

MARKET REPORT

Q2 2022

TMS
CONSULTANCY



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Executive Summary

Economic

GDP

In H1/2022, Vietnam's GDP growth rate was **7.72%**. The major investing theme in Vietnam, TMS Consultancy believes, is the country's economic growth, which is likely to strengthen in the next quarters. In H2/2022, Vietnam economy will grow by 7.0 % Y-o-Y, fueled by significant manufacturing expansion and services recovery. Along with government policy, Vietnam has fiscal-monetary policies that are in effect as well, such as:

The State Bank of Vietnam shows little haste to tighten policy, and **monetary policy is moving in sync with a supportive fiscal push in this year.** In H1/2022, an interest rate compensation package worth VND40,000 billion was launched, along with a VAT reduction from 10% to 8%. However, Vietnam anticipates that monetary policy would become more stable in Q4/2022, with policy rates increasing by 25 to 50 basis points.

Real Estate

Apartment

New supply rocketed and exceeded the total new supply for the year 2021. Furthermore, the high-end segment maintained its dominant position in new supply. In some cities/provinces, the average asking price of apartments increased by 8-15 % Y-o-Y. Typically, the price in Ho Chi Minh City increased by 7 – 12% Y-o-Y, in Hanoi increased by 7 – 10% Y-o-Y, and in Da Nang increased by 6 – 8% Y-o-Y.

Office

The average rental price of office in Ho Chi Minh City went up about 4 – 6% Y-o-Y, in Hanoi went up 3 – 5% Y-o-Y and in Da Nang increased by more than 4% Y-o-Y.

FDI

FDI Vietnam reached 10.06 billion USD in H1/2022, **a rise of 8.9 % Y-o-Y**, the greatest increase in the first six months of the year in the last five years, which is a good indicator for our country in terms of attracting investors into Vietnam.

CPI & Inflation

Even while CPI rose **2.96% Q-o-Q**, inflation will rise in H2/2022 due to both demand-pull and cost-push. If the price of oil remains high, the government will lower the environmental tax rates on petroleum products. TMS Consultancy forecasts an average CPI of 3.5 % in 2022, which is lower than the target of 4%. Other macro threats include the geopolitical crises and China's "Zero-Covid" plan, which both cast a shadow over the global trade supply chain.

Retail

In Q2/2022, customers are returning to in-store shopping. New supply entered Hanoi after 5 consecutive quarters of no new supply while no new supply was recorded in HCMC. In Ho Chi Minh City, the average asking price increased by 4 – 6% Y-o-Y, and in Hanoi, it increased by 2 – 4% Y-o-Y.

Hotel

The occupancy rate increased by approximately more than 70% Y-o-Y, and the average rental price of hotels increased by 20 – 25% Y-o-Y.

Trade Balance

The performance of Vietnam's exports and private investment in H1/2022 are outliers, reinforcing our belief that domestic strength will likely buffer against foreign concerns. Tighter global financial circumstances, on the other hand, may reduce global economic prospects, resulting in lower demand for Vietnam's exports in the second half of this year, in our opinion.

VN-Index

This one is expected to oscillate between **1,330 and 1,500 points by 2022**, translating into **12.5 to 14.0x of FY22F P/E**. Higher-than-expected interest rates are a downside risk to the market, while an upside catalyst is Vietnam's earlier-than-expected MSCI EM index.

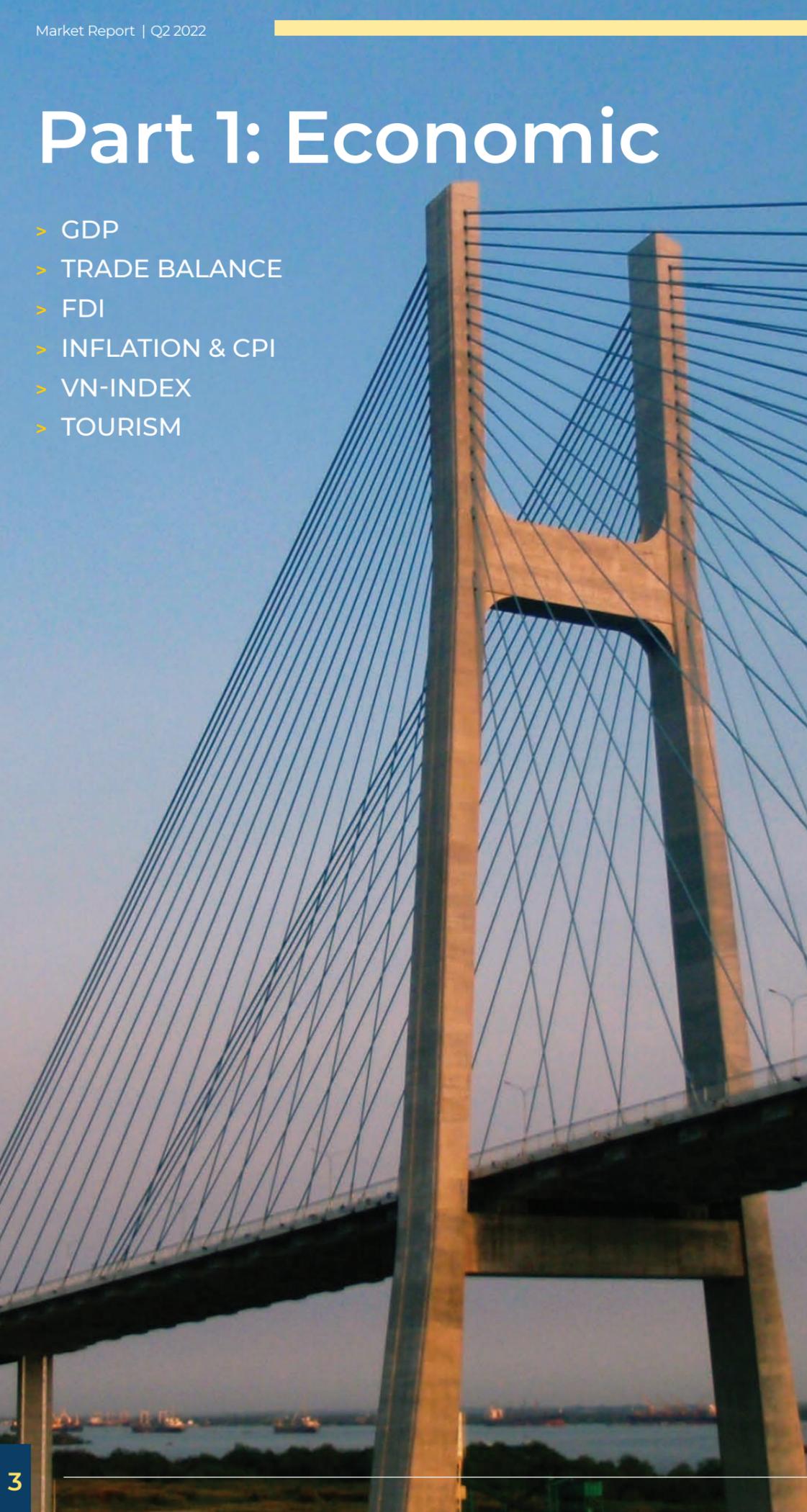
Tourism

Following the Covid epidemic, the tourism industry's situation offers many promising opportunities; thus, the number of **domestic tourism in Q2/2022 exceeded 34.7 million arrivals**, nearly three times Y-o-Y, while the number of **international visitors reached 236.7 thousand arrivals**, 32.9 times Y-o-Y.

No.	Item	Market	Average Asking/Leasing Price		
			Q2 2021	Q2 2022	Change %
1	Apartment (USD/sqm)	HCMC	2,814	3,190	↑ 13.36%
		Hanoi	2,065	2,330	↑ 12.8%
		Da Nang	2,000	2,270	↑ 13.5%
2	Office (USD/sqm/month)	HCMC	34.1	36.9	↑ 8%
		Hanoi	21.7	22.9	↑ 5%
		Da Nang	19.6	20	↑ 2%
3	Retail (USD/sqm/month)	HCMC	85.5	91	↑ 6%
		Hanoi	63	66.5	↑ 5.5%
4	Hotel (USD/day-night)	HCMC	76.29	88.2	↑ 15.6%
		Hanoi	68.9	72.87	↑ 6%
		Da Nang	56.35	71.18	↑ 20%

Part 1: Economic

- > GDP
- > TRADE BALANCE
- > FDI
- > INFLATION & CPI
- > VN-INDEX
- > TOURISM



GDP

Despite the fact that the global economy is slower growth after two years of being hampered by the Covid-19 pandemic and the impact of the Russia-Ukraine war. Vietnam's economy continues to grow at a significant pace, thanks to fiscal-monetary policy implementation, recovery and support packages for socio-economic development by the government.

Furthermore, the 31st Southeast Asian (SEA) Games were a success, which was held in Vietnam, contributing to a more vibrant promotion of commerce, tourism, and culture, thus boosting the economic recovery of Vietnam.

The growth rate of Vietnam's GDP in Q2/2022 reached 7.72 % Y-o-Y, which was greater than the growth rate in the Q2 from 2014 to 2021. In general, the GDP growth rate in H1/2022 increased by 6.42% Y-o-Y, which was greater than the growth rate of 2.04% in H1/2020 and the growth rate of 5.74% in H1/2021, but lower than the growth rates of 7.28% in H1/2018 and 6.98% in H1/2019.

This demonstrated that Vietnam's economy has grown significantly but it has been still unable to grow at the same rate as it did before the pandemic.

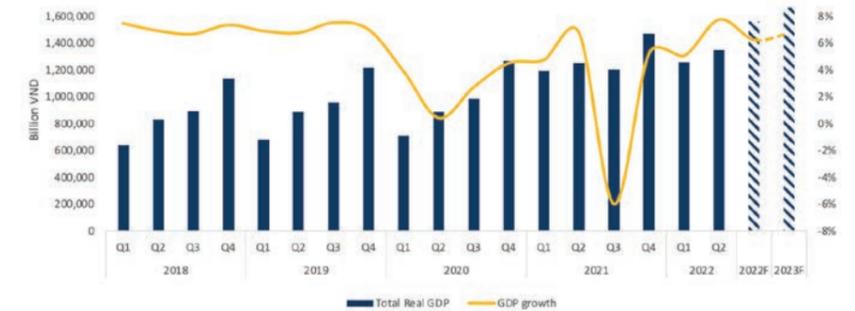
Notably, the service sector rose by 6.6%, which is one of the primary drivers of Vietnam's economic recovery. The main driver of this increase is consumer spending (+6.1% Y-o-Y). Moreover, consumer and retail activity increased as a result of the economy's recovery and the tourism industry's reopening. Relaunching enterprises also aids in addressing employment issues and raising incomes.

Based on the economy's strong recovery rate and support from policies, economic organizations such as World Bank, ADB, IMF, and HSBC estimate that Vietnam's GDP growth rate in 2022 will be 5.8-7% Y-o-Y and Vietnam's GDP growth rate in 2023 will be 6.3-7.2% Y-o-Y.

TMS Consultancy also forecasts Vietnam's GDP growth rate to be 6.2% in 2022 and 6.7% in 2023. This growth is achieved by significant government economic support packages, export growth, increased consumer spending, tourism, services, and increased FDI as a result of the economy's opening up.

Besides, Vietnam also needs to pay attention to the factors that delay the economic recovery such as the impact of national inflation, which has caused the cost of production to rise, risks from pandemics (new variants), trade war and threats due to the global economic slowdown in response to the COVID-19 pandemic.

VIETNAM GDP GROWTH RATE BY QUARTER | 2018 - 2023F



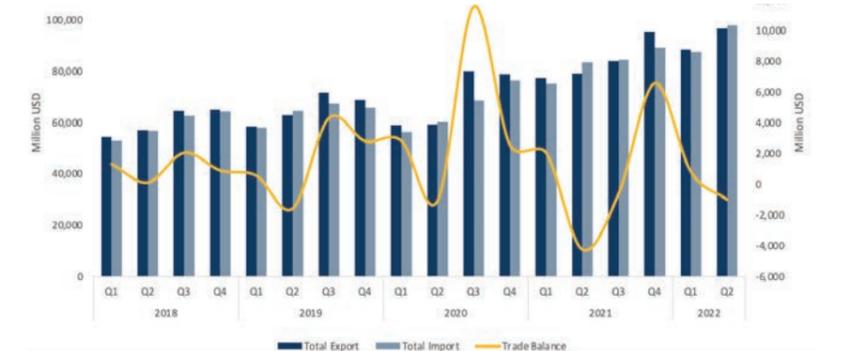
Source: GSO & TMS Consultancy, Research

TRADE BALANCE

According to the General Statistics Office of Vietnam, export turnover was estimated at 96.8 billion USD in Q2/2022, at 21% Y-o-Y. Import turnover was estimated to be 97.6 billion USD, up to 15.7% Y-o-Y. As of June 2022, the total export turnover and import turnover of goods were estimated at 185.94 billion USD (+17.3% Y-o-Y) and 185.23 billion USD (+15.5% Y-o-Y), respectively. The United States, in particular, was Vietnam's largest export market, with an estimated turnover of 55.9 billion USD. China has been Vietnam's largest import market with an approximate revenue of US\$61.3 billion.

Exports are expected to increase significantly as the economy recovers, businesses reopen, and many international companies plan to relocate their supply chains to Vietnam. Moreover, free trade agreements also promote Vietnam's extensive participation in the global supply chain.

VIETNAM TRADE BALANCE BY QUARTER | 2018 - Q2 2022



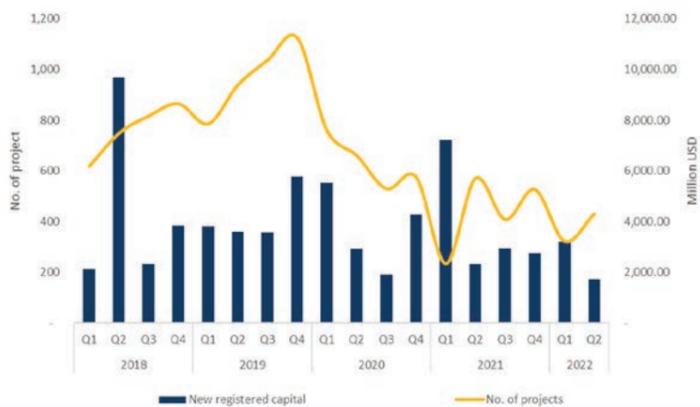
Source: GSO & TMS Consultancy, Research

FDI

According to the Ministry of Planning and Investment, FDI Vietnam in H1/2022 reached 10.06 billion USD, an increase of 8.9 % Y-o-Y, which is the highest growth in the first six months of the year compared to the last five years.

As of June 20, the country has about 35,180 foreign-invested projects still in force with a total registered capital accumulated of 428 billion USD. Foreign-invested project implementation capital was estimated to be nearly 261.7 billion USD, accounting for 61% of total registered capital

VIETNAM FDI BY QUARTER | 2018 - Q2 2022



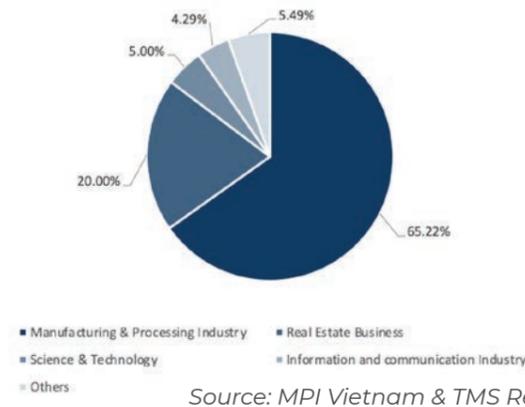
Source: GSO Vietnam & TMS Research

Vietnam's electronic components industry, in particular, currently has a significant advantage because many countries are looking to shift the supply chain from China to neighboring countries, and other assemblers such as Foxconn, Luxshare, Pegatron, and Wistron are also involved in increasing production capacity in Vietnam. Besides that, recent reforms in the legal framework for FDI in Vietnam have helped attracting significant investment capital.

As a result, in 18 sectors out of a total of 21 national economic sectors, the processing and manufacturing industry continues to lead with nearly 1.128 billion USD in total investment capital, accounting for nearly 65.22% of registered investment capital.

TMS Consultancy projects that implemented state capital in 2022 will expand by 20-30% compared to actual implementation in 2021, as growth in H2/2022 may build up from a low base at the same time in 2021. It should be noted that public investment contracted in the final six months of 2021 as a result of the fourth wave of the COVID-19 epidemic, social distance, and rising construction material prices.

VIETNAM FDI BY SECTOR | Q2 2022



Source: MPI Vietnam & TMS Research

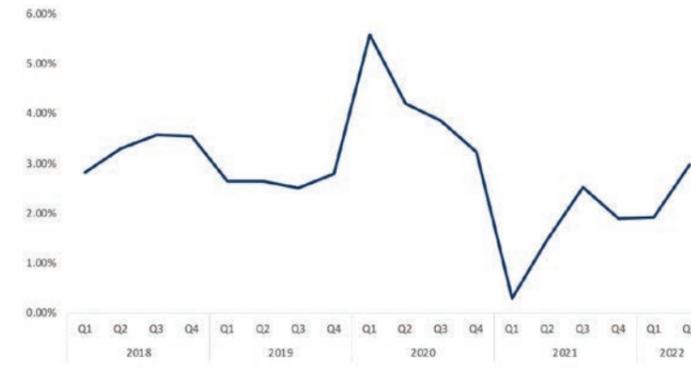
INFLATION & CPI

In Q2/2022, the Consumer Price Index (CPI) increased by 2.96% Y-o-Y. On average, in the first 6 months of 2022, CPI increased by 2.44% Y-o-Y, and core inflation rose 1.25% Y-o-Y.

In the context of petroleum, domestic gas prices were constantly rising with the price of world fuel; economic assistance programs; high credit growth (e.g. interest of the industry of real estate was about 10 - 11%/year, increased about 1 - 1.5% Y-o-Y); the price of essential consumer goods and services rises with the price of input materials and transportation costs were the main reasons for the increase in CPI and inflation rate.

In the last 6 months of 2022, Vietnam may be exposed to the risk of inflationary pressures as a result of the Russia-Ukraine war, rising transportation costs, rising food prices, rise in commodity and input material prices. Consumer demand increased while supply was scarce and disrupted. Hence, World Bank, HSBC, ABD, and IMF forecasted that Vietnam's inflation rate in 2022 will be 3.5-3.9% Y-o-Y and this is compatible with the rate that our government consistently strives to keep below 4%.

VIETNAM CPI BY QUARTER | 2018 - Q2 2022



Source: GSO Vietnam

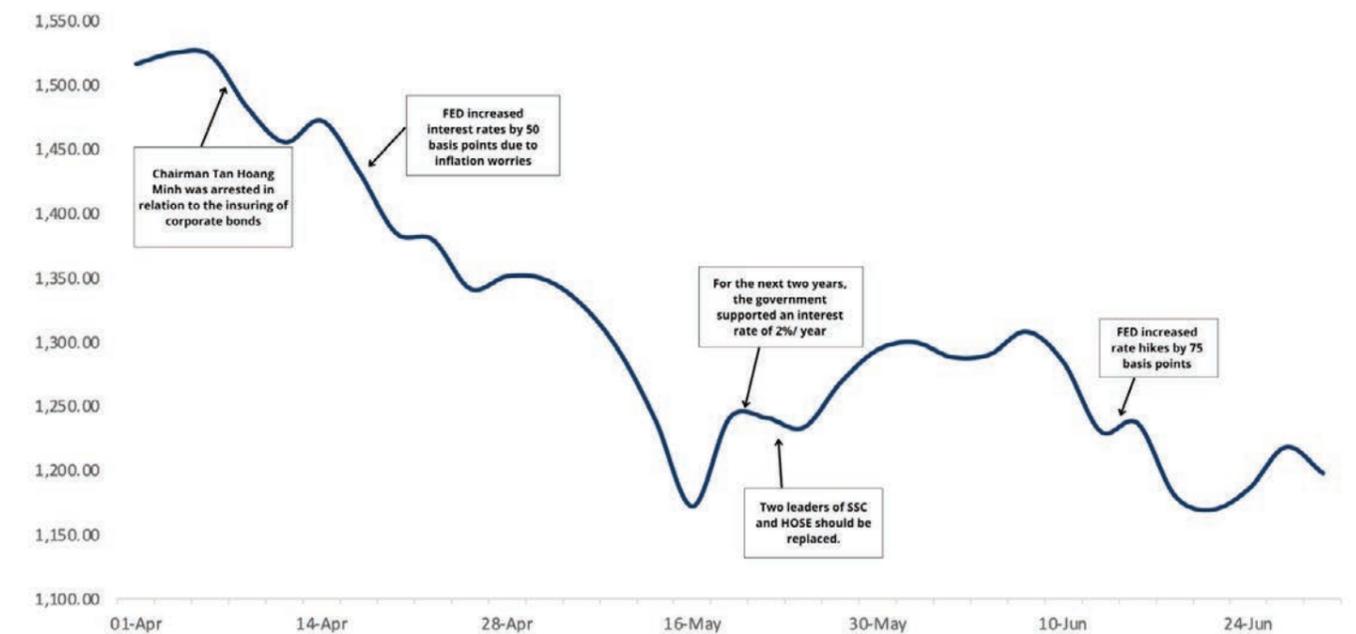
Therefore, TMS's Market Research Department forecasts Vietnam's inflation rate is 3.55% by 2022, which can remain stable by tight monetary, fiscal, and the stability of energy, food supplies.

VN-INDEX

The VN-Index plummeted drastically in Q2/2022, and domestic private investors sold heavily, with a net selling value of about 6.5 trillion VND. This demonstrates investors' extreme pessimism. The negative emotion spread, forcing the VN-INDEX to fall to 1,197.6 points on June 30, 2022.

The arrests of some large corporate executives in connection with stock manipulation and corporate bond issuance frauds; concerns about increased inflation, supply chain disruptions, a reduction in credit inflows into the real estate market, and tightened monetary policy all contributed to the market's sell-off.

VN-INDEX | Q2 2022



Source: TMS Consultancy Research



TOURISM

According to the Vietnam General Administration of Tourism, the number of domestic tourists in Q2/2022 exceeded 34.7 million arrivals, nearly three times Y-o-Y; the number of international visitors reached 236.7 thousand arrivals, 32.9 times Y-o-Y.

Domestic tourists reached 60.8 million arrivals in the H1/2022 (nearly 1.4 times more than in the same period in 2019), with total revenue from tourists estimated at 265,000 billion VND. In particular, international arrivals reached 602,000, which was 6.8 times higher than the same period last year but it has been still 92.9% lower than the same period in 2019 - the year without the Covid-19 epidemic.

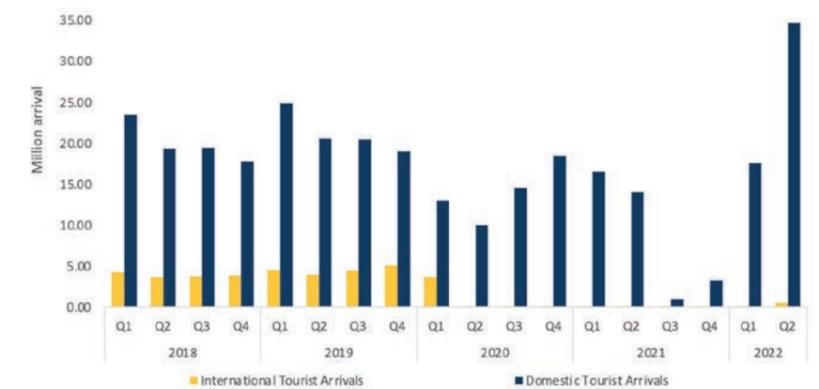
The reason for this increase is that Vietnam has opened up tourism and reopened international flights. Covid-19 has been under control, and the SEA Games 31 were a success, creating a nudge and boosting the development of tourism activities.

Travel tourism revenue increased by 94.4% in the H1/2022 Y-o-Y, thanks to a strong recovery in tourism activities, notably the boom in domestic tourism in the second quarter of this year.

Some localities have increased tourism revenue such as Khanh Hoa increased by 627.8%; Can Tho increased by 183.9%; Hanoi increased by 129.3%; Da Nang increased by 98.5%; Quang Nam increased by 67.8%; Ho Chi Minh City increased by 49.1%.

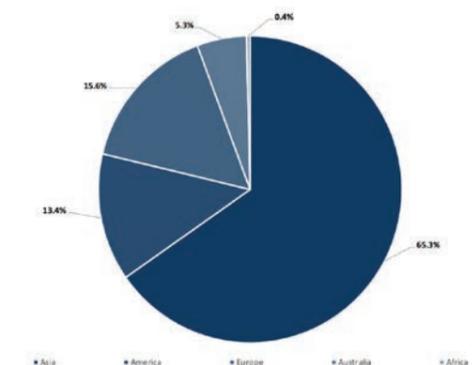
Thanks to the tourism industry's recovery, the accumulation of accommodation and dining services in H1/2022 increased by 20.9% Y-o-Y. Furthermore, because the demand for entertainment and tourism increased during the summer, the industry's revenue increased by 80% Y-o-Y.

VIETNAM TOURISM PERFORMANCE | 2018 - Q2 2022



Source: GSO & TMS Consultancy, Research

VIETNAM TOURIST ARRIVALS BY REGION | Q2 2022



Source: GSO Vietnam & TMS Research

Part 2: Real Estate

Now, the state is aggressively planning the construction of transportation infrastructure in order to increase space and develop metropolitan regions. Priority is given to the building of transportation works in key cities such as Lang Hoa Lac, Phap Van - Cau Gie, Hanoi - Thai Nguyen, Hanoi - Bac Giang, Da Nang - Quang Ngai, Ho Chi Minh City - Long Thanh - Dau Giay, and so on. Routes connecting outlying cities to key locations that have planned to be developed in the period of 2020-2030, such as: investment in Hanoi's Belt No.2, Belt No. 3, Belt No. 4, Belt No. 5; and investment in Ho Chi Minh City's Belt No.3 and Belt No.4. Furthermore, metro project is behind the schedule, however, one line in Hanoi is now functioning. The investment, renovation, and expansion of critical airports such as Noi Bai, Tan Son Nhat, and a few other vital ports continues to be slow. As a result, capacity is overloaded, particularly at passenger terminals, causing congestion.

TMS Consultancy forecasts that the situation of the real estate market will show positive signs after the epidemic situation. However, the real estate market still faces some difficulties due to some typical reasons as follows:

(1) Limited supply of commercial housing. The number of completed commercial projects is about 12,000 units in H1/2022;

(2) The legal system relating real estate investment, construction, and business is still inadequate, such as the form of selecting investors for projects using land; on determining land prices for some purposes: allocating land, leasing land, auctioning land use rights, etc;

(3) Credit for the real estate sector is limited;

(4) Controlling the flow of investment capital into the real estate sector through bonds and stocks of real estate enterprises;

(5) Tax policies for the use of real estate and real estate transactions and business activities do not clearly distinguish between users and investors and business entities;

(6) The auction of land use rights still has some shortcomings, limitations, . . .

It is these problems that have caused the selling price to increase higher than the per capita income as well as affect the effective and sustainable development of the real estate market. As a result, the government has been striving to enhance the mentioned issues in attempt to improve the real estate market and limit speculation, giving priority to real investors and those with demand.

> **APARTMENT**
Ho Chi Minh City
Hanoi
Da Nang

> **OFFICE**
Ho Chi Minh City
Hanoi
Da Nang

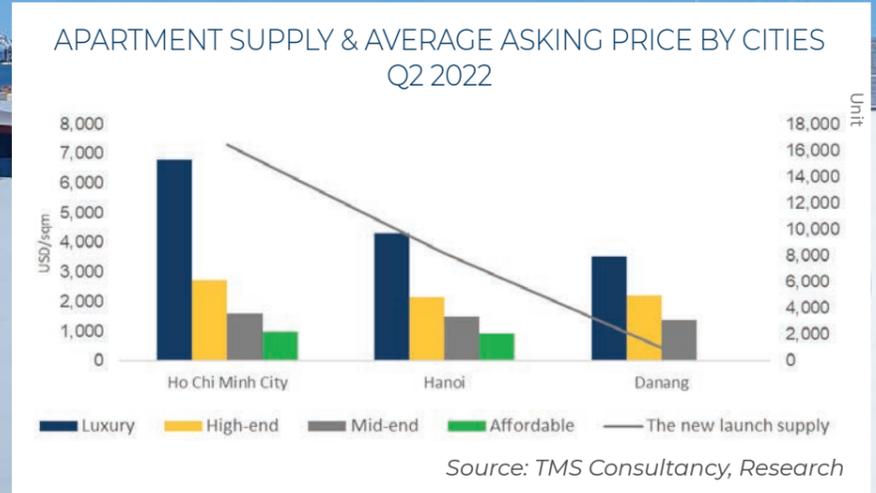
> **RETAIL**
Supply of Commercial Center 2022
Ho Chi Minh City
Hanoi
Future Supply

> **HOTEL**

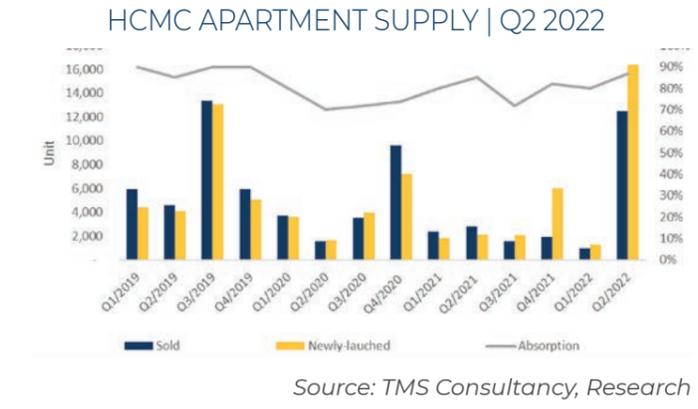
APARTMENT

In general, Ho Chi Minh City dominated the market in new supply apartments in Q2/2022, with more than 16,000 units, accounting for 45% of the total new supply apartments in the market. Furthermore, the average asking price was about 3,190 USD/sqm, an increase of nearly 12% Y-o-Y. Following that was Hanoi, where total new supply reached approximately 10,000 units, accounting for around 28% of total new supply in the market, and the average asking price was about 2,390 USD/sqm, up about 10% Y-o-Y. Because of the lack of the luxury segment, Da Nang had the

lowest new supply this quarter, with just roughly 1,000 units, accounting for 10% of the total new supply. Moreover, the luxury and high-end segments continue to account for a significant component of the market, accounting for around 40-45% of total supply and being mostly concentrated in Ho Chi Minh City and Hanoi. In addition, The Filmore apartment project in Hai Chau district, The Sang Residence project in Ngu Hanh Son district, and the Asiana project in Lien Chieu district will be developed in the future.



Supply: Ho Chi Minh City had 13 projects for sale in Q2/2022, comprising 4 new projects and 9 upcoming projects with over 11,000 units, an increase of more than 60% Y-o-Y. Luxury apartment supply continues to dominate, reaching over 10,000 units and accounting for more than 70% of the total new supply in Ho Chi Minh City. Furthermore, the Eastern area maintains its edge, accounting for more than 80% of the overall market supply. The consumption rate on the supply of new-launched projects reached around 88%, with more than 10,000 units sold, 2.5 times more than the same period in 2021.



Average Price: The average asking price in the Ho Chi Minh City market reached about 3,190 USD/sqm, up approximately 7-12% Y-o-Y. In Q2/2022, all segments showed encouraging signals of development, with the luxury segment increasing by roughly 20% Y-o-Y, while the other three segments (High-end, Mid-end and Affordable) went up by 3-7% Y-o-Y. The major cause was the higher cost of construction, tighter bonds, real estate credit, and the product selling rules that supported the investor and developer's incentives period and interest, which was added to the asking price.

The average asking price in the Eastern district of Ho Chi Minh City remained to be the highest in the market, with prices ranging from 2,850 to 3,000 USD/sqm. The Southern area came in second, with an average asking price of around \$1,820 USD/sqm, up 7-10% Y-o-Y. In the Western and Northern districts, the median asking price ranged from 1,150 to 1,500 USD/sqm, mainly in mid-end and affordable segments.



According to TMS Consultancy, the average asking price of apartments in Ho Chi Minh City will rise by 7-12% in the next quarter, depending on the region or location, due to tightening real estate credit bonds, high-inflation risks, investment and development in transportation infrastructure. Furthermore, the development of projects in the ultra-luxury sector will dramatically boost the asking price in Ho Chi Minh City in the near future.

APARTMENT



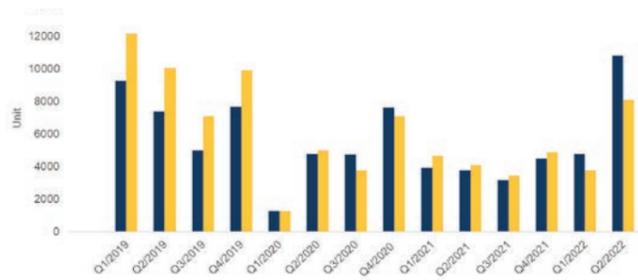
Hanoi

Supply: According to the chart above, new supply reached over 8,000 units in Q2/2022, an increase of almost 7% Y-o-Y, while sales reached approximately 11,000 units, an increase of more than 30% Y-o-Y. New supply in the high-end class, in particular, contributed to a major amount of the Hanoi market, reaching about 4,500 units and growing by approximately 200% Y-o-Y. The supply of new mid-end residential units fell substantially, hitting over 3,000 units and falling approximately 45% Y-o-Y. This quarter experienced a shortfall of supply in the luxury market.

Average Price: In Q2/2022, the average asking price in Hanoi is expected to rise gradually, ranging between 2,100 and 2,300 USD/sqm. The luxury segment is about 4,350 USD/sqm, up around 6% Y-o-Y, while the high-end segment is around 2,300 USD/sqm, up about 3% Y-o-Y. However, the mid-end had a substantial rise in pricing this quarter, reaching over 1,600 USD/sqm, up almost 20% Y-o-Y, while the affordable segment maintained a moderate gain, up 3% Y-o-Y.

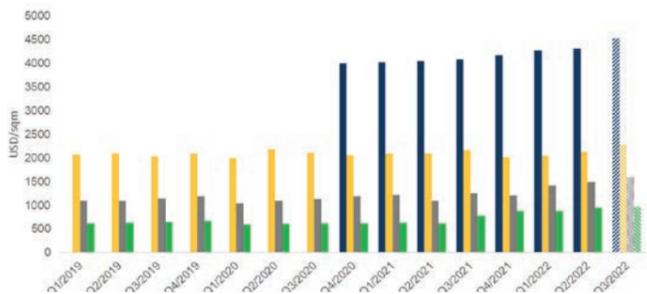
The luxury apartment has been concentrated in the Eastern, Western, and Northern areas. When compared to other regions, however, the Western area continues to dominate in asking prices, with an average of more than 3,000 USD/sqm. Almost the whole Southern area lacked the look of the luxury segment and was the only area that has affordable segment project, with over 960 USD/sqm.

HANOI APARTMENT SUPPLY | Q2 2022



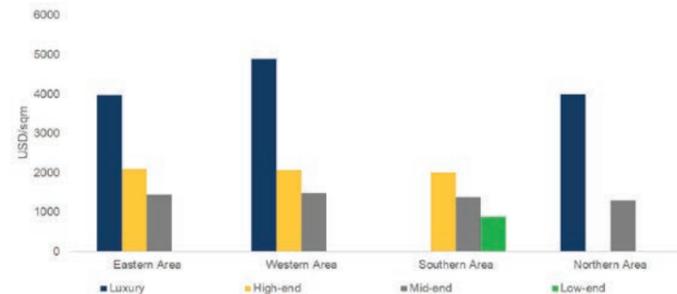
Source: TMS Consultancy, Research

HANOI APARTMENT AVERAGE ASKING PRICE



Source: TMS Consultancy, Research

HANOI APARTMENT AVERAGE ASKING PRICE BY AREA



Source: TMS Consultancy, Research

According to TMS Consultancy, the average asking price in Hanoi would rise by 7-9% in the future due to increase of housing demand and construction costs.

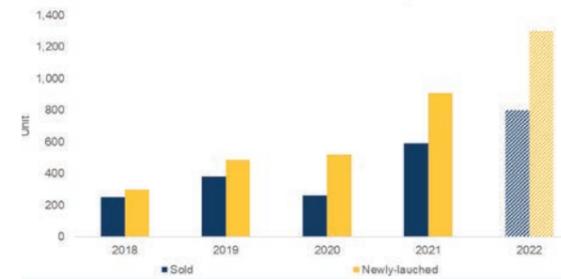
Da Nang

Supply: Da Nang was the lowest supply, particularly of luxury apartments. It is predicted that the new supply in Da Nang would reach 1,000-1,500 units in 2022, with a concentration on luxury projects.

Average Price: The average asking price of apartments in Da Nang in Q2/2022 was from 2,300 to 2,400 USD/sqm, a rise of 7-9% Y-o-Y. Because of the considerable demand for these segments in the foreseeable future, the luxury and high-end segments increased by roughly 25-30% Y-o-Y in this quarter.

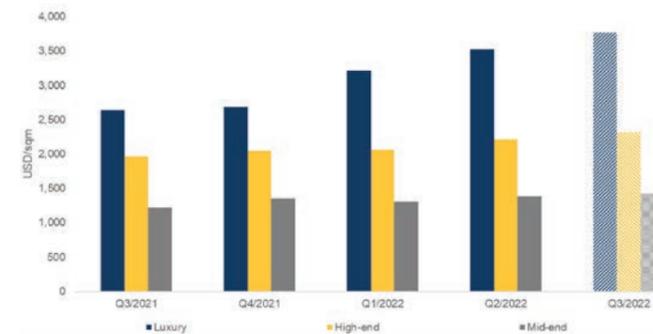
According to the chart above, the average apartment asking price increases in Q2/2022, increasing by roughly 5% Y-o-Y. Lien Chieu district, in particular, continues to dominate (more than 2,600 USD/sqm), followed by Hai Chau and Son Tra districts (range from 2,200 to 2,400 USD/sqm). Thanh Khe has the lowest asking price, about 1,000 USD/sqm.

DA NANG NEW APARTMENT SUPPLY | Q2 2022



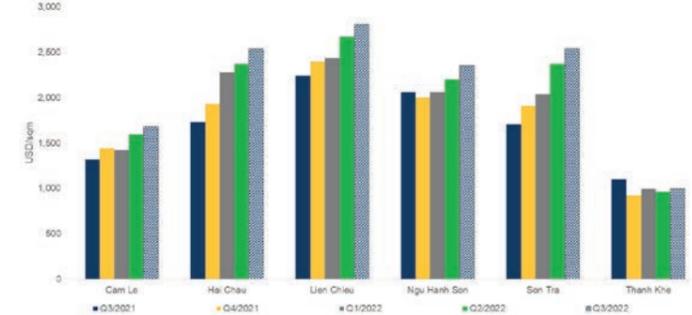
Source: TMS Consultancy, Research

DA NANG APARTMENT AVERAGE ASKING PRICE Q2 2022



Source: TMS Consultancy, Research

DA NANG APARTMENT AVERAGE ASKING PRICE BY DISTRICTS | Q2 2022



Source: TMS Consultancy, Research

According to TMS Consultancy, Da Nang apartment market is expected to recover by the end of 2022, with the average asking price expected to rise by 7-9% in the coming year due to the high demand for apartment housing, rising construction cost, and the demand for sea view apartments in Da Nang is the first choice for many investors.

OFFICE

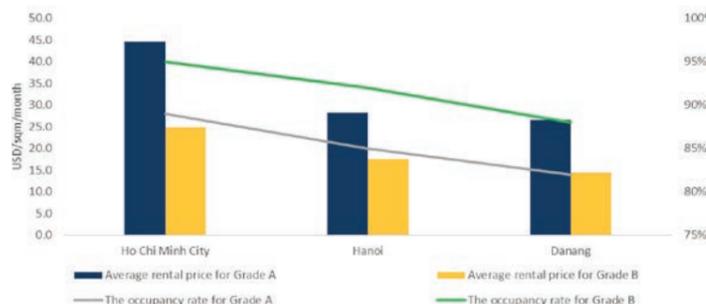
In general, office rental rates in the three provinces increased in Q2/2022, rising by 5-9% Y-o-Y, particularly in the Ho Chi Minh City market. In comparison to Hanoi and Da Nang, office rental price in Ho Chi Minh City climbed by roughly 7-9% Y-o-Y (Grade A: 44.5 USD /sqm/month, Grade B: 25.1 USD/sqm/month), and the occupancy rate (Grade A: about 89%, Grade B: about 94%).

Ho Chi Minh City

Due to a lack of supply, the commercial real estate market in Ho Chi Minh City continued to rise in Q2/2022, with office rental rates even returning to pre-epidemic levels. In particular, the average rental price in grade A was more than 44 USD /sqm/month, while the rental price in grade B was about 25 USD /sqm/month, up around 5-7% Y-o-Y. Because of the different supply, the rental price of Grade A in the central region ranged from 60-62 USD/sqm/month, while the rental price in the South Saigon area reached about 32-34 USD/sqm/month. Furthermore, grade B office rental prices fell as several buildings in the CBD and neighboring regions cut prices to entice tenants. By the conclusion of Q2/2021, Grade A office occupancy had reached 89%, while Grade B office occupancy had reached 94%.

Office rental prices in Ho Chi Minh City are likely to rise by 3-6% depending on the sector, according to the TMS's Market Research Department. Furthermore, when the core area buildings are almost full, buildings outside the CBD tend to fill up in the future. In the near future, a 5,000m2 Grade A office project will enter the Ho Chi Minh City office market.

OFFICE MARKET HO CHI MINH CITY, HANOI, DA NANG | Q2 2022



Source: TMS Consultancy, Research

HCMC OFFICE PERFORMANCE | Q2 2022



Source: TMS Consultancy, Research

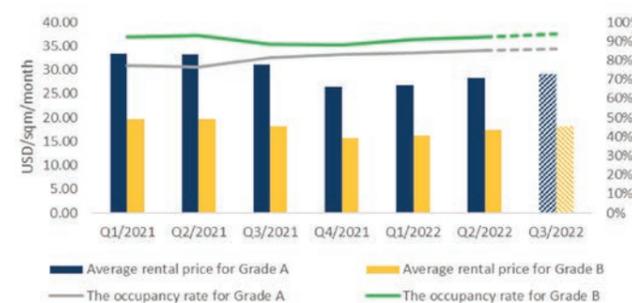
The upcoming supply of offices in Ho Chi Minh City:

No	Project Name	Location	Grade	GFA (sqm)	Year of completion
1	OfficeHaus	Tan Phu District	B	14,800	H2 2022
2	Cobi Tower	District 7	B	27,127	H2 2022
3	Hallmark Thu Thiem	Thu Thiem City	A	54,000	H2 2022
4	Saigon First House	District 3	A	15,350	H2 2022
5	Metropole	Thu Thiem City	A	30,000	H2 2022
6	E-town 6	Tan Binh District	A	35,000	2023
7	One Central	District 1	A	36,000	2023
8	IFC One	District 1	A	35,000	2023
9	Nexus	District 1	A	40,000	2023
10	The Sun	District 2	A	55,000	2023

Source: TMS Consultancy, Research

Hanoi

HANOI OFFICE PERFORMANCE | Q2 2022



Source: TMS Consultancy, Research

The upcoming supply of offices in Hanoi

No	Project Name	Location	Grade	NLA (sqm)	Year of completion
1	BRG Grand Plaza	Ba Dinh District	A	29,000	H2 2022
2	Lancaster Luminaire	Dong Da District	A	20,600	H2 2022
3	Epic Tower	Cau Giay District	B	25,000	H2 2022
4	Intracom Riverside	Dong Anh District	B	22,000	H2 2022
5	Techcombank Tower	Hai Ba Trung District	A	8,000	H2 2022
6	Lotte Mall Hanoi	Ba Dinh District	A	45,000	2023
7	Taisei Hanoi Office Tower	Nam Tu Liem District	A	23,000	2023
8	Tien Bo Plaza	Ba Dinh District	A	20,000	2023
9	Heritage West Lake-Office Tower	Cau Giay District	B	20,000	2023
10	Mo Market Building	Dong Da District	B	36,000	2023

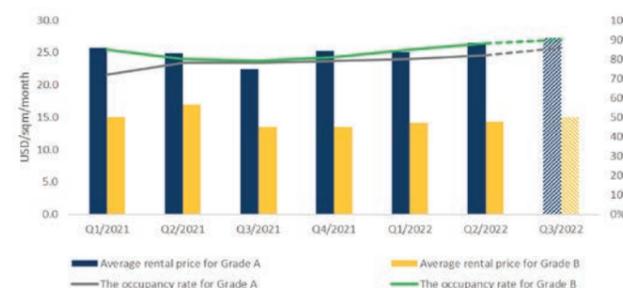
Source: TMS Consultancy, Research

Office rental prices in Hanoi rose by roughly 2-4% Y-o-Y in Q2/2022. Grade A office rent reached almost 28 USD/sqm/month, up 5% Y-o-Y; Grade B office rent reached more than 14 USD/sqm/month, up 3% y-o-Y. Furthermore, the occupancy rate of Grade A workplaces reached 82%, while Grade B offices reached 91%. The Capital Place project, in particular, saw a surge in rentals that drove grade A rates in the Ba Dinh - Dong Da neighborhood to meet the average Grade A pricing in the CBD.

TMS Consultancy forecasts that, with rising in demand and shifting toward higher-quality office, while supply and prime location remain scarce, office rents will rise modestly soon.

Da Nang

DA NANG OFFICE PERFORMANCE | Q2 2022

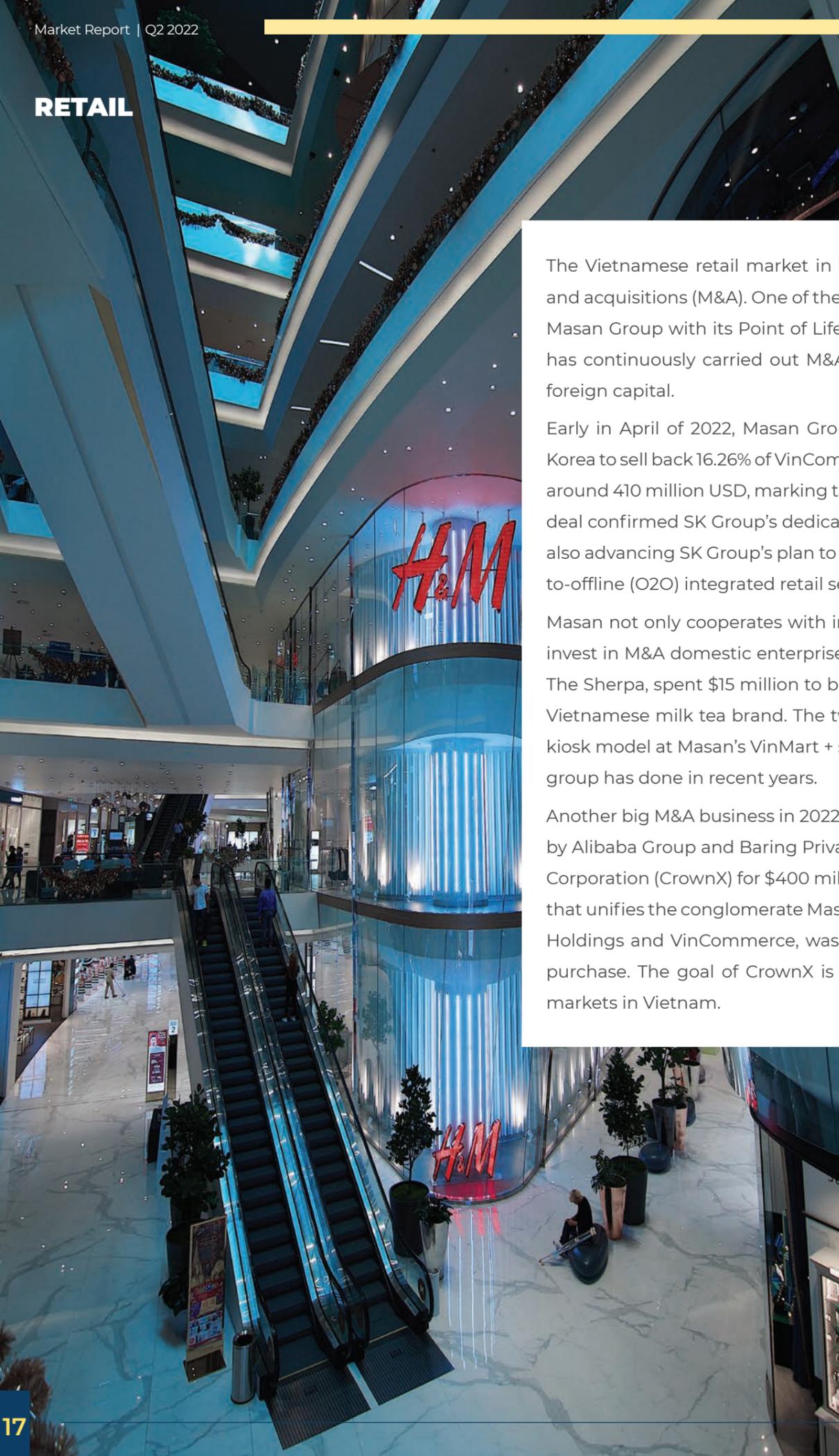


Source: TMS Consultancy, Research

Office rentals in Da Nang grew somewhat Y-o-Y when compared to Ho Chi Minh City and Hanoi. Grade A office had a rent of more than 26 USD/sqm/month, up roughly 4% Y-o-Y; Grade B office had rent rate of more than 14 USD/sqm/month, up 2% Y-o-Y. Furthermore, the occupancy rate of Grade A workplaces reached 85%, while Grade B offices reached 90%.

According to TMS Consultancy, office rents in the Da Nang region would rise by 3-4% in the future, rented mostly by enterprises in logistics, technology, and tourism. Furthermore, Da Nang aspires to be one of the country's and Southeast Asia's key socioeconomic hubs.

RETAIL



The Vietnamese retail market in 2021 is vibrant with a series of mergers and acquisitions (M&A). One of the most active foreign investors this year is Masan Group with its Point of Life retail consumer ecosystem. This group has continuously carried out M&A deals with foreign investors to attract foreign capital.

Early in April of 2022, Masan Group signed a contract with SK Group of Korea to sell back 16.26% of VinCommerce shares for a total cash payment of around 410 million USD, marking the first deal to close for 2021. This historic deal confirmed SK Group's dedication to Masan Group and Vietnam while also advancing SK Group's plan to advance the development of the online-to-offline (O2O) integrated retail sector in our nation.

Masan not only cooperates with international partners, they also strongly invest in M&A domestic enterprises. On May 24, another Masan company, The Sherpa, spent \$15 million to buy a 20% stake in Phuc Long - a famous Vietnamese milk tea brand. The two sides plan to expand the Phuc Long kiosk model at Masan's VinMart + store. The long list of M&A deals that this group has done in recent years.

Another big M&A business in 2022 was the acquisition by a consortium led by Alibaba Group and Baring Private Equity Asia of a 5.5% stake of CrownX Corporation (CrownX) for \$400 million. CrownX, a retail consumer platform that unifies the conglomerate Masan Group's interests in Masan Consumer Holdings and VinCommerce, was valued at \$6.9 billion as a result of this purchase. The goal of CrownX is to improve both the offline and online markets in Vietnam.

SUPPLY OF COMMERCIAL CENTER 2022

Since the beginning of the year, many domestic and international retailers have accelerated their expansion in Vietnam, such as Uniqlo with its 11th store of 3,000 sqm in Saigon Center (District 1, Ho Chi Minh City), or Pandora with a new point of sale at Aeon Long Bien (Hanoi). In particular, real estate businesses are also focusing on building their own ecosystem, including retail, to serve the community of residents and customers.

For example, Nova Retail of NovaLand with a chain of stores distributing famous brands such as Nike, GAP, The Face Shop, or Son Kim Retail of Son Kim Group with GS25 convenience store chains and restaurant and spa chains.

Governments of major cities also plan to develop commercial centres. For example, Hanoi city strives to develop 3 trade centres, 10 supermarkets, and 100 convenience stores. As a consequence, it is expected that in the next 2 years there will be an additional 235,000 sqm of supply, but the construction of a new project in the central area continues to be delayed.

CBD and non-CBD asking rents have both increased compared to the same period last year. Because there was more supply in HCMC, the occupancy rate in HCMC was higher than that in Hanoi. However, the potential new supply of Ho Chi Minh City is primarily in Thu Duc City, a new city set to open in 2022. The average rental price will rise by 3-4 % in the third quarter of 2022, according to TMS Consultancy.

HO CHI MINH CITY & HANOI RETAIL PERFORMANCE | Q2 2022



Source: TMS Consultancy, Research

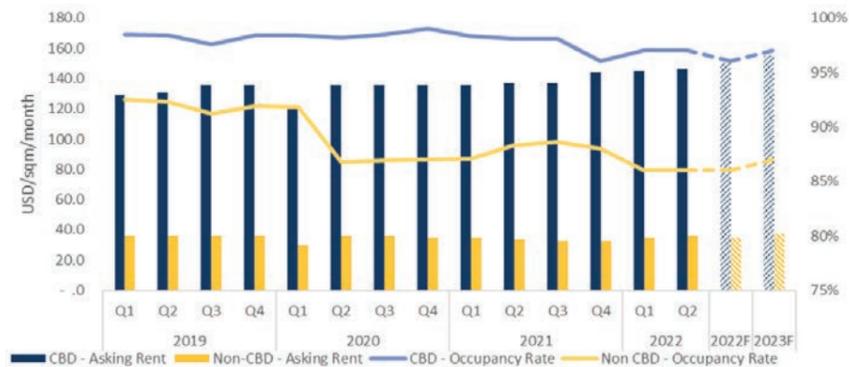


RETAIL

Ho Chi Minh City

In Ho Chi Minh City, the CBD's average rental price was 147 USD/sqm/month, up 6% Y-o-Y, but developers still provided more incentives to support retailers. The rental price in the non-CBD area reached around 36 USD/ sqm/month.

HCMC RETAIL RENTAL PRICE 2019 - 2023F

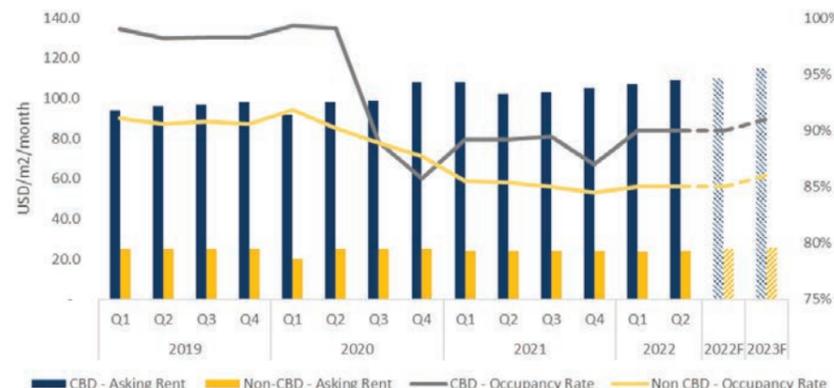


Source: TMS Consultancy, Research

Hanoi

In Hanoi, the occupancy rate was quite lower than HCMC. The asking price in both areas had increased, averaging 24.2 USD/sqm/month (2.08% Q-o-Q) in the non-CBD area and reaching 109 USD/ sqm/month (1.9% Q-o-Q) in CBD.

HANOI RETAIL RENTAL PRICE 2019 - 2023F



Source: TMS Consultancy, Research

Future Supply

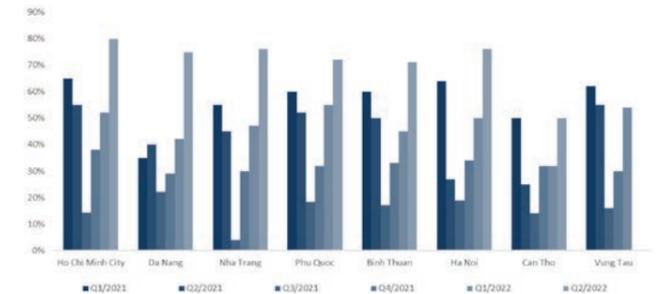
The upcoming supply Retail in HCMC, Hanoi and Da Nang:

No	Project Name	Location	GFA (sqm)	Year of completion
Ho Chi Minh City				
1	Satra Mall (Centre Mall)	District 6	29,161	2022
2	Elite Mall	District 8	42,000	2022
3	Central Premium	District 8	24,000	2022
4	One Central	District 1	33,700	2023 - 2024
5	Saigon One	District 1	12,000	2023 - 2024
6	Sun Tower	District 1	20,000	2023 - 2024
Hanoi				
7	Toshin - Starlake	Tay Ho District	35,000	2023 - 2024
8	Tien Bo Plaza	Ba Dinh District	50,000	2023 - 2024
9	Lotte Mall Hanoi	Tay Ho District	72,000	2023 - 2024
10	Aeon Mall Hoang Mai	Thanh Xuan District	84,000	2023 - 2024



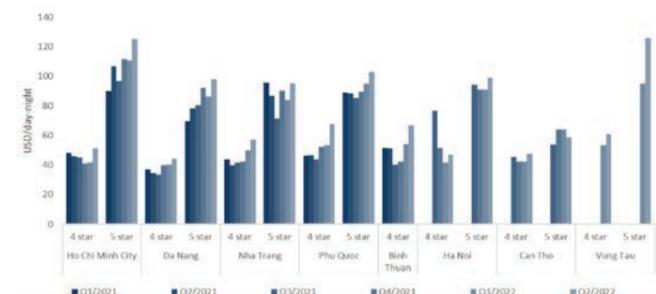
HOTEL

HOTEL OCCUPANCY RATE | Q2 2022



Source: TMS Consultancy, Research

HOTEL AVERAGE RENTAL PRICE | Q2 2022



Source: TMS Consultancy, Research

Sticking to the realities of the pandemic, Vietnam has stopped medical disclosure rules as of April 27, 2022; as of May 15, covid-19 testing for persons entering the nation remains suspended. This has established open and advantageous circumstances for our nation to attract a big number of visitors. To achieve this goal, the Vietnam National Administration of Tourism is continuing to implement a synchronous “Live Fully in Vietnam” communication campaign for international visitors on Vietnamese tourism promotion sites such as Vietnam.travel, Facebook social networking sites, Tik Tok, Instagram, Youtube, and Pinterest; international communication channels, as well as through Vietnamese representative agencies abroad.

Localities around the nation will continue to invest, develop, and update the key tourist product lines from now until the end of 2022. Island tourist goods, in particular, have been more clearly defined with the establishment of high-quality hotels, resorts, and entertainment that exceed worldwide standards. Some related goods, such as sports tourism, medical combination tourism, adventure tourism, and so on, will also be developed, which increase Vietnam’s tourist competitiveness in the international market.

According to TMS Consultancy, the tourist real estate market would rebound and develop in the end of 2022.

After Vietnam banned medical disclosures and Covid-19 testing for visitors, the tourism real estate market looked to be improving. Specifically, the normal occupancy rate runs between 70 and 80%; but, in June, the occupancy rate reached more than 85% due to a large number of foreign tourists and local visitors engaging in festivals, team building, and summer vacations.

Average hotel rental prices grew by 12-20% Y-o-Y, particularly in Ho Chi Minh City, Da Nang, Vung Tau, and Nha Trang. Furthermore, 5-star hotels’ price climbed by 10-20%, while that of 4-star hotels increased by more than 20%. Ho Chi Minh City, in particular, tops the market, with an average rate of roughly 90 USD/night. Vung Tau was 87 USD/night. Average nightly rentals in Hanoi, Da Nang, Nha Trang, and Phu Quoc were about 70-75 USD/night. Finally, Binh Thuan is 65 USD/night and Can Tho is 53 USD/night.

Part 3: Legal

The new draft Decree will alter and supplement Decree 43/2014, which governs the Land Law; Decree 44/2014, which governs land pricing; Decree 01/2017; and Decree 148/2020, which governs the Land Law.

Issuing pink books with a condotel term

Clause 5 should be included in Article 32 of Decree 43/2014.

For construction works used for tourist accommodation on commercial and service land, if the conditions of the Law on Construction and the Law on Real Estate Business are met, the movable property shall be granted a pink book for commercial and service land use purposes, and the land use term shall not exceed 50-year, according to Clause 3, Article 126 of the Land Law. The term must not exceed 70-year for projects with high investment capital but delayed capital recovery and investment projects in locations with severe or exceptionally tough socioeconomic circumstances.

Furthermore, the proposal modifies and updates Article 72 of Decree 43/2014 on the processes for issuing pink books. The requirements, orders, and

processes the investor in non-residential construction work must follow for the transferee to be awarded a book are clarified.

Regulations regarding the power to issue pink books have been amended.

Each target group's authority is explicitly defined in the draft version. The Representative Office will apply to religious groups and institutions, overseas Vietnamese, international organizations and individuals, and foreign-invested firms to conduct investment initiatives. The land use rights branch office must apply to families, individuals, residential communities, and overseas Vietnamese who are eligible to own residences related to land use rights in Vietnam.

The 5th plenum of the 13th Central Committee issued Resolution No. 18-NQ/TW dated June 16, 2022 on continuing to renovate and perfect institutions and policies, and improve the effectiveness and efficiency of management and use land, creating the impetus to turn our country into a high-income developed country has given many new and strategic perspectives.

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