0.29%
Inflation (CPI)

y-o-y Change	12-Mo. Forecast
▼	▼

10.07
FDI (bil. US\$)

y-o-y Change	12-Mo. Forecast
▲	▲

Source: General Statistic Office

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.

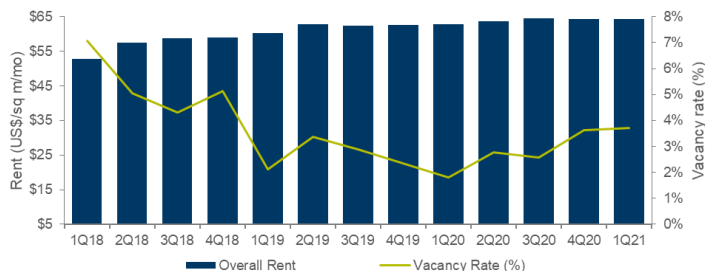
Two New Completions, Improved Market Performance

Two Grade B buildings were completed in Q1 2021 with a combined 54,500 sq m, raising total Grade B stock by 5% q-o-q and 14% y-o-y, while Grade A stock remained unchanged. Absorption in the quarter was primarily at new buildings. Low occupancy at newly completed developments, and softer performance at some existing Grade B buildings amid the impact of the pandemic, were a drag on both grades, with occupancy dropping around 3.0 pp q-o-q and 8 pp y-o-y, to stand at 87.5%. The market is expected to remain soft in the short-to-medium term.

Rental Continued Trending Upwards

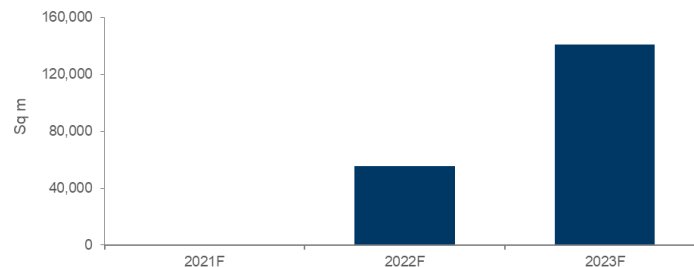
Rent increases at existing projects, combined with limited available leasable space in prime locations, boosted overall average rental rates for both grades by nearly 1% y-o-y, but dropped by 1.0% q-o-q mainly due to lower rents at the new entrants. This upward trend is expected to persist in the short to medium-term.

GRADE AN OVERALL VACANCY & ASKING RENT



Source: Cushman & Wakefield Vietnam – Research & Consultancy

GRADE A SUPPLY PIPELINE



Source: Cushman & Wakefield Vietnam – Research & Consultancy

HO CHI MINH CITY

Office Q1 2021

MARKET STATISTICS

SUBMARKET	INVENTORY (SQ M)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION (SQ M)	YTD OVERALL NET ABSORPTION (SQ M)	PLANNED & UNDER CNSTR (SQ M)	OVERALL AVG ASKING RENT		
						VND/SQ MMO	US\$/SQ MMO	EUR/SQ MMO
Grade A	260,500	3.7%	(237)	(237)	721,700	1,489,500	64.4	53.8
CBD	260,500	3.7%	(237)	(237)	721,700	1,489,500	64.4	53.8
Grade B	1,104,900	15%	13,600	13,600	826,800	781,900	33.8	28.3
CBD	481,800	10%	3,700	3,700	-	981,700	42.4	35.5
Non-CBD	623,100	18.1%	9,900	9,900	826,800	627,400	27.1	22.7
HCMC GRADE A & B TOTAL	1,365,400	12.5%	13,300	13,300	1,548,500	916,900	39.6	33.1

*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
Me Linh Point Tower	CBD	2,900	Renewal
Lim Tower 3	CBD	1,600	Expansion
The Landmark	Non-CBD	1,300	Relocation
Opal Tower	Non-CBD	1,300	Relocation
Vietcombank Tower	CBD	1,100	Renewal
Sofic Tower	Non-CBD	500	Relocation
Lim Tower 3	CBD	500	Relocation

SIGNIFICANT PROJECTS PLANNED AND UNDER CONSTRUCTION

PROPERTY	SUBMARKET	MAJOR TENANT	SQ M	EST. COMPLETION
OfficeHaus	Non-CBD	N/A	14,600	2021
COBI Towers I & II	Non-CBD	N/A	18,000	2021

KEY CONSTRUCTION COMPLETIONS YTD 2021

PROPERTY	SUBMARKET	DEVELOPER	SQ M
Opal Office Tower	Non-CBD	Vietnam Land SSG Co.Ltd	25,200
UOA Tower	Non-CBD	UOA Tower	29,300

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