

# MARKETBEAT

8.7%

RENT GROWTH  
(YOY)

7.4%

VACANCY RATE  
(Q4 2017)

304,000 sq.m.

PLANNED & UNDER  
CONSTRUCTION  
(Q4 2017)

## HIGHLIGHTS

### Sustained economic growth

An improved business environment, new enterprises, tourism and foreign investment all contributed to impressive economic growth in the third quarter of 2017 compared to the first half of the year. This growth stayed on track for the year-end target of 6.7%, while inflation was well controlled at less than 5.0%. In the first 11 months of 2017, more than 116,000 new enterprises were established – a 14.1% year-on-year (YOY) increase. Foreign direct investment totaled US\$33.1 billion, up 53.4% YOY. Economic integration through agreements such as RCEP and TPP-11 promises great economic potential.

### Stable supply

No new buildings were completed in this quarter. One Grade B building converted nearly 3,000 square meters of retail space into office for lease. Both grades showed modest improvements in market performance this quarter, with occupancy up 1 – 2 percentage point on quarter. Total net absorption reached nearly 16,600 sq.m, 65% of which was contributed by Grade B segment, mostly attributed by good performance of buildings in the CBD and District 7.

### Rents continue upwards

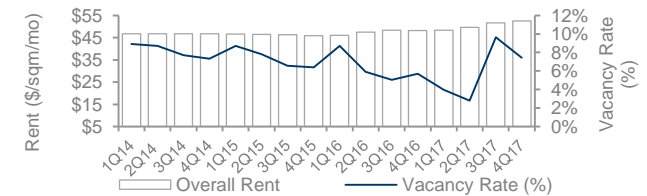
Average asking rents have been on an upward trend since 2014 and continued to record on quarter and on year increases by 1.3% and 7.8% respectively in Q4 2017, mainly driven by high rents offered by new buildings as well as rental increases in existing buildings with limited available space for lease in the prime locations. The upward trend is expected to continue in the short to medium term due to limited supply.

### ECONOMIC INDICATORS

	11M 16	11M 17	12 month Forecast
Inflation (CPI)	2.47%	3.61%	▲
FDI (bil. US\$)	18.10	33.10	▲
Trade balance (bil. US\$)	2.84	2.80	▲

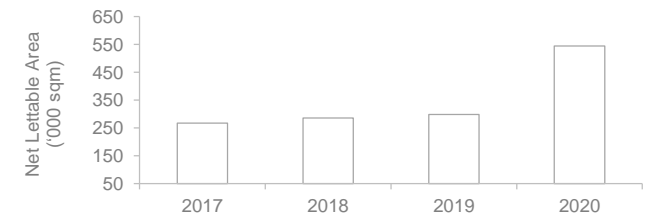
Source: General Statistics Office

### GRADE A OVERALL RENT & VACANCY RATE



Source: Cushman & Wakefield, Research & Consultancy

### GRADE A SUPPLY PIPELINE



Source: Cushman & Wakefield, Research & Consultancy

# HO CHI MINH CITY OFFICE MARKETBEAT

DECEMBER 2017



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SUBMARKET	INVENTORY (SQ.M.)	VACANCY RATE	PLANNED & UNDER CONSTRUCTION (SQ.M.)	AVERAGE ASKING RENT		
				VND/SQ.M./MO	US\$/SQ.M./MO	EUR/SQ.M./MO
<b>Grade A</b>	<b>267,800</b>	<b>7.4%</b>	<b>304,000</b>	<b>VND1,193,000</b>	<b>US\$52.47</b>	<b>€44.60</b>
CBD	267,800	7.4%	304,000	VND1,193,000	US\$52.47	€44.60
<b>Grade B</b>	<b>821,800</b>	<b>3.7%</b>	<b>300,000</b>	<b>VND652,000</b>	<b>US\$28.69</b>	<b>€24.39</b>
CBD	419,300	4.0%	37,000	VND778,000	US\$34.27	€29.13
CBD Fringe	66,100	2.2%	50,000	VND523,000	US\$23.03	€19.58
East	37,600	0.0%	143,000	VND583,000	US\$25.68	€21.83
South	93,400	5.5%	15,000	VND480,000	US\$21.13	€17.96
North	156,400	1.3%	30,000	VND494,000	US\$21.73	€18.47
West	49,000	10.0%	25,000	VND625,000	US\$27.50	€23.38
<b>TOTAL</b>	<b>1,089,600</b>	<b>4.6%</b>	<b>604,000</b>	<b>VND784,000</b>	<b>US\$34.54</b>	<b>€29.36</b>

<sup>\*\*</sup>All rents are inclusive of SC but exclusive of VAT  
US\$/VND = 22,710; US\$/EUR = 0.850 as at 08 Nov 2017

## KEY LEASING TRANSACTIONS Q4 2017

PROPERTY	SUBMARKET	TENANT	SQ.M.	LEASE TYPE
e.town Central	Non – CBD	FE Credit	4,100	Expansion
e.town Central	Non – CBD	Siam Cement Group/ INSEE	2,720	Relocation
e.town Central	Non – CBD	Naked Hub	2,720	Relocation
e.town Central	Non – CBD	Uber	1,360	Relocation
Viettel Complex (A)	Non – CBD	Amaris	2,000	Relocation

## SIGNIFICANT PROJECTS PLANNED & UNDER CONSTRUCTION

PROPERTY	SUBMARKET	MAJOR TENANT	SQ.M.	COMPLETION DATE
Viettel Complex (Tower B)	Non – CBD	N/A	25,000	2018
Thaco Complex	Non – CBD	N/A	40,000	2018
e.town Central	Non – CBD	N/A	35,000	2018

DATA  
INTO  
ACTION

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