

HO CHI MINH OFFICE

Economic Indicators

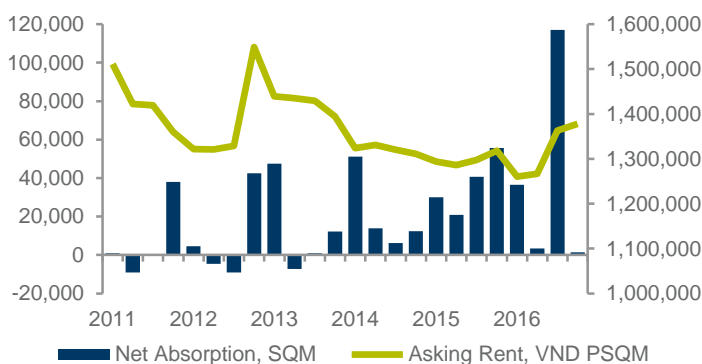
	2015	2016	12-Month Forecast
GDP Growth (%)	6.68	6.21	▼
CPI (%)	0.63	2.66	▲
Inward FDI (billion US\$)	22.76	24.37	▲

Market Indicators

	Q4 15	Q4 16	12-Month Forecast
Overall Vacancy	7.9%	6.2%	▼
Net Absorption	67.5k sq.m	1.36k sq.m	▲
Average Asking Rent (per sq.m. per month)	VND1.300k	VND1.378k	▼

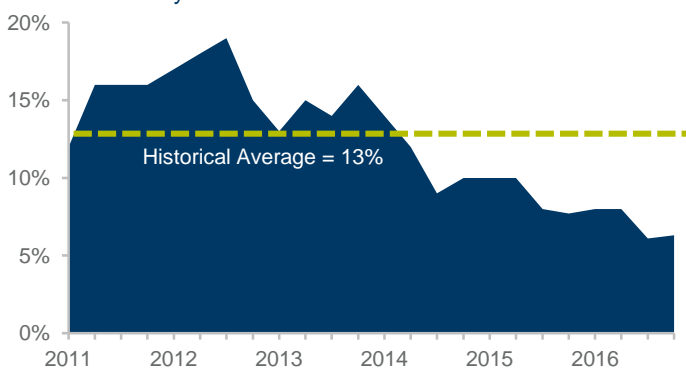
Net Absorption/Asking Rent

4Q TRAILING AVERAGE



(*) Average rent on the ground level is used as a benchmark to represent the rent of each retail centre. All rents include Service charge and exclude VAT

Overall Vacancy



Economy

Despite difficulties in agricultural production caused by natural disasters and falling industrial growth, as well as certain impacts from the unstable global economy and politics, Vietnam's GDP for 2016 was still recorded an acceptable growth at around 6.2%; while inflation was still well under control at 2.66%. Vietnam also recorded trade surplus of around \$2.6 billion, an improvement over the trade deficit of around \$3.5 billion in 2015.

Total inward FDI into Vietnam (both newly registered and adjusted capital) reached US\$24.37 billion, up 7.1% y-o-y; implemented FDI was estimated to have reached US\$15.8 billion, up 9% y-o-y. The manufacturing and processing industry attracted the largest shares to comprise 64.6% of registered capital, followed by real estate with 10.1%. Korea was the leading investor, contributing 36.3% of total new investment.

Market Overview

One supermarket was completed, adding 3,000 sq.m to the market in this quarter, whilst one bazaar was closed down due to its poor performance. Currently, there are 134 retail outlets in the city with total retail space of nearly 1.24 million sq.m, stable on quarter but rose significantly by 16% on year. District 1 continued to have the highest volume of retail space in the city, accounting for 18% of total stock.

There was a moderate improvement in overall occupancy rate on year, which grew by roughly 2 percentage points (ppts) and remained unchanged on quarter, to 94%. Recent high profile investments from retailing giants into the non-CBD areas, establishing large retail outlets and offering aggressive rents has paid off with occupancy rate reaching 94%, higher than the CBD's, which reached 92%.

Overall average asking rent remained stable on quarter but rose by 5% on year, stood at VND1.38 million per square meter per month (/sq.m./mo), equivalent to US\$60.5/sq.m/mo, mainly due to high rents quoted by new retail outlets. Average rent of the CBD was recorded at VND2.74 million/sq.m/mo, which was more than twice that of the secondary area's and triple those in the suburban area.

Outlook

Over 326,000 sq.m of new supply is expected to be completed in 2017, up some 26% from the current stock. While demand for CBD retail space is expected to remain high, limited land for development means that significant future projects will mainly be located in the non-CBD areas, mostly be in the south and west where much of the infrastructure and residential developments have been established. Rents may drop as a result of higher proportions of new stock in the non - CBD areas.

MARKETBEAT

Retail Snapshot Q4 2016

Ho Chi Minh City, Vietnam



SUMMARY BY TYPE	TOTAL BLDGS	INVENTORY (SQ.M)	VACANCY RATE	CURRENT NET ABSORPTION (SQ.M)	YTD NET ABSORPTION (SQ.M)	AVERAGE ASKING RENT (VND/SQ.M/MO.)
Retail Podium	10	32,400	10.4%	1,074	3,690	813,000
Department Store	8	116,300	5.0%	(400)	(8,770)	1,293,000
Shopping Centre	25	696,000	6.1%	616	166,120	1,325,000
Bazaar	7	32,900	7.2%	70	(2,240)	3,347,000
Supermarket	79	296,000	-	-	-	-
Wholesale Centre	4	66,000	-	-	-	-
TOTAL	134	1,239,600	6.2%	1,360	158,800	1,378,000

SUMMARY BY LOCATION	TOTAL BLDGS	INVENTORY (SQ.M)	VACANCY RATE	CURRENT NET ABSORPTION (SQ.M)	YTD NET ABSORPTION (SQ.M)	AVERAGE ASKING RENT (VND/SQ.M/MO.)
CBD	27	232,750	8.0%	(1,390)	57,100	2,740,000
Non - CBD	107	1,006,860	5.6%	2,760	101,700	939,000
TOTAL	134	1,239,600	6.2%	1,360	158,800	1,378,000

Significant Projects Under Construction Q4 2016

PROPERTY	SQ.M	COMPLETION DATE	SUBMARKET
Golden Plaza	15,800	2017	Non – CBD
Viettel Complex	8,000	2017	Non – CBD
The Garden	30,000	2017	Non – CBD
Crescent Mall – Phase 2	18,000	2017	Non – CBD

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