

VIETNAM REAL ESTATE QUARTERLY KNOWLEDGE REPORT Q3 2018



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HO CHI MINH CITY MARKET OVERVIEW

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LIST OF ABBREVIATIONS

ARR: Average Rental Rate	CBD: Central Business District
CPI: Consumer Price Index	FDI: Foreign Direct Investment
GDP: Gross Domestic Product	GFA: Gross Floor Area
GRDP: Gross Regional Domestic Product	LUR: Land Use Right
IIP: Index of Industrial Production	IP: Industrial Park
NLA: Net Lettable Area	Q-o-Q: Quarter on Quarter
Y-o-Y: Year on Year	

Exchange rate: USD/VND = 23,390

GDP - POSITIVE GROWTH AND ON-TRACK FOR 2018 TARGET

Over the first nine months of 2018, Vietnam's economy continued to exhibit positive signs with a growth rate of 6.98% over the same period last year. This is the country's strongest growth since Q1-Q3 2011. These growth results confirmed the timeliness and efficiency of the Government's direction and administration of the economy to achieving the 2018 growth target. The Industrial and Services sectors continue to be the key drivers of the economy, growing by 8.61% and 6.78% y-o-y respectively. The Agriculture, Forestry, and Fishing sector also continued to exhibit positive signs with a growth rate of 3.46% over the same period in 2017. In general, Vietnam is now tracking ahead of this year government's target with the majority of sectors expected to steadily grow for the remainder of the year.



CPI - INCREASES DRIVEN BY PRICE ADJUSTMENTS IN CERTAIN SECTORS

Vietnam's CPI in the first nine months of 2018 increased by 3.57% y-o-y, driven by upward price adjustments of the healthcare and education sectors in many cities. Furthermore, higher minimum wage has led to an increase in the cost of household services such as house and appliance repairs, or electrical and plumbing installations. Food prices also increased by 4.09% over the same period in 2017. In the construction sector, the price of building materials went up by 7.76% as demand increases. In particular, steel prices from China reached their highest levels in five years. Global fuel prices have also been on the rise, and is reflected in increases in domestic prices with the cost of A95 fuel up more than 10% per liter. Further causes for concern include the US-China trade war, Middle Eastern political tensions, and the Turkish crisis.



FDI - SLIGHT DECREASE IN NEWLY REGISTERED FDI CAPITAL

By the end of September, 2,182 new FDI projects were registered with a total registered capital of USD14.1 billion, down 3% over the same period in 2017. 841 current FDI projects adjusted their registered capital upwards by USD5.5 billion, down 17.9% over the same period in 2017. The real estate sector received USD5.8 billion in new registered capital, accounting for 23% of the total amount. As of 20/9/2018, approximately USD13.25 billion in FDI capital was disbursed, up 6% y-o-y.



RETAIL SALES - INCREASES RECORDED ACROSS ALL SECTORS

In Q3 2018, the total value of Retail sales of Goods and Services was estimated at USD138 billion (up 11.3% y-o-y), of which, Retail sales of Goods accounted for USD104.42 billion (up 12.0% y-o-y), Accommodation and Catering services contributed USD14.4 billion (up 8.4% y-o-y), Tourism services recorded USD1.3 billion (up 16.9% y-o-y), and USD16.12 billion in sales came from other services (up 9.7% y-o-y).



INTERNATIONAL ARRIVALS - ON-TRACK FOR 2018 TARGET

By the end of September, Vietnam has welcomed more than 11.6 million international visitors (up 22.9% y-o-y). Of this figure, 9.4 million visitors travelled by air, and 2 million visitors travelled by road, increases of 17.4% and 62.1% respectively. On the other hand, sea travel slightly decreased (down 0.5% y-o-y) with 190.8 thousand visitors. Asian markets continue to be the dominant source of income for the tourism industry with more than 9 million visitors, with China, South Korea, and Japan at the top spots. The number of visitors from European and North American markets also increased by 9.8% and 12.5% y-o-y respectively. These figures suggest that the Government's goal of attracting at least 15 million for the year is within reach.

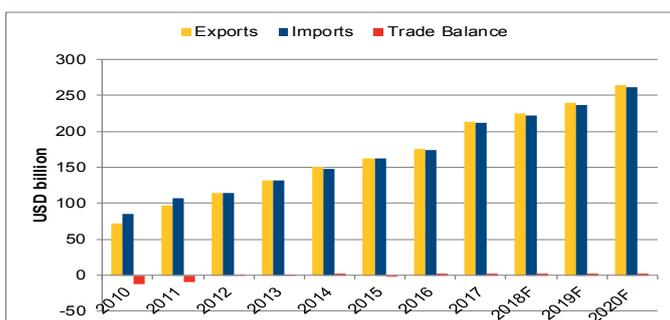


TRADE BALANCE - NET TRADE SURPLUS DRIVEN BY THE FOREIGN-INVESTED SECTOR

Vietnam's trade balance was positive over the first three quarters of 2018, with the domestic sector reporting a trade deficit of USD18.26 billion, while the foreign-invested sector achieved a trade surplus of USD23.65 billion, resulting in a net trade surplus of USD5.39 billion. By the end of Q3 2018, Vietnam has exported USD178.91 billion worth of goods (up 15.4% y-o-y), and just in Q3 alone, the value of exports was USD64.73 billion (up 13.9% y-o-y). This positive trade balance is likely to be maintained to the end of the year.

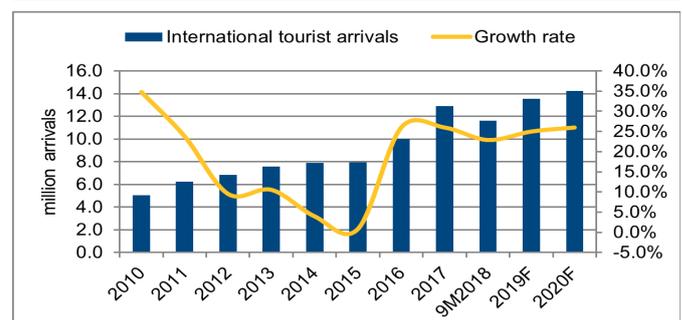


Figure 1: Vietnam, Exports - Imports from 2010 - Q3 2018



Source: General Statistics Office | Colliers International Research

Figure 2: Vietnam, International arrivals from 2010 - Q3 2018



Source: General Statistics Office | Colliers International Research

HO CHI MINH CITY

By the end of September, HCMC's GRDP (USD38.6 billion) has increased by 7.89%, and CPI was up 4.12% over the same period in 2017. The service, industrial, and construction sectors all expanded by 8.0%, while the agriculture-forestry-fishery sector grew at a slightly lower rate (6.2%) y-o-y. The city's IIP also increased by 7.89% y-o-y, and total exports value was USD28.2 billion (up 7.7% y-o-y) while total imports value was USD34.8 billion (up 10.5% y-o-y).

Foreign investments in HCMC increased strongly from 711 new FDI projects in the first three quarters of 2018, with a combined registered capital of USD640 million.

Total retail sales up to the end of Q3 2018 was USD33 billion, an increase of 12.8% over the same period last year.

HANOI

In the first nine months of 2018, Hanoi's economy continued to grow with improvements recorded in most economic indicators.

By the end of September, Hanoi's CPI rose by 1.08%, and the capital's IIP increased by 7.4% over the same period in 2017. Hanoi's FDI capital was USD6.265 billion, an increase of 64% compared to Q3 2017. The city's total retail sales were recorded at USD15.8 billion by the end of Q3 2018.

However, in the same time span, Hanoi's trade deficit increased to USD11.98 billion, with exports value totalling only USD10.512 billion (up by 21.6% y-o-y) while imports value was USD22.492 billion (up by 6.5% y-o-y).

DANANG

The total GRDP of Danang in the first three quarters of 2018 was estimated to have grown 7.0% y-o-y. The city's IIP also grew by 8.19% y-o-y, and it gained 106 FDI projects worth a combined USD150.2 million in FDI, a 100% increase over the same period in 2017.

The growth of Danang's tourism industry in particular was highly positive, with the city welcoming approximately 6.5 million visitors in the first nine months of 2018. Of that number, domestic arrivals totalled more than 4.1 million, up 21.5% from 2017 figures, and international arrivals were more than 2.4 million, up 40% from 2017.

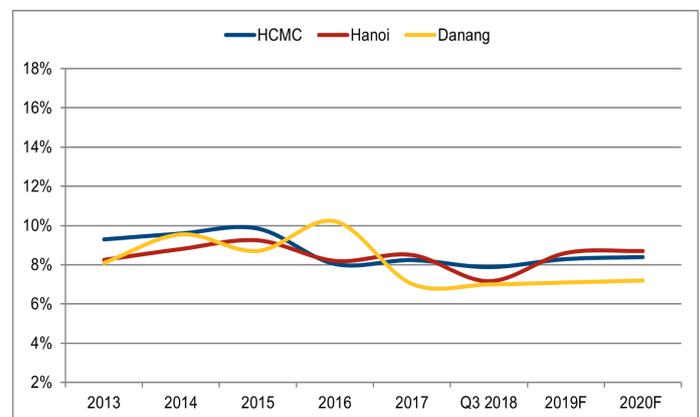
In contrast to the above positive signs, Danang's exports value decreased by 12.2%, and was recorded at only USD1.2 billion.

Table 1: FDI in HCMC, Hanoi and Danang

Cities	FDI (million USD)	No. of Projects
HCMC	640	711
Hanoi	5,180	417
Danang	150.2	106

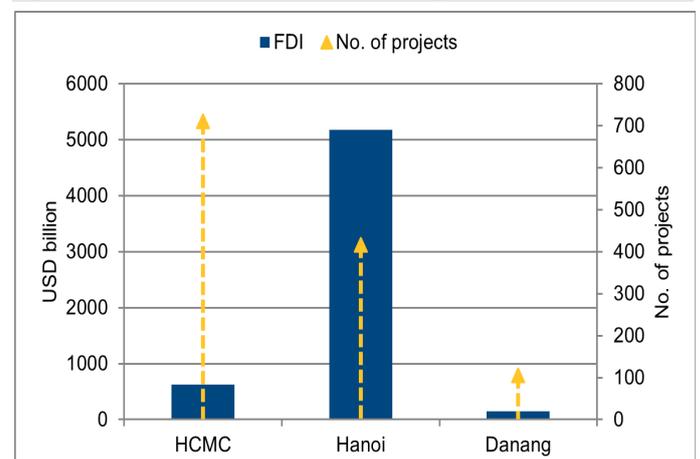
Source: General Statistics Office | Colliers International Research

Figure 3: GDP Growth Rate (%) of HCMC, Hanoi and Danang



Source: General Statistics Office | Colliers International Research

Figure 4: FDI of HCMC, Hanoi and Danang as of Q3 2018



Source: General Statistics Office | Colliers International Research

PERFORMANCE

Ho Chi Minh office city continued to show improvements in average net asking rates for Grade A and Grade B. Rents for Grade A spaces are up 2.2% over the same period last year, sitting at USD47.5/sqm/month. As tenants are seeking rent relief and quality building options, landlords have pushed rents upward. Landlords of Grade B buildings have also enjoyed the spillover effects from Grade A segment with 3.5% q-o-q increase in rents to USD23.4/sqm/month.

While Grade A's occupancy rate remained healthy at 94.3%, up 1ppt q-o-q, Grade B's occupancy rate moderately dropped 1ppt compared to the previous quarter, standing at nearly 88%, due to the entry of new supply.

SUPPLY

While Grade A supply remained unchanged, Grade B stock increased by nearly 7,000 sqm NLA from one new building, Thaco Complex. More than 550,000 sqm of Grade A office space is expected to be added by the year 2020, coming from nine significant developments.

DEMAND

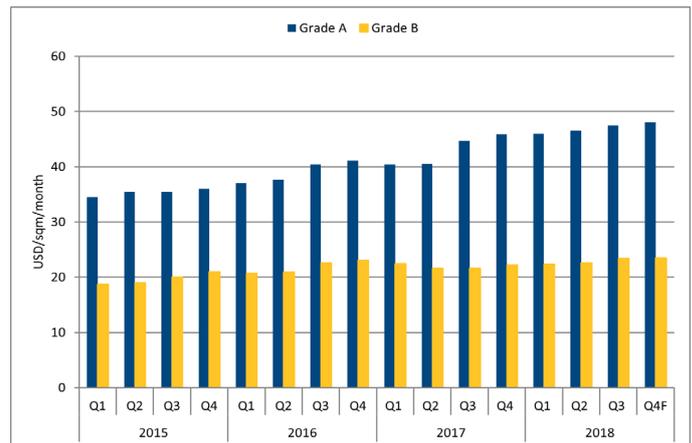
In general, demand for Grade A and B office space came mostly by foreign companies who account for more than 70% of the leased area. The near term prospects for foreign demand look strong as more foreign companies start to set up their business premises in HCMC in 2019.

Furthermore, the increase in the number of newly registered local enterprises indicates improved domestic demand. Most enquiries for large space came from business consolidation and co-working space serviced offices. However, as there are not many expected office space consolidation plans until the end of 2018, small to medium size enquiries (up to 250 sqm) will continue to dominate the market. Given very limited future supply, pre-launch leasing activities are believed to be very competitive and brisk at future buildings.

OUTLOOK

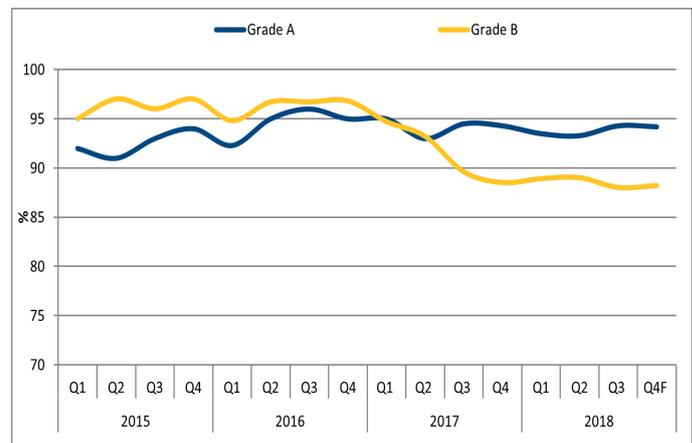
The CBD remains the most sought-after location and competition is expected to intensify. However, districts 3 and 7 are emerging as alternatives for tenants who want to acquire large office space with lower rent. Future prime locations such as Thu Thiem are now under development by major local and regional players. This will alter the cityscape significantly, with planned infrastructure and connections, surrounding high quality amenities and large green spaces creating a good environment in which to live and work. In regards to quality, new supply with lesser quality will find it difficult to fill up the space as demand for this segment is lower, and from the performance of newly completed buildings in the last few quarters, it can be seen that buildings with sustainable and efficient design will attract more tenants. Developers planning to invest in office properties will need to pay more attention to the efficiency of design.

Figure 5: Office, Average Asking Rent



Source: Colliers International Research

Figure 6: Office, Occupancy Rate



Source: Colliers International Research

Table 2: Office, Significant Future Projects

Project name	Grade	Estimated NLA (sqm)	Completion Year
Saigon One Tower	A	36,750	2019
The Spirit of Saigon	A	43,500	2019
Alpha Tower	A	72,019	2019
Tax Plaza	A	82,872	2020
Sun Tower	A	106,850	2020
Saigon Gem Complex	A	35,900	2020
Viet Capital	A	45,591	2020
Nexus	A	70,000	2020
Saigon Dragon Tower	A	58,400	2020

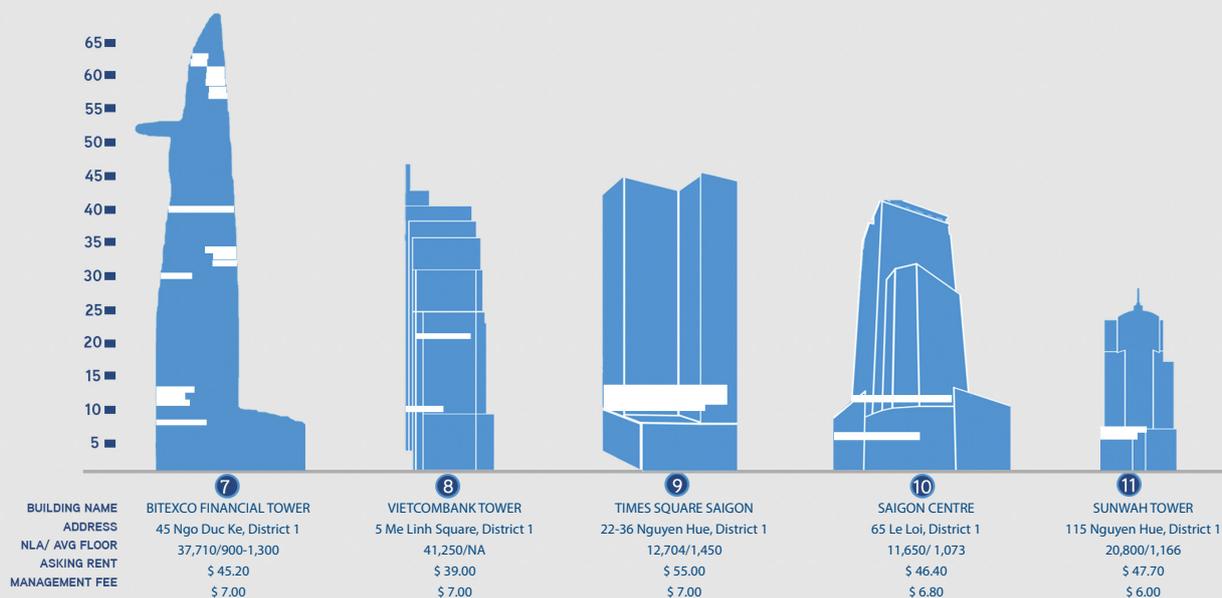
Source: Colliers International Research

Table 3: Significant Office Projects

No	Name	Address	Completion Year	NLA (sqm)	Service Charges (*)	Occupancy rate	Average net asking rent
1	Saigon Centre	65 Le Loi	1996	51,650	6.8	99.3%	46.4
2	Saigon Tower	29 Le Duan	1997	13,950	6.0	100%	46.2
3	Sunwah Tower	115 Nguyen Hue	1997	20,800	6.5	99.4%	47.7
4	The Metropolitan	235 Dong Khoi	1997	15,200	6.0	94.3%	46.0
5	Diamond Plaza	34 Le Duan	1999	15,936	8.0	98.3%	45.0
6	mPlaza Saigon	39 Le Duan	2009	26,000	6.5	98.9%	52.0
7	Bitexco Financial Tower	45 Ngo Duc Ke	2010	37,710	7.0	92.8%	45.2
8	President Place	93 Nguyen Du	2012	8,330	7.0	97.6%	37.0
9	Times Square	22-36 Nguyen Hue	2012	12,704	7.0	83.5%	55.0
10	Vietcombank Tower	5 Me Linh Square	2015	41,250	7.0	98.9%	39.0
11	Deutsches Haus	33 Le Duan	Q3 2017	25,062	7.0	80.0%	55.0
Grade A							
1	VTP-OSIC	8 Nguyen Hue	1993	6,500	6.0	99.2%	23.0
2	Yo Co Building	41 Nguyen Thi Minh Khai	1995	5,000	5.0	98.1%	23.0
3	Somerset Chancellor Court	21-23 Nguyen Thi Minh Khai	1996	3,200	5.0	94.7%	33.0
4	Central Plaza	17 Le Duan	1997	7,405	6.0	96.7%	25.7
5	Harbour View Tower	35 Nguyen Hue	1997	8,000	5.0	98.4%	28.3
6	Saigon Riverside Office	2A-4A Ton Duc Thang	1997	10,000	5.0	99.1%	32.0
7	Saigon Trade Center	37 Ton Duc Thang	1997	31,416	7.0	79.7%	25.7
8	MeLinh Point Tower	2 Ngo Duc Ke	1999	17,600	6.0	94.5%	36.0
9	Zen Plaza	54-56 Nguyen Trai	2001	11,037	6.0	93.6%	26.0
10	The Landmark	5B Ton Duc Thang	2005	8,000	6.0	98.2%	24.0
11	Opera View	161-167 Dong Khoi	2006	3,100	7.0	100%	27.0
12	City Light	45 Vo Thi Sau	2007	10,000	5.0	100%	19.0
13	Petro Tower	1-5 Le Duan	2007	13,304	6.5	97.9%	38.4
14	The Lancaster	22 – 22 Bis Le Thanh Ton	2007	7,000	5.0	100%	25.0
15	CJ Building	5 Le Thanh Ton	2008	14,000	6.5	98.5%	28.9
16	Ruby Tower	81-85 Ham Nghi	2008	15,000	6.5	99.0%	25.0
17	Havana Tower	132 Ham Nghi	2008	7,326	6.0	94.3%	29.3
18	Royal Center	235 Nguyen Van Cu	2008	14,320	6.0	98.5%	23.0
19	Sailing Tower	51 Nguyen Thi Minh Khai	2008	16,910	6.0	97.9%	28.0
20	TMS	172 Hai Ba Trung	2009	4,000	5.0	97.5%	30.0
21	A&B Tower	76 Le Lai	2010	17,120	6.5	98.7%	36.5
22	Bao Viet Tower	233 Dong Khoi	2010	10,650	5.0	99.6%	28.0
23	Green Power Tower	35 Ton Duc Thang	2010	15,600	6.0	96.9%	28.0
24	Maritime Bank Tower	192 Nguyen Cong Tru	2010	19,596	5.0	99.4%	24.0
25	Saigon Royal	91 Pasteur	2010	5,340	6.0	100%	23.0
26	Vincom Center	68 -70 -72 Le Thanh Ton	2010	56,600	5.0	93.8%	39.0
27	Empress Tower	138 Hai Ba Trung	2012	19,538	6.0	95.4%	40.0
28	Lim Tower	9-11 Ton Duc Thang	2013	22,000	6.0	98.7%	35.0
29	MB Sunny Tower	259 Tran Hung Dao, Co Giang	2013	13,200	5.5	98.7%	24.0
30	Le Meridien	3C Ton Duc Thang	2013	9,125	6.0	98.6%	33.0
31	Etown Central	11 Doan Van Bo	2017	33,258	5.0	60%	23.0
Grade B							

(*) USD/sqm/month (NLA)

SKYLINE REVIEW- CBD HCMC GRADE A OFFICE BUILDINGS



Colliers International is a leading global real estate services company that provides a full range of services to real estate users, owners and investors worldwide. Services include brokerage, property management, hotel investment sales and consulting, corporate services, valuation, consulting and appraisal services, mortgage banking and research.



PERFORMANCE

Aggressive expansion plans of foreign and local retailers in HCMC, supported by increasing disposable income are main drivers of burgeoning retail developments, leading to an upward trend in rental rates in the city up to Q3 2018 despite the annual strong growth of supply. Between 2016 to Q3 2018, the average rent remained on a positive trajectory with 2.5% growth rate per year. As of Q3 2018, the average net asking rental rate for the retail sector in HCMC stood at USD 54.6/sqm/month, up 0.4% q-o-q.

The average occupancy rate remained stable at 94%. Among the three segments, the occupancy rate of shopping malls was unchanged at 95% while those of retail podiums and department stores hovered around 94% and 92% respectively.

SUPPLY

The third quarter of 2018 marked the opening of Vincom Center Landmark 81, a major shopping center providing 50,000 sqm NLA. The total retail stock in Ho Chi Minh City has reached more than 960,000 sqm NLA from 70 projects. Small and medium-sized shopping malls dominated the existing supply, accounting for nearly 80% of the market share.

Future supply in the next quarter is expected to be slightly increased with the opening of Estella Place in District 2, adding more than 37,000 sqm NLA to the existing supply. The shopping mall consists of 5 stories and is home to retail shops, F&B services and entertainment facilities to serve internal residents as well as those in the neighborhood.

DEMAND

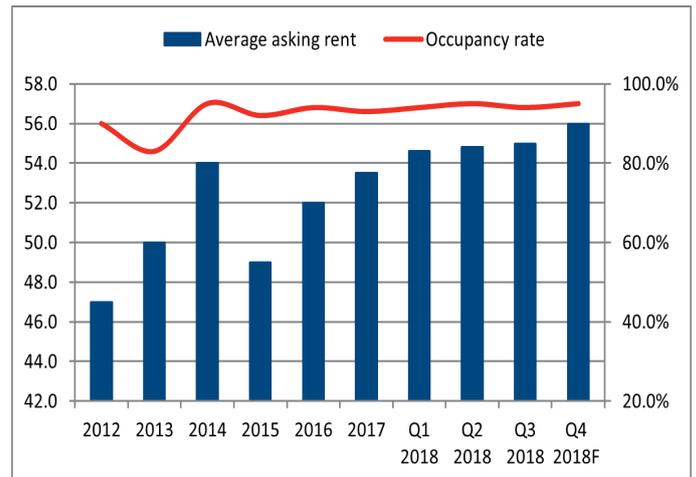
Vietnam exhibits a number of macro forces that drive a strong positive outlook for consumer spending. Local and foreign retailers are expanding in anticipation of the rise in consumer affluence and spending in general. These macro forces include but are not limited to

- Population – Vietnam is one of the most populous countries in ASEAN, with one of the highest proportion of population aged between 25-44, according to EIU
- Urbanization – General expectation is that 38% of the population will live in urban areas by 2021, an increase from the current 35%.
- Tourism – International tourist arrivals in Vietnam have increased strongly in recent years. This number is expected to exceed 16 million by 2020.

OUTLOOK

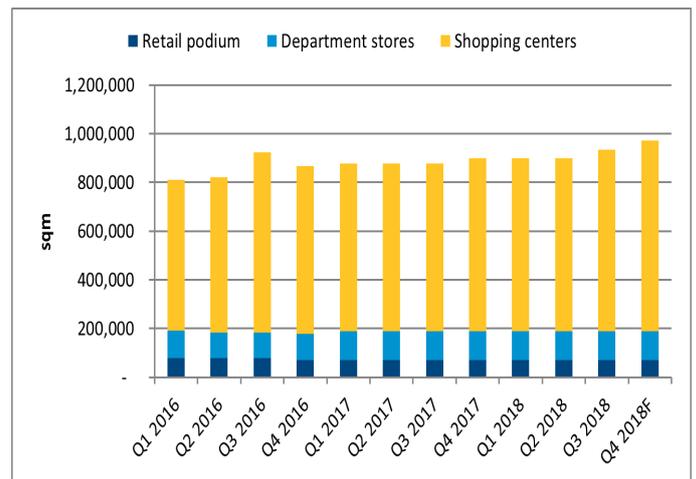
With the entry of foreign retailers and brand chains, there have been various viewpoints expressed regarding the likely relative winners and losers. Foreign retailers will benefit from the premiums theme, while the local retailers that generally offer lower price points will continue to take advantage of it and target the cost-conscious consumers. Consensus remains on the strong growth outlook of the Vietnamese consumer wallet. The current situation does suggest that the clear beneficiaries to these trends could be parties that manage to achieve platform exposure across all retailer segments. Retail centers are in trouble, with many moving to independent townhouse and online delivery, while shopping malls are gradually transitioning to “experience centers” with retail component.

Figure 7: Retail, Average Asking Rent and Occupancy Rate



Source: Colliers International Research

Figure 8: Retail, Supply by Year in HCMC



Source: Colliers International Research

Table 4: Some significant future projects (2018-2019)

Name of Project	District	NLA (sqm)	Expected Completion
Estella	2	32,500	2018
The Spirit of Saigon	1	35,000	2019
Union Square	1	48,000	2019
Sala Shopping Center	2	60,054	2019
Elite Mall	8	42,000	2019
Center Mall	9	39,205	2019

Source: Colliers International Research

Table 5: Significant Retail Projects

No	Name of Project/Building	Address	Location	Completion Year	NLA (sqm)	ARR (*)	Occupancy Rate
1	Sheraton Saigon	88 Dong Khoi	District 1	2003	750	125	100%
2	The Manor 1	91 Nguyen Huu Canh	Binh Thanh	2006	2,000	22	100%
3	Opera View	Lam Son Square	District 1	2006	1,260	54	100%
4	Caravelle Hotel	19 Lam Son Square	District 1	2007	150	105	100%
5	New World Hotel	76 Le Lai Street	District 1	2009	1,000	92	100%
6	Hotel Continental Sai Gon	132-134 Dong Khoi	District 1	2009	200	90	100%
7	Centre Point	106 Nguyen Van Troi	Phu Nhuan	2009	2,000	22	93%
8	mPlaza Saigon	35 Le Duan	District 1	2009	6,830	60	98%
9	Saigon Pearl	92 Nguyen Huu Canh	Binh Thanh	2011	5,000	27	88%
10	The Manor 2	91 Nguyen Huu Canh	Binh Thanh	2011	2,500	22	100%
11	The Oxygen Mall	An Phu Ward	District 2	2011	5,000	30	90%
12	Rex Arcade	141 Nguyen Hue	District 1	2011	2,000	130	100%
13	ICON 68 @ BFT	45 Ngo Duc Ke	District 1	2011	8,000	90	95%
14	Saigon Airport Plaza	1 Bach Dang, Ward 2	Tan Binh	2013	7,623	22	92%
15	Imperia An Phu	An Phu Ward	District 2	2013	2,940	15	100%
16	President Place	93 Nguyen Du	District 1	2013	800	42	98%
17	Times Square	22-36 Nguyen Hue	District 1	2013	9,000	300	100%
18	Sunrise City - phase 1	23-25-27 Nguyen Huu Tho	District 7	2014	3,500	35	100%
19	Pearl Center	12 Quoc Huong	District 2	2015	24,000	32	81%
20	Thuan Kieu Plaza	190 Hong Bang	District 5	2017	24,000	35	90%
Retail Podium							
1	Diamond Plaza	34 Le Duan	District 1	1999	9,000	166	100%
2	Parkson Saigontourist Plaza	35 Le Thanh Ton Street	District 1	2002	17,000	90	98%
3	Parkson Hung Vuong Plaza	126 Hung Vuong Street	District 5	2007	24,000	62	98%
4	Parkson C.T. Plaza	Tan Son Nhat, Truong Son	Tan Binh	2008	12,235	41	96%
5	Parkson Flemington	Le Dai Hanh	District 11	2010	26,000	37	92%
6	Parkson Cantavil Premier	Cantavil Premier	District 2	2013	17,815	33	96%
7	RomeA	117 Nguyen Dinh Chieu	District 3	2017	12,000	80	80%
Department Store							
1	Vincom Center Landmark 81	772 Dien Bien Phu	Binh Thanh	2018	50,000	100	100%
2	Vincom Mega Mall	161 Ha Noi Highway	District 2	2015	90,000	75	98%
3	Saigon Center 2	65 Le Loi	District 1	2016	50,000	147	99%
4	Saigon Center	35 Nam Ky Khoi Nghia	District 1	1996	47,000	120	99%
5	Zen Plaza	54-56 Nguyen Trai	District 1	2001	11,528	19	87%
6	E-Mart	366 Phan Van Tri	Go Vap	2015	6,000	19	93%
7	Lotte Mart Saigon South	469 Nguyen Huu Tho	District 7	2008	24,000	40	99%
8	Vincom Center B	72 Le Thanh Ton	District 1	2010	45,000	102	93%
9	Vincom Plaza 3/2	3C Ba Thang Hai	District 10	2010	25,000	42	95%
10	Lotte Mart Phu Tho	968 Ba Thang Hai	District 11	2010	24,500	40	99%
11	Crescent Mall	101 Ton Dat Tien	District 7	2011	45,000	44	85%
12	Satra Pham Hung	C6/27 Pham Hung	District 8	2011	11,528	19	87%
13	Van Hanh Mall	11 Su Van Hanh	District 10	2018	55,000	40	90%
14	SC Vivo City	1058 Nguyen Van Linh	District 7	2015	62,600	40	99%
15	Union Square	171 Dong Khoi	District 1	2012	38,000		Under renovation
Shopping Centre							

(*) ARR (Average Rental Rate): All rents are stated in net rents per sqm, inclusive service charge but excluding VAT

PERFORMANCE

The condominium market experienced a slower transactional period in the third quarter of 2018 with more than 11,000 successful transactions, a decrease of 25% q-o-q. The mid-end segment was the most sought-after with 5,500 sold units, an 11% drop compared to the previous quarter, followed by the high-end segment with 3,000 sold units, 27% of total sale volume. The luxury and affordable segments accounted for 2.3% and 20.5% of total sold units in Q3 2018 respectively. Despite the stagnant absorption, the average primary price in the third quarter continued to follow a positive trajectory, showing an improvement of 5% on average q-o-q. While the high-end and affordable prices increased by 3% and 2% q-o-q, the mid-end products softened their price by 3% q-o-q.

SUPPLY

The amount of newly launched units declined sharply by 25% q-o-q, recording at 18,000 units. The mid-end segment dominated the new supply, making up 54% of the total new stock, followed by the high-end at 23%. High-end and luxury segments are getting more interest from foreign developers thanks to their strong development capabilities and financial prowess while local developers are likely to focus on lower segments to cater to the demand of these end-users. The market is expected to continue to be vibrant in the next quarter with many launches, potentially adding more than 25,000 units to the total supply. For the foreseeable future, the Eastern and the Southern areas of the city will remain as hotspots of new developments, thanks to the expansion of HCMC metropolis and well-established infrastructure.

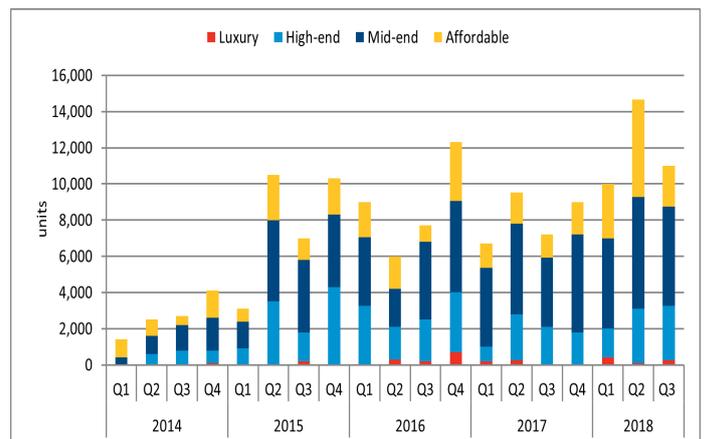
DEMAND

It is evident that the general population is becoming more welcoming towards condominium. With fast pace urbanization and dynamic demographics, condominiums are considered an optimal choice for young families. Moreover, the planned and under-construction metro lines are expected to bring positive impacts to the real estate market. The lines will create new travel routes, change transporting behavior from private vehicles to public transportations and generate new development opportunities to areas in the vicinity. Demand for condominium projects in close proximity to these infrastructure networks will likely increase in the coming years.

OUTLOOK

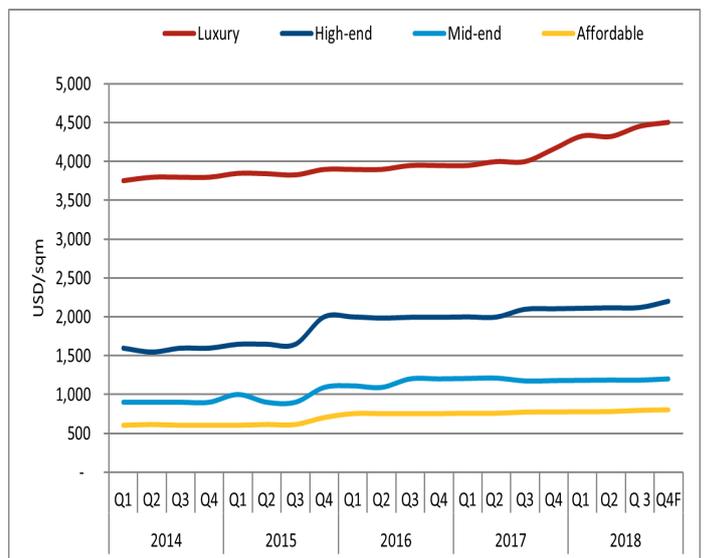
It should be noted that the condominium market in HCMC is currently led by reputable private developers such as Novaland, VinGroup, Nam Long, and Capitaland. The residential sector is considered a gold mine by many developers at the moment, given its strong demand and fast capital recovery. The market, therefore, is believed to be more competitive with more developers having plans to penetrate the market in the next coming years. Besides, buyers tend to put more emphasis on finishing quality, supporting facilities and amenities as well as surrounding environment when choosing their homes.

Figure 9: Condominium, Sold Units by Segment and Quarter



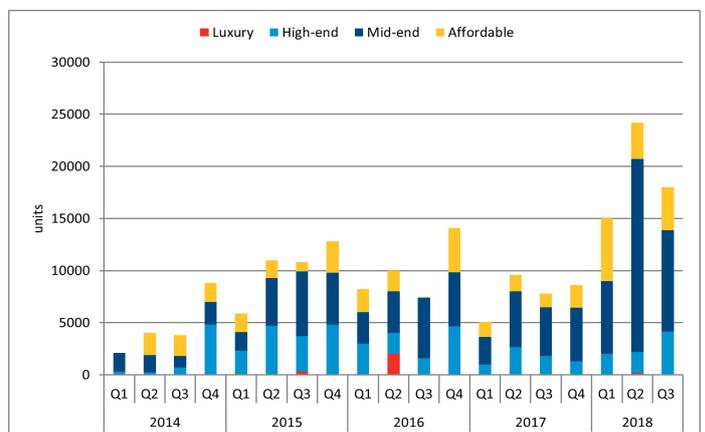
Source: Colliers International Research

Figure 10: Condominium for Sale, Primary Asking Price, HCMC



Source: Colliers International Research

Figure 11: Condominium, New Launches by Segment and Quarter



Source: Colliers International Research

Table 6: Condominium, Significant new projects launched in Q3 2018

No	Name of Project/Building	Developer	Location	Completion Year	Number of units	Asking Price (USD/sqm)
1	Charmington Iris	Sacomreal	District 4	2020	1,438	2,230
2	Sky89	An Gia & Creed Group	District 7	2021	430	1,927
3	Hung Phuc Premier	Phu My Hung	District 7	2020	192	2,570
4	Eco Green	Xuan Mai Corp.	District 7	2020	4,000	1,927
5	Flora Novia	Nam Long	Thu Duc District	2020	518	1,199

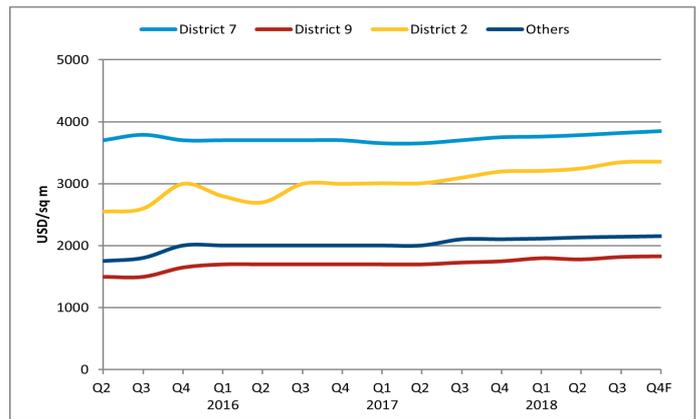
* Excluding all kinds of taxes and promotions

The information is updated as at the end of Q3 2018

PERFORMANCE

Sales transactions were softened with approximately 370 successful deals, equivalent to 40% of the sold units in the previous quarter. District 7 led successful transactions thanks to its large land availability and peaceful atmosphere away from the noise and chaos of the city center. By type of property, townhouses with the area less than 100sqm dominated sales activities, accounting for 60% of total transactions. Secondary asking price maintained the upward trend, indicating continued improvements in the market sentiment. District 2 witnessed a strong price acceleration, up approximately 3% q-o-q.

Figure 12: Villa&Townhouse, Average Price on Land Area by District

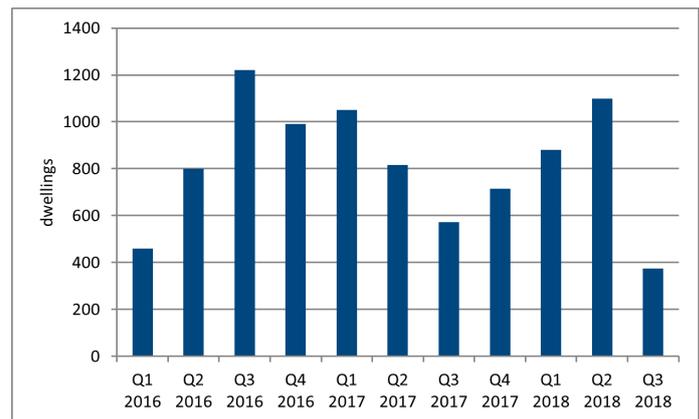


Source: Colliers International Research

SUPPLY

The third quarter welcomed six new projects in various districts in the city, adding approximately 650 dwellings to the primary market. It is observed that infrastructure has significant impacts on new launches as well as decisions of homebuyers and investors. The Eastern part of the city has been capturing much attention of developers thanks to its improved infrastructure and a long-term vision of urban planning.

Figure 13: Villa&Townhouse, Transaction Volume by Quarter

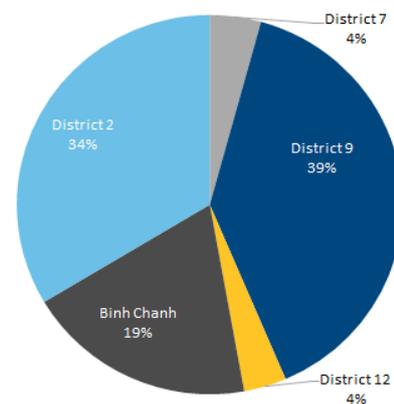


Source: Colliers International Research

DEMAND

While end-users are the main target customers for the condominium projects, investors are more potential buyers of villa and townhouse products. In addition, due to the fact that the price hike of apartments has led to less profit making opportunity, villa and townhouse segment has become the best alternative investment channel for affluent class. High absorption rates in many recent projects have indicated healthy demand for this market in coming years.

Figure 14: Villa and Townhouse, New launches by Districts



Source: Colliers International Research

OUTLOOK

Villa and townhouse segment in HCMC is expected to have a positive outlook with conditions enhanced by a combination of increased investor sentiment, developments in international trade and significant government infrastructure investment. It is also forecasted that price of townhouse will grow with faster speed than that of villa due to limited pipeline and possibility of making high profit.

Table 7: Villa and Townhouse, Significant new projects launched in Q3 2018

No	Name of Project	Developer	Location	Completion Year	Number of units	Asking Price (USD/sqm)
1	Sky Linked Villa	Gamuda Land	Tan Phu District	2019	114	1,285
2	Dai Phuc - Green Stone - Phase 2	Dai Phuc Land	District 9	2019	210	643
3	Venica Garden	Khuong Phat	District 7	2020	118	2,402
4	Simcity	Anpha Holding	District 9	2020	485	643
5	Lavida	Kien A	Nha Be District	2020	20	1,020

* Excluding all kinds of tax and promotions

The information is updated as at the end of Q3 2018

PERFORMANCE

In Q3 2018, HCMC's serviced apartment market recorded a quiet quarter with slight changes recorded in occupancy rates and asking rents across all grades. For Grade A, while some landlords did not raise their asking rent, others softened their prices to attract customers, resulting in rent stability with some very minor adjustments against the previous quarter, staying at around USD40/sqm/month. Similarly, Grade B's average asking rent experienced an upward trend, up 1.8% q-o-q, at USD30/sqm/month.

The average occupancy rate in HCMC's serviced apartment market saw a remarkable decrease in Q3 2018 due to weak performance amid fierce competition. By segment, Grade A's average occupancy rate dropped by 7ppts q-o-q, and the occupancy rate of Grade B decreased by 3ppts q-o-q, staying at 85% and 80% respectively.

SUPPLY

From the beginning of the year until now, more than 1,000 serviced apartments have been completed to cater to customer's demand. Saigon Centre Phase 2 and Oakwood Residence are the two names of significant developments coming onboard, adding up 675 rooms to the total stock for HCMC market. 41 existing projects of Grade A and Grade B are offering more than 4,900 rooms to the market with dominant contribution of more than 3,700 rooms from Grade B, making up 76% of the total supply.

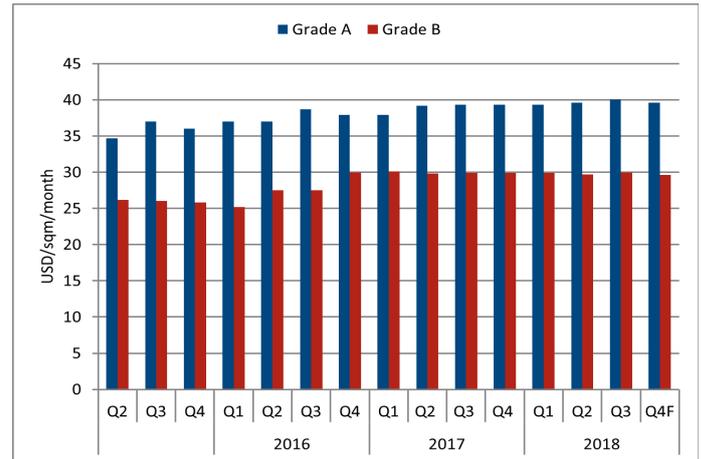
DEMAND

Vietnam travel industry has boomed in the recent past thanks to the rise of budget airlines and accommodation options. The latter has expanded into an industry of its own and along with hotels, villas, bungalows and chalets, now serviced apartments can also be chosen from the list. In HCMC, the growing awareness of consumers regarding serviced apartments has continued to fuel demand for this sector as they offer a lot more privacy and freedom than hotels with monetary efficiency and more elaborate options such as kitchen, pool, laundry room, gym and even house-keeping services.

OUTLOOK

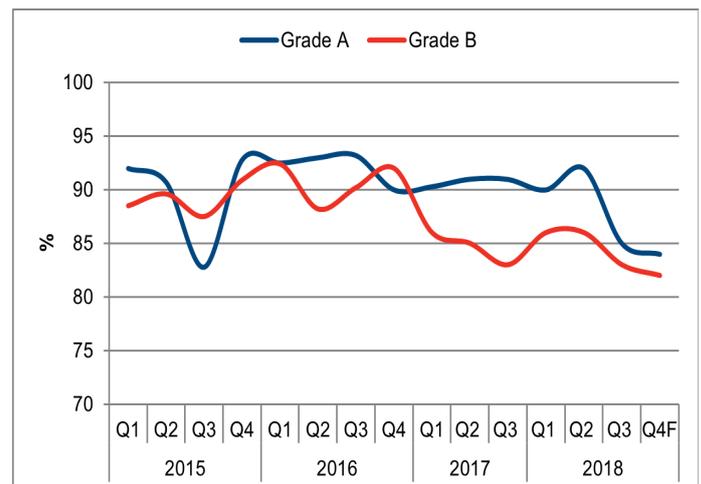
Despite the fact that landlords have enjoyed favorable conditions from this investment channel with high occupancy rates and sustainably increasing rental rates, HCMC serviced apartment market is facing strong competition from buy to let apartments, which offer generally lower asking rents (a half or even a third of rents offered by serviced apartments in the same location). In addition, with a huge amount of new condominium supply to be launched, rents of buy-to-let will become more competitive and then the market is anticipating bidding wars.

Figure 15: Serviced Apartment, Average Asking Rent by Grade



Source: Colliers International Research

Figure 16: Serviced Apartment, Occupancy Rate



Source: Colliers International Research

Table 8: Serviced apartment, Significant Future Projects Under Construction

Name of Project	District	Total Supply	Est. Completion Year
Mai House Saigon	1	224	2018
Sonata Residence	7	250	2019
Terra Royal	3	366	2019
Berkley Serviced Residence	2	85	2019
Marie Curie Hotels and Suites	3	250	2019

Source: Colliers International Research

Table 9: Significant Serviced Apartment Projects

No.	Project Name	Address	Location	Completion Year	Total Room	Average Occupancy	ARR(*) (**)
1	The Landmark	5B Ton Duc Thang	District 1	1995	65	82.0%	32.0
2	Sedona Suites	65 Le Loi	District 1	1996	89	70.0%	34.0
3	Somerset Chancellor Court	21-23 Nguyen Thi Minh Khai	District 1	1996	172	90.0%	32.0
4	Nguyen Du Park Villas	111 Nguyen Du	District 1	2004	41	95.0%	30.0
5	The Lancaster	22-22 Bis Le Thanh Ton	District 1	2007	55	75.0%	40.0
6	Intercontinental Asian Saigon	39 Le Duan	District 1	2009	260	96.0%	39.0
7	Norfolk Mansion	17-21 Ly Tu Trong	District 1	1998	126	90.0%	30.0
8	Lafayette De Saigon	8 Phung Khac Khoan	District 1	2010	18	75%	29.0
9	Diamond Plaza	34 Le Duan	District 1	1999	42	92.0%	30.0
10	Saigon Sky Garden	20 Le Thanh Ton	District 1	1998	154	90.0%	34.0
Grade A							
1	Sherwood Residence	127 Pasteur	District 3	2007	240	80.0%	33.0
2	Ben Thanh Luxury	172-174 Ky Con	District 1	2010	88	90.0%	20.0
3	Vincom Center	45A Ly Tu Trong	District 1	2010	60	50.0%	20.0
4	Nikko Saigon	235 Nguyen Van Cu	District 1	2011	53	85.0%	34.0
5	Saigon City Residence	8A/3D2 Thai Van Lung	District 1	2011	17	84.0%	37.0
6	Spring Court	1 Bis Phung Khac Khoan	District 1	2011	14	70.0%	21.0
7	Saigon Domaine	1057 Xo Viet Nghe Tinh	Binh Thanh	2001	45	60.0%	17.0
8	An Phu Superior Compound	43 Thao Dien	District 2	2011	68	100.0%	22.4
9	Poonsa	3 Vo Van Tan	District 3	2017	30	85.0%	31.0
10	Ibis Saigon Airport	2 Hong Ha	Tan Binh	2017	20	90.0%	22.0
Grade B							

(*) USD/sqm/month

(**) ARR (Average Rental Rate): All rents are stated in gross rents per sqm, not including VAT and serviced charge

PERFORMANCE

The third quarter of 2018 witnessed a minor increase of 1.76% q-o-q in average rent, to USD144.7/sqm/term. District 7 continues to take the lead, with USD270.0/sqm/term, while the potential district in the Northeast – Cu Chi – still offers the lowest average rent, staying at USD83.3/sqm/term.

Average occupancy rate reached 82%, subsequently rose sharply 6.6 ppts on the last quarter. There are total 5 districts fully covered by tenants, including District 2, 9, 12, Tan Phu and Thu Duc District. At the opposite side, as a new industrial zone, Nha Be's average occupancy rate was a more humble 63.2%.

SUPPLY

The total industrial stock in HCMC remained steady compared to the previous quarter of 2018 due to all the promising projects are still under planning or construction status. 20 operating IPs covering more than 4,200 hectares with the majority, all of which are located in the outskirts such as Binh Chanh, District 9, Nha Be, Cu Chi, accounting for roughly three-fourth of the market share.

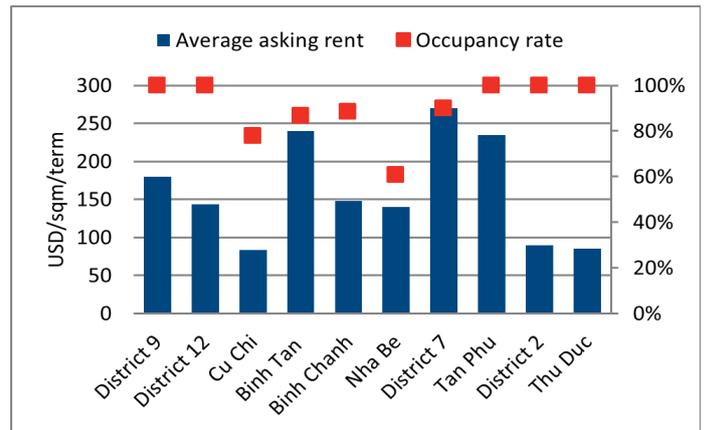
DEMAND

Half of the local IPs positively increased their occupancy rates to 100%, proving that the demand for manufacturing and producing has been pushed up higher than ever. In the first nine months, the city's FDI grew by 50% compared to the previous year; the DDI (Domestic Direct Investment) also rose by 11.2%, partially contributed to the city's growth. HCMC's GRDP increased by 7.9%, just shy of the 8.1% target for 2018. Furthermore, the monthly average IIP growth of 0.24%, combined with the authorities' policy of encouraging development manufacturing industry to rebound back by the end of the year, and thanks in part to the US-China trade war.

OUTLOOK

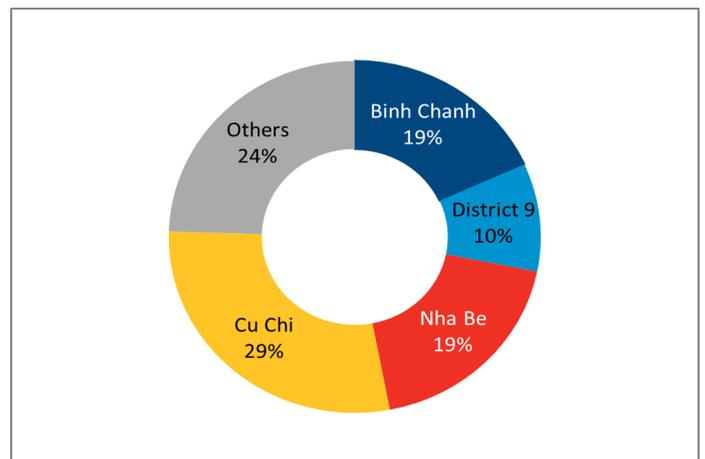
Most of the new IP projects will be located in outer districts or neighboring areas, especially Binh Chanh, Cu Chi and Nha Be owing to the policy of relocating IPs away from urban and residential zones. 8 high-potential projects are on the shortlist to enter the market by 2020, providing more than 2,000 hectares to the current supply. In addition, many of them are actually further expansions to existing IPs, such as Le Minh Xuan, Vinh Loc, Tay Bac Cu Chi, and Hiep Phuoc IPs. With the explosion of e-commerce, the industrial sector will see a tremendous change - the small and medium IPs in flexible short-term leases are expected to gradually replace the existing large IPs in rigid long-term leases.

Figure 17: Industrial, Market Performance by District



Source: Colliers International Research

Figure 18: Industrial, Supply by District



Source: Colliers International Research

Table 10: Industrial, Future Supply

Industrial Park Name	District	GFA (ha)
Le Minh Xuan Industrial Park - phase 2	Binh Chanh	338
Le Minh Xuan Industrial Park - phase 3	Binh Chanh	242
Vinh Loc I - phase 2	Binh Chanh	56
Vinh Loc I - phase 3	Binh Chanh	200
Vinh Loc Industrial Park III	Binh Chanh	210.3
Tay Bac Cu Chi Industrial Park - phase 2	Cu Chi	173
Hiep Phuoc Industrial Park - phase 3	Nha Be	1,000
Phong Phu Industrial Park	Binh Chanh	148.4

Source: Colliers International Research

Table 11: HCMC Industrial Market Overview

No	Name of Industrial Park	Location	Distance to CBD (km)	Total Area (ha)	Total leasable area (ha)	Asking Rent (USD/sqm/term)	Occupancy	LUR Term
1	Cat Lai Industrial Park (Cluster II)	District 2	21	137	87	90	100%	2061
2	Tan Thuan Export Processing Zone	District 7	6.4	300	204	270	90%	2041
3	Saigon Hi-tech Park P1	District 9	15	300	300	180	100%	2052
4	Tan Thoi Hiep	District 12	16	28	20	144	100%	2049
5	Tan Binh Industrial Park(P1+2)	Tan Phu	11	129	100	235	100%	2047
6	Vinh Loc Industrial Park	Binh Chanh	15	203	131	250	100%	2047
7	Le Minh Xuan Industrial Park	Binh Chanh	20	100	66	120	100%	2047
8	An Ha Industrial Park	Binh Chanh	23	124	124	71	85%	2058
9	Le Minh Xuan III	Binh Chanh	26	300	231	140	80%	2064
10	Binh Chieu Industrial Park	Thu Duc	16	27	27	150	100%	2046
11	Linh Trung 2 Export Processing Zone	Thu Duc	17	62	44	65	100%	2050
12	Linh Trung 1 Export Processing Zone	Thu Duc	18	62	46	65	100%	2042
13	Tan Tao Industrial Park 1	Binh Tan	17	161	97	240	97%	2047
14	Tan Tao Industrial Park 2	Binh Tan	17	183	116	240	78%	2050
15	Hiep Phuoc Industrial Park 1	Nha Be	21	311	224	140	100%	2048
16	Hiep Phuoc Industrial Park 2	Nha Be	22	597	345	140	35%	2058
17	Dong Nam Industrial Park	Cu Chi	30	343	287	70	82%	2058
18	Tay Bac Cu Chi Industrial Park	Cu Chi	36.5	208	150	85	97%	2048
19	Tan Phu Trung Industrial Park	Cu Chi	37	543	359	95	65%	2054
20	Automotive-Mechanical (Hoa Phu) Industrial park	Cu Chi	40	99	67	74	85%	2057

PERFORMANCE

The third quarter ended with many positive signals in the Hanoi office market, fuelled by moderate supply growth and healthy demand for both grades. Average net asking rent of Grade A increased 1.2% q-o-q to USD29.9/sqm/month while Grade B's rent remained relatively static at USD18.6/sqm/month.

Average occupancy rate continued to show an upward trend across both grades. While Grade A's occupancy rate was up 3ppts on a quarterly basis, reaching 94%, Grade B experienced a slight improvement of 0.3ppt q-o-q, staying at 82%. The accelerating trend in both rents and occupancy rates is expected to continue in the next coming periods given solid demand and favorable economic condition.

SUPPLY

Q3 2018 welcomed more than 43,000sqm NLA office space from a Grade B building located in Thanh Xuan District, expanding the total existing stock by 5.3% q-o-q. The current supply pipeline is standing at approximately 1,255,400sqm NLA from both grades with Grade A accounting for 33% and Grade B making up 67% of the total stock. It is predicted that a large amount of additional supply would be coming to fruition in the next quarter as many office projects which were due for completion rescheduled their construction progress at the end of 2018. For example, Handi Resco Tower.

DEMAND

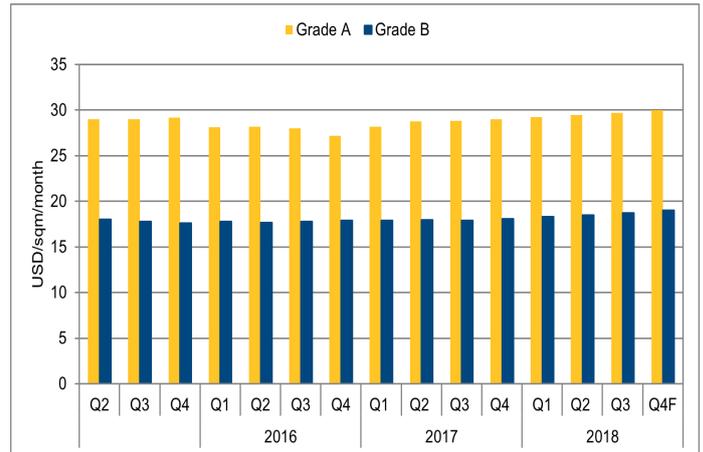
The Hanoi office market is experiencing solid occupier demand levels underpinned primarily by inbound tenant migration induced by the new supply of quality office space. Additionally, large amounts of infrastructure work in the capital city will continue to attract high calibre office tenants to the market. Banking, finance and insurance are the most active industries in expanding their office space in the capital city. With average annual growth rate of approximately 10% in the labor forces in these industries over the past 10 year, demand for office area is expected to increase in the upcoming periods.

OUTLOOK

On the back of the strong demand, net asking rent for existing grade A and B office space in Hanoi is expected to increase in the next quarter. There are plenty of opportunities for new developments in the West of Hanoi as existing tenants tend to prefer to stay in the location thanks to large land bank, well-established infrastructure and strong demand for residential apartments in this area.

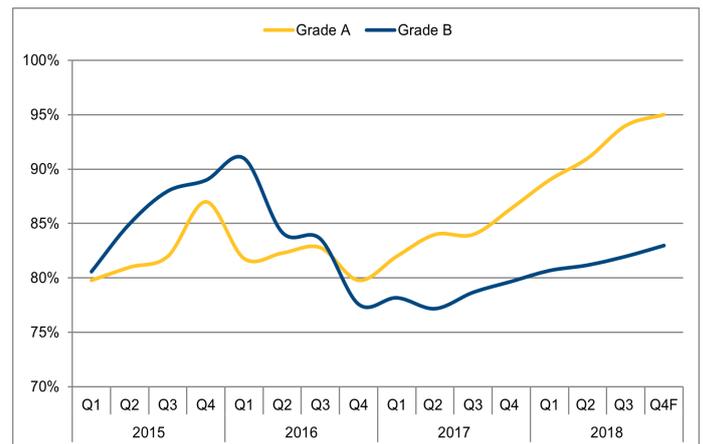
The shifting attitudes of business and employees, as well as the constantly evolving technological and business environment, is continuing to drive demand from small to micro tenants. This has created opportunities for co-working space and serviced office providers. Colliers has noticed several Hanoi co-working space and serviced office providers establishing a footprint in the city, namely Up, Toong, HanoiHub. The reduction in rents, together with increasing demand from small and start-up businesses for professionally presented offices, rather than a home office, has made co-working space and serviced offices a viable opportunity.

Figure 19: Office, Average Asking Rent



Source: Colliers International Research

Figure 20: Office, Occupancy Rate



Source: Colliers International Research

Table 12: Office, Significant Projects Under Expected Completion

Name of Project	Grade	NLA (sqm)	Expected completion
DSD Building	B	35,960	2019
Handi Resco Tower	B	103,100	2019
Friend's Tower	B	933	2019
MB Tower	B	2,220	2019

Source: Colliers International Research

Table 13: Significant CBD Office Projects

No	Name	Address	Completion Year	NLA (sqm)	Service Charges (*)	Occupancy rate	Average net asking rent (**)
1	Central Building	31 Hai Ba Trung	1995	3,653	9.0	100%	35.0
2	International Centre	17 Ngo Quyen	1995	6,500	-	58%	24.6
3	Hanoi Tower	49 Hai Ba Trung	1997	9,000	7.0	99%	29.0
4	63 Ly Thai To Building	63 Ly Thai To	1998	6,753	included	100%	47.0
5	Sun Red River Building	23 Phan Chu Trinh	1999	13,459	7.0	98%	28.0
6	Vietcombank Tower	198 Tran Quang Khai	2000	19,563	included	100%	30.0
7	Opera Business Centre	60 Ly Thai To	2007	3,787	included	97%	24.0
8	Pacific Palace	83B Ly Thuong Kiet	2007	16,600	7.0	91%	37.0
9	Asia Tower	2 Nha Tho	2007	3,100	7.7	90%	34.0
10	Sun City Building	13 Hai Ba Trung	2007	6,400	-	100%	45.0
11	BIDV Tower	194 Tran Quang Khai	2010	10,120	7.0	95%	32.0
12	Sentinel Place	Hang Da	2010	8,000	8.5	95%	45.0
13	Corner Stone	16 Phan Chu Trinh	2013	26,500	7.0	98%	42.0
14	Hong Ha Center	25 Ly Thuong Kiet	2013	11,000	5.0	94%	19.0
Grade A							
1	Tungshing Square	2 Ngo Quyen	1996	8,306	5.7	89%	23
2	Melia Hotel	44B Ly Thuong Kiet	1997	8,500	-	99%	35.0
3	Prime Centre	53 Quang Trung	1998	7,600	-	100%	27.0
4	VIB Hai Ba Trung	59 Quang Trung	2006	3,000	-	68%	16.0
5	Capital Tower	109 Tran Hung Dao	2010	21,089	7.0	98%	33.0
6	Hanoi Tourist Building	18 Ly Thuong Kiet	2010	7,600	-	100%	24.0
7	Capital Building	72 Tran Hung Dao	2013	5,800	-	100%	25.0
8	Coalimex Building	33 Trang Thi	2013	5,071	5.0	95%	26.0
9	VID Building	115 Tran Hung Dao	2013	4,930	-	89%	23.0
10	Artex Port	31-33 Ngo Quyen	2014	4,725	-	100%	23.0
Grade B							

(*) USD/sqm/month (NLA)

PERFORMANCE

The average net asking rents across all segments slightly increased by 0.5% q-o-q, staying at USD33.8/sqm/month. While shopping malls recorded a rental fall of 0.4% q-o-q, at USD34.4/sqm/month, retail podiums and department stores witnessed improvements in their rates by 0.6% and 1.2% over the quarter, maintaining at USD24.8/sqm/month and USD34.2/sqm/month respectively.

The average occupancy rate improved by 2ppts, staying at 91%. Among the three segments, shopping malls recorded the strongest improvement of 5ppts, reaching to 92%. Department stores' occupancy rates also had impressive rise to 95% while that of retail podiums experienced a slight increase of 1ppts q-o-q, reaching to 91%.

SUPPLY

With one new project coming on stream, total retail stock recorded a growth of 4% compared to the previous quarter. As of Q3 2018, Hanoi's total retail stock reached more than 970,000sqm. Shopping malls dominate the supply, accounting for 76% of total stock, followed by retail podium and department stores with 13% and 11% respectively. While the CBD is a prime location for both local and international luxury fashion, suburban districts are led by supermarkets, fast-fashion brands, F&B and entertainment services.

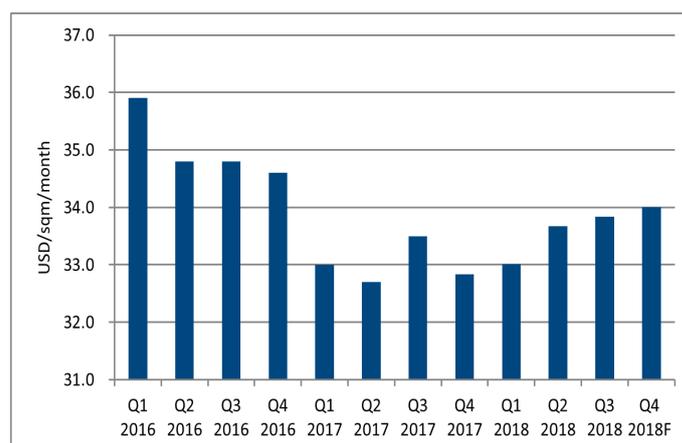
DEMAND

Since 2008, Vietnam has implemented a number of economic reforms leading to greater integration with the regional and global economies. This has also resulted in higher foreign direct investments. Vietnam has also begun its transition from a low-income to lower middle-income country, relative to ASEAN peers. This increase in income will likely lead to a subsequent rise in purchasing power and growth in consumer retail spending. Apart from positive trends and macro forces, there have also been government efforts to liberalize the legal landscape to further facilitate ease of doing business in Vietnam. The increase in brands entering market and the alteration from shopping centers to entertainment centers partly reform the market in the next few years.

OUTLOOK

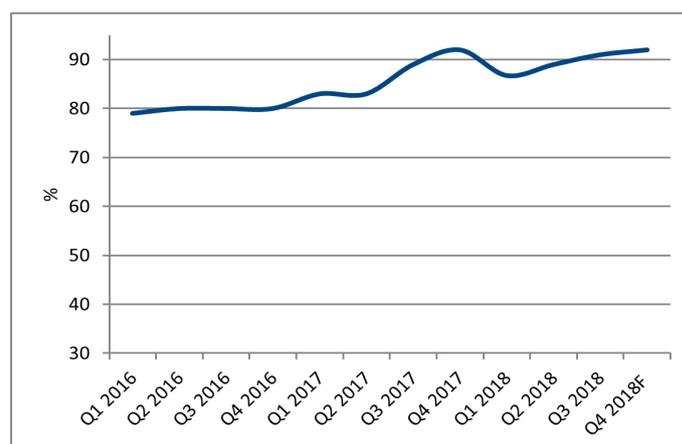
Retail centers in the CBD are expected to be highly sought-after in the long-term. Thanks to limited supply, occupancy rate will remain tight whilst average asking rent will enjoy a sustainable growth. Due to limited land availability in the city center, future large-scale retail developments will focus in non-CBD locations. Improved infrastructure and transportation in the south and east is expected to lead to further popularity of non-CBD retail centers. Prime rates are forecasted to continue to rise amid supply constraints for prime retail in the CBD. The shortage of prime land for development makes it unlikely for significant prime retail supply to be added.

Figure 21: Retail, Average Asking Rent by Quarter



Source: Colliers International Research

Figure 22: Retail, Occupancy Rate by Quarter



Source: Colliers International Research

Table 14: Retail, Significant Future Projects (2018-2020)

Name of Project	District	GFA (sqm)	Expected completion
FLC Twin Towers	Cau Giay	25,000	Q1 2018
Vinhomes D'Capital	Cau Giay	45,477	Q4 2018
Aeon Mall Ha Dong	Ha Dong	200,000	Q4 2019
Lotte Ciputra Mall	Tay Ho	200,000	Q4 2020

Source: Colliers International Research

Table 15: Significant Retail Projects

No	Name of Project / Building	Address	Location	Completion Year	NLA (sqm)	ARR (*)	Occupancy Rate
1	Central Building	31 Hai Ba Trung	Hoan Kiem	1995	550	75	100%
2	Hanoi Tower	49 Hai Ba Trung	Hoan Kiem	1997	2,515	55	100%
3	63 Ly Thai To Building	63 Ly Thai To	Hoan Kiem	1998	650	170	95%
4	ICC Building	71 Nguyen Chi Thanh	Dong Da	2006	2,900	16	100%
5	Pacific Place	83b Ly Thuong Kiet	Hoan Kiem	2007	2,300	67	100%
6	Opera Business Center	6b Trang Tien	Hoan Kiem	2007	370	120	100%
7	Asia Tower	6 Pho Nha Tho	Hoan Kiem	2008	300	107	100%
8	Sentinel Place	41A Ly Thai To	Hoan Kiem	2010	700	45	100%
9	Sky City Tower	88 Lang Ha	Dong Da	2010	5,400	65	100%
10	The Lancaster Hanoi	20 Nui Truc	Ba Dinh	2013	3,123	37	93%
11	Madarin Garden Residential	1 Hoang Minh Giam	Cau Giay	2013	11,000	25	98%
Retail Podium							
1	Vincom Center Ba Trieu - Tower A&B	191 Ba Trieu	Hai Ba Trung	2004	17,700	93	80%
2	Vincom Center Ba Trieu - Tower C	191 Ba Trieu	Hai Ba Trung	2004	10,974	80	99%
3	Ruby Plaza	44 Le Ngoc Han	Hai Ba Trung	2007	2,400	35	100%
4	Syrena	51B Xuan Dieu	Tay Ho	2008	4,153	33	99%
5	Trang Tien Plaza	24 Hai Ba Trung	Hoan Kiem	2008	12,000	150	70%
6	Savico MegaMall	7-9 Nguyen Van Linh	Long Bien	2011	43,500	25	96%
7	Vincom Center Long Bien	KDT Vincom	Long Bien	2012	29,000	25	83%
8	Indochina Plaza Hanoi	241 Xuan Thuy	Cau Giay	2012	17,000	30	71%
9	Vincom Mega Mall - Royal City	72A Nguyen Trai	Thanh Xuan	2013	181,317	35	70%
10	Vincom Mega Mall - Times City	458 Minh Khai	Hai Ba Trung	2014	83,950	30	93%
11	Aeon Mall Long Bien	2 Co Linh	Long Bien	2015	72,000	-	100%
12	Vincom Nguyen Chi Thanh	54A Nguyen Chi Thanh	Dong Da	2015	65,328	65	98%
Shopping Centre							
1	The Garden (Bitexco)	Me Tri	Tu Liem	2007	24,063	40	100%
2	Ho Guom Plaza	Ha Dong	Ha Dong	2013	23,380	25	95%
3	Lotte Department Store	54 Lieu Giai	Ba Dinh	2014	21,480	50	100%
Department Store							

(*) ARR (Average Rental Rate): All rents are stated in net rents per sqm, inclusive service charge but excluding VAT

PERFORMANCE

Due to the effects of “ghost month”, the number of sold units plunged by more than 25% q-o-q with approximately 4,000 successful transactions in the review quarter. The mid-end segment continued to take the largest proportion in the new supply at 50%, followed by the high-end at 30% of total supply. No new luxury apartment was absorbed while affordable segment witnessed a moderate sales volume with nearly 1,100 units.

On the primary market, developers offered relatively stable selling prices to prepare for upward price adjustments often occurring in the end of year. Therefore, selling prices recorded minor changes in the review quarter with the average price of approximately USD1,120/sqm across all segments.

SUPPLY

Approximately 5,000 units were launched in this quarter, down 20% q-o-q. The market has shown a strong emphasis on affordability as there was a shift from high-end to mid-end products. The mid-end segment accounted for nearly half of the total new supply in Q3 2018, followed by the high-end segment with 1500 units, making up 30% of the total newly launched supply. The capital city continued to witness decentralized trend in locations with large greenfield sites and upgraded infrastructure.

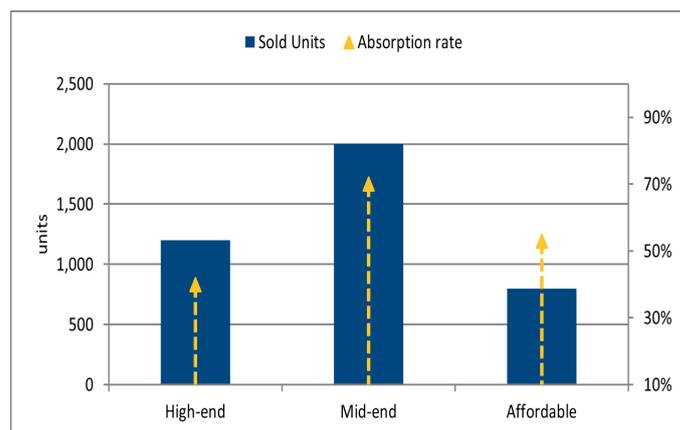
DEMAND

In primary market, mid-end and affordable segments have a high number of end-users who buy house for living purpose. The number of end-users in affordable segment is always higher than others. Buy-to-let and buy-to-sell have become the popular investment forms these recent years. For mid-end segment, returns from leasing are expected to range from 5% to 8% per year. Buy-to-let is a preferred investment form than buy-to-sale, characterized with high stable returns. The value of apartment typically goes up only in two occasions which are apartment handover period and issuance of the Land Use Right & House Ownership Certificate.

OUTLOOK

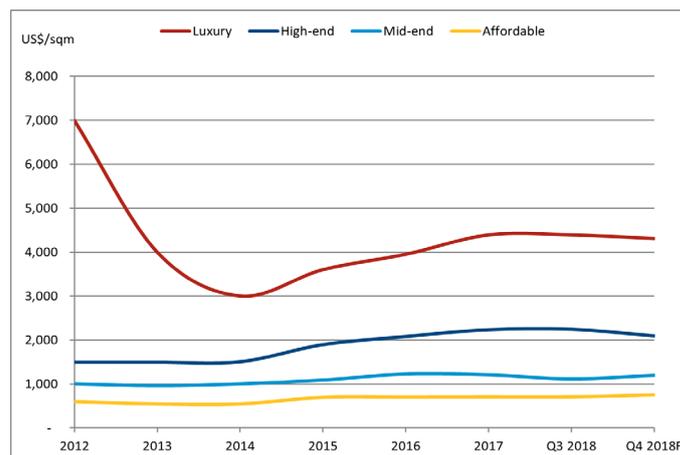
As more mid to low end housing projects will be added to the future supply pipeline in upcoming years, sale price will not see a significant appreciation for this market segment. Non-urban districts such as Hoang Mai, Ha Dong, Dan Phuong and Gia Lam are being major hubs for lower-end residential products thanks to their large land availability. The existing gap between strong end-users’ demand and limited mid to low end supply is expected to be resolved in the next few years.

Figure 23: Condominium, Units sold and Absorption Rate by Segment as of Q3 2018



Source: Colliers International Research

Figure 24: Condominium for Sale, Average Asking Price, Hanoi



Source: Colliers International Research

Figure 25: Condominium, New Launches by Segment and Quarter



Source: Colliers International Research

Table 16: Condominium, Significant new projects launched in the Q3 2018

No	Name of Project/Building	Developer	Location	Completion Year	Number of units	Asking Price (USD/sqm)
1	Ecolife Tay Ho	THUDO Investment & Trading Joint Stock Company	Tay Ho	2018	630	1,113
2	Sunshine Garden	Sunshine Group	Hai Ba Trung	2019	1,278	1,199
3	Anland Premium	Nam Cuong Group	Ha Dong	2019	575	1,113
4	Hateco Laroma	Hateco, JSC	Dong Da	2019	281	2,784
5	Thang Long City	Thang Long Ltd.	Nam Tu Liem	2019	156	664

* Excluding all kinds of tax and promotions

The information is updated as at the end of Q3 2018

PERFORMANCE

As opposed to the condominium market, market momentum in landed property sector remained positive as the transaction volume reached more than 520 dwellings. Especially for some newly launched projects, the absorption rates reached 90% within a short period of time.

The primary asking price was stable while the secondary price recorded a slight appreciation, averaging USD3,000/sqm. Ha Dong and Nam Tu Liem emerged as the most sought-after locations with the highest price improvement rate.

SUPPLY

Nearly 650 dwellings from 4 new projects came onboard in the review quarter. Newly launched projects are of small scale and mostly located in the West and South of the capital city. The Western region has been dynamic with a variety of projects implemented by prestigious developers. Townhouses have dominated the landed properties in the last two years and their products in suburban districts typically target middle-income buyers.

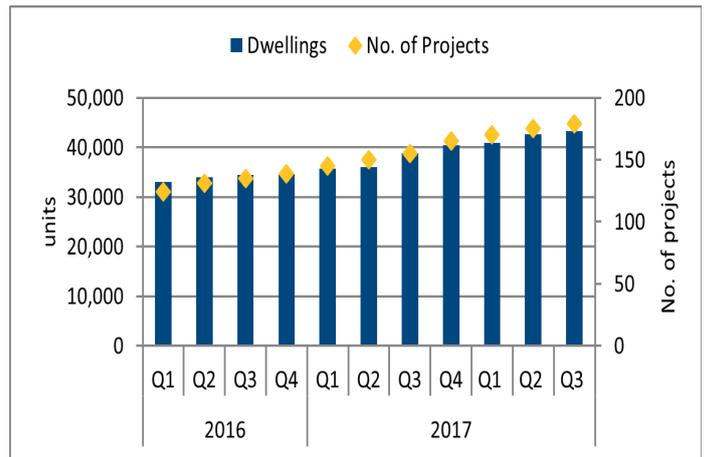
DEMAND

In Vietnam, landed property is one of the traditional investment channels given its long-term capital gain. Although condominiums have gained its popularity in recent years, landed property is still the preferred choice of accommodation. There are two major groups of buyers in this market segment. While investors prefer products from new launches to take advantage of good initial pricing, end-user customers would seek projects with reputable developers, good construction progress and supporting facilities.

OUTLOOK

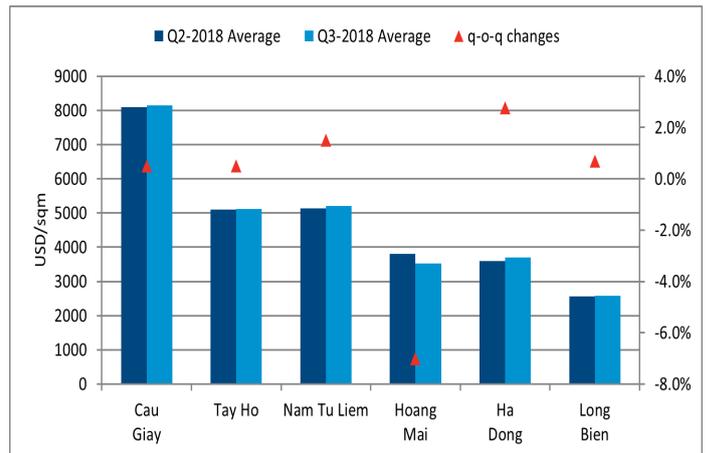
It is expected that the final quarter of 2018 will see approximately 2,000 dwellings launched. Absorption rates will be positive on the back of improved buyers' sentiment and effective marketing campaigns from new launches. The primary sale price will follow upward trend in the midst of solid demand from both end-users and investors.

Figure 26: Landed Property, Accumulated Supply by Quarter, Hanoi



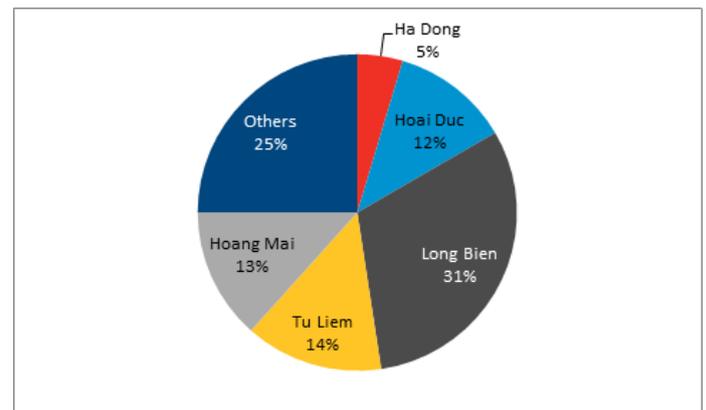
Source: Colliers International Research

Figure 27: Second Price by District, Completed units, Q-o-Q Changes



Source: Colliers International Research

Figure 28: Villa & Townhouse, New Supply by District



Source: Colliers International Research

Table 17: Significant new projects launched in the Q3 2018

No	Name of Project/Building	Developer	Location	Completion Year	Number of units	Asking Price (USD/sqm)
1	Hanssip Phu Xuyen	N&G	Phu Xuyen	2018	600	727.94
2	Terra Hao Nam	Van Phu 2	Dong Da	2019	97	2,140
3	Hanoi Garden City	Berjaya - Hadico 12	Long Bien	2019	72	1,713
4	Phoenix Garden Dan Phuong	DIA & Hai Phat Land	Dan Phuong	2019	468 - 600	813.68

* Excluding all kinds of tax and promotions

The information is updated as at the end of Q3 2018

PERFORMANCE

As of Q3 2018, serviced apartment market in Hanoi witnessed improvements in performance across both grades on the back of solid demand from both domestic and foreign visitors. While average asking rent for Grade A increased marginally by 0.8% q-o-q to USD34.9/sqm/month, Grade B's rent rose by 1%, standing at USD21.4/sqm/month. The market remained tight with healthy occupancy rates across all grades. Specifically, Grade A's average occupancy rate recorded a nominal decline of 0.1 ppt, staying at 93% while Grade B' average occupancy rate came in at an estimated 86.5%, up 0.5% q-o-q.

SUPPLY

The third quarter of 2018 recorded a new project coming on line, Roygent Parks Hanoi, adding up 200 units to the existing supply and expanding the total stock by 4.7% q-o-q. Currently, there are 44 serviced apartment projects of all grades, providing more than 4,500 units from studio to four-bedroom units and penthouses in Hanoi. In terms of location, Ba Dinh and Tay Ho Districts are major suppliers with more than 50% market share.

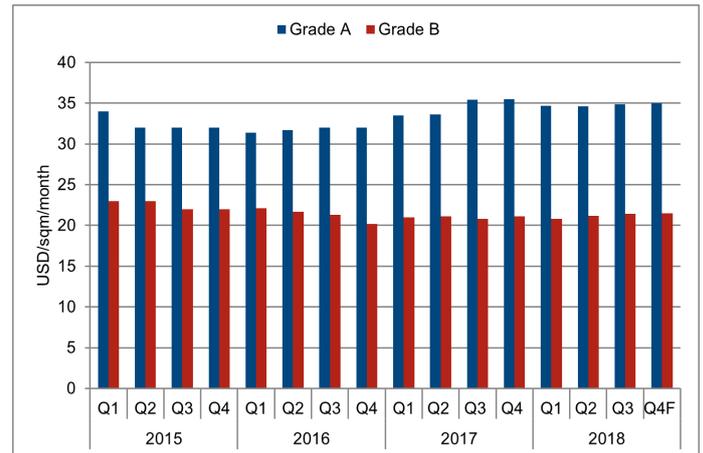
DEMAND

Hanoi, the capital city of Vietnam is showing its potential as a favorable investment destination for multinational corporations, embassies and international organizations, bringing a hope to a promising serviced apartment market over the next few years. This coincides with the statistical finding that FDI to the capital city increased in Q3 2018, facilitating growth of demand for serviced apartments as normal practice. In terms of tenant profile, the main sources of demand coming from Japan and Korea owing to a large amount FDI inflow from these countries invested in industrial zones in suburban provinces such as Bac Ninh, Thai Nguyen, Hai Phong.

OUTLOOK

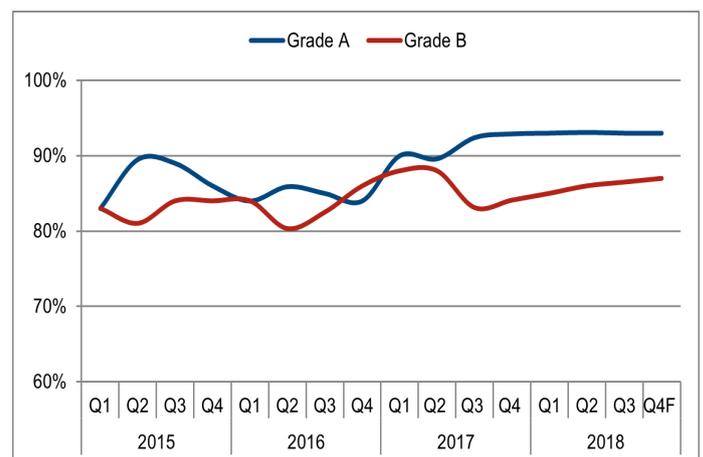
An estimated more than 800 units of future supply is projected to be unveiled in the next year. Under the pressure of future supply from the market, asking rents are expected to slightly drop in the coming periods, while occupancy rates in Hanoi serviced apartment market are forecasted to keep in stable due to sustainable demand. Additionally, buy-to-let model is becoming a new attractive investment channel, supported by its small amount of capital, flexibility and diverse options. This trend is forecasted to grow in the coming years, which is more likely to create more competition to the service apartment market.

Figure 29: Serviced Apartment, Average Asking Rent by Grade



Source: Colliers International Research

Figure 30: Serviced Apartment, Occupancy Rate by Grade



Source: Colliers International Research

Table 18: Serviced Apartment, Future Supply by 2019

Name of Project	District	Total Supply	Estimated Completion Year
Oakwood Residence	Tay Ho	190	2019
PentStudio	Tay Ho	327	2019
Hanoi Aqua Central	Ba Dinh	238	2019
345 Doi Can	Ba Dinh	90	2019

Source: Colliers International Research

Table 19: Significant Serviced Apartment Projects

No.	Project Name	Address	Location	Total Units	Average Occupancy	ARR(*) (**)
1	Lotte Center	Dao Tan, Cong Vi	Ba Dinh	258	97%	43.0
2	Hanoi Daewoo	360 Kim Ma	Ba Dinh	194	88%	28.0
3	Softel Plaza	1 Thanh Nien	Ba Dinh	56	100%	38.0
4	Hanoi Somerset Grand	49 Hai Ba Trung	Hoan Kiem	185	93%	35,0
5	Sun Red River	23 Phan Chu Trinh	Hoan Kiem	46	85%	25,0
6	Pacific Place	83B Ly Thuong Kiet	Hoan Kiem	35	80%	23,0
7	Sedona Suites	96 To Ngoc Van	Tay Ho	181	90%	34,0
8	Somerset West Lake	254D Thuy Khue	Tay Ho	90	82%	30,0
9	Hanoi Lake View	28 Thanh Nien	Tay Ho	26	100%	25,0
10	Intercontinental Ha Noi	13 Nghi Tam	Tay Ho	25	88%	35,0
11	Fraser Suites Hanoi	51 Xuan Dieu	Tay Ho	184	95%	40,5
12	Somerset West Point	2 Tay Ho	Tay Ho	185	95%	36,0
13	Crown Plaza	36 Le Duc Tho	Tu Liem	136	99%	35,0
14	Calidas	E6, Pham Hung	Tu Liem	378	99%	38,0
15	Somerset Hoa Binh	106 Hoang Quoc Viet	Cau Giay	206	87%	31,0
Grade A						
1	Rose Garden	170 Ngoc Khanh	Ba Dinh	96	80%	24,0
2	V-Tower	649 Kim Ma	Ba Dinh	36	90%	28,0
3	DMC Lake View	535 Kim Ma	Ba Dinh	66	85%	16,0
4	Hoa Binh Green	376 Duong Bui	Ba Dinh	40	92%	22,0
5	Lancaster Hanoi	20 Nui Truc	Ba Dinh	31	85%	24,0
6	May Fair	34B Tran Phu	Ba Dinh	48	95%	17,0
7	Hanoi Lakes Residences	11-13 Nam Trang	Ba Dinh	10	100%	9,0
8	Skyline Tower	4 Dang Dung	Ba Dinh	79	80%	31,0
9	Candle Hotel	287-301 Doi Can	Ba Dinh	69	74%	27,0
10	The City Residences	37 Phan Dinh Phung	Ba Dinh	15	67%	15,0
11	Elegant Suites Hanoi	19B Ha Noi	Hoan Kiem	39	80%	25,0
12	Palace de Thien Thai	2 Tho Nhuom	Hoan Kiem	16	98%	23,0
13	Atlanta	49 Hang Chuoi	Hai Ba Trung	50	90%	24,0
14	Times City	485 Minh Khai	Hai Ba Trung	150	85%	19,0
15	Rainbow	7 Trieu Viet Vuong	Hai Ba Trung	26	88%	14,0
16	Park View	9 Nguyen Binh Khiem	Hai Ba Trung	6	92%	11,0
17	Oriental Palace	33 Tay Ho	Tay Ho	59	70%	30,0
18	Elegant Suites Westlake	10C Dang Thai Mai	Tay Ho	131	94%	27,0
19	Flower Village Hanoi	14 Thuy Khue	Tay Ho	131	90%	23,0
20	Swan Lake	3/61/31 Xuan Dieu	Tay Ho	6	97%	17,0
21	Lakeside Garden	56 Xuan Dieu	Tay Ho	8	62%	14,0
22	Dolphin	28 Tran Binh	Tu Liem	70	70%	15,0
23	Jana Garden Terrace	6 Kim Dong	Hoang Mai	72	80%	22,0
24	Pan Horizon	157 Xuan Thuy	Cau Giay	86	65%	30,0
25	My Way	4, 86 Alley , Duy Tan	Cau Giay	39	93%	25,0

(*) USD/sqm/month

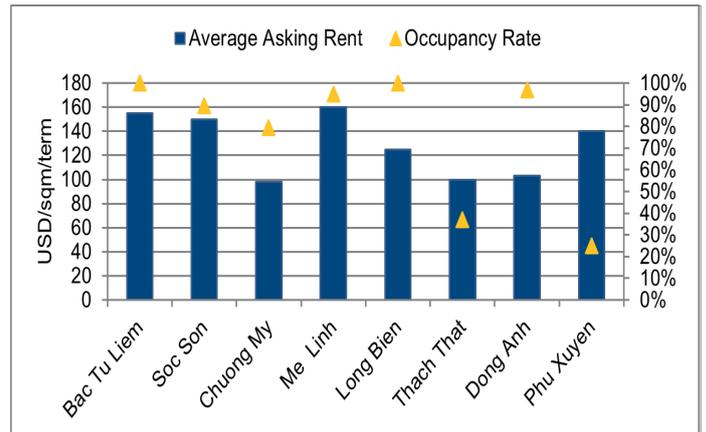
(**) ARR (Average Rental Rate): All rents are stated in gross rents per sqm, not including VAT and serviced charge

PERFORMANCE

In the 2018 third quarter, Hanoi saw a staggering increase of 18.8% y-o-y in average rent, staying at USD121.5/sqm/term, due to limited new supply and sustainable demand. The crown of the highest rate belongs to Me Linh area, worth USD160/sqm/term, which is closely followed up by USD155/sqm/term in Bac Tu Liem. Meanwhile, Chuong My was the only area possessed the average asking rate under USD100/sqm/term regardless of its minute growth of 1.8% q-o-q, at USD98/sqm/term.

The average occupancy rate in Hanoi was successful to amaze the market with 95.1%, grew up to 12.5 ppts on the previous corresponding period. Bac Tu Liem and Long Bien are still proving as the most attractive industrial points with 100% occupancy rate. Whilst the newbies as Phu Xuyen and Thach That owned the lowest rates, at 25% and 37.2% respectively.

Figure 31: Industrial, Market Performance by District



Source: Colliers International Research

SUPPLY

There are no new supply invading to Hanoi market and kept the stability. The sum of 10 operating IPs were covering more than 2,200 hectares and still waiting for expansion projects to stretch up to 3,500 hectares in the long term. The big three supplier of Hanoi are Chuong My, Thach That, Dong Anh, accounting for 68% of the market.

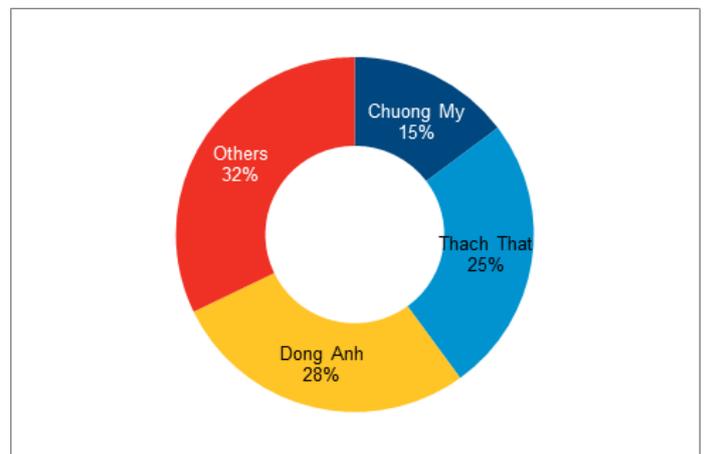
DEMAND

The electronics sector demonstrated a slight recovery, while manufacturing remained the gradual growth which is adequate to be a back-up for others. More than a half of the IPs in Hanoi left the vacancy rate at 0%, attesting that the demand here is at considerably high rate. Throughout first nine months, the industry sector in Hanoi made a contribution of 1.24 ppts to the GRDP, equivalent to 7.7% growth compared to the last corresponding term. Moreover, Hanoi has been announced as the area received most registered FDI, worth USD5.1 billion, accounting for 37.8% the whole country. These numbers can be considered as the main factors influencing the upward trend of demand somehow.

OUTLOOK

Base on the approved IPs projects list, Hanoi is bound to enlarge its industrial land twice than the total of existing IPs in the next two years, escalating the total IPs up to 19 units. Yet, by the end of this year, it will be assumed that there is no new supply due to the restriction of the encouraging investment activities (e.g difficulty of land reclamations, asking rent conflicts, insufficient infrastructures, etc.). The onwards trend of choosing the IPs at Western or Northwestern Hanoi is likely to be the major reason of the steady surge in asking rent in this area.

Figure 32: Industrial, Supply by District



Source: Colliers International Research

Table 20: Industrial, Future Supply

Industrial Park Name	District	GFA (ha)
Quang Minh II Industrial Park	Me Linh	266
Phuc Tho Industrial Park	Phuc Tho	74
Phu Xuyen Industrial Park	Phu Xuyen	488
Thanh My - Xuan Son Industrial Park	Son Tay	108
Soc Son Industrial Park	Soc Son	340
Soc Son II Industrial Park	Soc Son	204
Soc Son III Industrial Park	Soc Son	180
Soc Son IV Industrial Park	Soc Son	216
Thanh Oai II Industrial Park	Thanh Oai	480
Habeco Industrial Park	Thuong Tin	300
Ha Noi Hi-BioTech Park	Tu Liem	200

Source: Colliers International Research

Table 21: Hanoi Industrial Market Overview

No.	Name of Industrial Park	Location	Distance to CBD (km)	Total Area (ha)	Asking Rent (USD/sqm)	Occupancy	LUR Term
1	Nam Thang Long	Tu Liem	15	261	155	100%	2048
2	Noi Bai	Soc Son	31	116	150	100%	2058
3	Phu Nghia 1 + 2	Chuong My	24	170	98	80%	2058
5	Quang Minh	Me Linh	24	344	160	100%	2052
6	Sai Dong B (Phase I & II)	Long Bien	11	97	125	100%	2046
7	Thach That	Thach That	24	150	100	100%	2056
8	Hoa Lac Hi-Tech	Thach That	39	549	66	50%	2048
9	Thang Long	Dong Anh	16	302	100	100%	2047
10	Dong Anh	Dong Anh	19	470	105	100%	2057
11	Hanssip (phase 1)	Phu Xuyen	44	72	140	60%	2060

PERFORMANCE

The third quarter of 2018 saw a 5% increase in rents across all grades compared to the previous quarter with Hai Chau District registered the most improved performance. Average net asking rent of Grade A increased by roughly 5% to USD18.9/sqm/month. Both Grade B and Grade C have shown a slight rise to USD10.9/sqm/month and USD8.2/sqm/month respectively on the back of strong demand amid limited supply.

While the occupancy rate of Grade A came to an estimated 93%, up 2ppts q-o-q, both Grade B and Grade C's occupancy rates stayed unchanged, at approximately 80% and 99%.

SUPPLY

There were no new office buildings in the third quarter of 2018 and thus Danang's office market remains small in scale, with only approximately 88,000 sqm NLA of office space stock spread across 25 buildings. Hai Chau District continued to dominate with 75% share, followed by Thanh Khe district with 20,600 sqm from four projects. Indochina Riverside Tower and Hilton Bach Dang are two Grade A buildings which provide approximately 9,000 sqm NLA, with 10% of market share. The Grade B and Grade C sectors account for 44% and 46% of market share respectively.

DEMAND

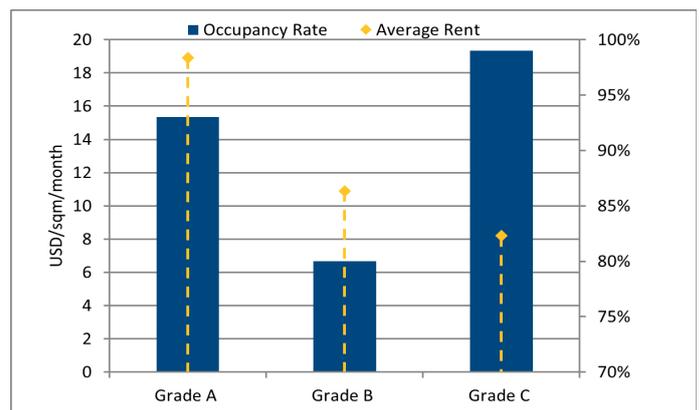
Most of the demand for Grade B office buildings stemmed from software, IT, financial services and construction related companies while demand for Grade C building mainly came from NGO, IT and construction companies. The average size for office space in Danang is normally around 100 to 150 sqm per lot, however, this is not always be the case for software and IT companies which often require larger area from 500 up to 1,000 sqm.

OUTLOOK

Due to limited demand and supply, the office market in Danang is still not as developed compared to Ha Noi and Ho Chi Minh City. In terms of future supply, Vien Dong Meridien is slated to come online in 2019, providing approximately 6,000sqm office space to the market.

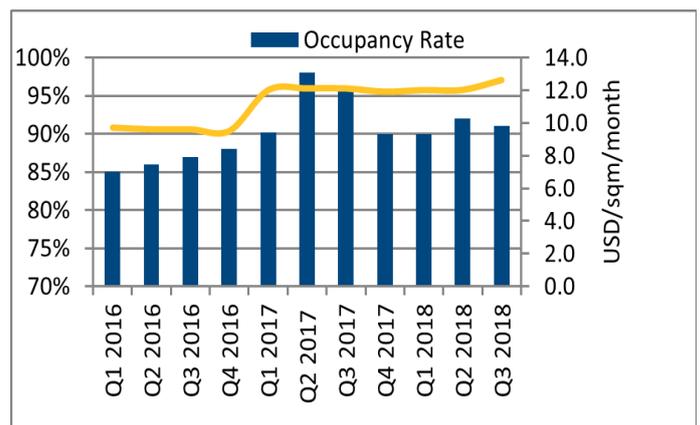
According to the Vietnam Chamber of Commerce and Industry (VCCI), Da Nang ranked second out of 63 provinces around the country in terms of Provincial Competitiveness Index (PCI) in 2017. As of Q3 2018, the city recorded 4,700 new businesses with registered capital of over VND6,058 billion. These factors in accordance with increasing number of newly registered FDI projects will boost further demand for office space in Danang.

Figure 33: Office, Market Performance as of Q3 2018



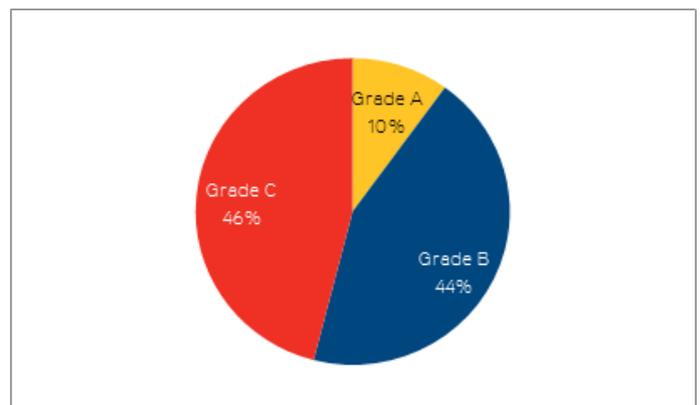
Source: Colliers International Research

Figure 34: Office, Market Performance by Quarter



Source: Colliers International Research

Figure 35: Office, Supply by Grade



Source: Colliers International Research

Table 22: Significant Office Projects

No	Name	Address	Completion Year	NLA (sqm)	Service Charges	Occupancy rate	Average asking rent (*)
1	Indochina Riverside Tower	74 Bach Dang, Hai Chau	2008	6,219	included	90%	20.0
Grade A							
1	One Opera	115 Nguyen Van Linh, Hai Chau	2008	4,234	included	100%	12.9
2	Vinh Trung Plaza	253-255-257 Hung Vuong, Hai Chau	2008	5,200	included	97%	12.0
3	PVFC Building	Lot A2.1, 30/4 Street, Hai Chau	2010	11,162	included	100%	10.1
4	Green Plaza	238 Bach Dang, Hai Chau	2010	4,400	included	82%	12.0
5	Thanh Loi Building	135 Nguyen Van Linh, Thanh Khe	2011	5,100	included	93%	12.0
6	Post Office	155 Nguyen Van Linh, Thanh Khe	2014	8,500	included	100%	13.0
7	Petrolimex Tower	122, 2/9 Street, Hai Chau	-	6,000	included	86%	9.2
Grade B							
1	DanaBook	78 Bach Dang, Hai Chau	-	3,500	included	73%	7.0
2	SPT	Z85 Tran Hung Dao, Son Tra	2009	15,863	included	90%	6.0
Grade C							

(*) USD/sqm/month (NLA)

PERFORMANCE

The average net asking rents across all segments grew by 3% q-o-q, reaching USD17.7/sqm/month. While retail podiums remained its rates at USD16.3/sqm/month, shopping malls increased their rents to USD19/sqm/month, up 5% q-o-q. Parkson, the only one department store in the city, offered to tenants the average rent of USD22/sqm/month. It is notable that shopping centres and department stores in Danang were totally leased out with 100% occupancy rate. Average occupancy rate for retail podiums is lower at approximately 80%.

SUPPLY

The review quarter recorded no new retail project introduced to the market. The total retail stock was 76,451 sqm, stable on a quarterly basis. Son Tra District is still the largest supplier of retail space at 36,800 sqm, accounting for 45% of retail stock, followed by Hai Chau and Thanh Khe District at 40% and 15% respectively.

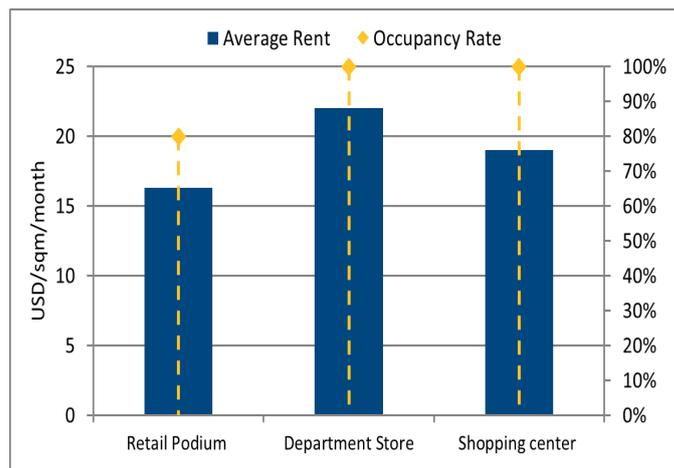
DEMAND

Vietnam’s middle and affluent consumers are forecasted to grow 1.7 times in size by 2020 and disperse rapidly from key cities. It is believed that this type of buyer will drive spending on comfort and lifestyle products and lead a shift towards modern trade, making the country a very attractive market for foreign brands. A great deal of international retailers is planning to penetrate the local market to introduce their products to tourists and local customers in Danang and enhance their brand images in Vietnam

OUTLOOK

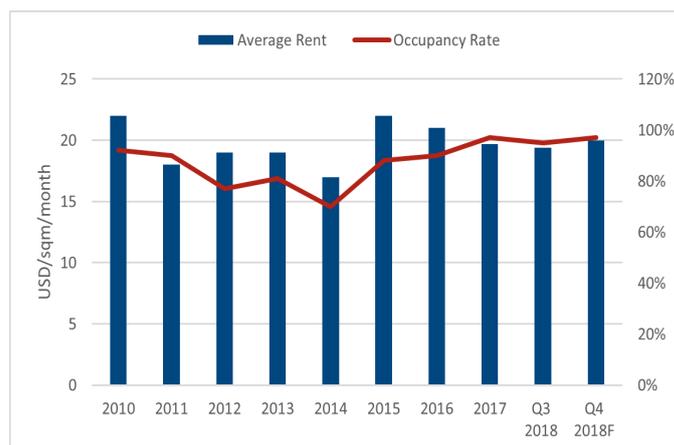
A modest supply pipeline of more than 2,400sqm GFA from a project is estimated to enter the market on the rest of the year. Retail podiums serving for shopping needs of residents in high-rise developments are on upward trend while high-end shopping centres and department stores such as Parkson and Vincom Ngo Quyen may find it hard to achieve good sales from local consumers. However increasing international arrivals over the years will give a brighter future for the retail market.

Figure 36: Retail, Market Performance as of Q3 2018



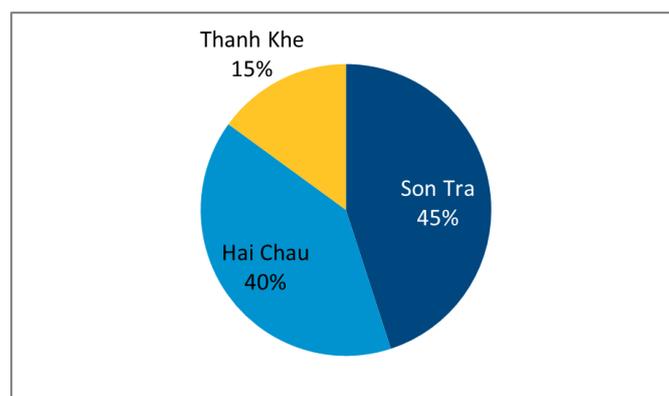
Source: Colliers International Research

Figure 37: Retail, Market Performance by Year



Source: Colliers International Research

Figure 38: Retail, Supply by District



Source: Colliers International Research

Table 23: Significant Retail Projects

No	Name of Project/Building	Address	Location	Completion Year	NLA (sqm)	ARR (*)	Occupancy Rate
1	Indochina Riverside Towers	74 Bach Dang	Hai Chau	2008	5,251	19.0	100%
2	HAGL-Lake View Residences	72 Ham Nghi	Thanh Khe	2012	7,200	12.0	100%
Retail Podium							
1	Parkson Vinh Trung Plaza	253-255-257 Hung Vuong	Hai Chau	2011	8,000	23.0	100%
Department Store							
1	Big C Da Nang	255-257 Hung Vuong	Thanh Khe	2007	11,760	17	100%
2	Da Nang Square	35 Thai Phien	Hai Chau	2011	3,280	6.2	79%
3	Vincom Plaza Ngo Quyen	910A Ngo Quyen	Son Tra	2015	36,800	23.0	100%
4	LOTTE Mart	06 Nai Nam	Hai Chau	2016	19,200	18.3	100%
Shopping Centre							

(*) ARR (Average Rental Rate): All rents are stated in net rents per sqm, inclusive service charge but excluding VAT

PERFORMANCE

Up to Q3 2018, the average absorption rate of primary market was 85%, equivalent to a 2% increase q-o-q, many of which from newly launched projects. Hai Chau district has the highest absorption rate at 90%, followed by Son Tra district and Ngu Hanh Son district at 70% and 68% respectively. The average primary price ranges from USD 2,150/sqm, up 10% compared to the previous quarter.

SUPPLY

It is evident that the condotel market in Danang witnessed a slight downturn in launching activities, showing the caution of developers before the introduction of new products. Ngu Hanh Son, Son Tra and Hai Chau districts are the focal point of large-scale luxury projects, largely due to natural advantages and advanced infrastructure. Out of 15 existing projects, Ngu Hanh Son was the largest supplier with nearly 60%, followed by Son Tra with 35% and Hai Chau with 5%.

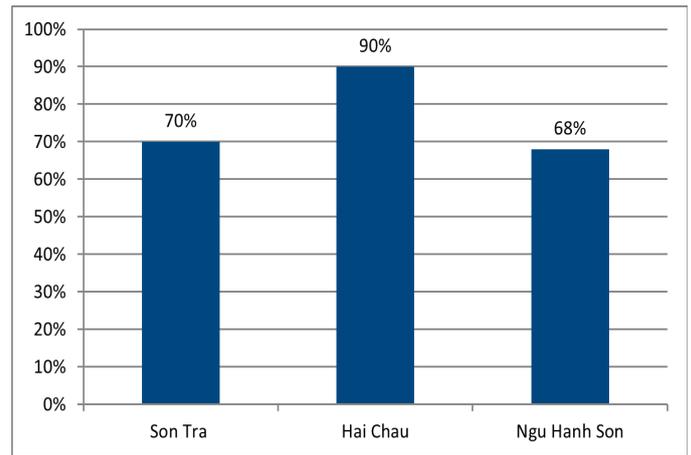
DEMAND

The source of demand for condotels comes mainly from the North of Vietnam which accounted for approximately 80% of purchasers. The decision to invest in Danang is strongly affected by many factors including its image as a young and dynamic coastal city, advanced transport infrastructure and also an increase in direct international flights and number of tourist arrivals in recent years.

OUTLOOK

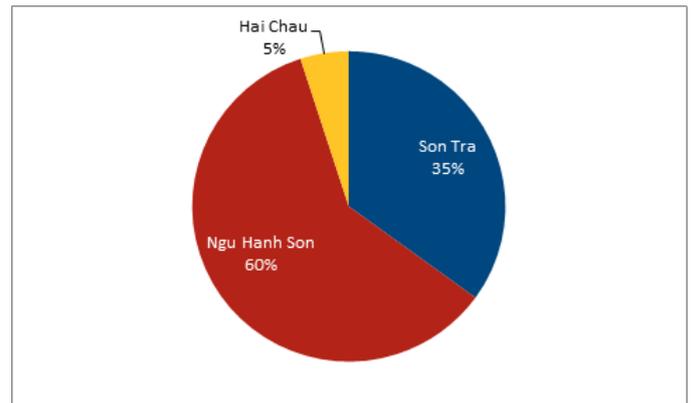
Apart from future pipeline coming from the remaining stock of Wyndham Soleil and Central Coast, the market is expected to welcome 2 notable projects coming on stream, T&T Twin Tower and Times Square, adding up 3,300 units to the existing stock. With a large supply of condotel projects entering the market, it is expected that this sector will face increasing competition in the years ahead. To stay competitive, new projects will need to differentiate themselves from the rest by unique design and attractive sales policies.

Figure 39: Condotel, Absorption Rate by District



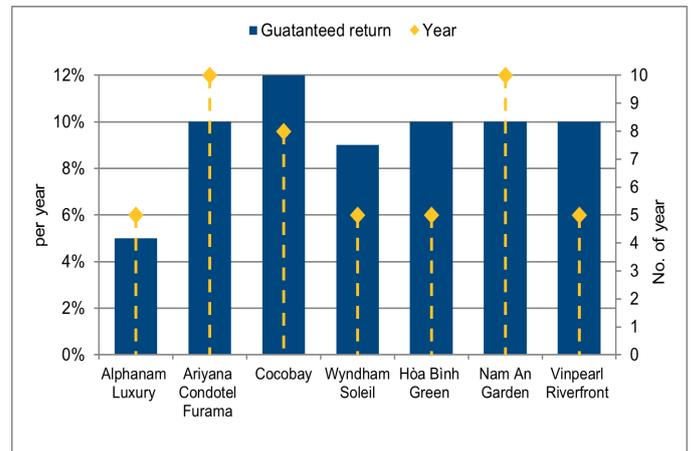
Source: Colliers International Research

Figure 40: Condotel, Supply by District



Source: Colliers International Research

Figure 41: Condotel, Guaranteed Return by Project



Source: Colliers International Research

Table 24: Significant Condotel Projects

No	Name of Project/Building	Address	Location	Completion Year	No. of units	Average Selling Price (USD/sqm)*
1	F Home	16 Dang Tu Kinh	Hai Chau	Q1/2016	560	1,600
2	Ariyana Condotel Furama	105-107 Vo Nguyen Giap	Ngu Hanh Son	Q1/2016	1,320	2,534
3	Cocobay	Truong Sa	Ngu Hanh Son	Q1/2016	1591	1,917
4	Vinpearl Riverfront	Ngo Quyen	Son Tra	Q2/2016	736	2,203
5	Ocean Suites (Block A&B)	Truong Sa	Ngu Hanh Son	Q2/2016	115	2,394
6	Wyndham Soleil	Vo Nguyen Giap	Son Tra	Q3/2016	706	4,069
7	Hoa Binh Green Danang	Le Van Duyet	Son Tra	Q3/2016	1,536	926
8	Naman Garden	Truong Sa	Ngu Hanh Son	Q4/2016	99	2,145
9	Alphanam Luxury	A1 - A6 Vo Nguyen Giap	Son Tra	Q4/2016	234	1,815

* Excluding all kinds of tax and promotions

The information is updated as at the end of Q3 2018

PERFORMANCE

Average asking prices for Danang’s second-home villas range from approximately USD1,100/sqm to USD2,225/sqm. Reputable developers, attractive sales policies and proximity to the beach are key success drivers to high absorption rate up to the review quarter with approximately 97% of the total primary stocks are already sold out.

SUPPLY

Compared to condotel developments, the second-home villa sector offers less choice to purchasers with limited dwellings from 15 projects. Ngu Hanh Son district tops primary villa supply, representing a market share of 91%, followed by Son Tra district at 9%. The future supply is expected to be modest with 45 dwellings coming online on the rest of the year.

DEMAND

Demand for the second-home villa is forecasted to be solid with the absorption rate of 86% up to the review quarter. It is an undeniable fact that the buyer profile of this segment shares the same characteristics with condotel segment with approximately 80% of purchasers are from Ha Noi, followed by HCMC with 5%. The remaining market share is belonged to Vietnamese residing abroad or foreigners and residents from nearby provinces. Reputation of developers, international facilities and high potential rental rates are complementary factors to be considered for buying decisions.

OUTLOOK

With lower budgets from buyers amid fierce competition, it is reported that land areas have decreased to 400-500sqm and 3 bedroom type has been the most sought-after product. Favorable macroeconomic conditions, low interest rates wit flexible loan teams are main factors that contribute to buyer’s decision to invest in a second-home villa.

Figure 42: Villa, Market Performance



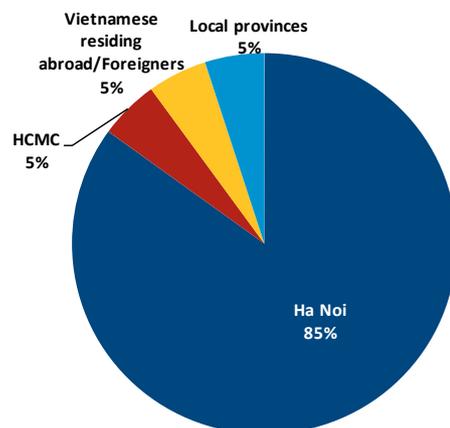
Source: Colliers International Research

Figure 43: Villa, Primary Supply by District



Source: Colliers International Research

Figure 44: Villa, Buyer Profile



Source: Colliers International Research

Table 25: Significant Villa Projects

No	Name of Project/Building	Developer	Location	Location	Completion Year	Number of units	Asking Price (USD/sqm)
1	Euro Village 2	Sun Group	Hoa Xuan	Ngu Hanh Son	-	54	1,199
2	Furama Villas	Ariyana Corporation	Vo Nguyen Giap	Ngu Hanh Son	2009	131	3,075
3	Vinpearl Luxury Da Nang 1	VinGroup	Truong Sa	Ngu Hanh Son	2011	39	1,318
4	The Point Residences	VinaCapital	Truong Sa	Ngu Hanh Son	2014	40	1,168
5	The Ocean Estates	VinaCapital	Truong Sa	Ngu Hanh Son	2016	33	1,844
6	Euro Village	Sun Group	27 Hoa Hong	Son Tra	-	175	2,400

* Excluding all kinds of tax and promotions

The information is updated as at the end of Q3 2018

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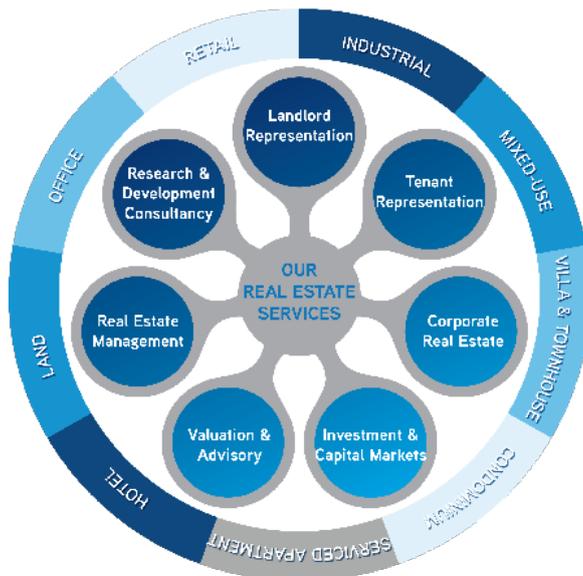
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Knowledge Report/ Market Insights	Hanoi	Quarterly	All market sectors	Publicly available
Knowledge Report/ Market Insights	Danang	Quarterly	All market sectors	Publicly available
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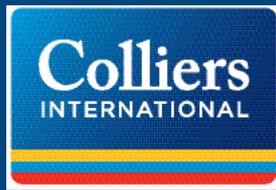


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