

*Market shows improvements in  
some sectors*



<b>Market Highlights</b>	<b>Page</b>
<b>Economy of Vietnam</b>	<b>3</b>
<b>Ho Chi Minh City (HCMC)</b>	
<ul style="list-style-type: none"> <li>• <b>Residential</b> <span style="float: right;"><b>5</b></span> <ul style="list-style-type: none"> <li>○ Supply improves markedly in both main sectors <span style="float: right;">5</span></li> <li>○ Demand rises sharply, after weak 2Q13 results <span style="float: right;">5</span></li> <li>○ Prices correction continues but at a slower pace <span style="float: right;">5</span></li> </ul> </li> <li>• <b>Office</b> <span style="float: right;"><b>6</b></span> <ul style="list-style-type: none"> <li>○ Supply increases slightly <span style="float: right;">6</span></li> <li>○ Net absorption supported by pre-commitment area <span style="float: right;">6</span></li> <li>○ Rents continue to decline but a slower pace <span style="float: right;">6</span></li> </ul> </li> <li>• <b>Retail</b> <span style="float: right;"><b>7</b></span> <ul style="list-style-type: none"> <li>○ Supply decreased slightly <span style="float: right;">7</span></li> <li>○ Demand remains subdued <span style="float: right;">7</span></li> <li>○ Average rents decline for the eight consecutive quarter <span style="float: right;">7</span></li> </ul> </li> </ul>	
<b>Hanoi</b>	
<ul style="list-style-type: none"> <li>• <b>Residential</b> <span style="float: right;"><b>8</b></span> <ul style="list-style-type: none"> <li>○ Supply increases substantially q-o-q in 3Q13 <span style="float: right;">8</span></li> <li>○ Demand remains centred on low-priced projects <span style="float: right;">8</span></li> <li>○ Prices down across the board <span style="float: right;">8</span></li> </ul> </li> <li>• <b>Office</b> <span style="float: right;"><b>9</b></span> <ul style="list-style-type: none"> <li>○ Two new office buildings come on stream in 3Q13 <span style="float: right;">9</span></li> <li>○ Demand continues to decrease <span style="float: right;">9</span></li> <li>○ Rents continue to decline <span style="float: right;">9</span></li> </ul> </li> <li>• <b>Retail</b> <span style="float: right;"><b>10</b></span> <ul style="list-style-type: none"> <li>○ Supply for Investment Grade increases sharply <span style="float: right;">10</span></li> <li>○ Demand increase in the newly completed mall <span style="float: right;">10</span></li> <li>○ Rents continue to decline <span style="float: right;">10</span></li> </ul> </li> </ul>	
<b>Glossary</b>	<b>11</b>

Cover Picture: A part of District 2 as viewed from The Vista, Ho Chi Minh City.

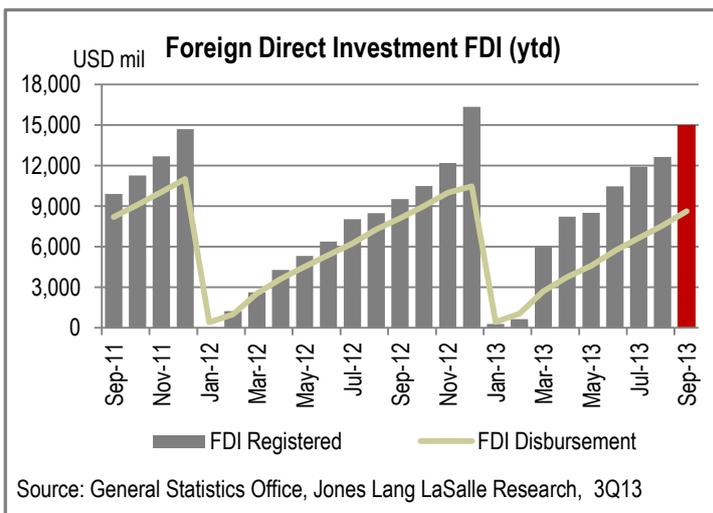
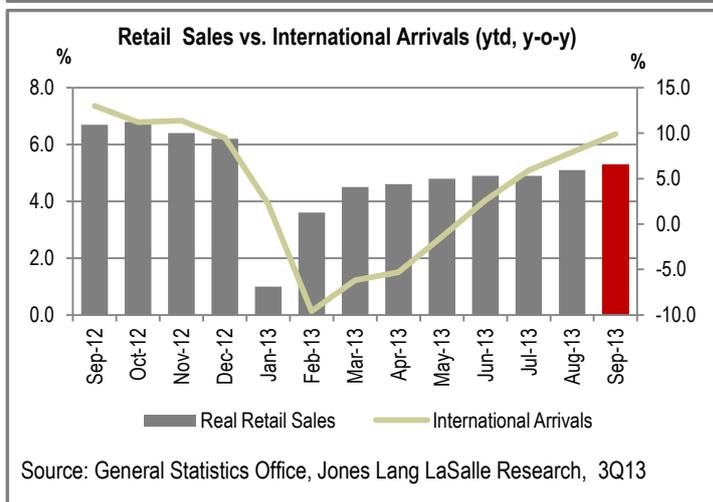
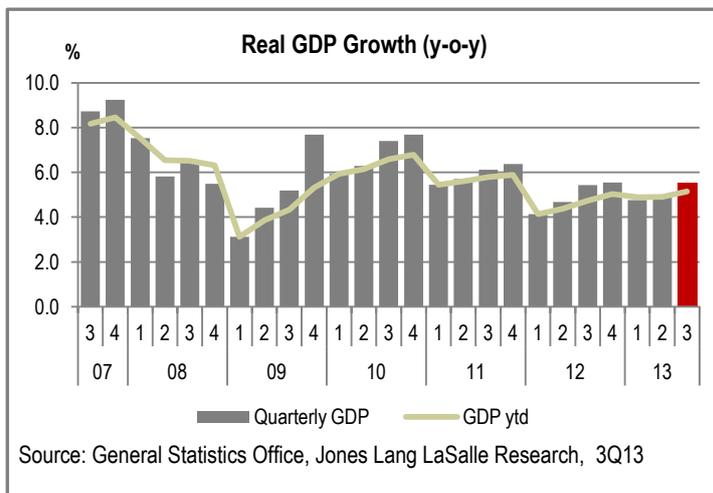
## ECONOMIC HIGHLIGHTS

**Economic growth shows a mild improvement:** The real GDP growth in 3Q13 accelerated to 5.5% y-o-y from 5.0% in 2Q13 and was estimated at 5.1% in the first nine months of the year. These figures are acceptable in the current difficult economic climate. Vietnam’s economic growth quickened during 3Q13 as rising foreign investment helped support manufacturing and exports, countering weak lending from a banking industry burdened by bad debt.

**Manufacturing shows positive signals:** Vietnam’s Index of Industrial Production (IIP) saw a y-o-y increase of 5.4% in the first nine months of the year, a positive sign amid the economic slowdown. Both the IIP for manufacturing and unsold inventory in September 2013 increased y-o-y by 8.5% and 9.3%, respectively.

**Both retail sales and international arrivals grow:** After a decreasing downtrend during the first six months of 2013, retail sales growth increased gradually in 3Q13, by 5.3% y-o-y in real terms. International arrivals grew strongly in the first nine months of the year, by as much as 9.9% y-o-y to a total of 5.5 million arrivals. Of the total figure, foreign arrivals from Russia witnessed the sharpest growth rate of 65.9%, while the number of visitors from China went up 37.0% and the number from Thailand by 23.1%. In September 2013 alone, the country attracted nearly 615,000 foreign visitors, up 28.9% y-o-y.

**FDI of first nine months surpasses yearly target:** FDI registration increased over 36% to hit more than USD 15 billion, surpassing the target for the year of USD 13 billion to USD 14 billion. The vast majority of FDI registration in 3Q13 was from Japan and Singapore, for manufacturing and real estate purposes. Meanwhile, FDI disbursements grew 6.4% y-o-y to USD 8.6 billion, signalling that incumbent foreign investors maintained good progress in their FDI projects.



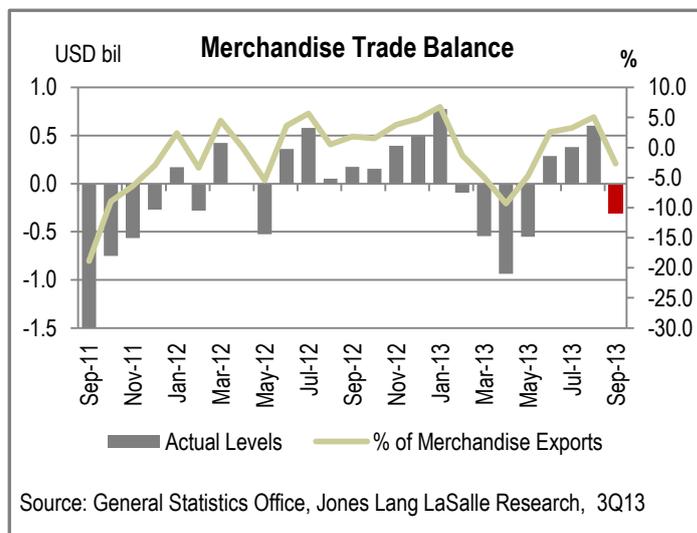
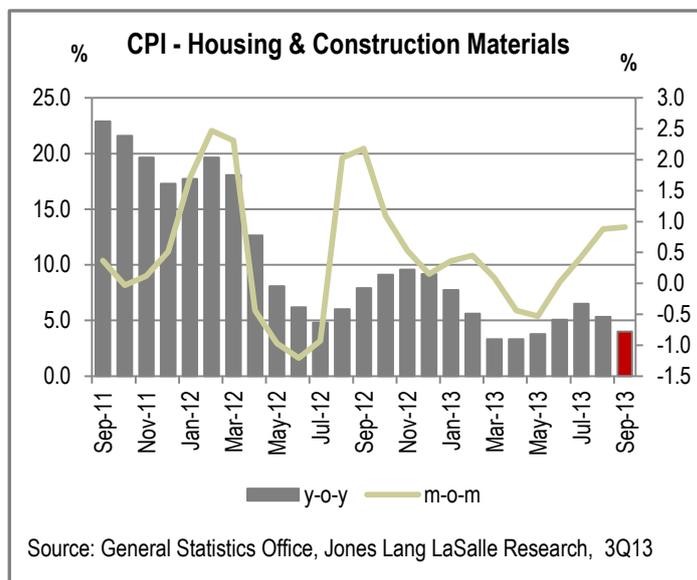
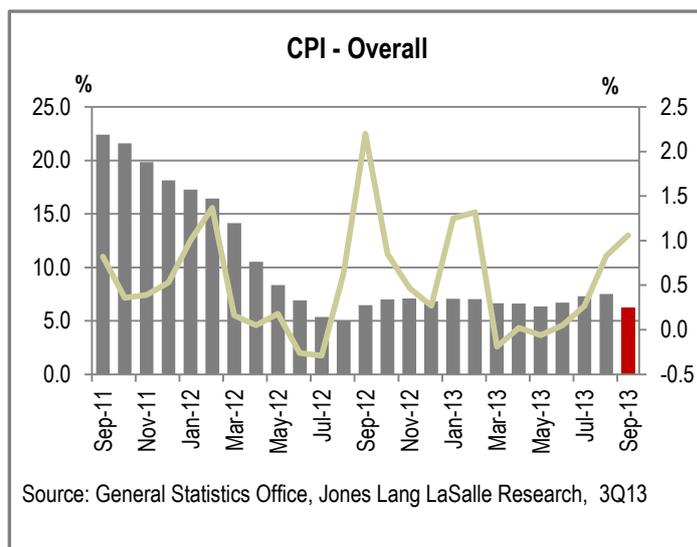
**Inflation jumps in September 2013:** The inflation soared by 1.1% m-o-m and by 6.3% y-o-y in September 2013. The m-o-m number was higher than expected due to the strong 9.4% increase in education. Despite the deceleration in the y-o-y trend during September 2013, the CPI for the full year cannot be kept at the 7% targeted earlier in the year. The increases in the fees for education and culture services in September 2013 would cause a domino effect, pushing the price of other goods and services up in the last months of the year.

**Housing and construction costs slow gradually:** On a yearly basis, housing and construction costs slowed gradually to 4.0% in September 2013. However, the m-o-m number increased 0.9% during September 2013.

**Transportation costs drop significantly in September 2013:** Transportation costs dropped strongly in September 2013 after recording a high level in July and August 2013, which was a result of the increase in fuel prices in late March 2013.

**Trade deficit estimated to reach USD 300 million in September 2013:** Including the September 2013 estimation, the country ran a trade deficit of USD 124 million in the first nine months of 2013. The country earned USD 96.5 billion from exports, up 15.7% y-o-y, while spending USD 96.6 billion for imports, up 15.5% y-o-y. The Ministry of Industry and Trade (MoIT) estimated that Vietnam would likely incur a USD 500 million trade deficit for 2013. Vietnam is expected to reap a total of USD 131 billion from exports and spend USD 131.5 billion to import goods and services this year. The MoIT forecasts are based on figures for the first nine months of 2013.

**Inbound remittances to hit a new record:** Vietnam is forecast to receive between USD 4.5 billion and USD 4.8 billion-worth of overseas remittances this year. Ho Chi Minh City is the country's biggest receiver of inward remittances, receiving around USD 2.5 billion during the first eight months of 2013. Higher interest rates for Vietnamese dong deposits and cheaper real estate have attracted further remittances. The increase of remittances will contribute to improve the country's balance of payments, a factor that will stabilise the macro economy and enhance investors' trust.



## HCMC RESIDENTIAL

### Supply and Demand

Supply / Demand Indicator	Apartments	Villas / Townhouses <sup>[1]</sup>
Completed Supply (units)	56,000	3,500
Uncompleted Supply (units) <sup>[2]</sup>	24,000	200
Unsold Inventory (%) <sup>[3]</sup>	27.1%	21.6%

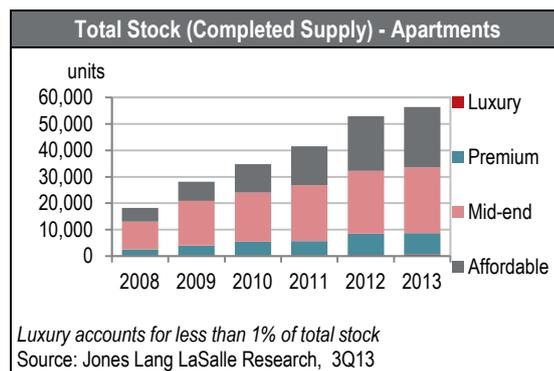
<sup>[1]</sup> Excludes land plot projects. <sup>[2]</sup> Excludes planned projects not launched for sale yet. Includes fully sold projects. <sup>[3]</sup> The percentage of <sup>[2]</sup> that remains unsold at quarter-end.  
Source: Jones Lang LaSalle Research, 3Q13

- **Supply improves markedly in both main sectors**

- Apartments: Supply nearly doubled 2Q13 to 1,925 units. Most units were priced between USD 550 and USD 800 per sqm.
- Villas / Townhouses: 58 new units were put on sale after three consecutive quarters of no new supply.

- **Demand rises sharply, after weak 2Q13 results**

- Apartments: Sales totaled 1,580 units, mainly driven by low-end projects.
- Villas / Townhouses: Sales up 75%, mostly from new supply.



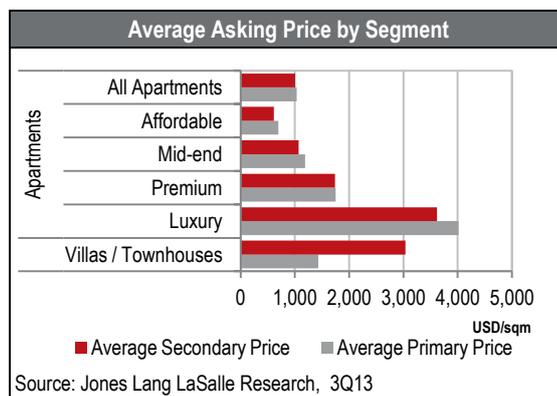
### Asset Performance

Market Segment	Asking Price – Primary Market		Asking Price – Secondary Market	
	Q-o-Q	Y-o-Y	Q-o-Q	Y-o-Y
Apartments	▼ -0.4%	▼ -3.8%	▼ -0.3%	▼ -4.5%
Villas / Townhouses	▼ -3.1%	▼ -6.6%	▼ -1.6%	▼ -8.6%

Note: Q-o-Q and Y-o-Y changes are adjusted to remove effects from supply additions / removals (i.e. changes are on a like-for-like basis).  
Source: Jones Lang LaSalle Research, 3Q13

- **Price correction continues, but at a slower pace**

- Primary market:
  - Apartments: Developers were standing firm on their asking prices but a variety of favourable terms and promotions were offered.
  - Villas / Townhouses: Prices dropped considerably. The highest decline was seen in Nha Be and Thu Duc districts.
- Secondary market:
  - Apartments: Price declines eased markedly. Severe reduction rates of more than 10% no longer occurred during 3Q13.
  - Villas / Townhouses: Capital values fell, with nearly 80% of existing projects having their selling prices lowered.



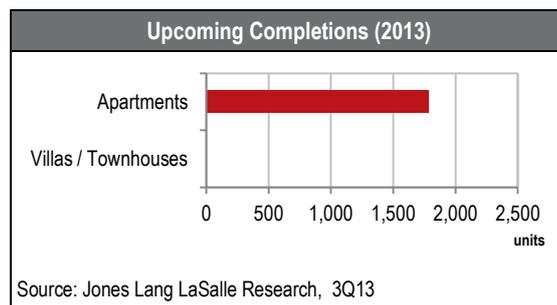
### Outlook

- **Construction to stabilise and supply to be abundant in 4Q13**

- The apartment sector is expected to see a large number of new completions and launches in 4Q13. Most will be from low-end projects.
- No completed villas / townhouses are likely to come on the market in 4Q13, but a supply of 255 units is expected in District 9 in the quarter.

- **Price resilience might not be seen until 2014**

- Difficult market conditions may linger in the coming quarters.
- With the higher proportion of low-priced projects to come, prices are likely to decline until end-2013.



## HCMC OFFICE

### Supply and Demand

Supply / Demand Indicator	Grade A	Grade B	Grade C	Suburban	Total
Total Stock (sqm)	221,000	355,000	464,000	476,000	1,516,000
Occupancy Rate (%)	80.0	93.1	92.3	88.3	89.5
Q-o-Q Change (bps)	▲ 55	▼ -19	▲ 127	▲ 45	▲ 63

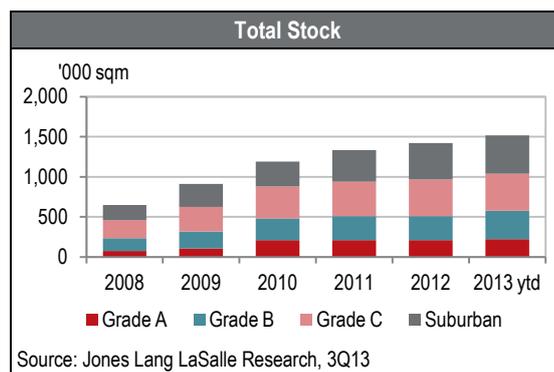
Source: Jones Lang LaSalle Research, 3Q13

- **Supply increases slightly**

- Total office stock increased by 40,600 sqm, from two new properties.
- In the first nine months of 2013, eight new buildings came on stream providing approximately 110,700 sqm.

- **Net absorption supported by pre-commitment area**

- Net absorption reached nearly 45,700 sqm, with two-thirds contributed by the pre-commitment of space in two new buildings.
- Demand in the Grade B segment remained healthy in 3Q13 with net absorption of more than 24,000 sqm.



### Asset Performance

Key Performance Indicator	Grade A	Grade B	Grade C	Suburban	Total
Average Gross Rent (USD/sqm/mth)	43.7	29.4	18.7	16.7	24.8
Average Net Rent (USD/sqm/mth)	36.4	23.5	16.2	12.9	20.3
Q-o-Q Change (%)	◀▶ 0.0	▼ -0.2	▼ -1.6	▼ -0.7	▼ -0.5

Note: Q-o-Q and Y-o-Y changes are adjusted to remove effects from supply additions / removals (i.e. changes are on a like-for-like basis).

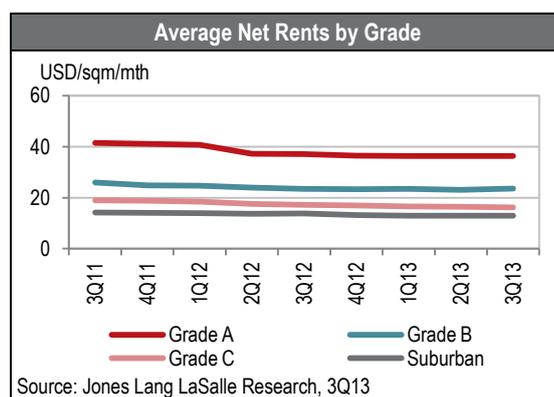
Source: Jones Lang LaSalle Research, 3Q13

- **Rents continue to decline but at a slower pace**

- Average rents remained stable in most properties in 3Q13. The highest declines were seen in some Grade C buildings.
- Grade A net rents remained stable for the second consecutive quarter.

- **The prime office investment market remains quiet**

- While the prime office investment markets remained quiet, there were some office investment deals in the lower grades during 3Q13.



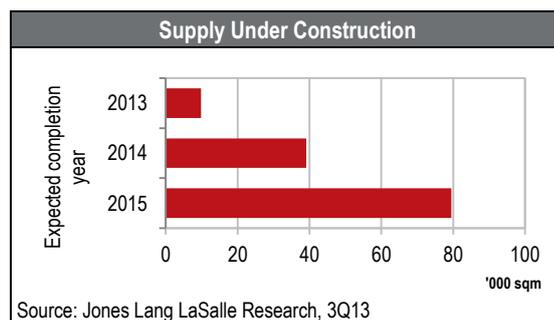
### Outlook

- **New supply is expected to be limited and demand stable in 2014**

- Construction activity might be slow in most projects.
- Office demand is expected to be stable in anticipation of relatively improving economic signals.

- **Downtrend in office rents likely to end**

- Stable demand with sufficient supply might help improve average rents.
- Some office investment deals in the lower grade office markets might continue to be closed over the short term.



## HCMC RETAIL

### Supply and Demand

Supply / Demand Indicator	Investment Grade		Non-Investment Grade	
	CBD	Non-CBD	Total	
Total Stock (sqm)	175,000	253,000	427,000	421,000
Occupancy Rate (%)	92.0	93.8	93.1	N.A.
Q-o-Q Change (bps)	▼ -330	▲ 460	▲ 150	N.A.

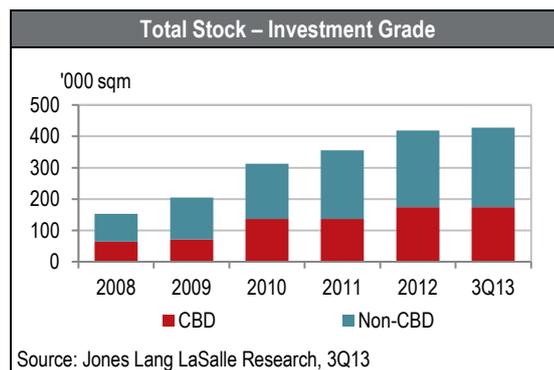
Source: Jones Lang LaSalle Research, 3Q13

- **Supply decreases slightly**

- No completions were recorded during 3Q13.
- One property was withdrawn, leading to a decrease of 3.6% q-o-q in the retail stock for the Investment Grade segment.

- **Demand remains subdued**

- Net absorption in the Investment Grade retail market moved into negative territory in 3Q13.
- There were more vacant units seen in the prime retail sub-markets.



### Asset Performance

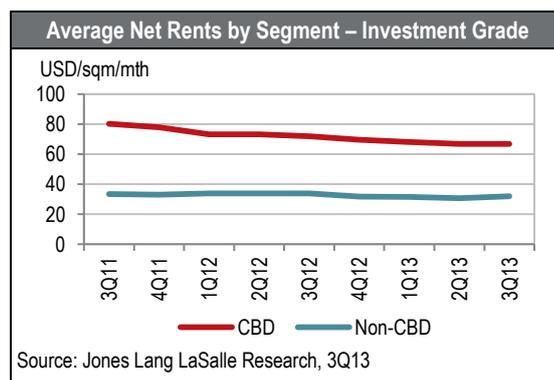
Key Performance Indicator – Investment Grade	CBD	Non-CBD	Overall
Average Gross Rent (USD/sqm/mth)	72.2	40.6	53.5
Average Net Rent (USD/sqm/mth)	66.0	31.9	46.4
Q-o-Q Change (%)	▼ -1.4	▼ -1.3	▼ -1.4

Note: Q-o-Q and Y-o-Y changes are adjusted to remove effects from supply additions / removals (i.e. changes are on a like-for-like basis).

Source: Jones Lang LaSalle Research, 3Q13

- **Average rents decline for the eighth consecutive quarter**

- Average rents in the Investment Grade segment dropped by 1.4% q-o-q and 9.9% y-o-y in 3Q13.
- No notable investment deals were recorded in 3Q13; the last such deal was the disposal of Vincom A Retail Center for a reported price of USD 314 million in June 2013.



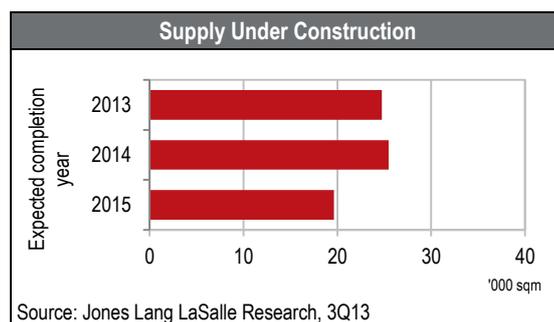
### Outlook

- **Demand might remain flat in 4Q13**

- Demand is likely to be muted until the economy recovers.
- Total stock is expected to increase by more than 70,000 sqm by 2015, with a half classified as Investment Grade.

- **Rents expected to decline further**

- Retail rents are likely to see further decline to secure take-up of vacant space.
- The retail investment market of the Investment Grade segment might remain quiet over the short term.



## HANOI RESIDENTIAL

### Supply and Demand

Supply / Demand Indicator	Apartments
Completed Supply (units)	35,000
Uncompleted Supply (units) <sup>[1]</sup>	40,000
Unsold Inventory (%) <sup>[2]</sup>	14.9%

<sup>[1]</sup> Excludes planned projects not launched for sale yet. Includes fully sold projects. <sup>[2]</sup> The percentage of <sup>[1]</sup> that remains unsold at quarter-end.

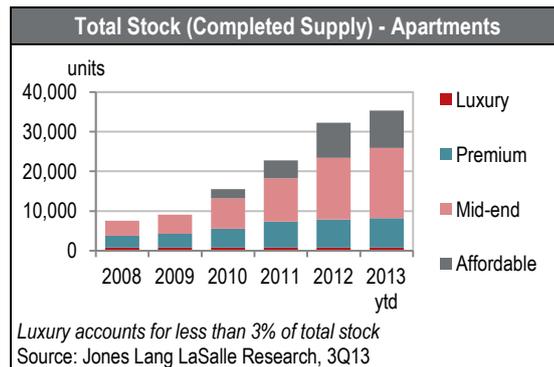
Source: Jones Lang LaSalle Research, 3Q13

#### • Supply increases substantially q-o-q in 3Q13

- New launches provided more than 2,000 units. Nearly 80% of which were in two affordable projects in Hoang Mai District.
- New completions were few compared with 2Q13, with many projects delaying handover dates by one or two quarters.

#### • Demand remains centred on low-priced projects in 3Q13

- Over 80% of total sales were apartments priced under USD 1,000 per sqm. Sale rates of these projects were often high at launch.
- High-end segments still struggled, despite reduced prices.



### Asset Performance

Market Segment	Primary Market		Secondary Market	
	Q-o-Q	Y-o-Y	Q-o-Q	Y-o-Y
Apartments	▼ -2.1%	▼ -12.4%	▼ -2.5%	▼ -15.4%

Note: Q-o-Q and Y-o-Y changes are adjusted to remove effects from supply additions / removals (i.e. changes are on a like-for-like basis).

Source: Jones Lang LaSalle Research, 3Q13

#### • Prices down across the board

- Primary market
  - Prices largely trended down. The average price of the Luxury segment decreased markedly by nearly 30% q-o-q and y-o-y.
  - Many developers changed their handover policy from fully-furnished to bare shell in an effort to reduce asking prices.
- Secondary market
  - Prices fell across all markets. Hai Ba Trung and Hoan Kiem districts each recorded double-digit declines during 3Q13.
  - Reduction rates in completed projects eased in 3Q13.



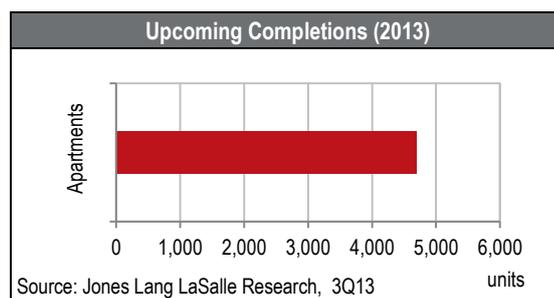
### Outlook

#### • Low-priced segments to lead the market for the rest of 2013

- A total of 4,700 units are expected to complete in 4Q13, mostly from affordably priced projects.
- Newly launched units are expected from the Affordable and Mid-end projects.

#### • Price corrections to continue in the coming quarters

- Difficult market conditions may remain in 4Q13 with price still the main consideration for buyers.
- Prices are expected to decline further, attributed to continued oversupply.



## HANOI OFFICE

### Supply and Demand

Supply / Demand Indicator	Grade A	Grade B	Grade C	Total
Total Stock (sqm)	327,000	738,000	259,000	1,324,000
Occupancy Rate (%)	74.3	80.3	87.5	80.2
Q-o-Q Change (bps)	▲ 320	▼ -210	▼ -33	▼ -40

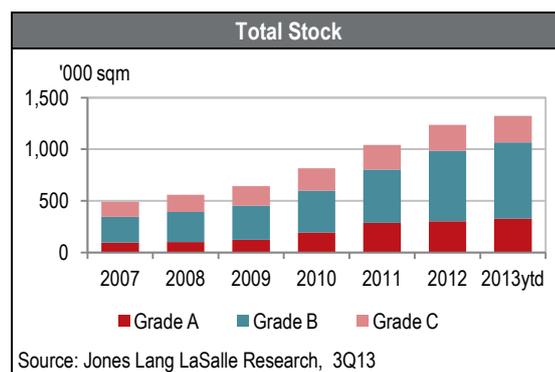
Source: Jones Lang LaSalle Research, 3Q13

- **Two new office buildings come on stream in 3Q13**

- The Hanoi office market received around 35,800 sqm of office space from two new buildings – one Grade B and one Grade C.
- Although the EVN Tower completed, the owner’s policy is to defer leasing to outside tenants.

- **Demand continues to decrease**

- Net absorption in several office buildings decreased significantly. Market-wide net absorption was 80.2% in 3Q13, a slight decrease compared with 2Q13.
- Demand for the Grade A sector increased in 3Q13, to reach 10,000 sqm.



### Asset Performance

Key Performance Indicator	Grade A	Grade B	Grade C	Total
Average Gross Rent (USD/sqm/mth)	31.9	20.3	14.8	22.1
Average Net Rent (USD/sqm/mth)	25.8	15.6	10.6	17.2
Q-o-Q Change (%)	▼ -2.5	▼ -2.5	▼ -3.4	▼ -2.6

Note: Q-o-Q and Y-o-Y changes are adjusted to remove effects from supply additions / removals (i.e. changes are on a like-for-like basis).

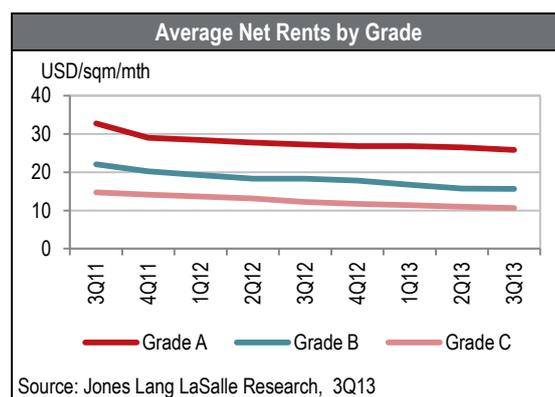
Source: Jones Lang LaSalle Research, 3Q13

- **Rents continue to decline**

- Net average rent was USD 17.2 per month per sqm in 3Q13, a fall of 2.6% q-o-q.
- The property owners of several buildings lowered their rents and offered promotions to attract tenants.

- **The Hanoi investment market is quiet**

- No notable investment transaction was recorded in the Hanoi office market in 3Q13.



### Outlook

- **Supply is expected to increase sharply, demand is stable**

- Some 100,000 sqm of office space is expected to be added to the Hanoi market in 4Q13.
- Demand for office space is likely to be stable, and the stock of vacant office space is therefore forecast to continue to rise.

- **Downward trend in rents is forecast to continue**

- The average rent is expected to decline in the next two years because of oversupply.
- The lower rents in the non-CBD sub-market continued to put pressure on the asking rents of office buildings in the CBD sub-market.



## HANOI RETAIL

### Supply and Demand

Supply / Demand Indicator	Investment Grade		Non-Investment Grade	
	CBD	Non-CBD	Total	
Total Stock (sqm)	23,000	494,000	517,000	175,000
Occupancy Rate (%)	82.4	86.7	86.6	N.A.
Q-o-Q Change (bps)	◀ ▶ 0	▲ 370	▲ 350	N.A.

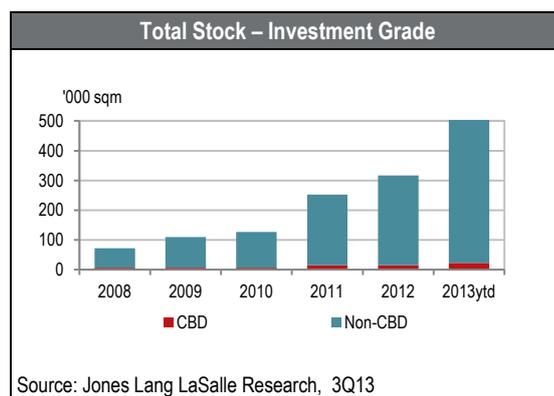
Source: Jones Lang LaSalle Research, 3Q13

- **Supply for Investment Grade space increases sharply**

- Royal City added 230,000 sqm of Investment Grade space. Total Investment Grade stock was 517,000 sqm in 3Q13, an increase of 67% q-o-q.
- The Mipec Pico Mall was closed after Lotte Mart leased the whole shopping mall to renovate.

- **Demand increases in the newly completed mall**

- Net absorption increased significantly, primarily at Royal City. The occupancy rate of this project was more than 90%.
- The market-wide occupancy rate was 86.6% in 3Q13, an increase of 3.5% q-o-q.



### Asset Performance

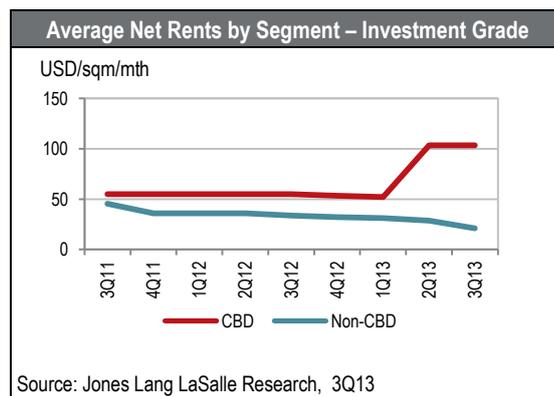
Key Performance Indicator – Investment Grade	CBD	Non-CBD	Overall
Average Gross Rent (USD/sqm/mth)	111.2	26.2	29.9
Average Net Rent (USD/sqm/mth)	103.4	21.0	24.6
Q-o-Q Change (%)	◀ ▶ 0	▼ -9.0	▼ -8.4

Note: Q-o-Q and Y-o-Y changes are adjusted to remove effects from supply additions / removals (i.e. changes are on a like-for-like basis).

Source: Jones Lang LaSalle Research, 3Q13

- **Rents continue to decline**

- The average net effective rent of Investment Grade properties continued to decline in 3Q13, by 8.4% q-o-q, owing to the lower asking rent in new mall.
- The asking rents decreased sharply in several trade centres, which had more vacant space because tenants returned retail space.



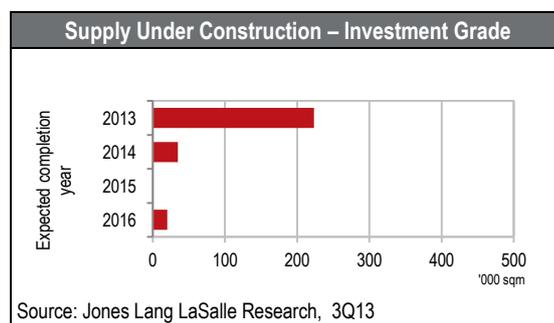
### Outlook

- **Supply is expected to increase in 4Q13**

- The Hanoi retail supply is expected to increase by 200,000 sqm following completion of retail space from Times City in 4Q13.
- Demand for retail space is forecast to decline until the economy recovers.

- **Rents continue to fall**

- The average rent is forecast to decrease owing to oversupply.
- The asking rents in luxury shopping centers in the CBD sub-market are expected to remain at a high level.



## Real Estate Glossary

### Vietnam Residential Market

#### **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**

The estimated amount of new supply (in units) launched for sale during a period.

*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 in previous periods.

*Market practices:* Take-up may comprise units sold via capital contributions or sale and purchase agreements.

#### **Total inventory**

The total amount of *uncompleted* supply that has been launched for sale.

#### **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.

#### **Luxury**

A *luxury* property meets *all* of 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.

#### **Premium**

A *premium* property meets *some* of 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.

#### **Mid-end**

A *mid-end* property meets *all* of 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.

#### **Affordable**

An *affordable* property meets *some* of 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.

## Real Estate Glossary

### Vietnam 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 slated for completion in the future at a given time.

#### **Vacant space**

The total amount of available office space that remains to be leased by 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.

#### **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 useable floor areas 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.

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

#### **Suburban**

A Suburban property is located in a non-CBD or a non-traditional office zone, regardless of its other physical attributes.

## Real Estate Glossary

### Vietnam Retail Market

#### **Current supply**

The total amount of cumulative *modern* (as opposed to traditional) retail space (in GLA terms) that has been completed at a given time.

#### **Future supply**

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

#### **Vacant space**

The total amount of available *modern* retail space that remains to be leased by 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.

#### **Gross floor area (GFA)**

The total amount of all covered areas including columns, walls, common passageways, lift lobbies, toilets and storage rooms.

#### **Gross leasable area (GLA)**

The total amount of leasable floor areas on which rentals and service charges are based, which may include common areas used for foot traffic.

#### **Net rent**

The amount of market rent receivable by landlords after deducting outgoings.

*Market practices:* Net rents in the retail market are usually quoted on a net lettable area (NLA) 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 in the retail market are usually quoted on a NLA basis.

#### **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.

#### **Investment Grade**

A type of retail property deemed to be of sufficient quality and/or scale to be of interest to a typical institutional investor. This includes department stores, shopping centres and prime retail space. The criteria for grading retail properties include age profile, ease of accessibility, property management as well as the current and potential scale of product offerings.

#### **Supermarket**

In the local context, a “supermarket” refers to any type of stand-alone retail outlet predominantly run by a single chained retailer that sells a variety of grocery and / or non-grocery products. This includes supermarkets and hypermarkets that sell mixed products as well as those that specialize in a product type (such as electronics or furniture). This also includes wholesale / cash & carry stores, whose main target is business customers, but are also accessible by retail consumers. Most supermarkets are considered non-investment grade.

#### **Shopping Centre**

In the local context, a “shopping centre” refers to any type of retail property that has a more diverse tenant mix than regular supermarkets. Besides anchored mixed retailers (e.g. department stores and supermarkets), a shopping centre often includes a variety of specialist retailers (e.g. fashion & accessories, food & beverages, consumer electronics and other consumer services). Most major shopping centres are considered investment grade.

*Vietnam Property Market Brief* is a quarterly publication providing market updates for different real estate sectors in different cities. It is part of the comprehensive research package from Jones Lang LaSalle Research that covers Vietnam along with other major countries in Asia Pacific:

Publication	Geographic Coverage	Product Coverage	Frequency	Contents	Availability
Vietnam Property Market Monitor	Vietnam	All	Quarterly	Real estate headlines & news summary	Publicly available
Vietnam Property Market Brief	Vietnam cities	All	Quarterly	Stock, vacancy, prices, rents	Publicly available
Vietnam Property Market Report	Vietnam cities	All	Quarterly	Stock, vacancy, prices, rents, project-level data, maps	Subscription-based
Asia Pacific Property Digest	Asia Pacific including Vietnam	Investment grade	Quarterly	Stock, vacancy, prices, rents	Publicly available
The Office Index	Asia Pacific including Vietnam	Investment grade	Quarterly	Stock-weighted rental value and capital value indices	Publicly available
The Residential Index	Asia Pacific (Vietnam to be included)	Investment grade	Quarterly	Capital value index	Publicly available
Real Estate Intelligence Service	Asia Pacific including Vietnam	Investment grade	Quarterly	Stock, vacancy, prices, rents, yields, total returns, forecasts	Subscription-based
Real Estate Daily	Asia Pacific including Vietnam	All	Daily	Real estate headlines & news summary	Subscription-based
Real Estate Transparency Index	Global including Vietnam	All	Every two years	Country transparency scores & rankings	Publicly available

Partner With the **Best** Real Estate Advisor



**For subscription details and enquiries, please contact:**



**Chris Murphy**  
Head of Valuation and Advisory Services  
Level 26, Saigon Trade Center  
37 Ton Duc Thang, D1, HCMC, Vietnam  
+848 3910 3968 ext 911  
[chris.murphy@ap.jll.com](mailto:chris.murphy@ap.jll.com)



**Tram Nguyen**  
Assistant Manager, Research & Consulting  
Level 26, Saigon Trade Center  
37 Ton Duc Thang, D1, HCMC, Vietnam  
+848 3910 3968 ext 955  
[tram.nguyen@ap.jll.com](mailto:tram.nguyen@ap.jll.com)

The information in this publication has been compiled from various sources deemed reliable. However, no representation or warranty is made to the accuracy thereof. This publication may not be reproduced in any form or in any manner, in part or as a whole without the written permission of the publisher, Jones Lang LaSalle Vietnam, Ltd.