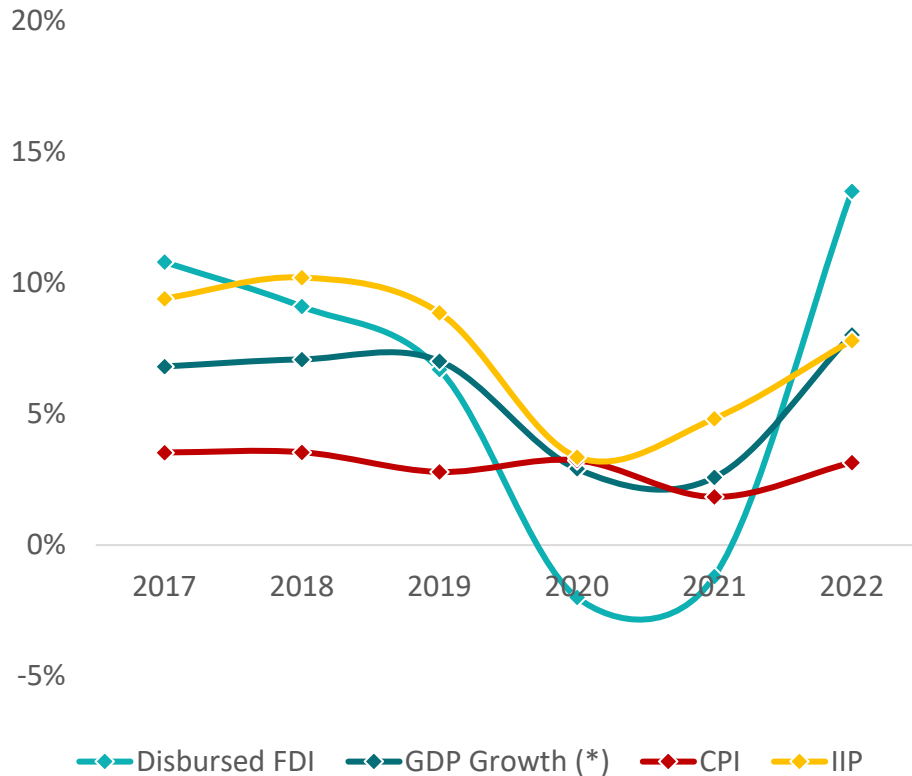


# Vietnam Macroeconomics



Vietnam's economy showed a remarkable GDP growth of 8.02% due to the service sector recovering through retail, transportation and warehouse, accommodation and food service. A y-o-y increase in disbursed FDI and IIP, coupled with CPI and inflation staying within government projections for the year, facilitated a stable economy.

GDP, FDI, CPI, and IIP Growth



**Q4 2022 GDP (Current Price) at US\$113.0 Billion**

↑  
11.2%  
q-o-q

↑  
9.1%  
y-o-y

↑  
6.7% by 2023F (World Bank)  
6.3% by 2022F (ADB)  
6.2% by 2022F (IMF)

**2022 Disbursed FDI at US\$22.4 Billion out of US\$27.7 Billion Total Registered FDI**

↑  
13.5%  
y-o-y

↑  
Top FDI contributors

↑  
**Q4 2022 Index of Industrial Production (IIP) at 3.0% y-o-y**

↑  
**Q4 2022 Consumer Price Index (CPI) at 4.4% y-o-y**

↑  
**12M 2022 Inflation rose by 2.6% y-o-y**

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(\* ) GDP growth is measured at Nominal Price with base year 2010.

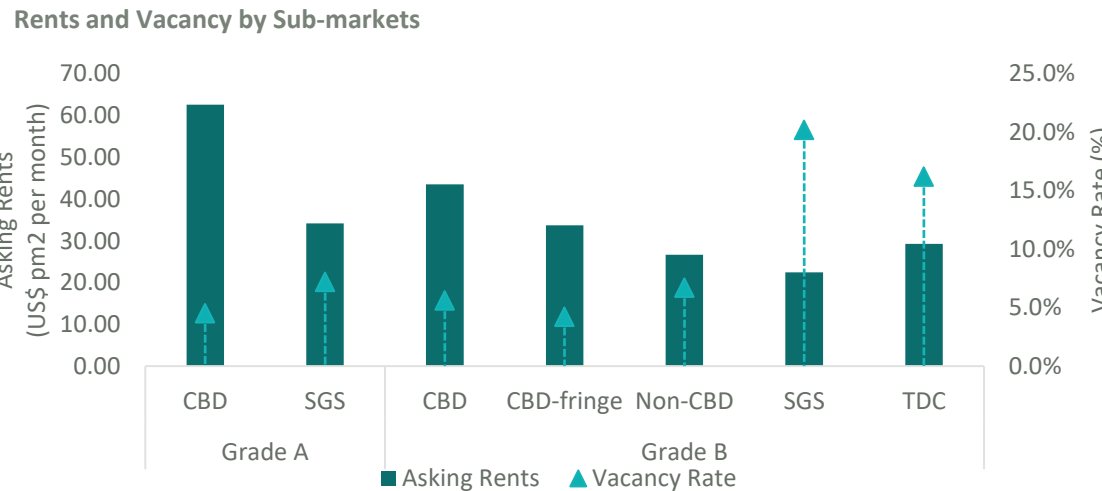
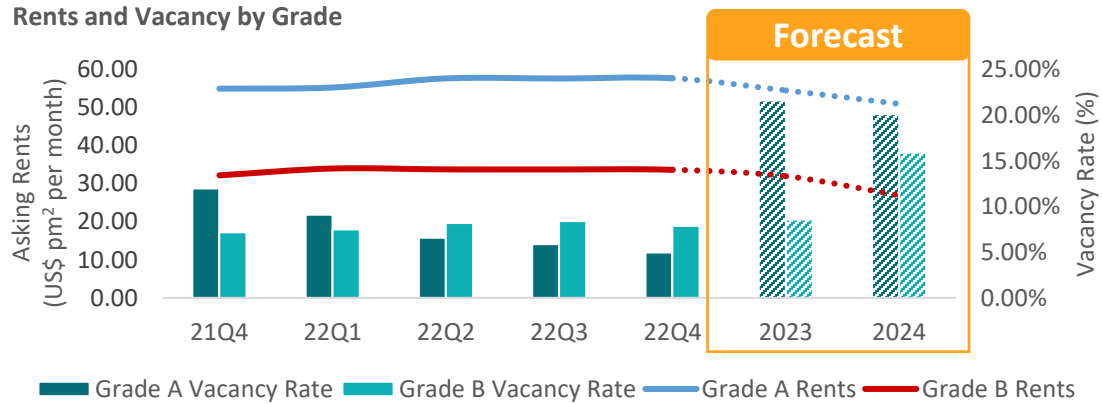
Source: Knight Frank Vietnam Research, GSO, World Bank, ADB, IMF

Updated as at 30<sup>th</sup> December 2022

# HCMC Office Market Performance



Grade A rents are expected to hold at US\$57.73 pm<sup>2</sup> per month before dropping down gradually to US\$54.50 and US\$51.00 in 2023 and 2024, respectively, due to new supply compressing rents. Grade B rents are expected to fall to US\$27 pm<sup>2</sup> per month in 2024, with vacancy rates increasing for both grades.



Category	Current Value	Q-o-Q Change	Y-o-Y Change	Forecast by 2023
Grade A Rents	US\$57.73	0.0%	2.6%	US\$54.5 pm <sup>2</sup>
Grade A Vacancy	5.0%	-0.9ppts	-1.4ppts	21.9%
Grade B Rents	US\$33.68	-0.3%	4.7%	US\$32.0 pm <sup>2</sup>
Grade B Vacancy	7.9%	-0.5ppts	-1.4ppts	8.6%

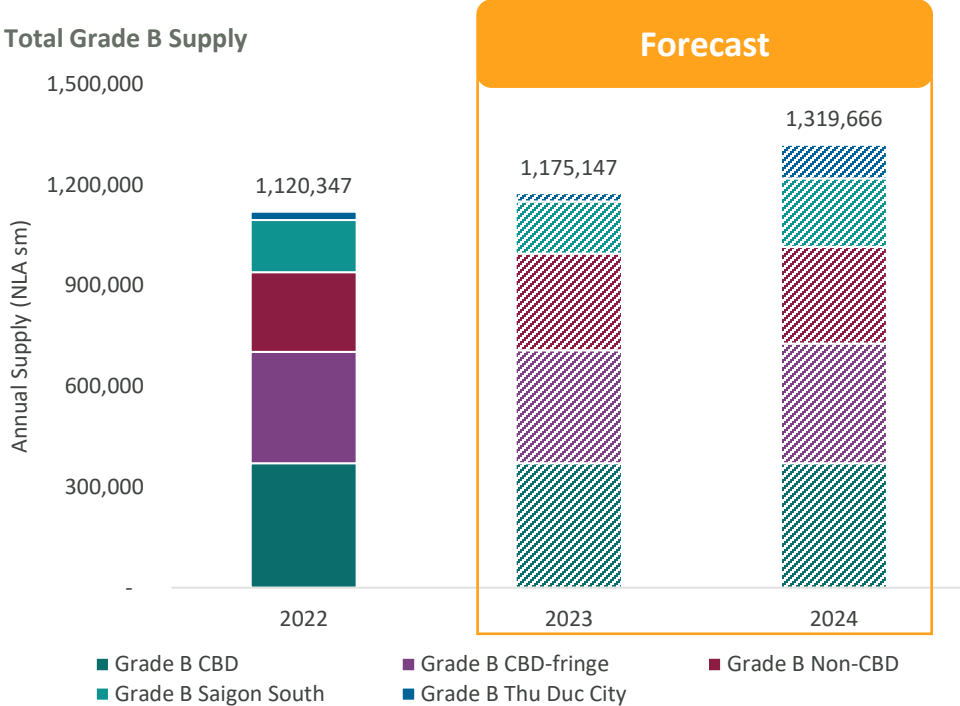
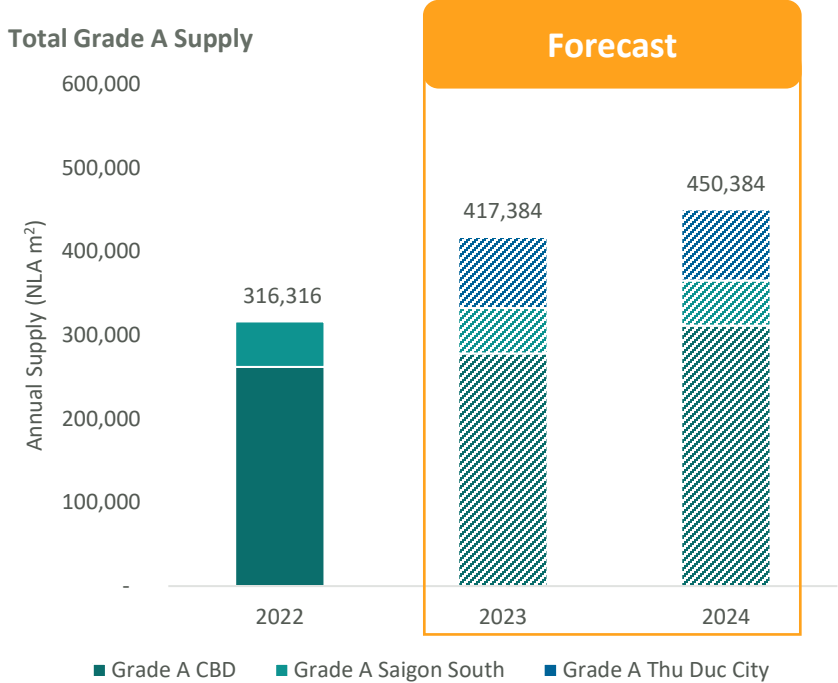
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Rents are inclusive of service charge but exclusive of VAT

# HCMC Office Market Supply



No new supply joined Grade A or Grade B this quarter. For the next two years, new supply of 74,000 m<sup>2</sup>, 160,747 m<sup>2</sup>, and 48,840 m<sup>2</sup> within CBD, Thu Duc City, and Saigon South, respectively, is expected to show clearer segmentation in performance of these sub-markets.



- CBD consists of the area within District 1 surrounded by Cach Mang Thang Tam street, Ham Nghi street, Ton Duc Thang street, and Nguyen Thi Minh Khai street.
- CBD-fringe consists of the remaining area of Districts 1, 3, 4, 5, and Binh Thanh District.
- Non-CBD consists of Districts 6, 8, 10, 11, 12, Tan Binh District, Phu Nhuan District, Tan Phu District, Binh Chanh District, and Can Gio District.
- Saigon South consists of District 7 and Nha Be District.
- Thu Duc City consists of District 2, 9, and Thu Duc District.
- Supply is listed as NLA m<sup>2</sup>.

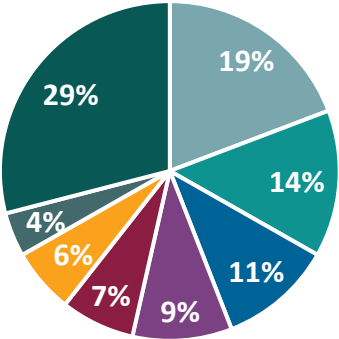
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# HCMC Office Market Demand



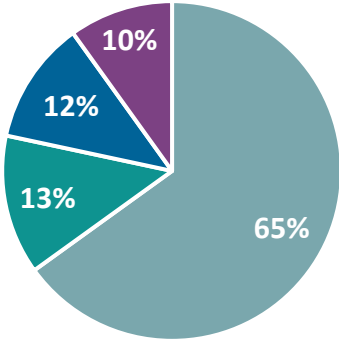
12-month major transactions saw active tenants from Logistics (19%), Technology (14%), Real Estate (11%), Insurance (9%), and Banking (7%), with a marked preference for large leasing sizes of > 2,000 m2 (41%) and 1,000 – 2,000 m2 (38%). Up to 65% of major transactions have been for relocation purposes.

Major Transactions by Industry



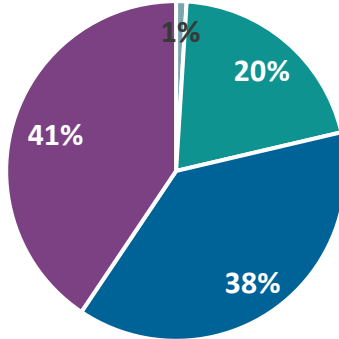
- Logistics      ■ Technology      ■ Real Estate
- Insurance      ■ Banking      ■ Co-working
- Construction      ■ Others

Major Transactions by Leasing Purpose



- Relocation      ■ Renewal
- Acquisition      ■ Expansion

Major Transactions by Leasing Size



- < 500 m2      ■ 500 - 1,000 m2
- 1,000 - 2,000 m2      ■ > 2,000 m2

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# Thank you

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