Research | October 2021

A positive end to a subdued 3Q

Vietnam Property Market Brief

Contents

IMPORTANT NOTES

Since the beginning of 2021, JLL Research has been applying a new grading system and methodology for processing the market data to reflect the market situation better. This might subsequently result in some changes in the historical data.

VIETNAM'S ECONOMIC BACKDROP

Vietnam recorded the deepest GDP decline in 3Q21 in the history of quarterly GDP statistics since 2000: Vietnam's GDP decreased 6.17% y-o-y in 3Q21. The only sectors that recorded a positive growth rate were agriculture, forestry and fishery, increasing 1.04% y-o-y. Industry and construction sectors fell by 5.02% y-o-y, while the services sector was down 9.28% y-o-y.

The GDP growth rate in the first nine months only increased 1.42% y-o-y, lower than the last year rate of 2.1%, owing to the adverse impacts of Covid-19, especially in the Southern area.

ADB lowers Vietnam's 2021 growth forecast to 3.8%, down from the 5.8% predicted in July. However, Vietnam General Statistics Office anticipates the economic growth in 2021 to stand at only 2.5%, provided Q421 growth reaches 5.3%. The economic recovery depends heavily on the containment of the pandemic, the roll-out of vaccines and the post-pandemic government policies to support businesses. Despite many challenges, ADB and foreign investors remain upbeat about Vietnam's growth prospects in the medium and long term, with its economy estimated to grow at 6.5% in 2022.

Total retail sales of consumer goods and services continued to decline significantly, while international tourism continued its downward trend: Due to the serious impact of the pandemic, in the first three quarters of 2021, the total retail sales of consumer goods and services reached VND 3,367.7 trillion, down 7.1% y-o-y. Transportation continued to face difficulties, with 2,018.8 million passengers, down 23.8% y-o-y. In Q321, passenger transportation dropped 69.6% y-o-y as a result of the lockdown. Meanwhile, international tourists arrival to Vietnam was estimated at 114.5 thousand in the first nine months of 2021, down 97% y-o-y.

Figure 1: Real GDP Growth (y-o-y)

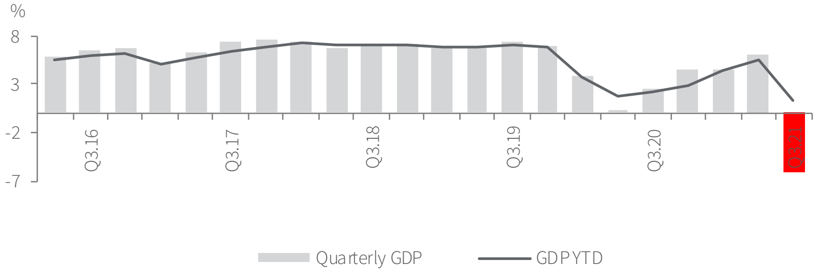


Figure 2: Retail Sales Growth (YTD) vs. International Arrivals Growth (y-o-y)

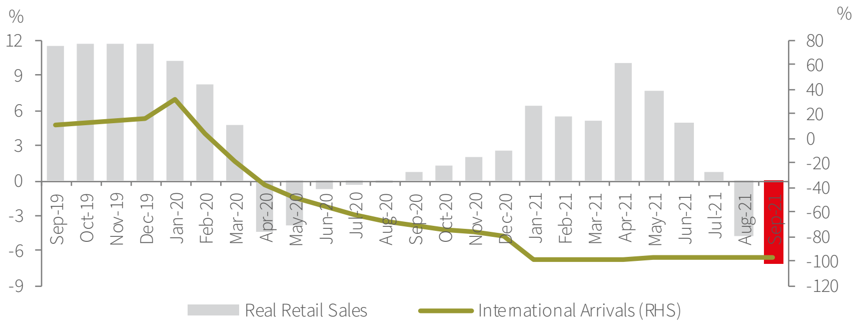
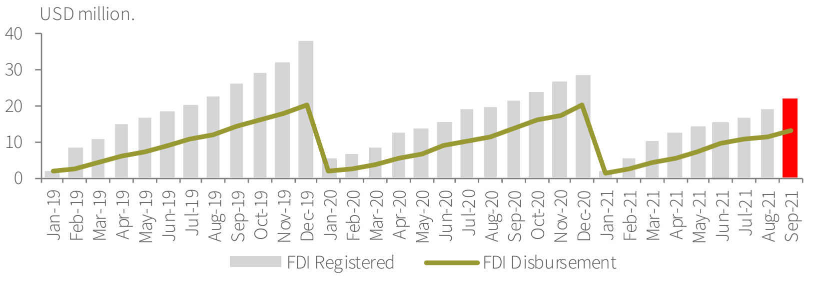


Figure 3: FDI (year-to-date)



Source: General Statistics Office

FDI capital increased positively compared to the same period in 2020 despite the 4th wave of the pandemic: FDI capital reached USD 22.15 billion in the first three quarters of 2021, up by 4.4% compared to the same period in 2020.

Although total FDI increased, its disbursement was down slightly to 3.5% over the same period and stood at USD 13.28 billion.

Among 18 industries attracting FDI, the processing and manufacturing industry topped with USD 11.8 billion, accounting for 53.4% of the total registered capital. It is followed by the utilities industry, with an investment of over USD 5.5 billion, constituting 25% of the total registered capital. Real estate and wholesale & retail are also among the most attractive industries for FDI investment. Regarding FDI partners, Singapore emerged as the largest investor in the first nine months of 2021, with a total of USD 6.3 billion, accounting for 28.4% of the total registered FDI capital, followed by Korean and Japanese investors.

CPI slightly increased: The average CPI in 3Q21 increased 2.51% y-o-y, and the average CPI in the first nine months of 2021 increased by 1.82% compared to the same period in 2020, the lowest increase since 2016.

The increase in CPI was mainly due to

(1) the domestic gasoline price increased by 24.8%,

(2) the education cost increased by 3.76% due to increased tuition fees for the 2020-2021 academic year

(3) Rates of construction material increased by 6.3% y-o-y due to rising prices of cement, iron, steel and sand and other input costs

(4) rice price climbed 6.47% y-o-y owing to the increasing export and the growth in demand due to the lockdown situations.

Trade activities recorded a pOn the other hand, there are many other reasons for the decrease in CPI in the first nine months of the year:

(1) The price of food items decreased by 0.29% y-o-y

(2) Electricity price dropped 0.99% y-o-y since utility charges were cut down in lockdown provinces

(3) Domestic travelling was restricted due to the pandemic, dragging down air tickets by 20.91% y-o-y

Positive growth, however, as of 3Q21, Vietnam had a trade deficit of USD 2.13 billion: Despite the 4th wave of Covid-19, the export value reached USD 240.52 billion, up 18.8% y-o-y, while the import value reached USD 242.65 billion, up 30.5% y-o-y.

The first three quarters of 2021 had an estimated trade deficit of USD 2.13 billion. The US is the largest export partner with a turnover of USD 69.8 billion, up 27.6% y-o-y, followed by China, EU, ASEAN, Korea, and Japan.

As import partners, China is Vietnam's largest market with a turnover of USD 81.3 billion, up 41.1% y-o-y, followed by Korea with USD 40.2 billion, up 21.6% and the ASEAN market with USD 30.7 billion, up 41.2%.

61.4% of manufacturing enterprises were affected in 3Q21, but 43.4% believe that business will improve in 4Q21: Nearly 85.5 thousand new businesses were established in the first three quarters, with a total registered capital of VND 1,195.8 billion and 648.8 thousand registered employees, a 13.6% y-o-y drop in the number of enterprises, down 16.3% y-o-y in the registered capital and 16.6% y-o-y in the number of employees.

The number of enterprises temporarily suspending business increased by 16.7% y-o-y, and those terminating operations and waiting for dissolution increased by 17.4% y-o-y.

In the latest survey by General Statistics Office, 61.4% of manufacturing enterprises admitted to having been facing difficulties. At the same time, 43.4% of enterprises, of which 79.4% are foreign-invested businesses, believed the market would improve in 4Q21.

Figure 4: CPI – Overall

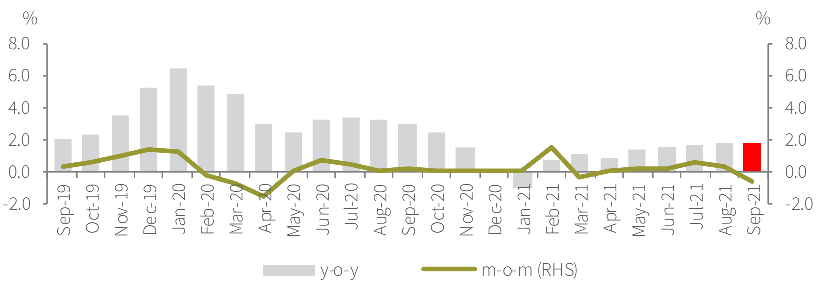


Figure 5: CPI – Housing & Construction Materials

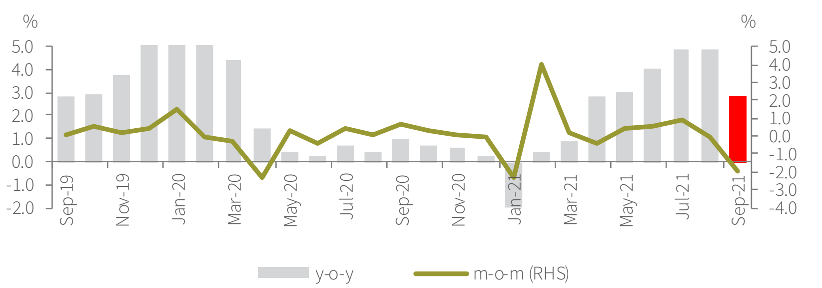
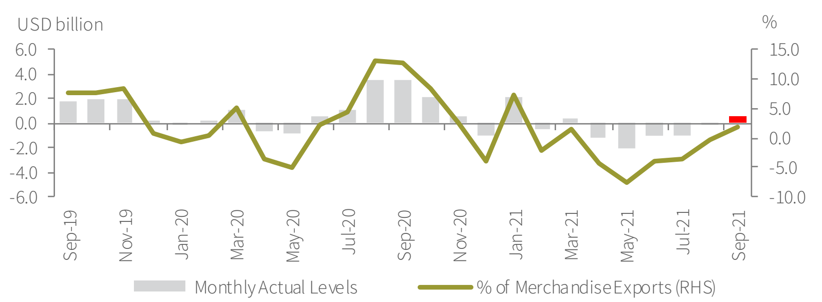


Figure 6: Merchandise Trade Balance



Source: General Statistics Office, General Department of Vietnam Custom

HCMC | Office Market

Rental Value [1]

USD 30.6

per sqm per month, net on NLA

Rental Growth y-o-y

-0.6%

Stage in Rental Cycle

Stable

No new supply

Given the extension of lockdown during 3Q21 in HCMC, two Grade B office buildings, expected to be launched, had to delay the grand opening to 4Q21. The market recorded no new supply.

Attractive leasing policy pushes up demand

Net absorption of Grade A & B offices was at 3,789 m2 transactions in the quarter, mainly from the new buildings with lots of vacant space, thanks to landlords offering attractive rental concession policies. Even though the transactions were closed in 3Q21, landlords have to wait until fitting out activities allow after the lockdown period in 4Q21 before collecting rents. Tenants in the technology, real estate and finance sectors continued to lead the market.

As social distancing restricted travelling during the past three-month, vacancy rates in most buildings were generally stable, increasing by only 0.27% q-o-q. However, the fourth outbreak has greatly affected tenants' business performance, especially in Grade B segment.

Rents remain resilient

In 3Q21, the average rent of Grade A & B offices remained at USD 30.6/m2/month, stable q-o-q and down slightly y-o-y. Rents have remained resilient in most buildings across all segments, with limited new transactions in the quarter. However, with shrinking demand, newly completed buildings are still under pressure to fill vacancies. Therefore, they continue to offer many attractive rental policies and flexible negotiation terms to attract new tenants.

Outlook: Rent is stable despite lower demand expected

In 4Q21, only two Grade B buildings, including The Grace in District 7 and Pearl 5 in District 3, will have grand openings, adding nearly 20,000 sqm office space to the market. Grade A market will remain tight since no new additions are expected, and all existing buildings still post high occupancy rates at more than 80%.

Demand is expected to continue shirking due to the pandemic in HCMC. The early terminations, reduction in occupied areas, or relocation to tighten budget will become popular trends in 4Q21. However, this is expected to be offset by a limited new supply situation and most existing buildings recording high occupancy rates. Therefore, the rental price is expected to be stable or slightly lower, forecasted at USD 47/m2/month and USD 26/m2/month for Grade A and Grade B segments, respectively, until the end of 2021.

Figure 7: Office Total Stocks

('000 sqm NLA)

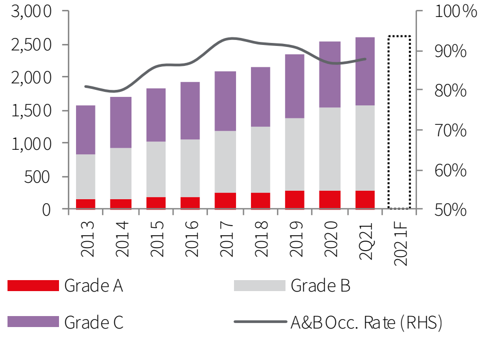
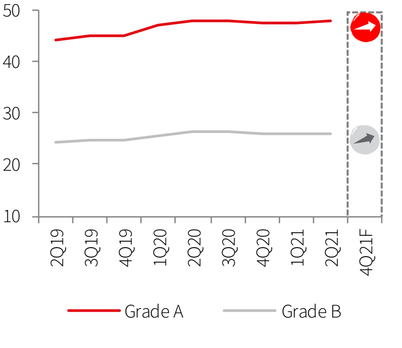


Figure 8: Office Average Rents

(USD/sqm/month)



Note:

[1] Rents refer to average net rent of the Grade A and B office markets, excluding VAT and service charges.

Source: JLL Research

Rental Value [1]

USD 30.7

per sqm per month,
net on NLA

Rental Growth y-o-y

-24.8%

Stage in Rental Cycle

Decrease

NOTES:

As the market develops, we regularly review and update our classification and grading system as well as the methodology to ensure the relevance and focus of our research on the actual market situation.

Since 1Q21, in this report:

- ***Supply indicators** to cover malls classified as Community Centre, Regional Shopping Centres and Super Regional Centre.*
- ***Performance indicators** to cover prime retail properties only (a subset of supply basket above). This is one of the most highly sought-after property types on the market.*

Subsequently, this revision might result in some changes in the historical data.

Please refer to the Terminology for detailed definitions of all the new terms mentioned above.

Malls shutdown during 3Q21

Since early June, HCMC was under lockdown for 120 days, shutting down all retail centres except stores selling necessary merchandise. Meanwhile, some shopping centres continued to delay their scheduled openings to 2022, despite completing construction.

Limit leased transactions

The fourth outbreak coupled with strict social distance policies limited new retail lease transactions in 3Q21. While most landlords have yet to announce their tenant structure plans due to the uncertainty of the pandemic, tenants are also adopting a “wait-and-see” strategy.

Landlords continued offering rental concessions during the lockdown

Continuing with the rental concessions policy in June 2021, most landlords offered incentives like rent discounts or rent deferment during three months of social distancing in 3Q21. As a result, key shopping malls’ actual average rental rate fell by 8.3% q-o-q, at USD 30,7/sqm/month.

Outlook: Market to face downward pressure

Although HCMC has lifted social distancing since early October and allowed shopping malls to start operations, landlords and tenants are still cautious about the reopening plan. Their main concerns are the slow resuming of footfall and the costs incurred to contain the pandemic. However, in the medium and long term, with vaccinations and reopening plans in HCMC, we expect the city to resume its status of being an attractive destination for big international brands, thanks to its advantages in population scale and high urbanisation rate.

The opening plans of new retail centres will be deferred to 2022, including Socar Mall and other neighbourhood shopping centres in the podium of mixed-use projects if they can not meet required occupancy rates. For existing shopping centres, some landlords are planning to restructure the tenant/floor plan to create a new face for the malls when reopening.

The asking rent and face rent tend to remain stable. However, the effective rent is expected to increase as rental concessions may stop when malls reopen. Support policies between landlords and tenants will be negotiable on a case-by-case basis as landlords are also under financial pressure after more than 120 days of decommissioning the malls.

Figure 9: Retail Total Stocks
(‘000 sqm NLA)

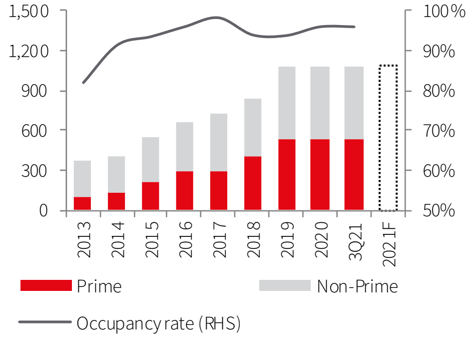
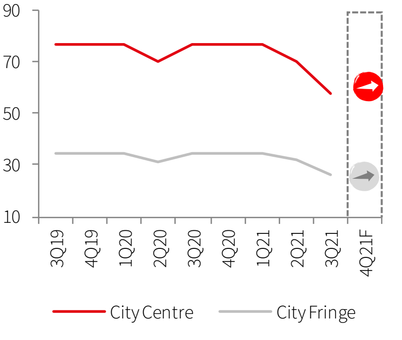


Figure 10: Retail Average Prime Rents [2]
(USD/sqm/month)



Note:
[1] Prime rents refer to average net effective rent of Prime Mall across the city, excluding VAT and service charges. Please refer to terminology for definition of Prime Malls
[2] City Centre refers to District 1. City Fringe refers to the rest of the city.
Source: JLL Research

Primary Price [1]

USD 2,683

per sqm NFA

Price Growth y-o-y

10.9%

Stage in Price Cycle

Rising

New supply slumped to a record low

In 3Q21, new supply [2] dropped sharply at -73.4% q-o-q and -67.6% y-o-y, reaching 1,610 units. It broke the record for the lowest supply level since 2014. A series of new launching events were delayed due to social distancing regulations throughout 3Q21. Developers strongly applied digital technology to reach out to customers in the state of lockdown.

Demand shift to existing projects

Home sales reached 2,968 units in 3Q21, down -40.3% y-o-y due to restricted new supply. Mid-end remained the most preferred segment, contributing to 77% of the total take-up basket, mostly coming from the larger-scale projects such as The Origami - Vinhomes Grand Park. Limited launches amid wealthy demand boosted existing inventory transactions, increasing the sale rate of the whole market from 93% in 2Q21 to 94.1% in 3Q21.

Price escalation in the primary market

The average primary selling price achieved USD 2,683 per sqm, up 4.4% q-o-q and 10.9% y-o-y. Price grew due to limited supply and most new projects belonging to Mid-end and higher priced segments. Especially in the High-end apartment segment, the primary selling price achieved USD 5,099 per sqm, increased 3.9% q-o-q and 11.4% y-o-y, contributed mainly by new projects with a higher-than-average selling price. Otherwise, price growth trend spread throughout the inner district boundary, and even started to prevail in suburban districts, where many pre-launched projects with soft-launching prices were at a record high, compared with the area's average.

Notably, surplus selling prices moved in line with high-quality construction and attractive sale promotion campaigns. To support buyers during the outbreak, developers established a new sale policy such as only a 1% payment per month or a discount on the total unit costs.

Outlook: Market to recover strongly after the fourth outbreak

The market, compressed under the fourth outbreak impact, is expected to recover with multiple projects expected to launch a total of 10,000 units in 4Q21, equivalent to the cumulative supply of the first nine months. However, the forecast volume is estimated on the assumption that the "new normal" status will remain stable in the last three months of the year and the figure could be remarkably adjusted by any unexpected future events. The market witnesses an upward trend in the soft-launching prices of the upcoming projects due to the shortage of land banks and escalating construction material costs. Escalating selling prices have been driving demand to remote areas, thanks to more reasonable prices in this areas. Furthermore, the trend of demand shifting to further areas is aided by the decreased income of potential consumers as a result of the pandemic's impact.

Figure 11: Apartment Total Launches [2]

('000 units)

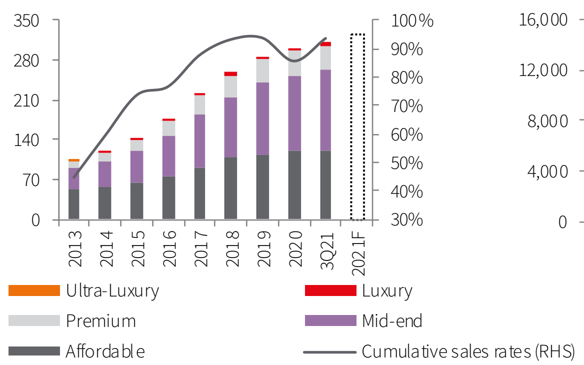
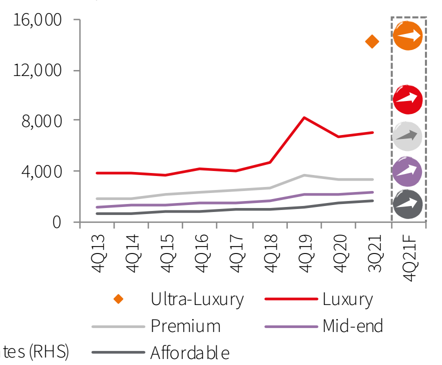


Figure 12: Average Primary Prices

(USD/sqm)



Note:
[1] Prices exclude VAT and sinking fund/maintenance fee.
[2] Official launch: Projects are considered as officially launched when the Sale Purchase Agreements are signed, typically upon foundation completion.
[3] The loan approved by owner's collateral and other conditions.
Source: JLL Research

Greater HCMC[1] | Ready-built Landed Property (RBL)

Primary Price [2]

USD 2,913

per sqm land

Price Growth y-o-y

+15.7%

Stage in Price Cycle

Rising

Deep decline in supply due to strict lockdown in the South

The new launch[3] of the Greater HCMC area reached 274 units in 3Q21, coming only from small-scale projects in Binh Duong and Long An, with each province providing about 120–150 units. HCMC, being the centre of the pandemic, recorded no new launches this quarter. The strict lockdown in the South heavily affected the launching plans and construction progress of many projects, leading to no new project launch in Dong Nai and BR-VT.

Demand from owner-occupiers still healthy

The total take-up of Greater HCMC reached only 224 units, significantly decreasing at 87.4% q-o-q, in line with reduced supply. HCMC recorded only 47 units sold, falling 74.3% q-o-q. Binh Duong and Long An continued to record low sales at under 100 units for each province. Meanwhile, Dong Nai and BR-VT recorded no transactions. The strict lockdown has hindered face-to-face transactions and project visits, leading to a significant reduction in transactions, mainly from investor-buyers. Demand from owner-occupiers was still healthy as buyers are mostly local residents in their own provinces, rather than from HCMC as previously.

Primary prices continued increasing

In 3Q21, the RBL average primary price in Greater HCMC was recorded at USD 2,913 per sqm land, an increase of 15.7% y-o-y and 2.2% q-o-q. However, for well-developed large-scale integrated projects in Dong Nai, the typical growth rate is up to 4-7% q-o-q.

Online tools were still being used by developers and sales agencies to maintain marketing and communication with customers during the pandemic. Attractive sales programmes were also implemented, such as a zero-interest support package until project handover or a buy-back programme with guaranteed profit.

Outlook: Challenges for short-term supply, prices keep increasing

Unresolved legal issues with RBL projects in HCMC, along with travel restrictions between provinces, will lead to delays in construction and sales, challenging new supply in the short term. Therefore, we continue to reduce future supply compared to the forecast in the previous quarter. The estimated new supply in 4Q21 might range from 600-900 units in HCMC and about 1,000-1,200 units in satellite provinces.

Integrated projects in satellite areas of HCMC, either in the form of a dynamic integrated urban area or a weekend getaway, will lead the supply and the market sentiment into that area in the middle and long term. In the context of stable market sentiment after the epidemic, the primary selling price is forecasted to continue to grow strongly.

Figure 13: RBL Total Launches [3]

('000 units)

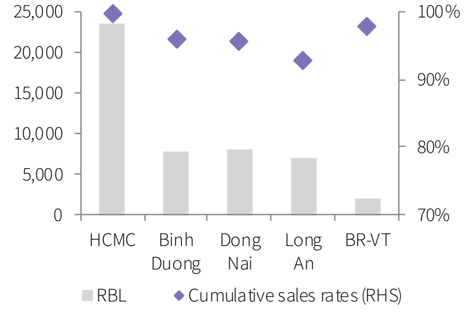
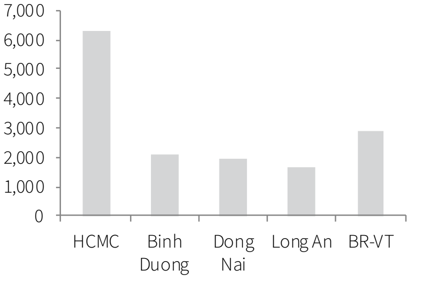


Figure 14: Average Primary Prices

(USD/sqm)



Note:
[1] Greater HCMC area consists of HCMC, Binh Duong, Dong Nai, Ba Ria – Vung Tau and Long An markets.
[2] Prices exclude VAT and sinking fund/maintenance fee. Price per sqm land = total unit value / size of the land plot on which the property is built.
[3] Official launch: Projects are considered as officially launched when the Sale Purchase Agreements are signed, typically upon infrastructure completion.
Source: JLL Research

Southern[1] | Industrial Land and Ready-built Factory (RBF)

Industrial Land Price [2]

USD 114

per sqm per lease term

Price Growth y-o-y

+7.3%

Stage in Price Cycle

Rising

RBF Rent [3]

USD 4.5

per sqm per month, net on GFA

Rent Growth y-o-y

+1.4%

Stage in Rent Cycle

Growth slowing

Market stayed silent, impacted by the fourth outbreak

No new industrial park was launched in the review quarter. The Southern industrial land market remained resilient with a total leasable land area of 25,220 ha as of 3Q21 – the most stressful period for all economic sectors - as the fourth Covid-19 wave hit the region. A similar situation was observed in the RBF market, with only a modest supply launched since its construction started in 1Q21. Total supply for RBF achieved at 3.3 million sqm.

Modest occupancy rate in both property markets

The review quarter is observed to have the most severe impact as the outbreak occurred in the Southern region, where infections increased significantly. All activities were put on hold, causing constraints for investments and ongoing manufacturing. The market witnessed no notable land or RBF transactions. The occupancy rate of IPs and RBF is 85% and 87%, respectively. Only by reopening to the "new normal", the market may revert to its full potential for investments.

Land prices grew at a slower pace, whilst RBF rents stabilised

As of 3Q21, IP developers in the South witnessed difficulties in the demand side as manufacturers and investors were unable to implement any further activities. The land price also set a new peak at USD 114 per sqm per lease term, but only at a slower pace than previous quarters, increasing only 0.75% q-o-q and 7.3% y-o-y. Whist RBF rents stabilised at USD 4.5 per sqm per month as a facilitating method for tenants, increasing only by 1.4% y-o-y.

Outlook: Short-term volatility does not affect medium/long-term potential

The pandemic has caused severe negative constraints to manufacturing and investments activities during the quarter. Besides the decrease in newly registered FDI projects into Vietnam, market has also seen some manufacturers to outsource most pre-orders to their factories outside the country to cope with the disrupted operations in Vietnam. The fourth wave of the pandemic has raised concerns in the foreign business community; however, this movement is seen as being temporary and no foreign entities have shifted factories out of Vietnam thus far. The country remains an attractive destination for FDI. Thanks to the advantages of human resources, various FTAs and the government commitment to infrastructure development, Vietnam will continue benefiting from the changing global supply chain.

It is crucial that the Southern economy reopens to the "new normal" to recover its potentials and further strengthen foreign investors' confidence in the country. Also, the reopening procedures should accompany clear instructions for enterprises in the new situation for effective recovery after a struggling time.

Figure 15: Industrial land & RBF Total Stock

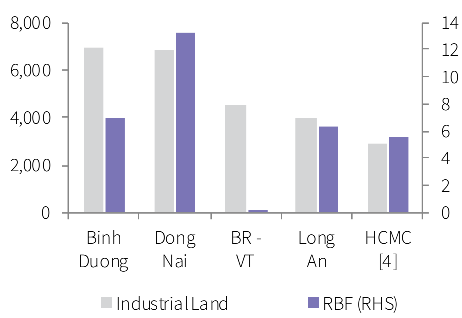
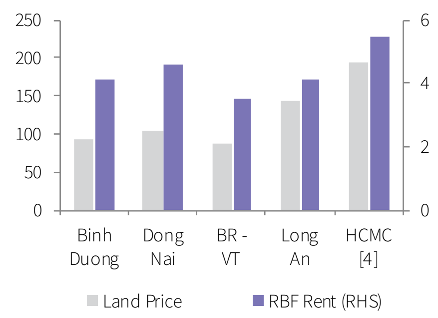


Figure 16: Land Avg. Price & RBF Avg. Rents



Note:
[1] Southern area consists of HCMC, Binh Duong, Dong Nai, Ba Ria –Vung Tau and Long An markets.
[2] Land prices exclude Infrastructure maintenance fees, service fees and VAT. Lease term means the remaining land lease term of the project life time.
[3] Rents exclude VAT and service charges.
[4] Saigon High-tech Park and Quang Trung Software Park are not included in the surveyed basket owing to their special characteristics.
Source: JLL Research

Hanoi | Office Market

Rental Value [1]

USD 18.7

per sqm per month, net on NLA

Rental Growth y-o-y

-0.9%

Stage in Rental Cycle

Stable

Fourth wave of Covid-19 put launch activities on hold

Several new projects planned to come on stream in 3Q21 had to postpone their opening until the end of 2021 or early next year, as construction activities were halted. In general, total Grade A & B supply stayed stable at nearly 2.2 million sqm NLA, located in CBD districts like Dong Da, Ba Dinh, Hoan Kiem and non-CBDs such as Cau Giay, Nam Tu Liem.

As of 3Q21, the total vacancy rate of Grade A & B remained at 12.2% and decreased by 3% y-o-y. The drop in total vacancy level was mainly due to demand recovery in the first six months of the year, driven by several large transactions in new completions.

Large transactions help improve the net absorption

Compared to the 1H21, weak demand clouded the market in 3Q21 due to the impact of the pandemic and economic uncertainties. Besides, strict social distancing measures barred tenants from site visiting activities. Yet, Hanoi Office Grade A & B still managed to record positive net absorption, around 600 sqm in 3Q21, mostly thank to large technology and energy industry transactions in high specification buildings.

Rents remain constant across the market

In general, the average net rent of Grade A & B across the market held flat at USD 18.7/sqm/month. In 3Q21, JLL recorded no decrease in the asking rent. Yet, landlords tend to offer attractive incentives and flexible leasing terms to attract new tenants and secure occupancy in this challenging period.

Outlook: Rents keep constant or decrease slightly, improving demand

As social distancing measures are relaxed gradually and construction activities resumes, the market will welcome 117,000 sqm NLA from Technopark Tower in Gia Lam in early 4Q21.

Rent is expected to stay stable or slightly decrease to improve the demand in the short and medium-term. In addition, corporate tenants with well-performing businesses such as technology and e-commerce will continue to be the demand driver.

Figure 17: Office Total Stocks

('000 sqm NLA)

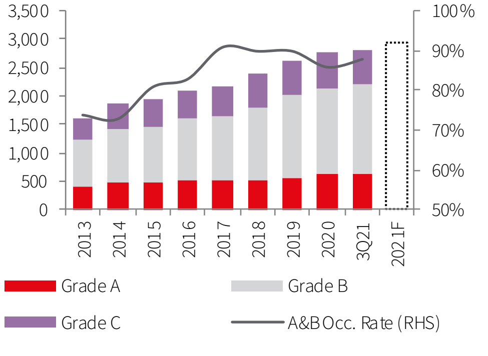
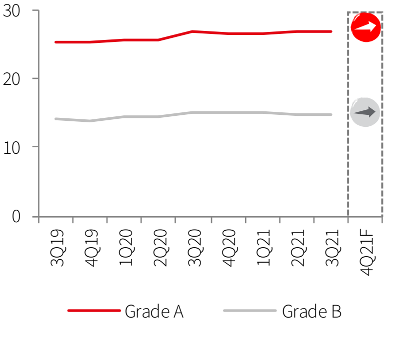


Figure 18: Office Average Rents

(USD/sqm/month)



Note:
[1] Rents refer to average net rent of the Grade A and B office markets, excluding VAT and service charges.
[2] CBD area consists of Hoan Kiem (core CBD), Dong Da, Ba Dinh and Hai Ba Trung. Non-CBD area refers to the rest of the city.
Source: JLL Research

Hanoi | Retail Market

Rental Value [1]

USD 26.9

per sqm per month, net on NLA

Rental Growth y-o-y

-15.9%

Stage in Rental Cycle

Decrease

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Since 1Q21, in this report:

- ***Supply indicators*** *to cover malls classified as Community Centre, Regional Shopping Centre and Super Regional Centre.*
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Subsequently, this revision might result in some changes in historical data.

Please refer to Terminology for a detailed definition of all the above new terms.

No new completions entered the market

As the pandemic resurgence got worse together with the government's strict social distancing measures, all shopping malls closed from July 24. Therein, the opening date of some new projects, including a Regional Shopping Centre and several retail podiums, is delayed until the end of 2021 or early 2022.

Demand stays stable

Most of Prime Malls in Hanoi recorded occupancy rates at over 90%. Prime Malls in City Centre and City Fringe managed to keep their occupancy rates stable compared to the previous quarter. It seems that before the pandemic is well-contained, tenants are likely to be hesitant towards expansion activities and renewing leasing contracts.

This quarter, healthcare products and daily essentials are in the allowed-to-open-products category and attract customers to shopping malls.

Net effective rent decreased

The asking rent and face rent of Prime Malls still hold constant. Yet, given the economic uncertainty and the complicated pandemic, landlords have enhanced their support for tenants by offering flexible leasing terms such as monthly rent-free incentives during the lockdown. Besides, landlords are considering some short-term discount policies to support existing tenants and attract new ones. Hence, net effective rent was dropped significantly by 15.9% y-o-y.

Outlook: Market sentiment expected to bounce back after lockdown

By the end of this year, Hanoi retail market is expected to welcome 40,800 sqm NLA from a regional shopping centre, namely Vincom Smart City in Nam Tu Liem District, pushing the total supply to nearly 1 million sqm. Concurrently, several community malls in mixed-use developments, scheduled to open by 2021-end, are still looking for tenants. Under current circumstances that temporarily impact the lease demand, the grand opening of these projects may be delayed.

The net asking rent is estimated to hold flat until 2021 under the lingering impact of Covid-19. Meanwhile, net effective rent will be adjusted based on the policies of each shopping mall. Besides, the market sentiment is expected to bounce back, considering the customers' repressed craving for shopping during prolonged lockdowns. Hence, this could be a good opportunity for luxurious or deep-pocketed brands to eye for new retail space for business expansion.

Figure 19: Retail Total Stocks

('000 sqm NLA)

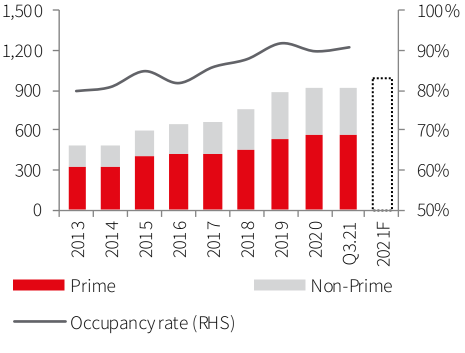
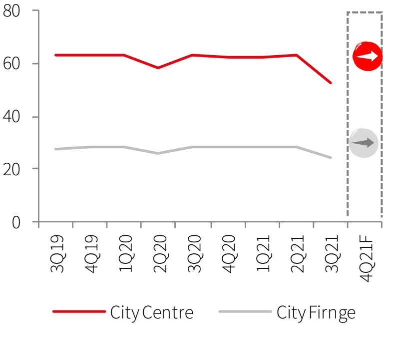


Figure 20: Retail Average Prime Rents[2]

(USD/sqm/month)



Note:
[1] Prime rents refer to average net effective rent of Prime Mall across the city, excluding VAT and service charges. Please refer to terminology for definition of Prime Malls
[2] City Centre refers to Hoan Kiem, a part of Ba Dinh and Hai Ba Trung District. City Fringe refers to the rest of the city.
Source: JLL Research

Hanoi | Apartment for Sale Market

Primary Price [1]

USD 1,650

per sqm NFA

Price Growth y-o-y

+9.3%

Stage in Price Cycle

Stable

New supply continues to be low due to the pandemic

Covid-19 continued to develop complexities, resulting in strict social distancing measures in Hanoi. The situation interrupted construction activities, causing difficulties to new residential projects, hurdles to investment procedures and delays to new sale events. The current market-exploration sentiment of the developer is also the reason for the continued low supply of apartments in 3Q21. The new official supply[2] totalling 1,018 units in 3Q21 is down by half compared to the 2Q21 level. Most of the new supply is in the Nam Tu Liem District. Only two projects launched – The Matrix One and Masteri Smart City, with 370 and 300 units, accounted for 36.3% and 29.4% of the total new launches.

Sales decreased with restricted direct transactions

Total sales in 3Q21 reached 1,449 units, fell 46.8% q-o-q. The main reason for the drop in the new take-up was the disruption of direct off-line transactions. Some property developers actively adapted to situation, converting from the traditional approach to online communication with homebuyers. Nonetheless, since the apartment is a special product with high value and involves several legal procedures, the buyers are still concerned as they are unable to directly survey and get first-hand information about the project.

Price continues to be stable

The average primary price was at USD 1,650 per sqm in 3Q21, increased by 9.3% y-o-y mainly due to the addition of high-quality projects to the primary basket and low-priced projects sold out. The market recorded a stable price on project-base, slight increase at 1.4% y-o-y and 0.9% q-o-q. Developers have been improving sales policies by offering incentives to homebuyers, such as zero or low-interest rates, discounts for customers signing sale contracts/deposit contracts during Covid-19, free management fees and utility usage costs, especially in the Luxury and Premium segments.

Outlook: The market is expected to recover, but recovery can't be rapid

In 4Q21, the Hanoi apartment market is expected to recover as the social distancing measure are gradually removed. However, some new projects might postpone the launching date to 2022 when the market sentiment is improved instead of 4Q21 as planned. In 4Q21, the market is forecasted to welcome approximately 2,651 new units, bringing the total new supply in 2021 to 11,448 units, reduced by 25.3% compared to 2020. Both owner-occupied and investment demand will gradually recover, but with a higher degree of caution. Besides, the market's recovery will most certainly be gradual rather than quick, as many real estate sales agencies have been seriously impacted and weakened due to significant staff layoffs.

Figure 21: Apartment Total Launches [2]
('000 units)

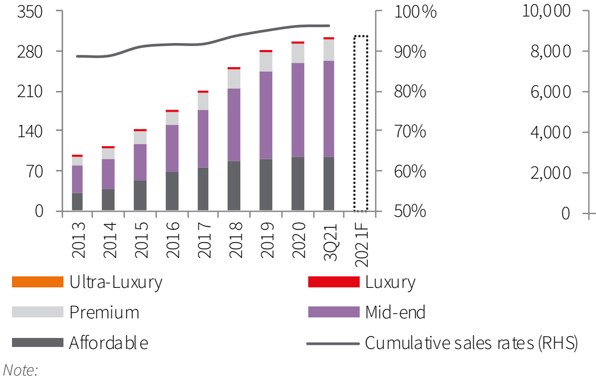
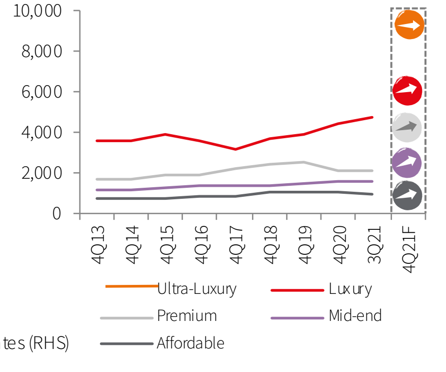


Figure 22: Average Primary Prices
(USD/sqm)



Note:
[1] Prices exclude VAT and sinking fund/maintenance fee.
[2] Official launch: Projects are considered as officially launched when the Sale Purchase Agreements are signed, typically upon foundation completion.
Source: JLL Research

Greater Hanoi[1] | Ready-built Landed Property (RBL)

Primary Price [2]

USD 4,468

per sqm land

Price Growth y-o-y

+12.0%

Stage in Price Cycle

Rising

Stable supply despite the pandemic impact

New official launches[3] in the Greater Hanoi area reached 870 units, stable q-o-q. Hanoi accounted for up to 70% of new supply, contributed by projects launched in Dong Anh and Thach That districts, less affected by the pandemic than other areas in Hanoi. However, the fourth outbreak continued to strain the supply of four selected satellite provinces, with only 273 units launched totally. Bac Ninh province accounted for up to 89% of the new supply, while Hai Phong province recorded a minimal supply of 30 units. Meanwhile, Hung Yen and Vinh Phuc recorded no new project launch in this quarter.

Except Bac Ninh, all cities/provinces posted a decrease in transactions

The total take-up in Greater Hanoi reached 625 units in 3Q21, a slight drop of 10% q-o-q. In Hanoi, the absorption rate was 70%, with 420 units sold out. Transactions mainly took place in areas with new supply and less affected by Covid-19. Meanwhile, the four satellite provinces recorded 205 units sold, mostly in Bac Ninh. Notably, market sentiment appeared to be positive in Bac Ninh with 172 units sold, owing to its good FDI attraction and the upgrade of Tu Son from a town to a city-level administration.

Primary prices continued to record a strong increase

In 3Q21, the average primary prices in Greater Hanoi were recorded at around USD 4,468 per sqm land. The whole Northern area achieved strong price growth by year at 12%, but decreased 9.6% q-o-q, mainly due to the launch of two new projects in Dong Anh District in Hanoi within the range of USD 3,500 – 4,500 per sqm land, lower selling prices than the average base. In Hanoi, a typical increase is recorded at around 3-5% q-o-q on a project basis. Among the four satellite provinces, Bac Ninh recorded the highest price growth at 8.4% q-o-q, thanks to positive market sentiment from the establishment of Tu Son City.

Outlook: Supply subject to uncertainty in 4Q21 but will improve in 2022

Due to the complicated situation of Covid-19 in Hanoi, along with travel control measures between provinces, new supply in 4Q21 was adjusted down compared to the previous quarter forecast. It was at 1,000–1,500 units in Hanoi and about 1,000 units in neighbouring provinces. Supply will improve in 2022 when Hanoi is expected to receive about 3,500-4,000 new units, while the estimated number in the satellite provinces is more than 4,500 units.

In addition to the good market sentiment, there are many catalysts for the RBL market in Hanoi and satellite provinces in the upcoming period, such as the development of key infrastructure projects like Ring Road No.4., Metro lines No. 2A and No. 3, and the establishment of Red River Urban Masterplan. Therefore, the primary price of RBL is expected to continue to increase.

Figure 23: RBL Total Launches [3]

('000 units)

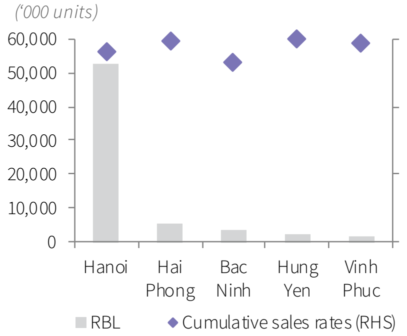
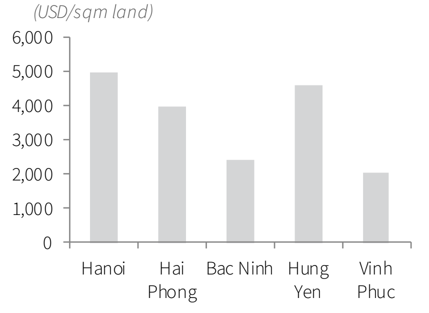


Figure 24: Average Primary Prices

(USD/sqm land)



Note:
[1] Greater Hanoi area consists of Hanoi, Hai Phong, Bac Ninhm Hung Yen and Vinh Phuc markets.
[2] Prices exclude VAT and sinking fund/maintenance fee. Price per sqm land = total unit value / size of the land plot on which the property is built.
[3] Official launch: Projects are considered as officially launched when the Sale Purchase Agreements are signed, typically upon infrastructure completion.
Source: JLL Research

Northern[1] | Industrial Land and Ready-built Factory (RBF)

Industrial Land Price [2]

USD 108

per sqm per lease term

Price Growth y-o-y

6.1%

Stage in Price Cycle

Rising

RBF Rent [3]

USD 4.6

per sqm per month, net on GFA

Rent Growth y-o-y

4.7%

Stage in Rent Cycle

Rising

Market is vibrant with new supply in both industrial land and RBF

In Q321, Hung Yen continued to welcome new supply from Pho Noi A industrial park - expanded phase, with a total area of 93ha, offered by Hoa Phat. In Bac Ninh, 70% of the total area in Yen Phong 2C IP has completed the site clearance process, pushing up the total area of industrial land in the North to about 9,900 hectares.

The RBF market recorded a new supply in Nam Dinh Vu Industrial Park, Hai Phong, and thus, the total supply reached 2.1 million m2 by 3Q21. In the past quarter, 7-floor RBF with a total area of 15,000 m2 has been constructed in the high-tech area in VSIP Bac Ninh Industrial Park, mirroring an emerging trend for multi-floor RBF development in the Northern area.

Hai Phong and Bac Ninh helped to stabilise occupancy rate in Northern region

Despite the adverse impacts of the pandemic, the northern industrial real estate market in 3Q21 is vibrant. Particularly in Hai Phong, where LG has announced to invest an additional USD 1.4 billion to expand production in Trang Due IP. Market in Southern Hanoi like Thai Binh or the Northwest of Hanoi like Vinh Phuc or Phu Tho also recorded new transactions. The occupancy rate of the northern IPs reached 72%, lower than 2Q21 owing to the new supply. The RBF market is also stable, with an occupancy rate of 89%.

Land prices and rents remain stable

With the resumption of operations in the "new normal" of IP in Bac Ninh from July and stable FDI into Hai Phong and Bac Ninh, industrial land prices remained in an upward trend of 6.1% y-o-y, standing at USD108/m2/lease period in 3Q2021. RBF market also had a stable performance, with the average rental price of USD 4.6/m2/month, recording a growth of 4.7% y-o-y, lower than the rate seen in 2Q21.

Outlook: Industrial integrated projects are catching investors' attention

Investors are eyeing opportunities to develop integrated projects of industrial, residential and commercial in the Northern area. Recently, the Korean LH Group has shown interest in investing in Dai Hung industrial, residential and commercial project, with a total area of 304ha and a total investment of nearly USD 500 million in Hai Duong. IDICO – a well-known local player- is also planning to invest in the Vinh Quang Integrated project, with an area of 495ha in Hai Phong. In addition to the traditional industrial clusters, IP developers are also expanding their portfolios to other suburbs. Notably, Viglacera has recently proposed to Yen Bai Province to conduct a feasibility study for an Industrial park - Commercial – Residential development with a total area of about 496ha.

Figure 25: Industrial land & RBF Total Stock

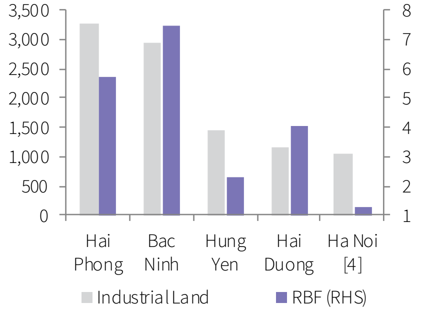
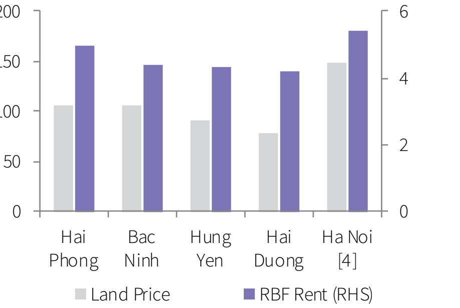


Figure 26: Land Avg. Price & RBF Avg. Rents [2]



Note:
1] Northern area consists of Hanoi, Hai Phong, Bac Ninh, Hung Yen and Hai Duong markets.
[2] Land prices exclude Infrastructure maintenance fees, service fees and VAT. Lease term means the remaining land lease term of the project life time.
[3] Rents exclude VAT and service charges.
[4] Hoa Lac High-tech Park is not included in the surveyed basket owing to their special characteristics.
Source: JLL Research

Property Clock

Chain-linked change

The quarter-on-quarter change in the chain-linked basis illustrates the difference in rents or prices in properties that existed in the basket during two consecutive quarters. This is different from the standard spot change series, which is a weighted average of all buildings in the market at that given moment.

The chain-linked change can be used across time to more accurately show the level of rent growth achieved in a stabilised asset that is acquired and held over that period.

Property Clock

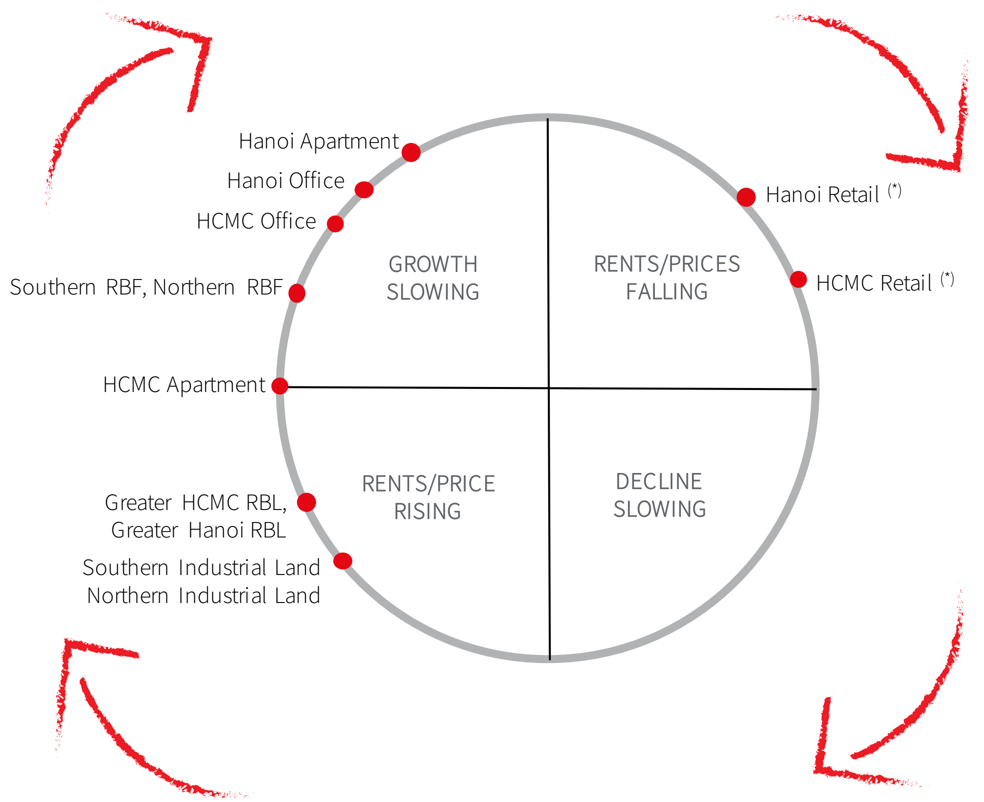
The clock diagram illustrates where JLL estimates the stage of each property market within its individual rent/price cycle at the end of the review quarter. It helps to signify the expected RV/CV movements in the short-term, i.e., in the next one to two quarters.

The diagram is a convenient method of comparing the relative position of markets in their rent/price cycle. Their position is not necessarily representative of the investment or development market prospects. Their position refers to the prevailing rent or price trend and its expected movement in the next quarter. Generally, it's normal for markets to move from one stage to another; a couple of markets have previously been swinging pretty wildly.

The Property Clock is divided into four pies:

- Rents/Prices falling means the values are expected to start falling, and the pace of fall is accelerating
- Rents/Prices decline means the values are expected to still fall, although the pace is slowing down
- Rents/Prices rising means the values are expected to start rising, and the pace of growth is accelerating
- Rents/Prices growth slowing, means the values are expected to still grow, but the pace is slowing down

Figure 27: Vietnam Property Clock, 3Q21



(*) Prime rents of Prime Mall. Please refer to terminology for definition of Prime Malls

Source: JLL Research

Terminology

Office market

Current supply
The total amount of cumulative office space (in NFA terms) that has been completed at a given time.

Future supply
The total amount of office space at a given time, slated for completion in the future.

Vacant space
The total amount of available office space that remains to be leased by the property owner(s) at a given time. This excludes space available for sub-lease by tenants (i.e., shadow space), space physically empty but already pre-leased or reserved, and space to be available for lease in the future.

Occupied space
Current supply less vacant space. "Net absorption" refers to the change in the occupied space from quarter to quarter.

Gross Floor Area (GFA)
The total amount of all covered areas including columns, walls, common passageways, lift, lobbies and toilets.

Net Floor Area (NFA)
The amount of usable floor area excluding columns, walls, common passageways, lifts, lobbies and toilets. Net lettable area or net leasable area **(NLA)** refers to the amount of NFA that is available for lease.

Net rent
The amount of market rent receivable by landlords after deducting outgoings.
Market practices: Net rents may be quoted on an NLA or a GFA basis.

Outgoings
The estimated costs set aside by landlords for building maintenance that are passed on to tenants in the form of service charges or management fees.
Market practices: Service charges/management fees may or may not be quoted separately from net rents.

Gross rent
The total achievable rent to be borne by tenants, including service charges/management fees. Gross rents equal net rents plus outgoings.
Market practices: Gross rents may be quoted on an NLA or a GFA basis.

Face rent
The amount of market rent that is written on the contract.
Market practices: Face rents was also known as headline rent or contract rent. Face rents may be quoted on gross rent or net rent.

Effective rent
The amount of market rent receivable by landlords.
Market practices: Effective rents are calculated based on the face rent.

Capital value
The market value or probable price of a property at a given time from a valuation point of view.

Yield
The percentage return on property investment at a given time from a valuation point of view. It is based on current market rents assuming full occupancy.

Grade A
A Grade A property meets all the factors in a set of criteria regarding its offerings to a typically sophisticated occupier. These criteria are broadly concerned with the property's overall profile, location, amenities, management standards and technical specifications.

Grade B
A Grade B property meets some of the factors in a set of criteria regarding its offerings to a typically sophisticated occupier. These criteria are broadly concerned with the property's overall profile, location, amenities, management standards and technical specifications.

Grade C
A Grade C property meets a set of criteria regarding its offerings to a typically non-sophisticated occupier. These criteria are broadly concerned with the property's overall profile, location, amenities, management standards and technical specifications.

Terminology

Retail market

Current supply
The total amount of cumulative *modern* (as opposed to traditional) retail space (in GFA terms) that has been completed at a given time. This includes department stores, shopping centres and prime retail space.

Future supply
The total amount of *modern* retail space at a given time, slated for completion in the future.

Vacant space
The total amount of available *modern* retail space that remains to be leased by the property owner(s) at a given time. This excludes space available for sub-lease by tenants (i.e., shadow space), space physically empty but already pre-leased or reserved, and space to be available for lease in the future.

Occupied space
Current supply less vacant space. “Net absorption” refers to the change in occupied space from quarter to quarter.

Net leasable area (NLA)
The total amount of leasable floor area on which rents and service charges are based, which excludes common areas used for foot traffic.

Net rent
The total achievable rent to be borne by tenants, excluding service charges/management fees and VAT.
Market practices: Net rents in the retail market are usually quoted on NLA basis.

Shopping Centre
A shopping centre is a property housing commercial multi-branded rental units/stores/establishments and common areas. It is planned, developed and operated. The property is classified in the hierarchy by function and/or size and by the area served.

Department Store
Usually, a multi-level retail property varying in size from one selling a variety of goods to the other selling a full range of different lines. A distinctive feature of a department store is that 90% of the space is under a centralised payment system, and it stocks a significant number of cosmetics, fashion and household goods.

Supply Basket
A shopping centre is a landlord-developed and operated commercial project. Most of the tenant stores have dividing walls and frontage. A shopping centre operator can lease anchor space to department stores/entertainment operators/supermarkets and other types of retail requiring large floor space.
Under shopping centre, we classify retail centres in the hierarchy by function and/or size and by the area served as below:

Neighbourhood Centre
Similar features as community mall but smaller in scale, housing 10 to 30 stores.
Community Mall
Range of speciality spaces between 10,000-25,000 sqm NLA, housing 30 to 100 stores which are mostly convenience and shopping stores targeting local residents.
Regional Shopping Centre
Specialty space of more than 30,000 sqm NLA or 100 stores or specialty stores, anchored by one large department store, and that which attracts more than 10,000 customers per day.
Super Regional Centre
Similarly defined as regional shopping centre, but comprising more than one department store.

While Vietnam Retail market is widely diversified with a variety of product types, including all the types listed above, to stay relevant to our target readers, beginning in 1Q21, this report has been covering Regional Shopping Centre, Super Regional Centre and Community Mall only.

Performance Basket
To ensure consistency in market performance observations, JLL selected a subset of the Supply Basket (above) to the occupancy rate and Rental basket – the so-called Prime Mall basket. All the demand-related indicators in this report refer to Prime Mall if no further explanation. The definition of Prime Mall is listed in our Performance Basket as below:

Prime Grade
Represents high-quality retail space meeting various rigorous criteria, including an excellent location and accessibility, developer reputation, layout and ambience, management quality and tenant mix.
Non-Prime Grade
Represents retail centres that do not meet our Prime Grade standards in terms of location and accessibility, developer reputation, layout and ambience, management quality, tenant mix or a combination thereof.

Terminology

Residential market

Commercial apartment for sale or Apartment for sale
Developer-built apartments that are widely available for sale on the market without any restrictions on target buyers according to the market mechanism.
According to JLL in-house classification, the Vietnam Apartment for Sale Market is categorised as Luxury, Premium, Mid-end and Affordable segments. The detailed classifications are provided on the following page.

Ready-built landed property for sale or Ready-built landed property
Developer-built landed properties that are widely available for sale on the market without any restrictions on target buyers, according to the market mechanism, where the products comprise the house(s) on the ground. The developers provide a land plot with the necessary infrastructure and houses built, based on the developer's master plan and design.
As per market practices, there are three types of Ready-built landed properties; namely, villa, townhouse and shophouse. The detailed classifications are provided on the following page.

Branded residence
Refers to the residential property available for sale on the market that is incorporated with recognisable hotel-operator brands. Residences are for sale to individual buyers, to be enjoyed for personal use or pooled back into the hotel's rental pool as an investment vehicle. It can be either a standalone unit, or part of the mixed-use development featuring a hotel component.

Current supply
The total amount of supply available for sale, either through the Primary market or the Secondary market, *regardless of construction status.*

Future supply
The total amount of supply to be launched for sale in the future.

Completed supply
The total amount of supply that has been physically completed and handed over for occupation. Also known as existing supply.

Uncompleted supply
The total amount of supply that has not been physically completed and handed over for occupation. Includes supply under construction and supply planned for construction. Also known as supply in the pipeline.

Primary market
That part of the market comprising first-hand supply available for sale from developers.

Secondary market
That part of the market comprising second-hand supply available for resale from previous buyers.

Launches (Official launches)
The estimated amount of new supply (in units) officially launched for sale during a period. Projects are only considered as officially launched when the Sale Purchase Agreements are signed, typically upon the completion of foundations for the Apartment sector and the completion of internal infrastructure according to the project schedule for Ready-built landed property.
Market practices: Many developers choose to launch their projects in phases which may or may not be publicly announced.

Take-up
The estimated amount of supply (in units) sold during a period. Includes sold units from new supply in the period and supply from previous periods.
Market practices: Take-up may comprise units sold via capital contributions or sale and purchase agreements.

Total inventory
The total amount of *unsold* supply that has been launched for sale.

Cumulative sales rate
The percentage between cumulative units sold and cumulative units launched up to the specific time.

Primary asking price
The stock-weighted average asking price in the Primary market.

Secondary asking price
The stock-weighted average asking price in the Secondary market.

Non-chain-link changes
Q-o-Q and Y-o-Y changes include the effect of supply additions/removals.

Chain-link changes
Q-o-Q and Y-o-Y changes are adjusted to remove the effects of supply additions/removals.

Terminology

Residential market (cont.)

Ultra-Luxury apartment

An *ultra-luxury* property meets *all* of a set of criteria regarding its offerings to high net-worth individuals or households in the country and region, usually associated with a premium brand that offers top-notch services and prestige and recognition. These criteria are broadly concerned with the property's overall profile, location, facilities, amenities, and management standards. A majority of ultra-luxury properties are located in the CBD of the city under review.

Typical price range: > USD 10,000 per sqm, excluding VAT and sinking fund

Luxury apartment

A *luxury* property meets *all* of the factors in a set of criteria regarding its offerings to a typical local wealthy household. These criteria are broadly concerned with the property's overall profile, location, facilities, amenities and management standards. A majority of *luxury* properties are located in or near the CBD of the city under review.

Typical price range: > USD 3,500–USD 10,000 per sqm, excluding VAT and sinking fund

Premium apartment

A *premium* property meets some of the factors in a set of criteria regarding its offerings to a typical local wealthy household. These criteria are broadly concerned with the property's overall profile, location, facilities, amenities and management standards. A majority of premium properties are located in new urban areas outside the CBD of the city under review.

Typical price range: USD 2,500–USD 3,500 per sqm, excluding VAT and sinking fund

Mid-end apartment

A *mid-end* property meets *all* of the factors in a set of criteria regarding its offerings to a typical local middle-class household. These criteria are broadly concerned with the property's overall profile, location, facilities, amenities and management standards. A majority of *mid-end* properties are located within the inner districts of the city under review.

Typical price range: USD 1,200–USD 2,500 per sqm, excluding VAT and sinking fund

Affordable apartment

An affordable property meets some of the factors in a set of criteria regarding its offerings to a typical local middle-class household. These criteria are broadly concerned with the property's overall profile, location, facilities, amenities and management standards. A majority of affordable properties are located in the outer districts of the city under review.

Typical price range: < USD 1,200 per sqm, excluding VAT and sinking fund

Note: The price ranges provided above should not be understood as the sole and utmost criterion based on which projects are assigned grades.

High-end apartment: including Ultra Luxury, Luxury and Premium segments

Low-end apartment: including mid-end and affordable segments

Villa

A large and luxurious country house on its own grounds, generally having a maximum of three floors. The plot ratio is usually less than 70%, with a focus on a green area.

- Most popular villas are located on 200-300 sqm land plots. Some luxury villa plot areas may reach 500-1,000 sqm.
- The popular construction area/Gross Floor Area (GFA) is about 250-350 sqm while the land plot is large. For that reason, all things equal, the selling price per square metre of land is lower than that of townhouses.
- Typically, there are two types of villa, as shown below:
  - Detached villa: a single villa built on private land
  - Semi-detached villa: a single villa built as one of a pair that shares one common wall; often, each house layout is a mirror image of the other

Townhouse

A tall, narrow terraced house, generally having three or more floors. The plot ratio is usually more than 70% and is focused on the construction floor area.

- Most popular townhouses have plot areas of 60-100 sqm
- The popular construction area/Gross Floor Area (GFA) is about 150-250 sqm

Shophouse

A townhouse opening onto the pavement for commercial purposes.

- The construction and design are similar to those of townhouses. The popular construction area/Gross Floor Area (GFA) of shophouses is about 250-400 sqm, with the upper 3-4 floors for living purposes and the ground floor (or middle floor, if applicable) for commercial purposes. It is larger than a townhouse.

Integrated project

Refers to a neighbourhood or township development with mixed-use components, such as residential, retail, institution, leisure and more where residents can live, work and play. It comprises multifunctional and interconnected buildings that focus on the surrounding environment to ensure harmonious 'street-scape' and architecture.

Market practices: As the Vietnam real estate market is gradually maturing, a sustainably wholesome living environment is an important factor for buyers to consider. Based on our real estate expertise, the suitable size of an integrated development should be in excess of 5ha to ensure commercially viable facilities.

Note: The product classification provided above should not be understood as the sole and utmost criterion based on which projects are assigned types.

Terminology

Industrial market

Operating IPs or Existing IPs
Industrial parks and processing zones that are officially offered for lease at a given time.

Total leasable land area
The total land area for lease according to the master plan of the whole IP regardless of its development status. The total leasable land of an IP at a given time can comprise three types as below:

- Infra-developed land: The leasable land area that the developer has cleared and implemented internal infrastructure (including internal roads, electricity, etc.) and is ready for tenants to occupy.
- Non-infrastructure land: The leasable land area that has been cleared but does not yet have internal infrastructure developed. Non-infrastructure land can still be offered for lease, yet tenants may have to wait a while (typically 3-6 months) to be able to occupy.
- Uncompensated land: The leasable land area which has not been compensated for at a given time.

Market practices: The developer usually develops an IP in batches depending on the expected demand from the market, which is typically reflected by the number of enquiries the developer received, not the total leasable land area all at once.

Total leasable warehouse/ready-built RBF area
The total area of leasable warehouse/ready-built RBF at a given time.

Vacant space
The total amount of available industrial land area that remains to be leased to tenants at a given time. This excludes space available for sub-lease by tenants (i.e., shadow space), space physically empty but already pre-leased or reserved, and space to be available for lease in the future.

Occupied space
Total leasable area less vacant space. “Net absorption” refers to the change in occupied space from period to period.

Net rent – land area
The amount of market rent applied for a leasable land area that is receivable by landlords after deducting outgoings.
Market practices: Net land rent is normally quoted per square metre, per lease term.

Lease term
The lease term is the remaining years on the lease of the industrial park or the property. In Vietnam, the maximum lease term can be up to 50 years.

Net rent – Ready-built Factory (RBF)
The amount of market rent applied for leasable ready-built RBF area that is receivable by landlords after deducting outgoings.
Market practices: Net rent may be quoted per square metre, per month.

Future supply
The total area of future industrial parks and processing zones according to the master plans of the provincial authorities.

North Key Economic Zone (NKEZ)
North Key Economic Zone is made up of seven cities/provinces; namely, Hanoi, Hai Phong, Bac Ninh, Hai Duong, Hung Yen, Vinh Phuc and Quang Ninh.
In this Property Market Brief, Northern Industrial market refers to Hanoi, Hai Phong, Bac Ninh, Hung Yen and Hai Duong markets only.

Central Key Economic Zone (CKEZ)
Central Key Economic Zone comprises five provinces: Thua Thien Hue, Danang, Quang Nam, Quang Ngai and Binh Dinh Provinces.

South Key Economic Zone (SKEZ)
South Key Economic Zone is made up of eight cities/provinces; namely, HCMC, Binh Duong, Dong Nai, Long An, Ba Ria-Vung Tau, Binh Phuoc, Tay Ninh and Tien Giang.
In this Property Market Brief, Southern Industrial market refers to HCMC, Binh Duong, Dong Nai, Long An and Ba Ria-Vung Tau markets only.

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