

MARKET REPORT

Q4 2023

TMS
CONSULTANCY



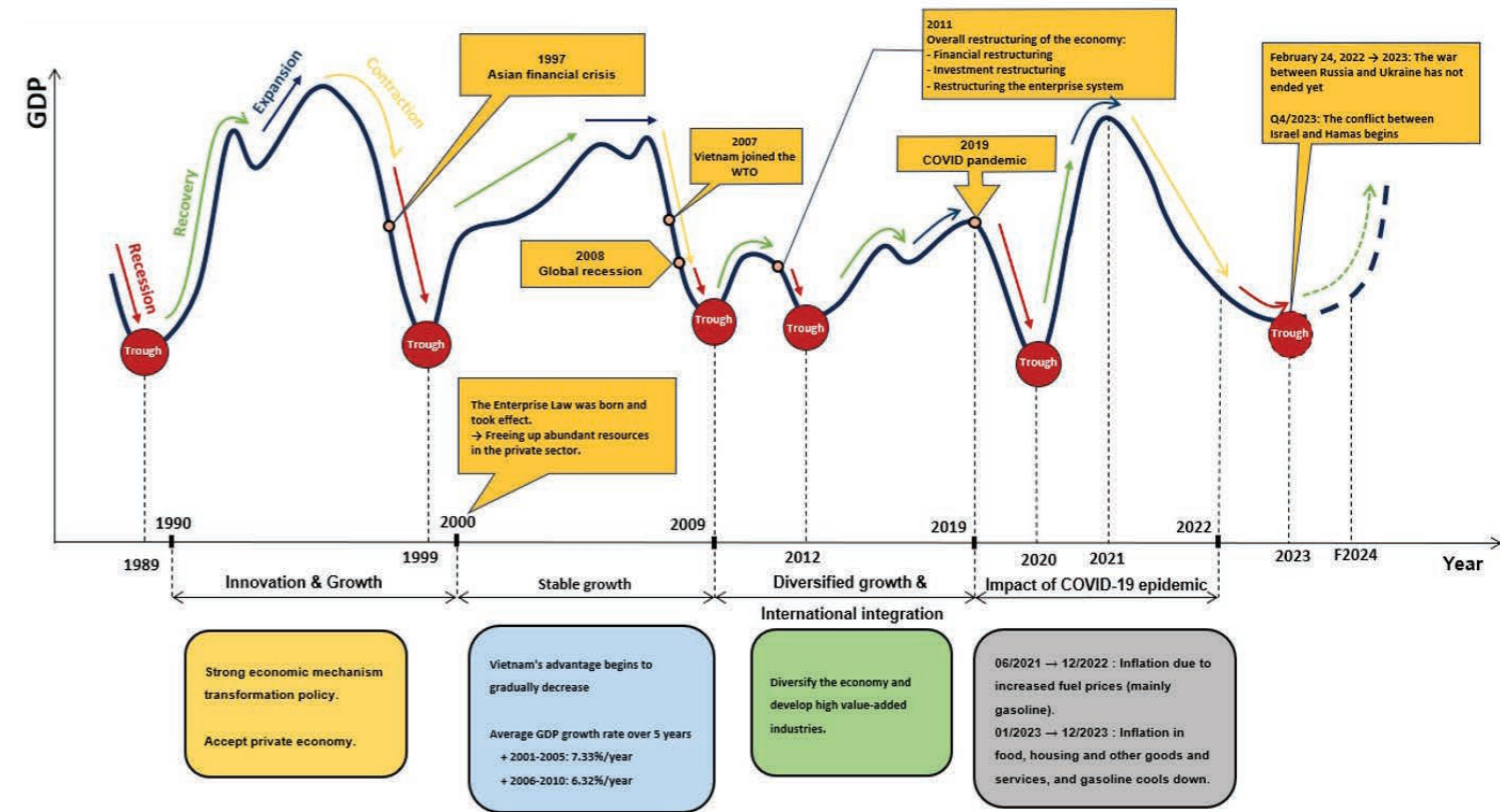
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Executive Summary

VIETNAM'S ECONOMIC TIMELINE



Source: MPI Vietnam & TMS Consultancy, Research

GDP

Vietnam's GDP growth rate was 6.72% YoY in Q4/2023 and 5.05% YoY in 2023, respectively. Although it did not reach the set target, but this is considered a bright spot compared to many countries in the world. TMS Consultancy further anticipates a continued upward trajectory, forecasting that Vietnam's GDP will ascend to 6% by the year 2024. This optimistic outlook reflects resilience and potential for sustained economic development in the coming years.

Exchange Rate

As December 29th, 2023, Vietnam's exchange rate in 2023 increased sharply, reaching 24,270 VND (up 3.21% compared to January 3rd, 2023). After the conflict between Israel and Hamas happened, the USD/VND exchange rate tended to decrease.

CPI

Average CPI in Q4/2023 increased by 3.54% YoY. For the whole year 2023, CPI increased by 3.25% YoY, reaching the target set by the National Assembly. Core inflation increases by 4.16% compared to 2022. Gold price in 2023 increases sharply, reaching a historical peak of 78 million VND/tael (An increase of 12.57% compared to January 2nd, 2023).

Interest Rate

Mobilization interest rates in 2023 are almost "free fall" when banks continuously reduce interest rates according to the State Bank's operating policy. In 2023, there were 4 adjustments to operating interest rates, currently the average deposit interest rate is down 2.5 - 3 percentage points/year compared to the beginning of the year. This is due to a cash shortage in early 2023, causing many banks' interest rates to fall sharply.

FDI

According to the Ministry of Planning and Investment, Vietnam had 934 new projects (+37.15% YoY) with newly-registered capital was about 11.06 billion USD (+107.79% YoY) in Q4/2023. Accumulated in 2023, Vietnam had total 3,188 new projects (+56.58% YoY) with total newly-registered capital was 21.293 billion USD (+71.08% YoY).

Trade Balance

Overall in 2023, exports of goods and services decreased by 2.54% YoY, imports of goods and services decreased by 4.33% YoY. Vietnam's trade surplus in 2023 set a record of 8 consecutive years of peaking, with the surplus in 2023 reaching about 28 billion USD (3 times higher than in 2022).

Part 1 Economic

- > GDP
- > CPI
- > EXCHANGE RATE
- > INTEREST RATE
- > GOLD PRICE INDEX
- > FDI
- > TRADE BALANCE

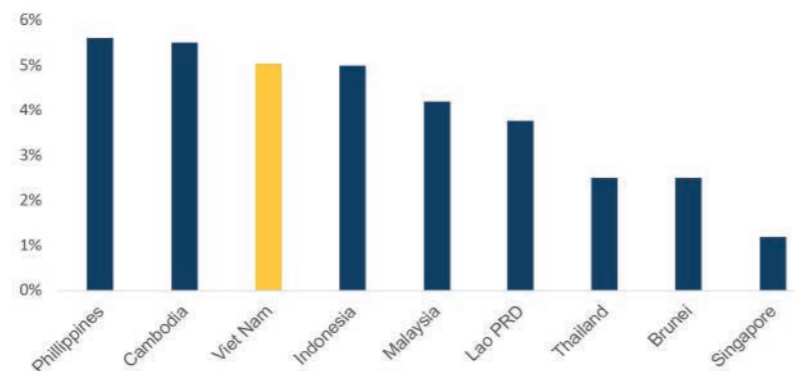
GDP

Global Economy

The world situation continues to be complicated and unpredictable. Furthermore, due to the sluggish recovery of the global economy and the persistently high inflation rate, numerous significant economies continue to implement stringent monetary policies. Besides, the war conflict between Russia and Ukraine has not yet ended, and the Israel-Hamas conflict is taking place at the same time. The aging and decelerating growth of the labor force, combined with the incremental warming of the global climate, have adverse effects on consumer demand and export orders in numerous nations, including Vietnam.

Vietnam is still one of the countries with outstanding economic growth results in Southeast Asia. In Southeast Asia, the Philippines has the leading growth rate in 2023 of about 5.6%. Ranked second is Cambodia with a GDP growth rate of 5.5%. Vietnam ranked third (5.05%); followed by Indonesia (5.0%); Malaysia (3.9%); Laos (3.7%); Thailand (3.4%); Myanmar (3.0%); Brunei (2.5%); Singapore (1.2%). The maintenance of stable inflation, combined with successful foreign economic endeavors, has established a crucial foundation for macroeconomic governance and the stimulation of economic expansion in Southeast Asia.

GDP GROWTH RATE IN SOUTHEAST ASIA 2023



Source: World Bank

Vietnam's Economic Overview

Vietnam's GDP growth rate was 6.72% in Q4/2023 and 5.05% in 2023, respectively. In general, Vietnam's GDP growth rate is on an upward trend, which is a positive sign for the Vietnamese economy although still lower than the government's target of 6.5%.

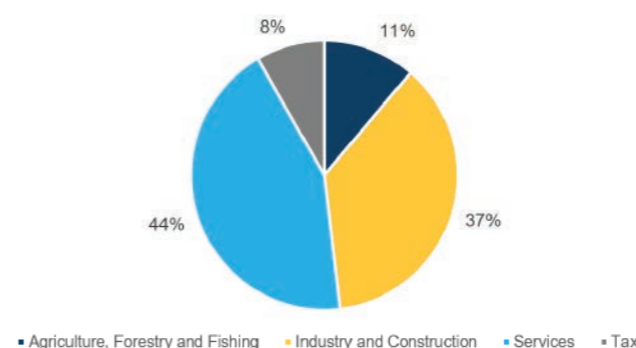
VIETNAM GDP GROWTH RATE BY QUARTER 2018 - 2024F



Source: MPI Vietnam & TMS Consultancy, Research

The agriculture, forestry, and fishery sector contributed to 12% of the total, marking a YoY growth of 4.13%. The industrial and construction sector accounted for 37%, reflecting a substantial YoY growth of 7.35%, while the service sector accounted for a 42% share with a notable YoY growth of 7.29%. Within the industrial and construction sector, challenges abound, particularly amid the global downturn in aggregate demand. The conflict between Israel and Hamas in October, coupled with China's Q4/2023 reopening, has exerted a notable impact on Vietnam's GDP, especially in the industrial domain. The industry faces hurdles in the form of intensified global competition and decreased demand, directly impacting the economy of Vietnam.

VIETNAM GDP STRUCTURE 2023



Source: MPI Vietnam & TMS Consultancy, Research

Reflecting on historical economic downturns in 1989, 2009, and 2012, Vietnam's economic openness was limited due to substantial exports of crude oil and rice. However, in 2023, the economic landscape is vastly different, with Vietnam actively expanding and integrating into the global economy. This increased openness exposes the country to external pressures, notably amidst the escalating trade tensions between the US and China. China's economic slowdown and the potential bankruptcy of numerous businesses in the wake of a complex trade war pose additional challenges to Vietnam's economic stability. Navigating these intricacies will require strategic measures to safeguard against adverse effects on the nation's economic well-being.

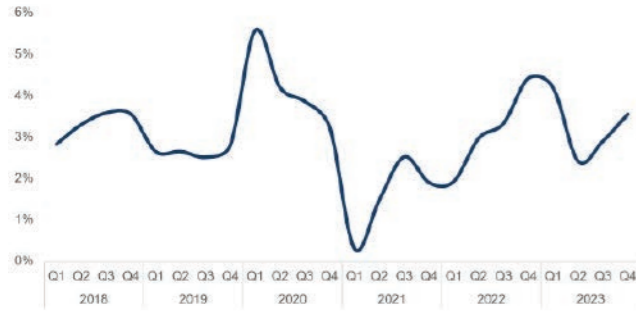
Besides, FDI capital flows continue to flow into Vietnam (investors such as Korea, Japan, China, ...) focusing mainly on the real estate sector. This helps the State Bank increase foreign exchange reserves, ensuring a stable foreign exchange market.

In parallel with attracting FDI, the State Bank is continuously adjusting interest rates to support people and businesses in recovery.

TMS Consultancy predicts a robust 6% YoY growth for Vietnam's GDP in 2024, aligning with the Asian Development Bank's estimate. Notably, VinaCapital expresses confidence in a remarkable 6.5% growth, attributing this optimism to Vietnam's strategic export focus in areas such as apparel and Anise-related products. The nation's resilient economy, coupled with proactive export initiatives, paints a positive picture, indicating a promising trajectory for economic growth in the upcoming year.

CPI

CPI IN VIETNAM | 2018 - 2023



Source: GSO Vietnam

Average CPI in Q4/2023 increased by 3.54% YoY. For the whole year 2023, CPI increased by 3.25% YoY, reaching the target set by the National Assembly. Compared to the same period last year, the growth rate of the CPI in the first months of the year tended to decrease, and from July it tended to increase again. Some reasons for CPI reduction in 2023 are:

The domestic petroleum price index in 2023 decreased by 11.02% compared to 2022 according to world price fluctuations, causing the overall CPI to decrease by 0.4 percentage points, kerosene decreased by 10.02%.

The gas group price index decreased by 6.94% compared to 2022, causing the overall CPI to decrease by 0.1 % point.

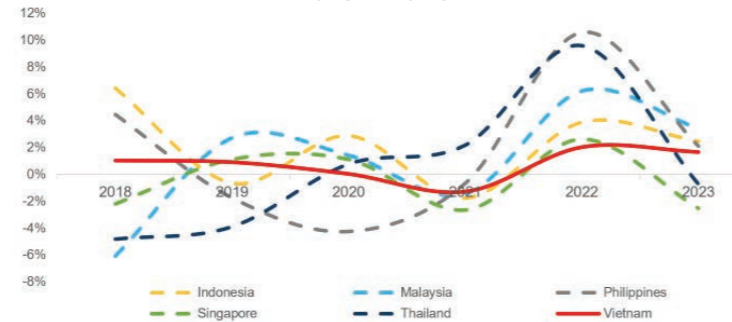
The price index of the postal and telecommunications group decreased by 0.81% compared to the previous year due to the decrease in prices of older generation mobile phones.

Average core inflation in 2023 increases by 4.16% compared to 2022, higher than the general average CPI increase (+3.25% YoY). The main reason is that the average domestic gasoline price in 2023 decreased by 11.02% compared to the previous year (From a decrease of 7.08% in January 2023, it decreased sharply by 31.73% in June 2023, then the decrease gradually decreased and by December gasoline prices increased by 2.03% over the same period last year) is a factor restraining the growth rate of CPI but belongs to the group of goods excluded from the list of basic inflation calculations.

EXCHANGE RATE

Most Southeast Asian countries are affected by COVID-19, with exchange rates falling sharply in 2021 and recovering in 2022 then trending down again in 2023. Compared to other countries, Vietnam's exchange rate from 2018 to 2023 will not fluctuate much, still fluctuating between -2% and 2%.

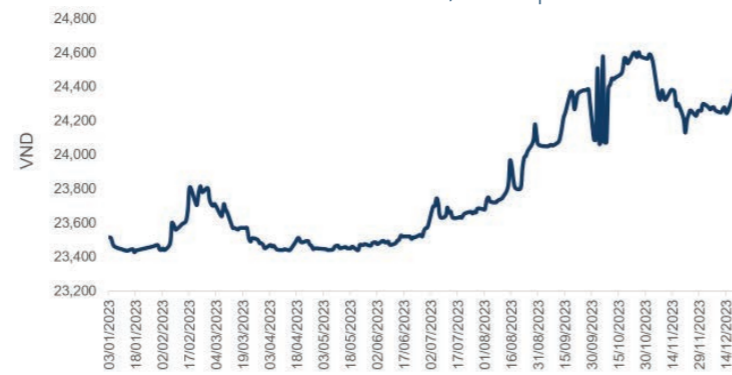
EXCHANGE RATE CHANGES IN SOUTHEAST ASIA 2018 - 2023



Source: World Bank

The exchange rate as of December 29th, 2023 reached 24,270 VND (up 3.21% compared to January 3rd, 2023). After the conflict between Israel and Hamas happened, the USD/VND exchange rate tended to decrease.

EXCHANGE RATE USD/VND | 2023



Source: Investing

INTEREST RATE

In 2023, the State Bank has reduced operating interest rates four times in a row, each time from 0.5 to 2 percentage points/year, in the context of world interest rates continuing to rise. The first reduction on March 15 reduced short-term loan interest rates in VND by 0.5% in some economic sectors and industries; Rediscount interest rates and interbank lending interest rates decreased by 1%. The remaining three times the State Bank reduced the operating interest rate on April 3; May 25 and June 19.

At the end of December, banks simultaneously adjusted to reduce interest rates, bringing interest rates to the lowest ever.

Deposit interest rate table of Vietnamese banks as of December 31st, 2023:

Unit: %/year

Bank	1 month	3 months	6 months	12 months
Vietcombank	2,2	2,7	3,5	4,8
BIDV	3	3,3	4,3	5,3
Agribank	3	3,3	4,3	5,3
Vietinbank	3	3,3	4,3	5,3
Vietnam - Russia Joint Venture Bank (VRB)	4,3	4,3	5,2 - 5,3	5,5
OceanBank	4,3	4,5	5,4	5,7
National Citizen Bank (NCB)	4,25	4,25	5,35	5,7
Bao Viet Bank	4,2	4,45	5,3	5,5
CB Bank	4 - 4,1	4,2	5,2 - 5,3	5,5

Source: TMS Consultancy, Research

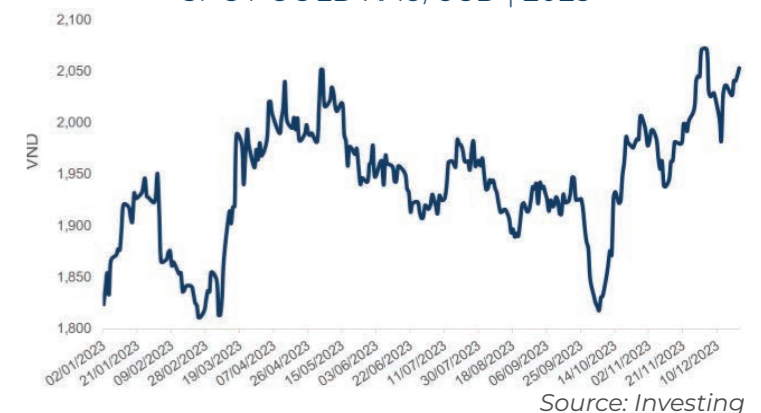
Compared to the COVID-19 period, commercial banks' deposit interest rates for terms over 12 months in 2023 are about 0.5% points lower. The reason is excess system liquidity in the context of weak credit demand.



GOLD PRICE INDEX

Domestic gold prices fluctuate in the same direction as world gold prices. The gold price index in December 2023 increased by 3.98% MoM; increased by 13.13% YoY. In 2023, there was an increase of 4.16% in gold price. Notably, gold price reached a historic peak of 78 million VND/tael in 2023 (an increase of 12.57% compared to January 2nd, 2023).

SPOT GOLD XAU/USD | 2023



Source: Investing



FDI

According to the Ministry of Planning and Investment, Vietnam had 934 newly registered projects (+37.15% YoY) with a new registered capital of 11.06 billion USD (+107.79% YoY) in Q4/2023. For the whole year of 2023, Vietnam had a total number of new projects of 3,188 (+ 56.58% YoY) with a total registered capital of 21,293 billion USD (+ 71.08% YoY).

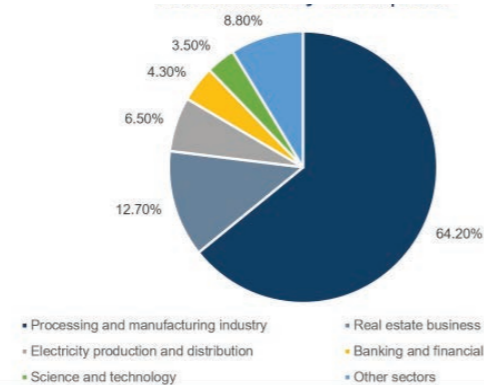
VIETNAM FDI INFLOW | 2018 - 2023



Source: MPI Vietnam

Foreign investors invested in 18/21 national economic sectors. Of which, the processing and manufacturing industry leads with a total investment capital of more than 23.5 billion USD, accounting for 64.2% of total registered investment capital and an increase of 39.9% YoY. The real estate business ranked second with a total investment capital of nearly 4.67 billion USD, accounting for more than 12.7% of total registered investment capital, an increase of 4.8% YoY. Electricity production and distribution industry; the banking and finance sector ranked 3rd and 4th with a total registered capital of more than 2.37 billion USD (up 4.9%) and nearly 1.56 billion USD (27 times).

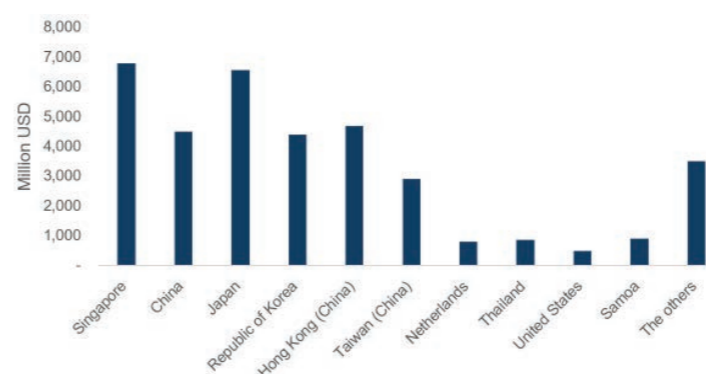
VIETNAM FDI STRUCTURE BY SECTOR | 2023



Source: TMS Consultancy, Research

In 2023, there will be 111 countries and territories investing in Vietnam. Among them, Singapore leads ahead with a total registered investment capital of more than 6.8 billion USD (accounting for 18.6% of total registered investment capital in Vietnam). Japan ranked second with nearly 6.57 billion USD (accounting for 17.9% of total investment capital). The third is Hong Kong with total registered investment capital of more than 4.68 billion USD. Next according to China, Korea, Taiwan, Netherlands, Thailand, US, Samoa.

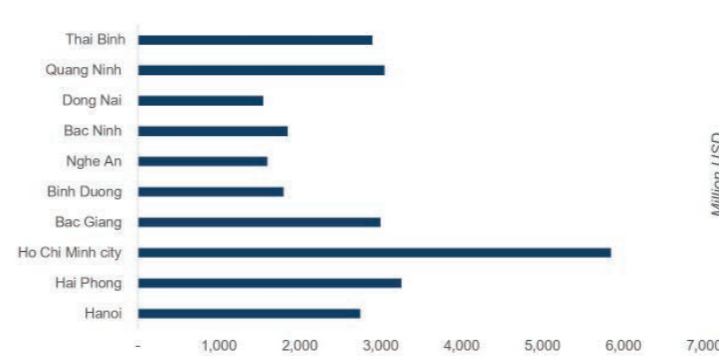
TOP COUNTRIES INVEST FDI TO VIETNAM | 2023



Source: MPI Vietnam

Foreign investors have invested in 56 provinces and cities across the country in 2023. Ho Chi Minh City leads in attracting investment capital with a total registered investment capital of more than 5.85 billion USD, accounting for nearly 16% of total registered investment capital. Hai Phong ranked second with a total registered investment capital of more than 3.26 billion USD, accounting for 8.9% of the total investment capital of the country. Next are Quang Ninh, Bac Giang, Thai Binh, Hanoi, Dong Nai, Nghe An.

TOP VIETNAM CITIES RECEIVE FDI | 2023



Source: MPI Vietnam

TRADE BALANCE

In Q4/2023, total exports reached 101.943 billion USD (+3.42% QoQ and +8.3 YoY), while imports reached 98.238 billion USD (+6.02% QoQ and +7.73% YoY). Cumulatively in 2023, export turnover was 374.114 billion USD (-2.76% YoY). Import turnover reached 356.291 billion USD (-7.74% YoY). The reason is that Vietnam's export market has encountered many difficulties and challenges in recent times:

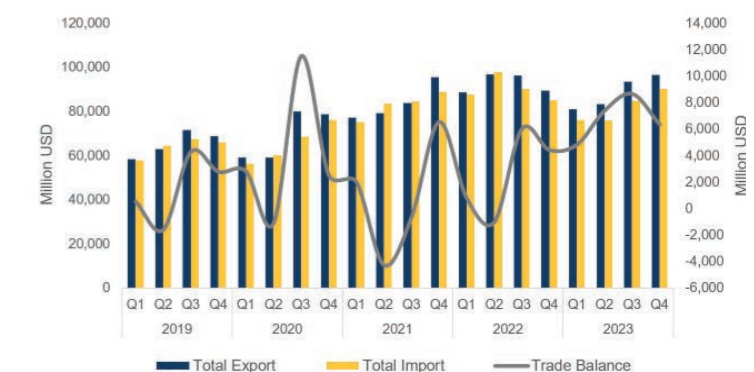
Two key markets (US and EU) - accounting for more than 40% of Vietnam's export turnover - declined and the markets were severely affected. Consumption decreased in main export markets, the export value of the US, Korea, EU and ASEAN decreased by 22%, 10%, 10% and 9% respectively. The US is still Vietnam's top export market, accounting for 30% of total export turnover, second is China and then the EU.

China's opening of its economy has created competitive pressure on Vietnamese exports of the same type.

The world economy is difficult, and China's recovery is slow, causing export demand to weaken and industrial production to decline.

Currently, Vietnam's largest export item to the US is no longer just textiles and garments but also high-tech products. Currently, Vietnam ranks 4th (after China, Taiwan, and Germany) in terms of its potential to become an exporter of high-tech goods.

VIETNAM TRADE BALANCE OF GOODS 2019 - 2023

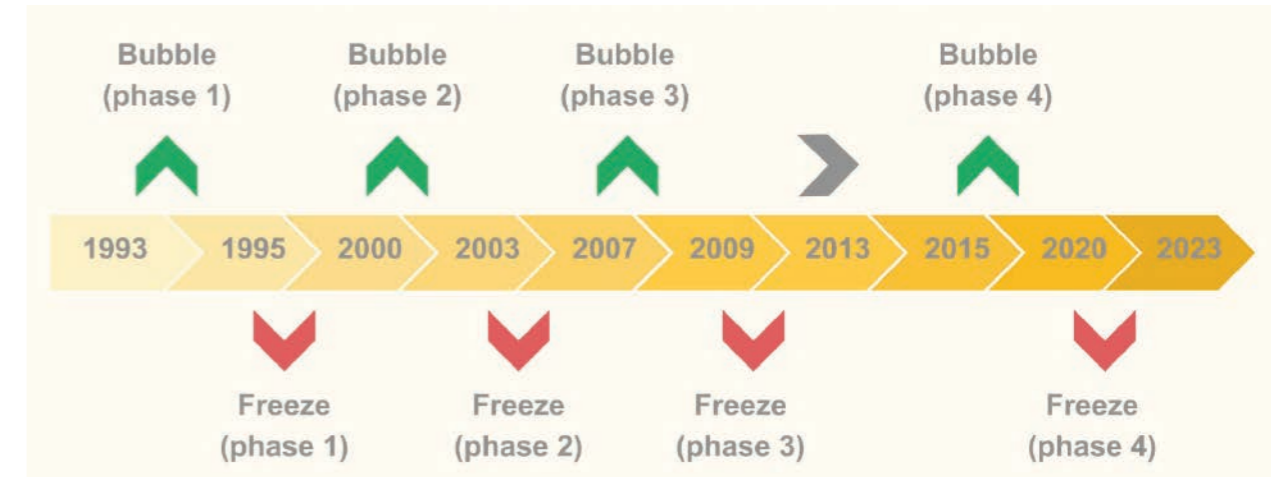


Source: GSO Vietnam

Part 2: Real Estate



VIETNAM REAL ESTATE PERFORMANCE IN 30 YEARS



Source: TMS Consultancy, Research

- ◆ **Revised law on real estate adopted:** Significant changes occurred in Vietnam's real estate landscape in 2023, owing to crucial legislative revisions and strategic actions. The revision of key regulations such as the Housing Law, Real Estate Business Law, and Land Law emerged as a critical factor influencing the real estate market. While the updated Housing Law and Real Estate Business Law have already been approved, the Land Law is still awaiting approval in the forthcoming National Assembly session in 2024.
- ◆ **Removing difficulties for the real estate market:** On February 17th, 2023, the Prime Minister suggested relieving problems and revitalizing the real estate sector. Following that, a number of policies were enacted, including Decree No. 08/ND-CP on corporate bonds, Resolution No. 33/NQ-CP outlining real estate market solutions, Official Letter No. 178/TTG-CN encouraging market growth, Decision No. 338 mandating the construction of at least 1 million social housing units, and Decree No. 10/ND-CP providing guidance on the Land Law with supplementary regulations for granting ownership rights to hospitality real estate.
- ◆ **Public investment to offer backbone for infrastructure:** Simultaneously, public investment emerged as a critical driver in fortifying infrastructure. Public investment had reached about 65.1% of the Prime Minister's assigned target by November 2023, representing a 6.77% increase over the same month in 2022. Moreover, Ring Road 3 in Ho Chi Minh City, Ring Road 4 in Ha Noi, Can Gio Bridge, My Thuan 2 Bridge, My Thuan - Can Tho Expressway, Nha Trang - Cam Lam Expressway, and the second phase of Vinh Tuy Bridge are among the notable projects contributing to this surge.
- ◆ **The changing face of real estate credit:** According to the State Bank of Vietnam, as of September 30, 2023, the total real estate credit reached 2.74 quadrillion VND, an increase of 6.04% compared to December 31st, 2022, accounting for 21.46% of the total. The State Bank reduced the operating interest rate 4 times, which impacted on the real estate.

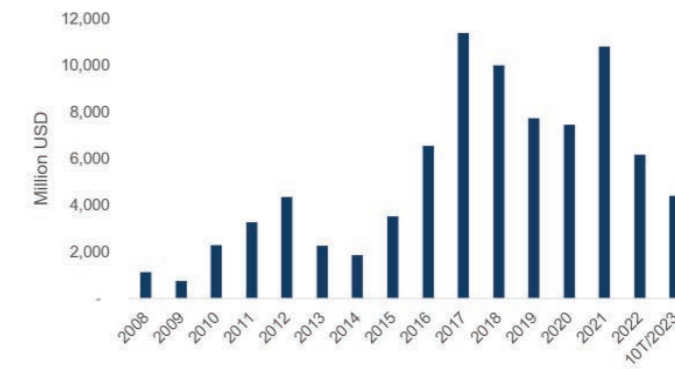


- ◆ **A gradual recovery in M&A:** During the first 10 months of 2023, the total value of declared M&A deals was 4.3 billion USD, even though there were only 51 transactions, a higher amount than in 2022.
- ◆ Some outstanding M&A deals in 2023 below as:

M&A Deals	Total Value
Hong Kong's Everland Opportunities IX acquired 2 ibis Saigon South and Capri by Fraser hotels in District 7, Ho Chi Minh City city from Thailand's Strategic Hospitality Holdings Limited	106 million USD
Gamuda Land (Malaysia) acquired a 3.7 ha project in Thu Duc city of Tam Luc JSC	320 million USD
ESR Group acquired an 11% equity stake in its Vietnam partner BW Industrial	208 million USD
Malaysia's SkyWorld Development Berhad acquired 2,060 sqm of land in district 8, Ho Chi Minh City city from Thuan Thanh JSC	14.3 million USD
Vietnam's Saigonres Group acquired 90% share of Duc Nhi JSC to own a 7,700 sqm plot in Tan Phu district, Ho Chi Minh City City	N/A
Singapore's Keppel Land acquired a 49% stake in 2 residential projects in Thu Duc City	138 million USD
Singapore's Keppel Land acquired a 65% stake in a local company to open a shopping mall in Hanoi in 2025	50 million USD
Vietnam's First Real Land JSC purchased 22% of the charter capital shares of Bach Dang Trading and Service JSC, the owner of a 6,879 sqm plot in Da Nang	8.2 million USD

Source: TMS Consultancy, Research

M&A ACTIVITIES IN VIETNAM | 2008 - 10T/2023



Source: VIR, Capital IQ

- ◆ **Difficulties in the real estate market to last until late 2024:** Despite issues such as low liquidity and lower selling prices, the real estate industry showed signs of resiliency in the second half of 2023. According to the Vietnam Association of Realtors (VARs), the first half of the year had sluggish real estate liquidity, but a noticeable improvement developed toward the conclusion of the year.
- ◆ **The struggles of real estate enterprises:** The difficulties faced by real estate businesses were obvious, leading to the exit of a number of firms from the market. According to the General Statistics Office, 1,286 real estate businesses are expected to quit the industry by 2023. The financial crisis has led some enterprises to close temporarily, while major players are undertaking structural changes such as the dissolution of subsidiaries and workforce reductions.
- ◆ **Effect of bonding pressure:** To compound the industry's troubles, real estate businesses faced significant bonding pressure in 2023, with around 119,000 billion VND in bonds. This financial burden constituted a difficult barrier for real estate-related firms.

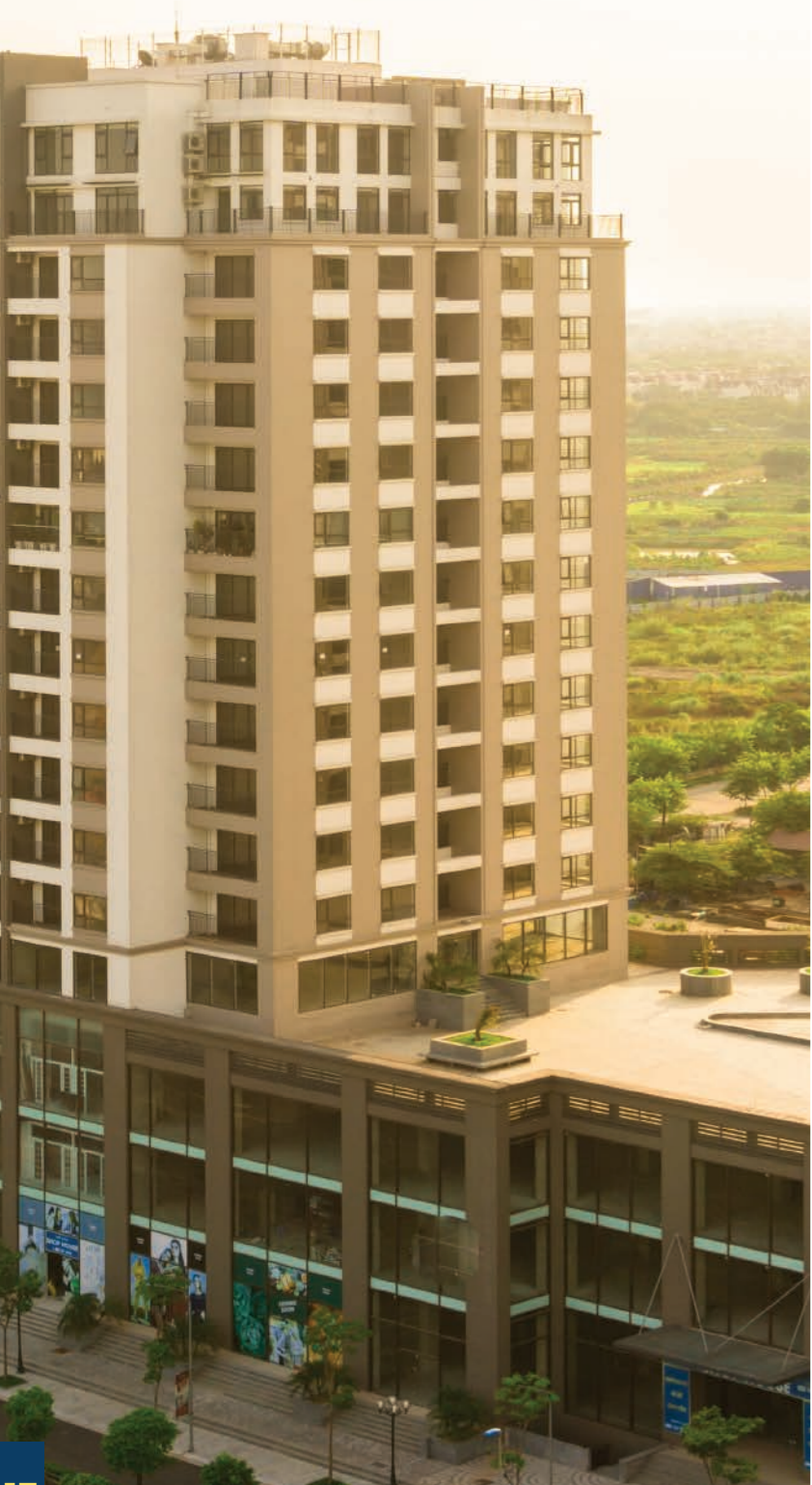
Despite these barriers, the general market picture will have been improving. Vietnam's real estate market is ready for recovery as fresh supplies enter the market and the expected resurgence at the end of 2024..

The performance of real estate sectors included apartment, office, retail and hotel in Q4/2023 is shown below:

No	Item	City	Change	
1	Apartment	HCMC	↓ 1.6% QoQ	↓ 2.6% YoY
		Hanoi	↑ 1.2% QoQ	↑ 1.7% YoY
		Da Nang	↓ 1% QoQ	↓ 1.4% YoY
2	Office	HCMC	↑ 1% QoQ	↑ 1.1% YoY
		Hanoi	↑ 1.8% QoQ	↑ 2% YoY
		Da Nang	↓ 1% QoQ	↑ 1.3% YoY
3	Retail	HCMC	↑ 1.2% QoQ	↓ 4.0% YoY
		Hanoi	↑ 1% QoQ	↑ 2.9% YoY

Source: TMS Consultancy, Research

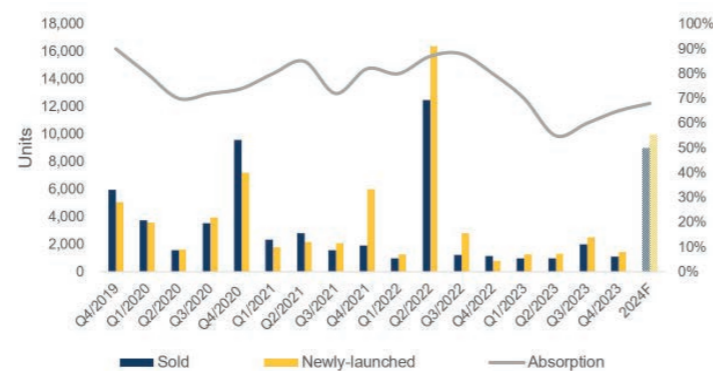
APARTMENT



Supply & Demand

In Q4/2023, Ho Chi Minh City's market had 1 new project and 8 next-phase projects for sale, with nearly 1,500 units launched to the market, mainly in high-end and mid-end. The Western area was leading in the amount of Ho Chi Minh City's supply, with The Privia Khang Dien and Akari City 2 in Binh Tan district. Moreover, Grand Marina Saigon (Lake Tower) in District 1, Delasol (A & C blocks) in District 4, Lumière Riverside in Thu Duc City, and Masteri Centre Point in Thu Duc City, were handed over by the end of 2023.

HCMC APARTMENT SUPPLY | Q4 2023



Source: TMS Consultancy, Research

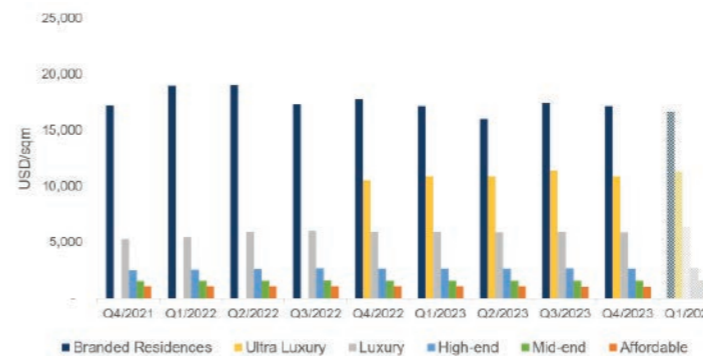
Looking ahead to 2024, the new supply of apartments is expected to reach over 10,000 units thanks to removing difficulties in real estate, supporting interest rate and developers' incentives. Particularly, Eaton Park (Thu Duc City) – Gamuda Land, The Global City (Thu Duc City) – Masterise Homes will be launched in the first half of 2024.

Market Performance

The current trend in Ho Chi Minh City's real estate market shows a significant fall in the average asking price for apartments, which is currently sitting around 2,890 USD/sqm, representing a 2.6% YoY decrease. Secondary prices dropped sharply about 10-20% and some projects are for sale at their original price. The reason is that interest rates are still high, the estate market is difficult and consumers' behavior. Recently, Khang Dien Group had just launched The Privia (Binh Tan District) in the high-end segment with nearly 2,000 USD/sqm.

Ho Chi Minh City

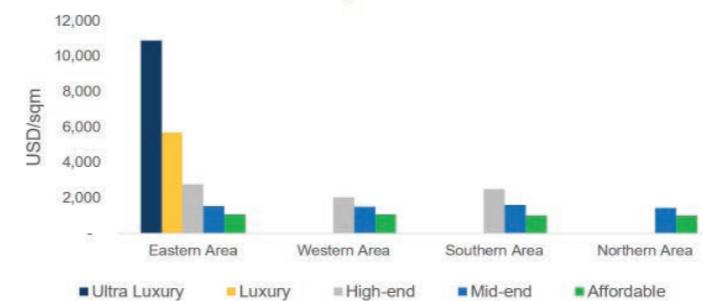
HCMC APARTMENT AVERAGE ASKING PRICE Q4 2023



Source: TMS Consultancy, Research

In general, the overall average asking price has decreased by 2-5% across all segments, excluding the exclusive domains of branded houses and ultra-luxury sectors. This price change highlights the nuances of the real estate business in Ho Chi Minh City, exhibiting a responsive approach to market conditions and consumer preferences.

HCMC APARTMENT ASKING PRICE BY AREA Q4 2023



Source: TMS Consultancy, Research

Overall, the Eastern area has been still leading in Ho Chi Minh City market with over 3,500 USD/sqm, increased by 3% YoY. The Southern area had 1,580 USD/sqm, decreased by 1% YoY. The Northern and Western areas had average asking prices to range from 1,000 to 1,100 USD/sqm.

According to TMS Consultancy, the outlook for the Ho Chi Minh City apartment market indicates a potential upswing at the end of 2024. Based on our collected data, asking price increases of 2% to 5% are likely. This forecast takes into account market changes and upcoming policy and lawmaking.

Future Supply

Notable upcoming apartment projects in Ho Chi Minh City as below:



Source: TMS Consultancy, Research

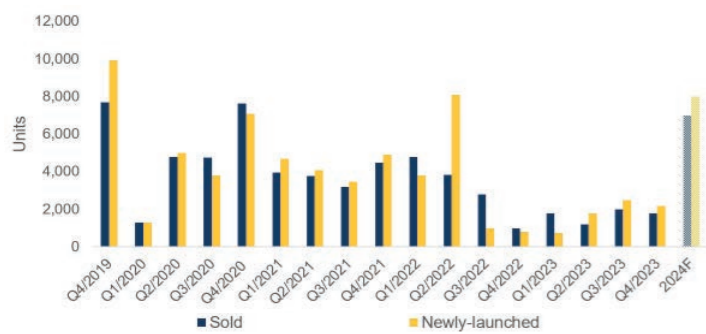
APARTMENT

Hanoi

Supply & Demand

In Q4/2023, the real estate market in Hanoi launched approximately 2,200 units, mainly in high-end segment. The Western area was leading in the amount of Hanoi supply, with The Canopy Residences, Lumière Evergreen and The Sakura located in Vinhomes Smart City (Nam Tu Liem district). Moreover, some projects are handed over at the end of 2023 such as Masteri Waterfront (Gia Lam district) and Masteri West Heights (Nam Tu Liem district).

HANOI APARTMENT SUPPLY | Q4 2023



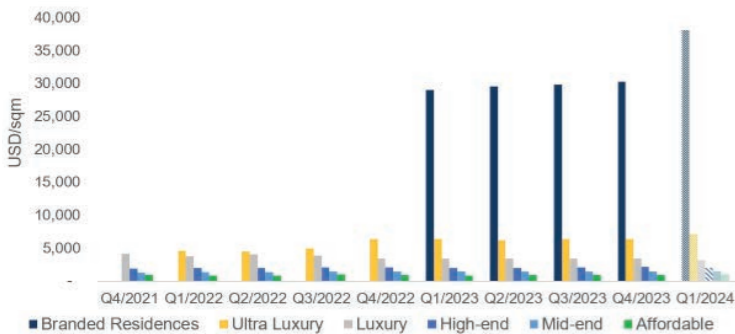
Source: TMS Consultancy, Research

In 2024, the new supply of apartments is expected to reach over 8,000 units thanks to increasing consumers' demand, supporting interest rate and developers' incentives. Particularly, Lumi Hanoi (Nam Tu Liem district) – Capital Land will be launched in Q1/2024.

Market Performance

The average asking price in Hanoi reached 2,298 USD/sqm, up to 1.7% YoY. Meanwhile, The Grand Hanoi belongs to branded residences had the highest price with over 30,000 USD/sqm. The luxury segment was 3,500 USD/sqm, up to 2.6% YoY, the high-end segment was 2,190 USD/sqm, up to 1.4% YoY and the mid-end segment was 1,510 USD/sqm, up to 1% YoY. In contrast, the affordable segment recorded decline of 6%, with 960 USD/sqm.

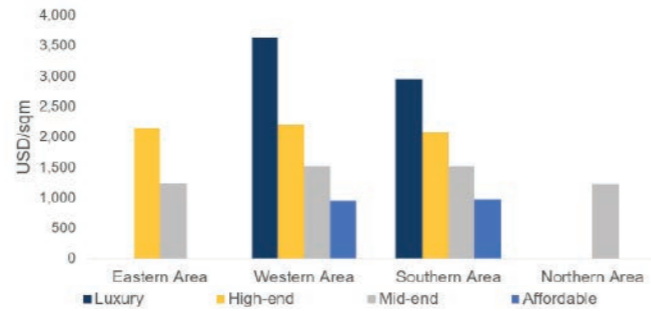
HANOI APARTMENT AVERAGE ASKING PRICE | Q4 2023



Source: TMS Consultancy, Research

The Western has been leading in Hanoi's apartment market in 2023. It reached 2,085 USD/sqm, up to 2% YoY. The Southern and Eastern areas had average asking price ranging from 1,600 to 1,800 USD/sqm, whereas the Northern area recorded notably more affordable prices, falling below the 1,200 USD/sqm.

HANOI APARTMENT AVERAGE ASKING PRICE BY AREA | Q4 2023

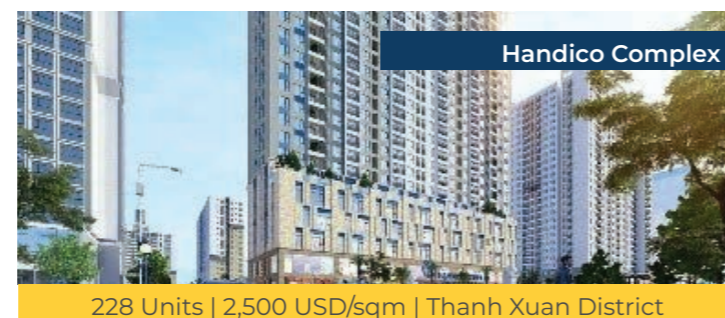


Source: TMS Consultancy, Research

In the coming time, our TMS Consultancy forecast that Hanoi's apartment had an impending upward trend, with the potential for a slight increase of approximately 3-4% in Western area. Moreover, the completion of Vinh Tuy bridge – phase 2 in Q3/2023 and Duong bridge in 2025 will support future supply and sales.

Future Supply

Notably, some upcoming projects in Hanoi as below:



Source: TMS Consultancy, Research

Supply & Demand

Sun Cosmo Residences launched more than 150 units to Da Nang's apartment market in Q4/2023. Despite a relatively low new supply of over 800 units in the preceding 11 months of 2023, indicating a modest 2.1% YoY increase, this subdued growth can be attributed to developers using various incentives to entice customers, as well as changes in mortgage rates and evolving consumer purchasing behavior.

DA NANG APARTMENT SUPPLY | Q4 2023



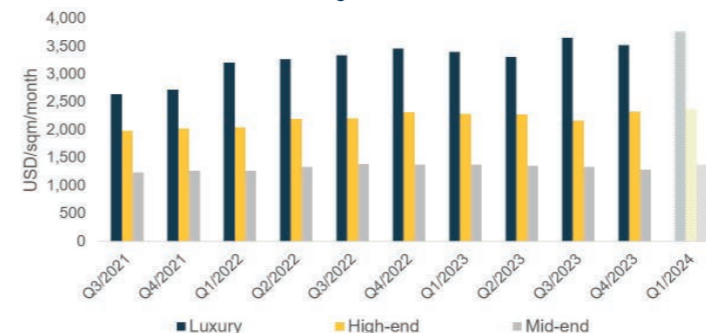
Source: TMS Consultancy, Research

Looking ahead to 2024, the new supply of apartments is expected to reach over 1,400 units in Hai Chau and Ngu Hanh Son districts.

Market Performance

The average asking price for apartments was approximately 2,380 USD/sqm, decreased by 1.4% YoY. The luxury segment was around 3,520 USD/sqm, increased by 1.6% YoY and the high-end segment reached from 2,000 to 2,300 USD/sqm, up to 1% YoY. In contrast, the mid-end segment faced a downward trend, averaging 1,290 USD/sqm, decreased 6% YoY. These indicators reveal the varying dynamics within different segments, emphasizing the luxury segment's rise, high-end segment's resilience and mid-end segment's pressure.

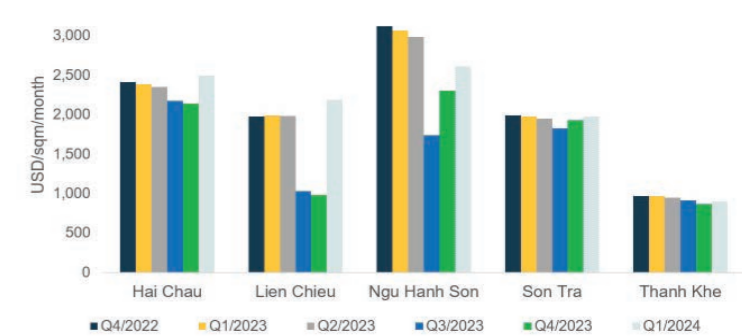
DA NANG APARTMENT AVERAGE ASKING PRICE Q4 2023



Source: TMS Consultancy, Research

Da Nang

DA NANG APARTMENT AVERAGE ASKING PRICE BY DISTRICT | Q4 2023



Source: TMS Consultancy, Research

The Da Nang apartment market's average asking prices vary significantly among districts, displaying a diversified pricing landscape. Ngu Hanh Son district leads with an average asking price of 2,600 USD/sqm, closely followed by the Hai Chau and Son Tra districts, both of which exceed 2,000 USD/sqm. Moreover, Lien Chieu, Cam Le, and Thanh Khe districts provide more affordable options, with prices ranging from 900 to 1,000 USD/sqm.

In the future, TMS Consultancy's forecast for the condominium segment in Da Nang's market hints at a slight increase of about 1-2% by the end of 2024. The reasons is for that removing in real estate, the increase in prices of construction material and labor cost.

Future Supply

Notably, some upcoming projects in Da Nang as below:



Source: TMS Consultancy, Research

OFFICE



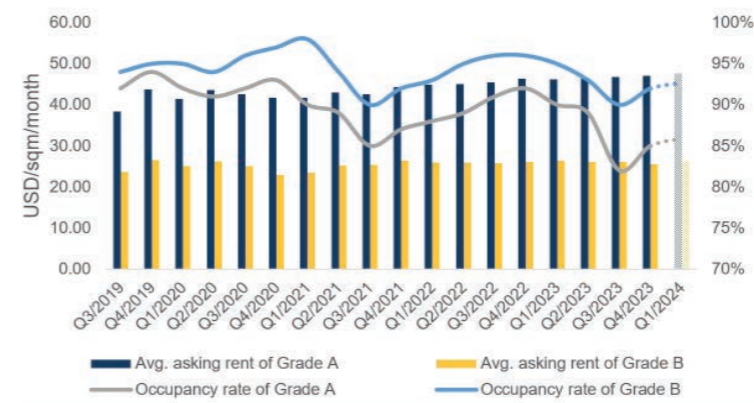
Ho Chi Minh City

The supply of office space in Ho Chi Minh City increased by 4% YoY in Q4/2023, reaching 2.7 million sqm NLA, with the entry of 2 outstanding projects with over 60,000 sqm NLA in Grade A. Notably, The Nexus and VP Bank Tower dominated the Central Business District (CBD), contributing about 90% of the new supply.

Future Supply

By 2026, over 300,000 sqm NLA will be launched to the market in Ho Chi Minh City, the CBD will continue to dominate with 70% share. Future supply is on-track with 90% under construction or completing. Moreover, the demand for green workplaces is expected to increase and over 80% of future supply will have green certificates.

HCMC OFFICE MARKET PERFORMANCE | Q4 2023



Source: TMS Consultancy, Research

The average rental price for Grade A reached 47.15 USD/sqm/month, up to 1.8% YoY and the occupancy rate was 85%. The Nexus had asking rents ranging from 60 to 65 USD/sqm/month, whereas VPBank Tower had prices ranging from 50 to 55 USD/sqm/month. Rental price for Grade B reached 25.5 USD/sqm/month, decreased by 1.8% YoY and the occupancy rate was 92%.

TMS Consultancy predicts that the average asking rent for office space in Ho Chi Minh City would continue to rise by 2-3% in the coming year. This upward trend will be matched by a predicted increase in overall occupancy to about 90%, demonstrating a durable and bright prognosis for the city's commercial real estate sector. Notably, this development is expected to contribute to a reducing gap between Grade A office clusters, thanks to improvements in non-CBD buildings.

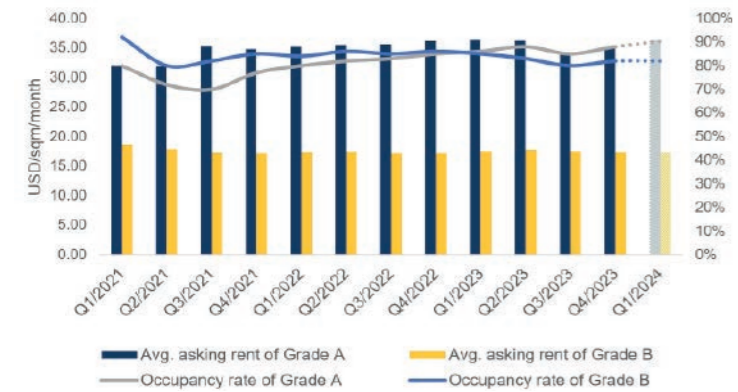


Source: TMS Consultancy, Research

Hanoi

In Q4/2023, the stock of office space in Hanoi increased by 2% YoY, reaching 2.2 million sqm NLA, after the entry of Lotte Mall West Lake Hanoi, which contributed over 20,000 sqm NLA. With an occupancy rate of 88%, the Grade A recorded an average rental price of 34.8 USD/sqm/month, a 3% YoY decline. The average asking rent for Grand Terra was 38 USD/sqm/month, whereas Taisei Square Hanoi was 23 USD/sqm/month. Rental price for Grade B reached 17.4 USD/sqm/month, increased by 1.2% YoY and the occupancy rate was 82%.

HANOI OFFICE MARKET PERFORMANCE | Q4 2023



Source: TMS Consultancy, Research

TMS Consultancy anticipates an additional 1-2% increase in the average rental price for office premises in the future period. This estimate is mostly due to rising construction and labor expenses, which are putting increasing pressure on rental rates. This expectation points to a dynamic and evolving landscape in Hanoi's office real estate market, with market forces dictating future trends.

Future Supply

By 2026, more than 250,000 sqm from 13 projects will enter to the market. Grade A will have a 70% share of future supply.

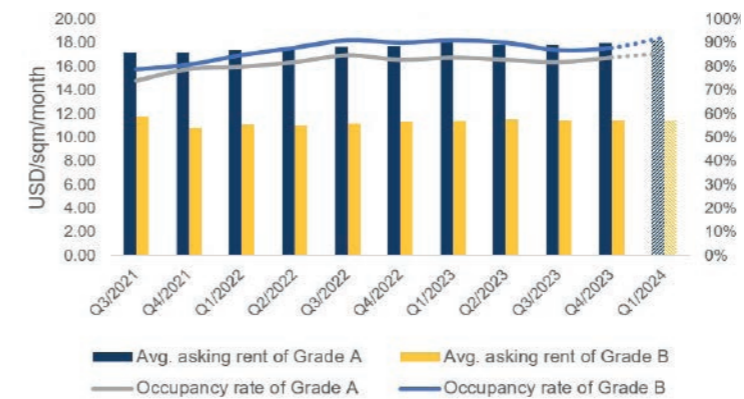


Source: TMS Consultancy, Research

Da Nang

In Q4/2023, the office market in Da Nang exhibited encouraging signs of vitality as business activities began to regain momentum. While Da Nang's growth may not be as robust as that witnessed in major metropolitan centers like Ho Chi Minh City and Hanoi, the slight increase in net absorption reflects a notable uptick in demand for office spaces.

DA NANG OFFICE MARKET PERFORMANCE Q4 2023



Source: TMS Consultancy, Research

Da Nang's office market showed rental pricing and occupancy trend at the end of 2023. The average rental price for Grade A office was 18 USD/sqm/month, up 1.1% YoY. Grade A buildings had an 84% occupancy rate. Grade B office buildings saw a 1% YoY increase in rental price to 11.5 USD/sqm/month. Impressively, Grade B buildings have 88% occupancy.

TMS Consultancy expects Da Nang office rents to rise 1-2% in 2024. The developing market dynamics and sector growth trajectory are included in this estimate. As office space demand in Da Nang changes, landlords may be able to proactively adjust rental pricing to stay competitive and recruit tenants.

Future Supply

By 2025, more than 30,000 sqm from 13 projects will enter to the market in Da Nang.



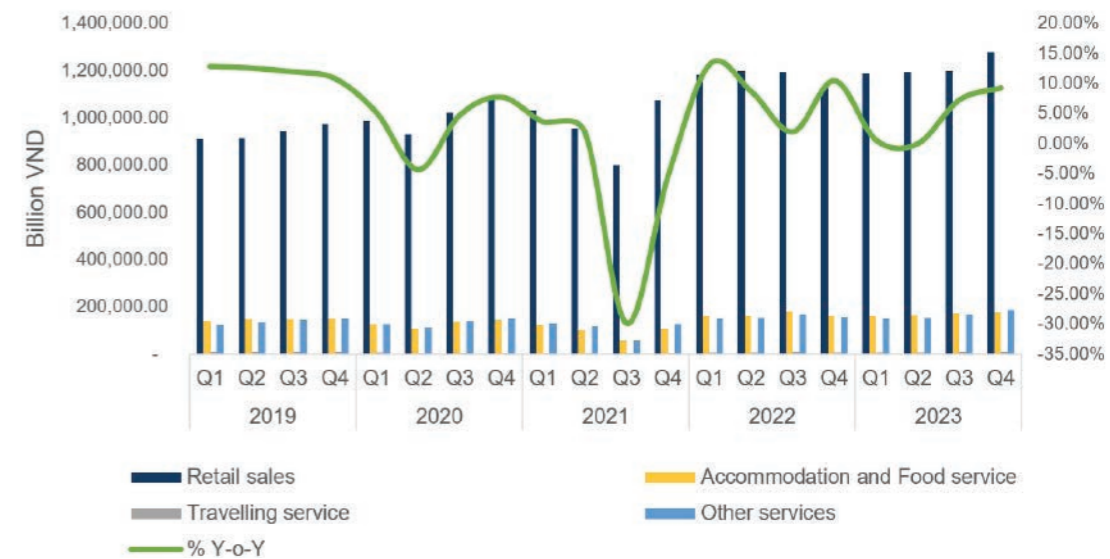
Source: TMS Consultancy, Research

RETAIL



According to the General Statistics Office of Vietnam (GSO), Vietnam's total retail sales of consumer goods and services in 2023 has been estimated at over 6.2 quadrillion VND (259.6 billion USD), up 9.6% YoY. Revenue from the retail sale of goods was estimated at more than 4.85 quadrillion VND (202 billion USD), accounting for 78% of total earnings from goods and services and up 8.6%. Localities posting increases in the retail sales of goods included Quang Ninh 12.2%, Binh Duong 11.4%, Hai Phong city 10.4%, Dong Nai 9.1%, Ho Chi Minh City 7.8%, Hanoi 7.1% and Da Nang 5.9%.

VIETNAM RETAIL SALES OF GOODS AND SERVICES | 2019 - 2023



Source: GSO Vietnam

RETAIL

Ho Chi Minh City

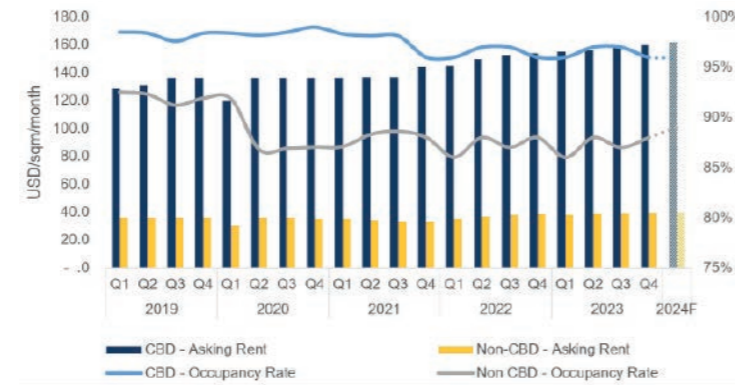
In Q4/2023, stock of 1.8 million sqm NLA, up to 2% YoY. The non - CBD had a 90% share of stock. Meanwhile, Emart Go Vap has entered to the market, with over 11,000 sqm NLA.

With the introduction of more than 80,000 sqm NLA from key projects such as Vincom Mega Mall Grand Park in Thu Duc City, Vivo City in District 7, and the renovation initiatives of Vincom 3/2 in District 10, the landscape is set to evolve by 2024, with all poised to revitalize their retail cycles through strategic tenant mix adjustments.

Moving on to the retail rental market in Ho Chi Minh City, the average rent in the CBD reached 160 USD/sqm/month, with a notable 4% YoY increase. The non-CBD area saw significant growth, with an average rent of 40 USD/sqm/month, reflecting an approximate 2%YoY increase.

Both CBD and non-CBD regions had impressive occupancy rates of 95% and 85%, respectively. This positive market performance underscores the city's status as a thriving business hub, attracting local and international companies.

HCMC RETAIL MARKET PERFORMANCE | 2019 - 2024F



Source: TMS Consultancy, Research

Hanoi

The stock of over 1.6 million sqm NLA increased by 4% YoY with the entry of Lotte Mall West Lake Hanoi with 72,000 sqm NLA.

Three future developments, Grand Terra, The LinC, and Ha Jardin, are scheduled to contribute approximately 20,000 sqm NLA to the market by the end of 2024. Shopping centers are expected to provide for 60% share, with retail podiums accounting for the remaining 40%.

The average rental price in Hanoi's central business district (CBD) reached 116 USD/sqm/month, representing a 4% YoY increase. The occupancy rate in this premium region was an amazing 90%. Non-CBD areas, on the other hand, saw an average rental price of 27 USD/sqm/month, representing a 1.9% YoY rise, with a solid 85% occupancy rate. These numbers depict the dynamic

dynamics of Hanoi's commercial real estate market, emphasizing both the liveliness of the CBD and the resilience of non-CBD districts in satisfying the needs of businesses and tenants.

HANOI RETAIL MARKET PERFORMANCE | 2019 - 2024F



Source: TMS Consultancy, Research

Future Supply

In 2024, there are over 70,000 sqm NLA in Hanoi and over 80,000 sqm NLA in Ho Chi Minh City city, entering to retail market.

No.	Project Name	Location	NLA (sqm)	Year of completion
Ho Chi Minh City				
1	Vincom Megamall Grand Park	Thu Duc City	42,000	2024
2	Vincom 3/2	District 10	2,000	2024
3	Sun Tower	District 1	20,000	2024 - 2025
Hanoi				
4	Han Jardin	Bac Tu Liem	34,000	2024
5	The LinC	Ha Dong	19,000	2024
6	Grand Terra	Dong Da	20,000	2024

Source: TMS Consultancy, Research



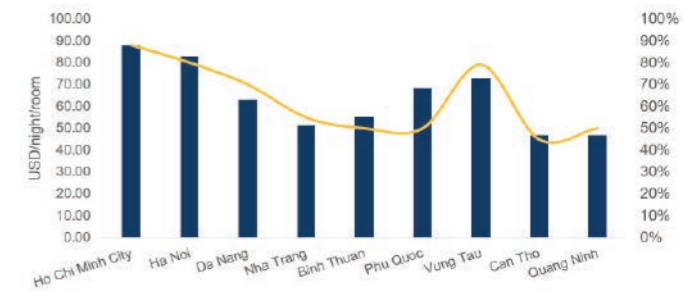
HOTEL



In Q4/2023, many provinces in Vietnam witnessed increases in hotel rental price, with ranging from 1% to 4% QoQ and from 3% to 7% YoY. Notably, in Ho Chi Minh City, the country's premier destination, the average hotel rental price increased by 6% YoY to 89 USD/room/night. The city also had a high occupancy rate of more than 85%, highlighting its status as a booming powerhouse for the hospitality industry. Similarly, the average rental rate in Hanoi reached roughly 83 USD/room/night, a 5% YoY rise supported by an amazing 80% occupancy rate. Provinces and tourist cities such as Da Nang, Nha Trang, Binh Thuan, Phu Quoc, and Vung Tau all recorded YoY increases in hotel rents of approximately 3% to 7%, with occupancy rates comfortably exceeding 60%.

In 2023, Vietnam's domestic tourist arrivals reached 108.5 million visitors, up to 6,8% YoY. Besides, the number of international visitors to Vietnam reached 12.6 million, increased by 245% YoY. Moreover, travel revenue is estimated to reach 678.3 trillion VND, up 4.3% YoY. The cause for this is an increase in tourism demand as a result of the Covid-19 pandemic's long-term impact. Furthermore, local governments have been actively adopting various measures throughout the year to stimulate tourism demand.

HOTEL MARKET PERFORMANCE IN SOME CITIES | Q4 2023



Source: TMS Consultancy, Research

VIETNAM TOURSİM BY QUARTER | 2019 - 2023



Source: GSO Vietnam

Among the countries coming to Vietnam, South Korea continues to be the country with the largest number of tourists coming to Vietnam, estimated at 3.6 million visitors, accounted for 28% share. Next is China with 1.7 million visitors. Followed by Taiwan (China) and the US with 710 thousand visitors and 590 thousand visitors.

According to our TMS Consultancy, hotel rental prices are predicted to continue rising, with 3% to 7% rises forecast in 2024. This projection coincides with an expansion in the supply of hotel rooms in various provinces. In Ho Chi Minh City, for instance, more than 2,500 rooms from renowned brands like Fusion, Hilton, and InterContinental are slated to be added by the end of 2024. Looking ahead, Hanoi is poised to welcome approximately 2,400 rooms to the market by 2025, while Da Nang is gearing up for a substantial influx of over 7,500 rooms.

Part 3: Legal

On November 27-28, the National Assembly passed the draft Housing Law and Real Estate Business Law and will take effect from January 1, 2025. Some new points in the Housing Law and Real Estate Business Law are as follows:

HOUSING LAW

- ◆ There is no regulation on the duration of apartment ownership;
- ◆ The Vietnam General Confederation of Labor is the governing body of the investment project to build social housing for workers and tenants;
- ◆ Removing citizenship requirements for social housing buyers, this is consistent with the reality of moving and attracting workforce between regions and localities;
- ◆ Issuing books to qualified mini apartment buyers;
- ◆ Stipulating a preferential mechanism for implementing investment projects to renovate and rebuild apartment buildings, including a preferential mechanism for exemption of land use fees and land rent for the area;

REAL ESTATE BUSINESS LAW

- ◆ The investor of a real estate project is only allowed to collect a deposit of no more than 5% of the sale price;
- ◆ Landowners will not be permitted to divide their land areas into many land plots and sell to others in special level and Class 1-3 Urban;
- ◆ Before launching future real estate projects, investors are required to complete financial obligations related to land;
- ◆ Customers have the full right to choose a guarantee for obligation performance;
- ◆ Individuals doing small-scale real estate business do not have to establish a company;
- ◆ Legalize regulations on buying and selling hospitality real estate. Accordingly, the concept of condotel is no longer in the Real Estate Business Law, only construction floors with functions serving tourism and accommodation;



Note: The property market research contained is verified to the best of TMS Consultancy's abilities. TMS Consultancy reports reflect an overview of the current property market and are indicative research only. TMS Consultancy does not guarantee the accuracy of research and forecasts contained herein. TMS Consultancy does not accept any responsibility for losses arising from reliance on the research and forecasting. TMS Consultancy recommends that the reader obtain a detailed market study of the specific sector of interest should a deeper understanding of the market be required.

MARKET REPORT

Q4 | 2023

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