

*Market shows improvements
but only in
certain segments*



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Cover Picture: Vincom Center A, a retail-cum-hotel complex at Eden Quadrangle, District 1, Ho Chi Minh City.

ECONOMIC GROWTH

Highlights

Economic growth slows but is not a total disappointment: Real GDP growth in 1Q13 slowed to 4.89% y-o-y, below the median estimate of 5.2% surveyed by Bloomberg earlier. This signalled challenges for the economy ahead, but should not be a total disappointment since low first-quarter growth is not uncommon. As has been seen recently, the services sector had the best performance, expanding 5.65% y-o-y.

Manufacturing shows mixed signals: While unsold inventory seems to be trending down, the index for industrial production (IIP) for manufacturing and the HSBC Vietnam Manufacturing PMI™ showed mixed signals during 1Q13. Nevertheless, both of these indicators did end at a positive note in March, giving hope for a less uncertain outlook for manufacturers over the short-term.

Retail sales slow but international arrivals grow: While still among the healthier economic sectors, retail saw sales growth on a continued downtrend in 1Q13, increasing by a mere 4.5% y-o-y in real terms. Nevertheless, international arrivals grew strongly in the first quarter of the year, by as much as 24.5% y-o-y.

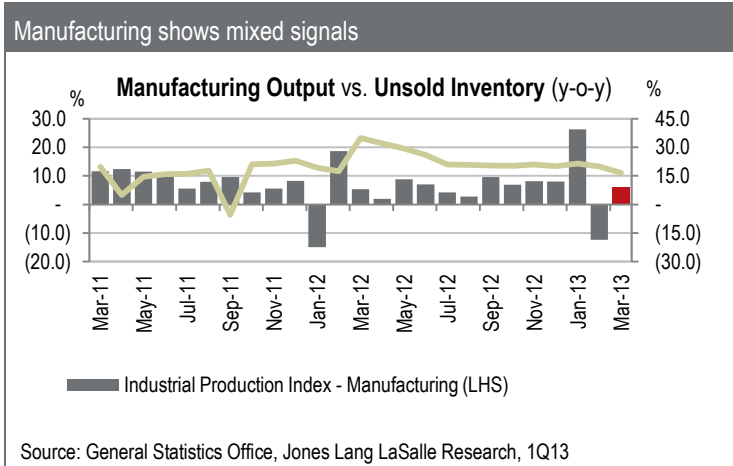
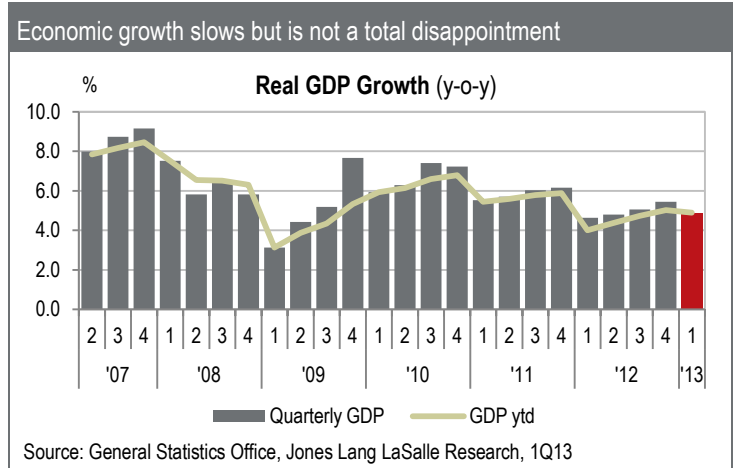
FDI surprises on the upside: FDI registration surprised on the upside, growing 63.6% y-o-y to USD 6.0 billion. The vast majority of FDI registration in the quarter was from Japan and Singapore and for manufacturing purposes. Meanwhile, FDI disbursements in 1Q13 grew 7.1% y-o-y to USD 2.7 billion, signalling that incumbent foreign investors maintained good progress in their FDI projects.

Implications

While uncertainties remain in place, recent data on manufacturing activity and FDI, to a certain extent, do give hope for a recovery in industrial activity, and in demand for **industrial** real estate, over the short to medium term.

The services industry, while still having only moderate economic performance, remains relatively resilient. This will likely continue to provide some support for **office** leasing activity, as has been seen recently.

The slowdown in **retail** sales noted recently deserves attention, and implies risks of low retail activity that may affect both developers and retailers. However, it is unclear whether the magnitude of this slowdown is enough to affect the medium and long-term outlook for retail to a large extent.



FDI Registration	FDI Disbursement
▲ 63.6% ytd, y-o-y	▲ 7.1% ytd, y-o-y

Source: Ministry of Planning & Investment, Jones Lang LaSalle Research, 1Q13

INFLATION

Highlights

Headline inflation is lower than expected: Headline inflation during 1Q13 hit 6.9% y-o-y, lower than most expectations. On a monthly basis, it even dropped to negative territory in March. Food prices continued to drive CPI trends during the quarter while the influence of healthcare costs on the CPI has subsided.

Housing and construction costs slow significantly: On a yearly basis, housing and construction costs slow significantly to 3.3% in March, the lowest level since October 2009.

Transportation costs stabilise but may spike soon: Transportation costs have remained relative stable over the last six months. However, following the decision to increase fuel prices in late March, which was not yet reflected in the CPI, transportation costs may spike soon.

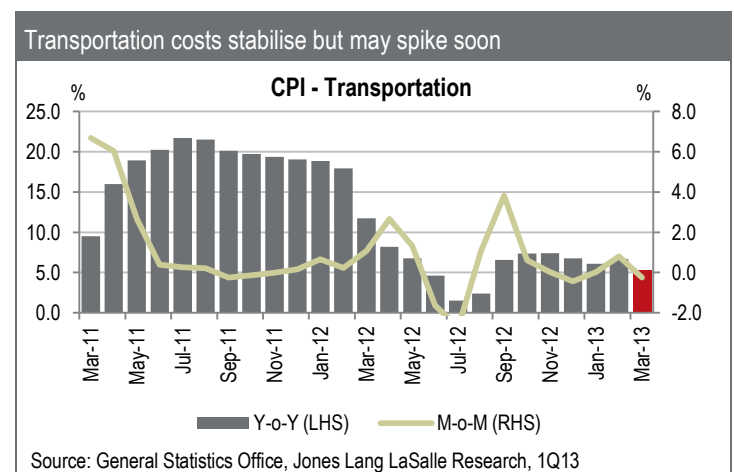
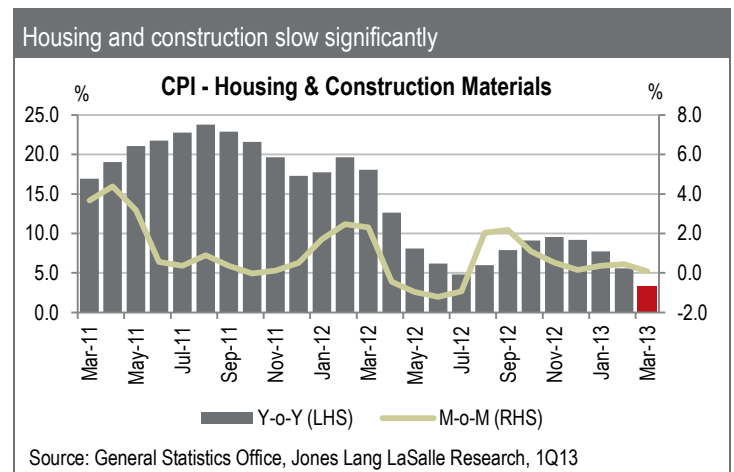
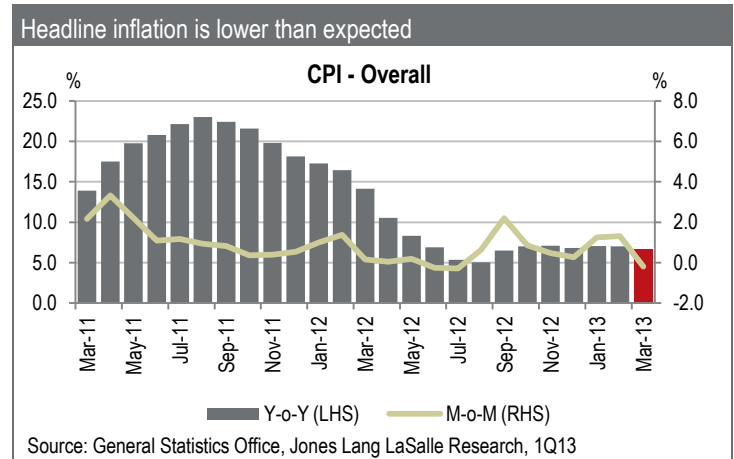
Implications

Recent data showed that the vast majority of inflationary pressures have subsided significantly compared with the same period a year ago. On the one hand, this has helped to remove uncertainty caused by high inflation that negatively impacted business sentiment amongst real estate market players. On the other hand, declining inflation levels also indicates that demand remains soft.

The most significant upside risks to inflation are probably related to fuel prices at the moment. Surprising increases in fuel prices may lead to the CPI flaring up occasionally. However, most forecasts on the CPI for the year of 2013 by major institutions have been downgraded recently, mostly in the 6-8% range, in view of the recent trends.

With this in mind, we maintain our view from the previous quarter that it is highly unlikely inflation will have any broad-based impact on average management fees or service charges quoted by owners of operating commercial properties.

Construction activity is currently slow, and is reflected in the modest growth of the construction industry's real GDP in 1Q13 by a mere 4.79% y-o-y. As such, any impact from inflation on development projects in the **commercial** and **residential** sectors, if any, is not likely to be significant.



Production Material Price Index	Import Price Index
▲ 3.4%	▼ 2.8%
y-o-y	y-o-y

Source: General Statistics Office, Jones Lang LaSalle Research, 1Q13

BALANCE OF PAYMENTS AND MONETARY POLICY

Highlights

Trade swings to negative territory towards end-1Q13:

Preliminary estimates suggest that the trade balance swung to negative territory in February and March. However, with a large trade surplus in January, trade balance in 1Q13 still remained at a positive level of USD 481 million.

Short-term outlook of the dong improves:

The dong continued to be stable throughout 2012 and 1Q13. The increase in foreign reserves, estimated by the National Financial Supervisory Commission at 14-16 weeks of imports during 1Q13, has been instrumental in improving the short-term outlook of the dong.

Central bank continues cutting rates:

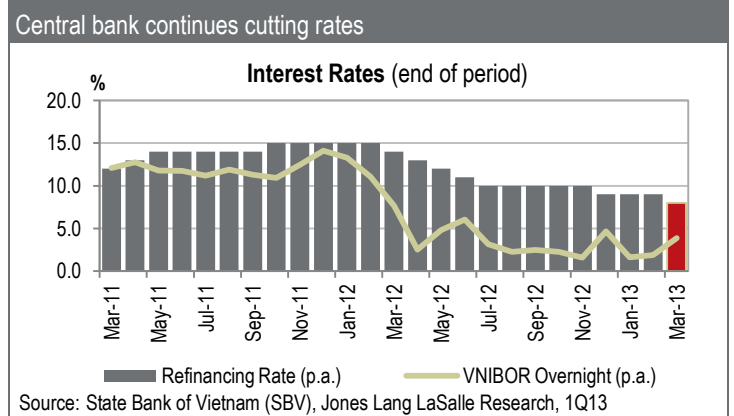
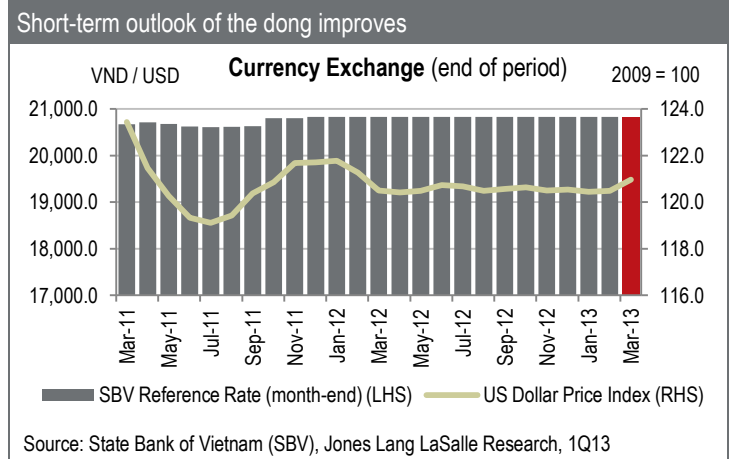
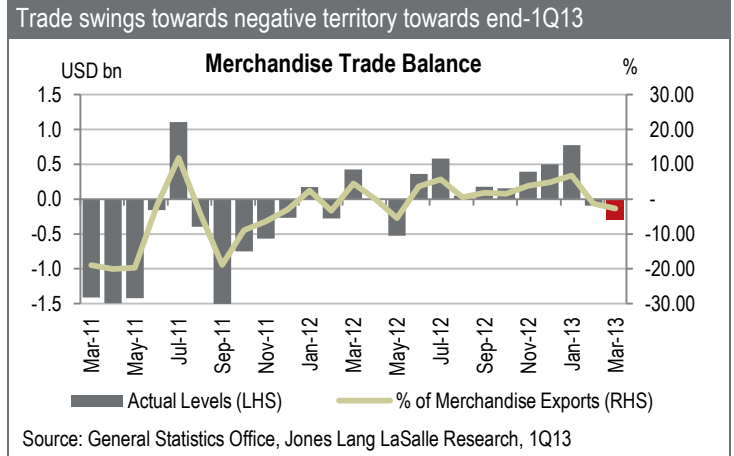
The State Bank of Vietnam announced yet another rate cut in late 1Q13. As credit growth was sluggish during 1Q13 after having improved at end-2012, this latest rate cut indicated that pro-growth monetary policies may not be over yet. During the quarter, both JPMorgan and ANZ in their research reports have also predicted more rate cuts during 2013.

Implications

Earlier, the Government had officially announced an inflation targeting policy to be implemented for the year of 2013. This policy supposedly would limit room for interest rate cuts. However, with both GDP growth and inflation in 1Q13 lower than expected, together with sluggish credit growth and trade balance in negative territory for now, pro-growth monetary policies involving rate cuts may still continue.

This is apparently no bad news for the real estate market. However, improved credit conditions for real estate developers are still dependent on resolution of the current bad debts in the banking system. Given that the real estate industry involves a large number of other related industries and a large number of companies in the economy, upcoming government actions to provide support to both the real estate industry and the banking system are probable.

Over the near term, most owners of development projects, especially in sectors with large pipelines such as **office** and **residential**, will likely continue giving higher priority to seeking equity partners rather than seeking additional debt.



Foreign Reserves	Credit Growth
14-16 weeks of imports 1Q13	0.03% ytd 1Q13

Source: National Financial Supervisory Commission, Vietnam Government Web Portal, Jones Lang LaSalle Research, 1Q13

HCMC RESIDENTIAL

Supply and Demand

Supply / Demand Indicator	Apartments	Villas / Townhouses ^[1]
Completed Supply (units)	54,000	3,500
Uncompleted Supply (units) ^[2]	23,000	200
Unsold Inventory (%) ^[3]	29.5%	22.5%

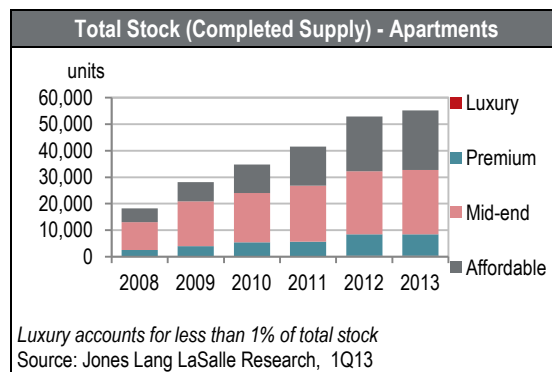
^[1] Excludes land plot projects. ^[2] Excludes planned projects not launched for sale yet. Includes fully sold projects. ^[3] The percentage of ^[2] that remains unsold at quarter-end.
Source: Jones Lang LaSalle Research, 1Q13

- **Supply shows two contrary trends in the two main sectors**

- Apartments: supply showed strong launching activity when the number of units coming on stream doubled to 1,700 units.
- Villas / Townhouses: launching saw a second quarter of inactivity.

- **Demand improves markedly across all markets**

- Apartments: take-up reached more than 1,600 units, 75% of which are completed or scheduled to be handed over during 2013.
- Villas / Townhouses: sales more than tripled against 4Q12, to 140 units. One affordably-priced, completed project in District 8 drove this figure.



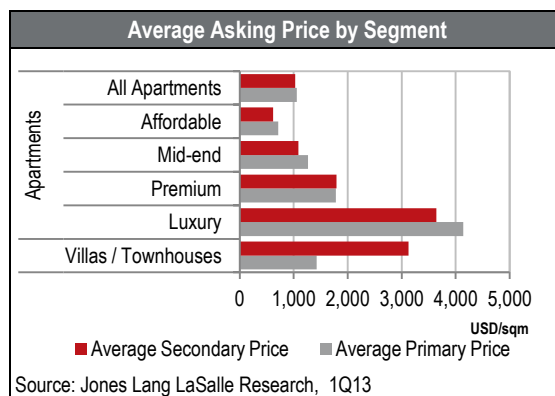
Asset Performance

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%	▼ -2.8%	▼ -1.5%	▼ -8.2%
Villas / Townhouses	▲ 1.4%	▼ -2.7%	▼ -4.2%	▼ -6.3%

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, 1Q13

- **Prices extend their prevailing down movements**

- Primary market:
 - Apartments: prices announced were mostly unchanged but they were accompanied with many attractive promotional programs.
 - Villas / Townhouses: prices inched up when available units came to the final stage of construction and / or sale.
- Secondary market:
 - Apartments: prices were down across the board, especially in the Premium and Luxury segments.
 - Villas / Townhouses: prices dropped, even in some notable projects in District 7.



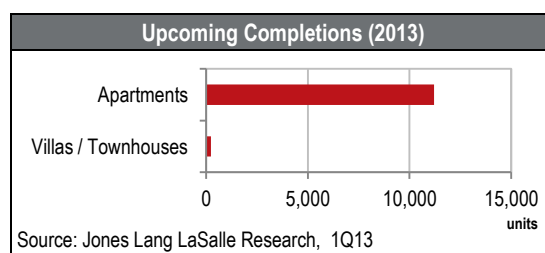
Outlook

- **Supply to be abundant in the coming year**

- Projects with affordable prices are to lead the apartments market, accounting for over 90% of completions and launches expected in 2013.
- District 7 and District 9 to top the number of villas / townhouses completed and newly launched, respectively, for the rest of 2013.

- **Signs of recovery are awaited during the year**

- Present and future government actions in the banking and financial sector are expected to support the housing market.
- Demand will likely be further boosted if prices remain competitive.



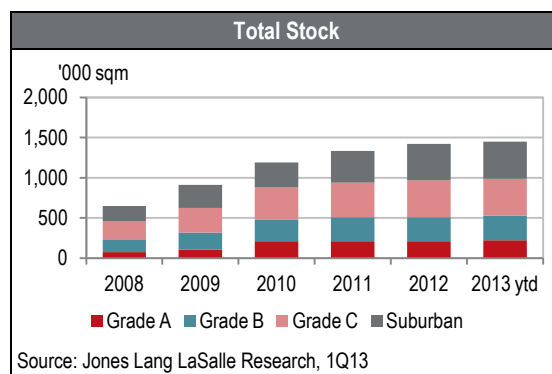
HCMC OFFICE

Supply and Demand

Supply / Demand Indicator	Grade A	Grade B	Grade C	Suburban	Total
Total Stock (sqm)	221,000	308,000	458,000	462,000	1,448,000
Occupancy Rate (%)	79.5	94.0	90.8	86.1	88.3
Q-o-Q Change (bps)	▼ -47	▼ -70	▼ -124	▲ 30	▼ -57

Source: Jones Lang LaSalle Research, 1Q13

- **Supply continues to increase slightly**
 - Total stock increased by over 27,000 sqm from three new buildings completed in 1Q13
 - Overall, construction activity remained quiet in the quarter
- **Demand remains moderate in early 2013**
 - Net absorption reached just over 17,500 sqm in 1Q13, half of which was from Grade A properties
 - Approximately 41% of total vacant space belonged to the Suburban segment



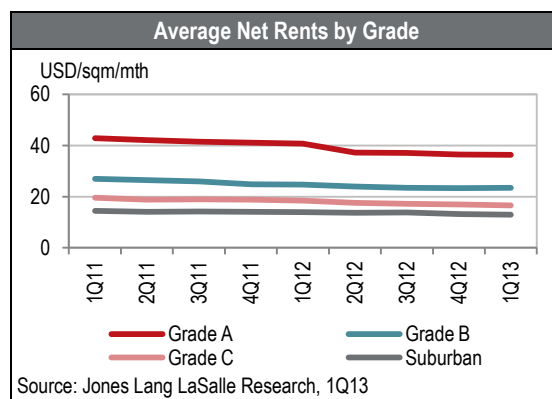
Asset Performance

Key Performance Indicator	Grade A	Grade B	Grade C	Suburban	Total
Average Gross Rent (USD/sqm/mth)	43.7	29.3	19.1	16.7	24.8
Average Net Rent (USD/sqm/mth)	36.4	23.4	16.6	13.0	20.3
Q-o-Q Change (%)	▼ -0.9	▼ -0.5	▼ -1.6	▼ -2.3	▼ -1.2

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).

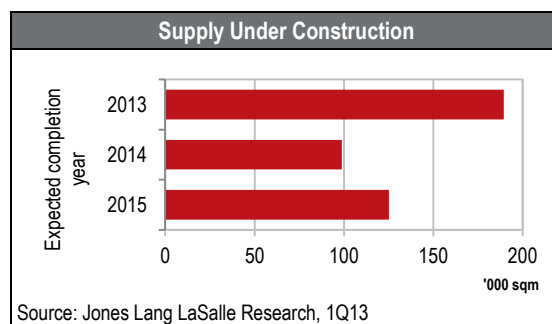
Source: Jones Lang LaSalle Research, 1Q13

- **Rental downtrend remains in 1Q13**
 - Net rents dropped 1.2% q-o-q to USD 20.3 per sqm per month
 - Nearly 19% of total office buildings in HCMC decreased net rent in 1Q13
- **The investment market sees indicative signs of activity**
 - Some sources indicated that Gemadep Tower was sold to a South Korean buyer for USD 45 million but Gemadep Corporation did not confirm this.
 - Valuation-based office investment yields are understood to be stable.



Outlook

- **Supply continues to outstrip demand in the short-term**
 - The city's office stock may increase by nearly 190,000 sqm by year-end, 64% of which will be located in District 1
 - Office demand may remain quiet in the next few quarters due to the moderate macroeconomic environment
- **Rents are expected to decrease slightly in 2013**
 - Flat demand and ample upcoming supply may keep rentals in a downtrend in the short-term
 - Many landlords may continue to offer other benefits in order to attract potential tenants and retain current ones.



HCMC RETAIL

Supply and Demand

Supply / Demand Indicator	Investment Grade		Non-Investment Grade	
	CBD	Non-CBD	Total	
Total Stock (sqm)	175,000	269,000	444,000	421,000
Occupancy Rate (%)	93.8	88.8	90.8	N.A.
Q-o-Q Change (bps)	▲ 350	▲ 60	▲ 170	N.A.

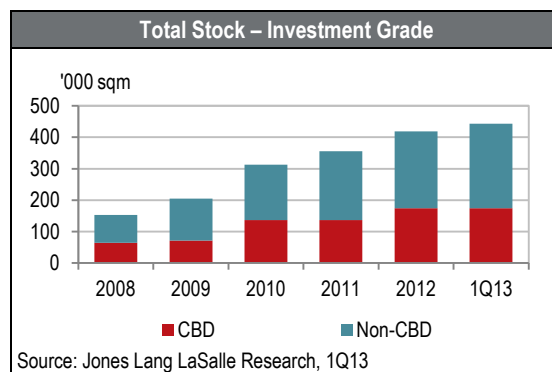
Source: Jones Lang LaSalle Research, 1Q13

- **Supply continues to increase**

- One building was completed in 1Q13, resulting in the total retail stock in HCMC increasing slightly by 3.0% q-o-q
- Nearly 50% of Investment Grade properties include retail space exceeding 20,000 sqm each

- **Demand is stable in 1Q13**

- Many Investment Grade retail properties kept good occupancy
- Total net absorption reached nearly 30,000 sqm in 1Q13, over 70% of which was from new buildings



Asset Performance

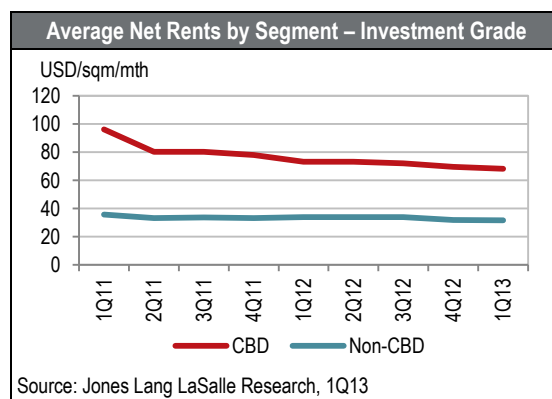
Key Performance Indicator – Investment Grade	CBD	Non-CBD	Overall
Average Gross Rent (USD/sqm/mth)	74.5	40.3	53.8
Average Net Rent (USD/sqm/mth)	68.3	31.6	46.7
Q-o-Q Change (%)	▼ -1.9	◀▶ 0.0	▼ -1.1

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, 1Q13

- **Rents continue to fall in 1Q13**

- Average Investment Grade rents in HCMC continued to decrease for the sixth consecutive quarter, dropping nearly 14% since 3Q11
- Despite the moderate demand, some rents in retail properties remained unchanged due to good occupancy.



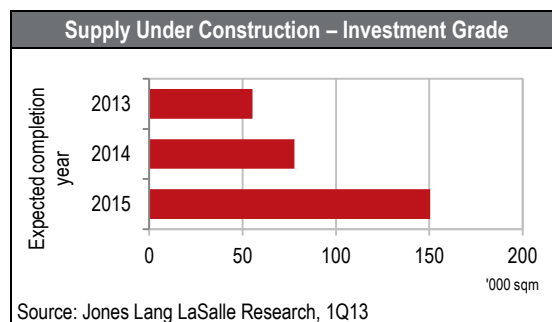
Outlook

- **Supply continues to outstrip demand in the short-term**

- The total Investment Grade stock could increase by over 55,000 sqm by year-end, with nearly 50% of it located in District 1
- Demand might remain modest in the short-term due mostly to the moderate macroeconomic environment

- **Rents might decrease slightly in the next few quarters**

- The weak demand might result in a decrease in average rents in 2013
- A recovery in rents is expected in the following few years in light of improving macroeconomic data



HANOI RESIDENTIAL

Supply and Demand

Supply / Demand Indicator	Apartments
Completed Supply (units)	36,000
Uncompleted Supply (units) ^[1]	35,000
Unsold Inventory (%) ^[2]	20.0%

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

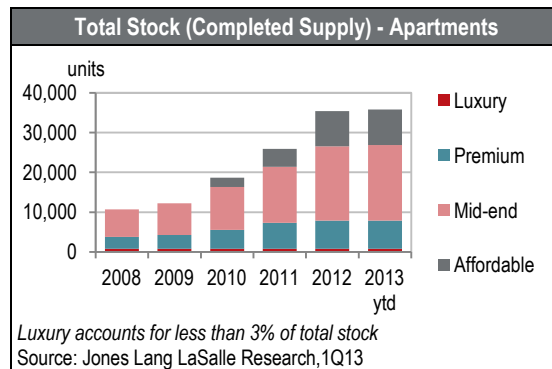
Source: Jones Lang LaSalle Research, 1Q13

- **Supply is ample while construction remains slow**

- Launches rose markedly to over 1,800 units, mostly in the Affordable segment.
- Slow progress in construction remained in place with just a modest 650 new completions recorded in 1Q13.

- **Demand picks up encouragingly**

- Take-up rates grew moderately by 18% with many projects at affordable prices selling well in the quarter.
- The Luxury and Premium segments seemed quiet with small sale volumes.



Asset Performance

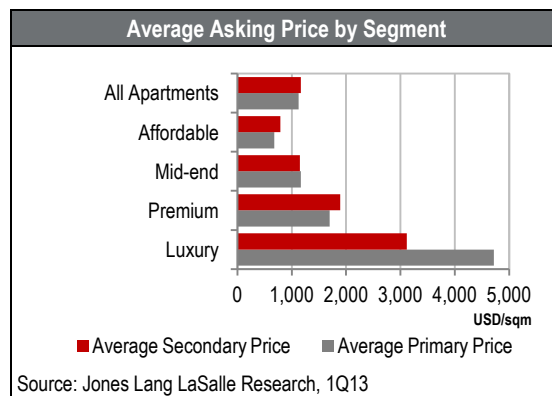
Market Segment	Primary Market		Secondary Market	
	Q-o-Q	Y-o-Y	Q-o-Q	Y-o-Y
Apartments	▼ -6.2%	▼ -10.6%	▼ -6.3%	▼ -16.5%

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, 1Q13

- **Pricing correction is seen across all markets**

- Primary market
 - Prices dipped sharply, especially in the Premium segment.
 - More than 90% of available projects were quoted cheaper than in 4Q12 for their apartments.
- Secondary market
 - Prices fell lower; exceptionally, some drops amounted to more than 50% q-o-q.
 - The decline was greatest among apartments in Ha Dong and Cau Giay districts.



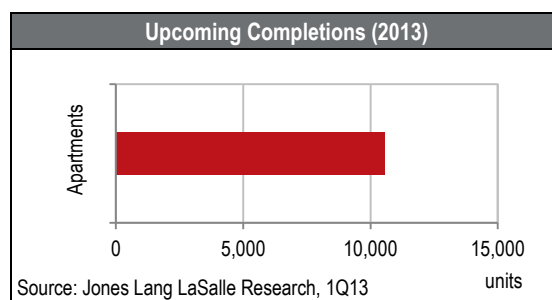
Outlook

- **Supply to be abundant until year-end**

- More than 10,000 completed apartments are expected in 2013, nearly 95% of which comes from affordable projects with recent good sale rates.
- Plenty of new launches may come, mainly from some productive developers in the Affordable and Mid-end segments.

- **Demand may continue the recent uptrend during 2013**

- Lower selling prices may start attracting more buyers.
- Additionally, the expected government actions in supporting banking and financial markets may help to boost sales.



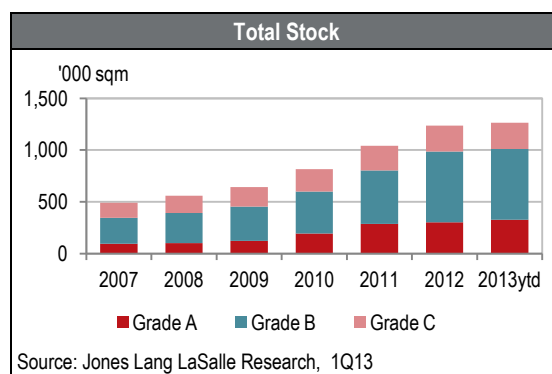
HANOI OFFICE

Supply and Demand

Supply / Demand Indicator	Grade A	Grade B	Grade C	Total
Total Stock (sqm)	327,000	684,000	252,000	1,263,000
Occupancy Rate (%)	71.0	78.4	87.9	78.4
Q-o-Q Change (bps)	▼ -320	▼ -240	▲ 30	▼ -220

Source: Jones Lang LaSalle Research, 1Q13

- **Supply increases with a new Grade A building**
 - CornerStone completed in 1Q13, adding nearly 26,000 sqm of office space to the Hanoi office market.
 - Several projects paused temporarily or did not meet their previously expected schedules.
- **Demand decreases, causing occupancy to fall**
 - Market-wide net absorption decreased, primarily due to demand for Grade B office space falling sharply.
 - The occupancy rate of the Hanoi office market declined 2.2% q-o-q.

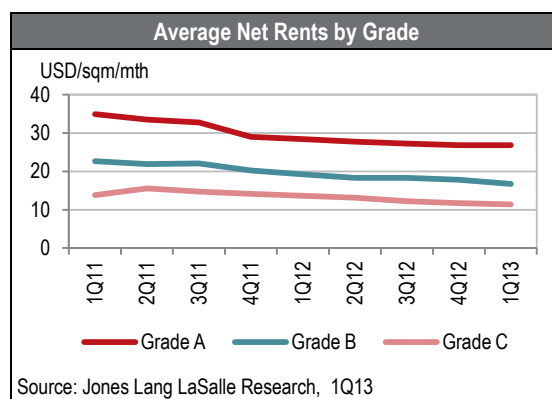


Asset Performance

Key Performance Indicator	Grade A	Grade B	Grade C	Total
Average Gross Rent (USD/sqm/mth)	33.0	21.5	15.6	23.3
Average Net Rent (USD/sqm/mth)	26.9	16.7	11.4	18.3
Q-o-Q Change (%)	▼ -1.5	▼ -4.5	▼ -1.3	▼ -3.1

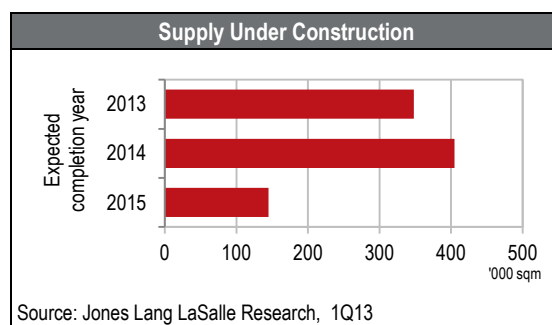
Note: Q-o-Q and Y-o-Y changes are adjusted to remove effects from supply additions / removals (i.e. changes are on a like-for-like basis).
Source: Jones Lang LaSalle Research, 1Q13

- **Rents fall across all three office market segments**
 - Net rents declined 3.1% q-o-q, to USD 18.3 per month per sqm in 1Q13.
 - Rents in the Grade B sector declined at the highest rate due to the continuously increasing supply in recent quarters.
- **No transactions in the investment market**
 - No investment transactions were recorded in Hanoi's office market in 1Q13.



Outlook

- **Supply expected to continue to increase over time**
 - The total supply of the Hanoi office market is expected to increase by 350,000 sqm in 2013.
 - Demand for office space may also increase, albeit at a likely lower level compared with the increase in supply in the near term.
- **Rents may continue to decline in 2013**
 - Rents are expected to continue to decline due to the strong upcoming supply.
 - The rent gap between the CBD and the non CBD areas is likely to remain significant.



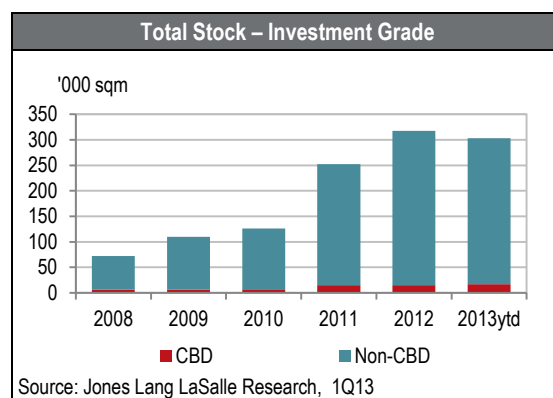
HANOI RETAIL

Supply and Demand

Supply / Demand Indicator	Investment Grade		Non-Investment Grade	
	CBD	Non-CBD	Total	
Total Stock (sqm)	17,000	286,000	303,000	175,000
Occupancy Rate (%)	73.7	88.3	87.5	N.A.
Q-o-Q Change (bps)	▼ 970	▲ 130	▲ 60	N.A.

Source: Jones Lang LaSalle Research, 1Q13

- **Supply declines due to stock withdrawal**
 - Total Investment Grade stock decreased by 4.4% to 303,000 sqm, due to the Hanoi Grand Plaza being withdrawn from the market in 1Q13.
 - The retail market in the CBD areas received 2,000 sqm from CornerStone.
- **Demand is stable in the CBD but declines in non-CBD areas**
 - Demand for retail space was stable in the CBD areas, except for the newly completed building, which was yet to be fully occupied.
 - Meanwhile, several tenants in the non-CBD areas returned their retail space. Notably, this led to the Hanoi Grand Plaza's temporary closing.



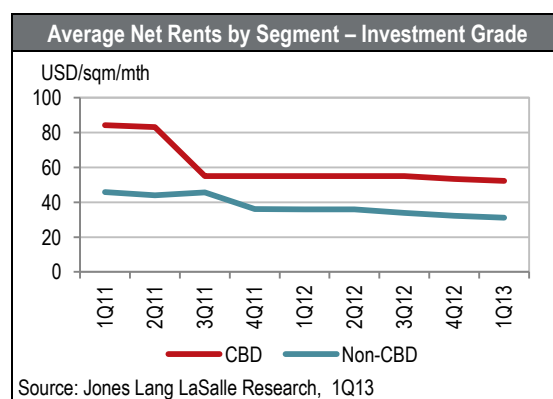
Asset Performance

Key Performance Indicator – Investment Grade	CBD	Non-CBD	Overall
Average Gross Rent (USD/sqm/mth)	60.1	36.3	37.7
Average Net Rent (USD/sqm/mth)	52.2	31.1	32.3
Q-o-Q Change (%)	▼ -2.1	▼ -3.8	▼ -3.7

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).

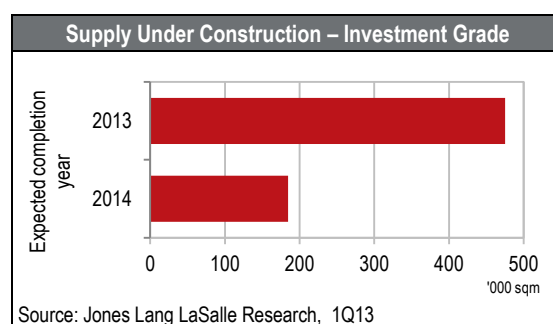
Source: Jones Lang LaSalle Research, 1Q13

- **Rents continue to decrease in 1Q13**
 - The asking rents of Investment Grade properties continued to fall by 3.7% q-o-q, and by 11.6% y-o-y.
 - Landlords offered many attractive promotions, mostly in the form of directly lowering asking rents, to attract new tenants and retain existing ones.



Outlook

- **Supply likely to continue to increase over the upcoming quarters**
 - Trang Tien Plaza is expected to come on stream in 2Q13, adding about 12,000 sqm of retail space to the Hanoi market.
 - Demand for retail space may continue declining, especially in non-CBD areas, due to the economic difficulties continuing.
- **Rents are likely to continue to decline**
 - Rents are forecast to decline due to strong supply and soft demand.
 - However, rents in several shopping centers are expected to remain unchanged due to stable occupancy rates.



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

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