

**Vietnam Property Market
1ST QUARTER 2007**

April 12th, 2007

■ Việt Nam Real Estate Market

- It is said that “Land prices have never fallen in Vietnam”
- Vietnam is often cited as having the highest land prices in world relative to GDP
- Real estate made up about 25% of total FDI in 2006
- Increasing number of Real Estate investment funds
- High & increasing demand for high-quality housing
- Offices for rent are fully occupied (Grade A: 30\$, Grade B: 20\$, Occupancy: >95%)
- Law on Real Estate Business effective January 2007 created a transparent legal framework

■ Drivers for market growth

- A 150th member of WTO
- The Government allow long-term mortgage loans (15-20 years or longer)
- Vietnamese people have the habit of keeping properties as a form of investment
- Young population wish to move out of the family home
- Fevered local stock market

1.1 – HANOI RESIDENTIAL MARKET

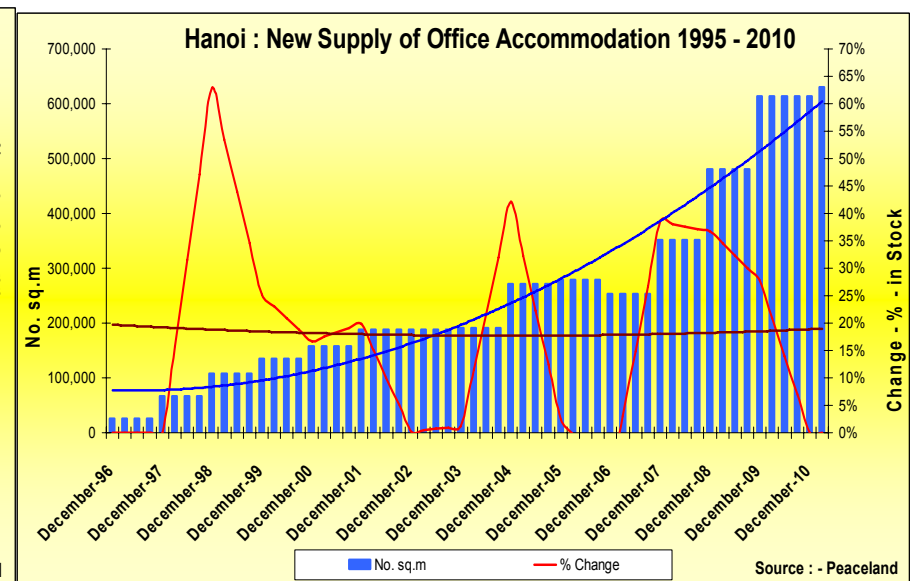
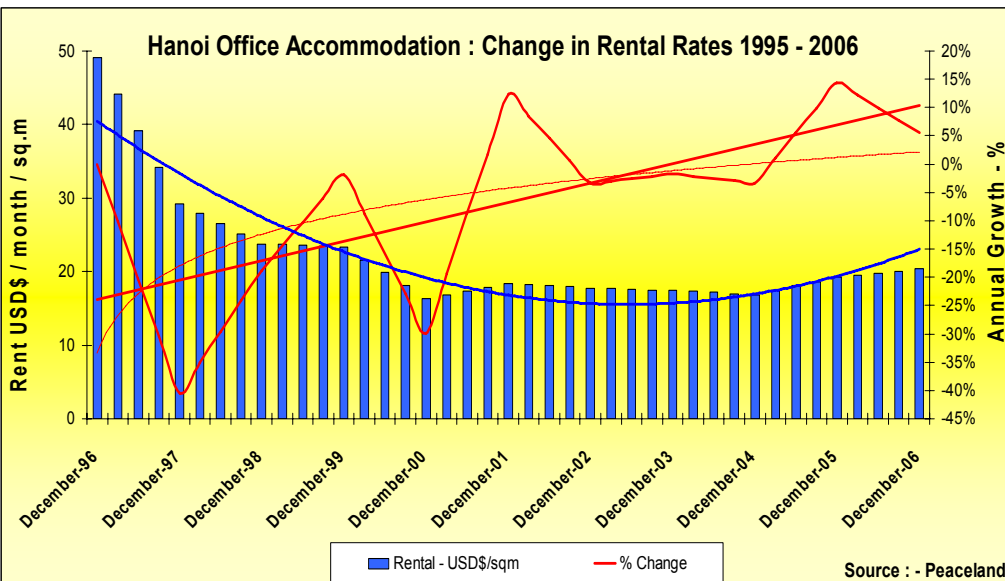
Residential Market – New Township is a must

- Ha Noi's population is 3.2 million people and increasing at a rate of 2.7% per year
- Ha Noi is one of the most crowded cities in the region with 3,347 people / km² but living conditions are poor
- Urbanization rate is high (57.7% in 2000, 66% in 2005 & projected 76% in 2010)
- Ha Noi strongly encourages the policy of moving people from the inner city to new high quality sub-urban areas
- People are increasingly attracted to the concept of living in new urban areas which offers the full range of services
- Increasing exodus of people moving from neighbor provinces to Hanoi

1.2 – HANOI OFFICE MARKET

■ Office market – demand exceeds supply

- Ha Noi currently has 55 international standard office buildings with total area of 285,718m²
- Average rent is US\$19.4 /m²
- Grade-A office building rental can achieve US\$30+ /m²
- Increasing trend of local companies moving from town houses to high-rise buildings

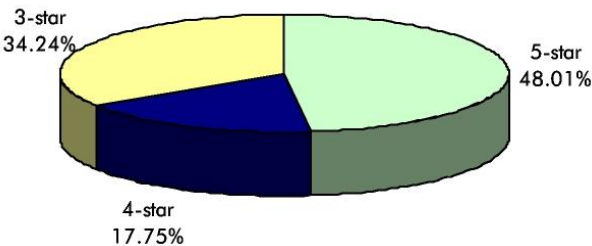


1.3 – HANOI HOTEL MARKET

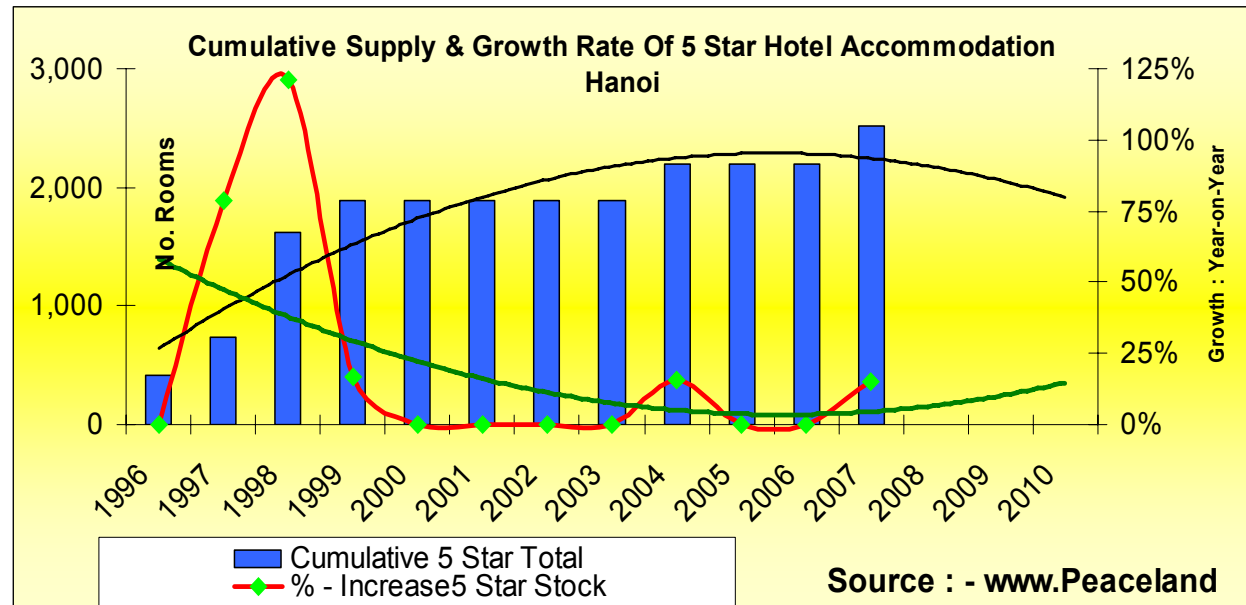
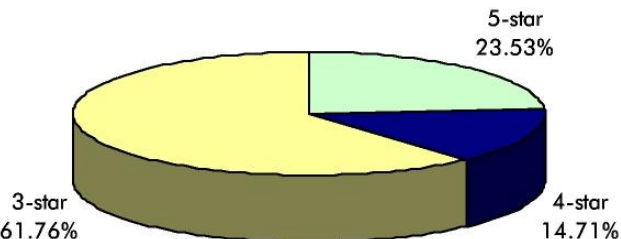
■ Hotel market – shortage of supply

- Ha Noi presently has 428 hotels, 9 of which are 5 or 4 star hotels, and 21 of which are 3 star hotels
- Projected annual growth in tourism of 20%, there will be a shortage of 10,000 rooms rated at 3 stars or higher

Number of Hotels' rooms

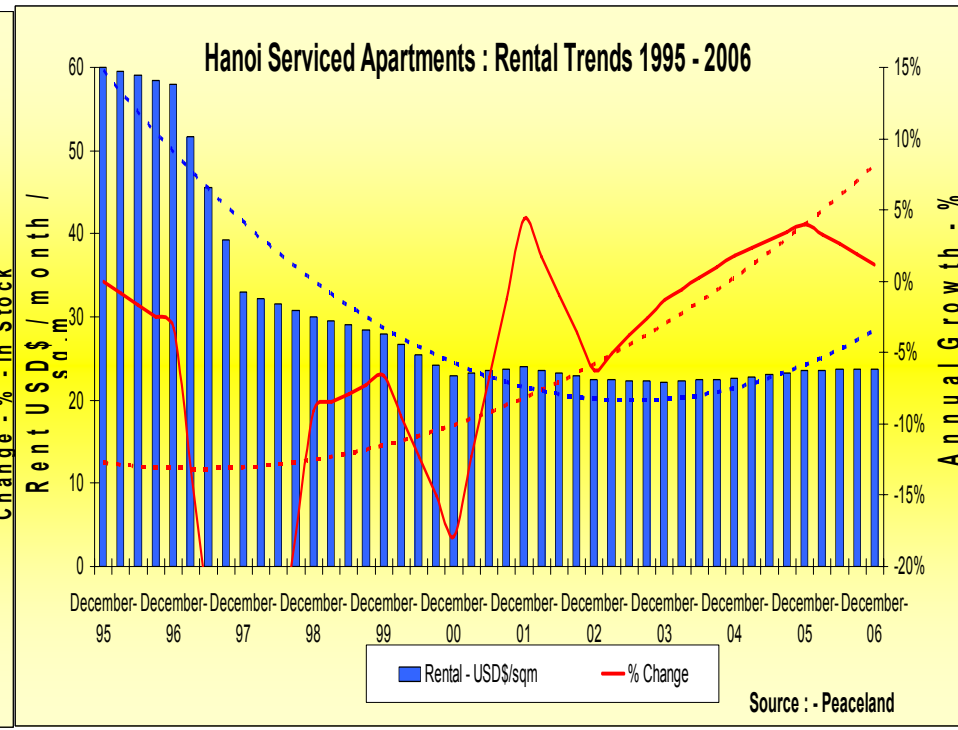
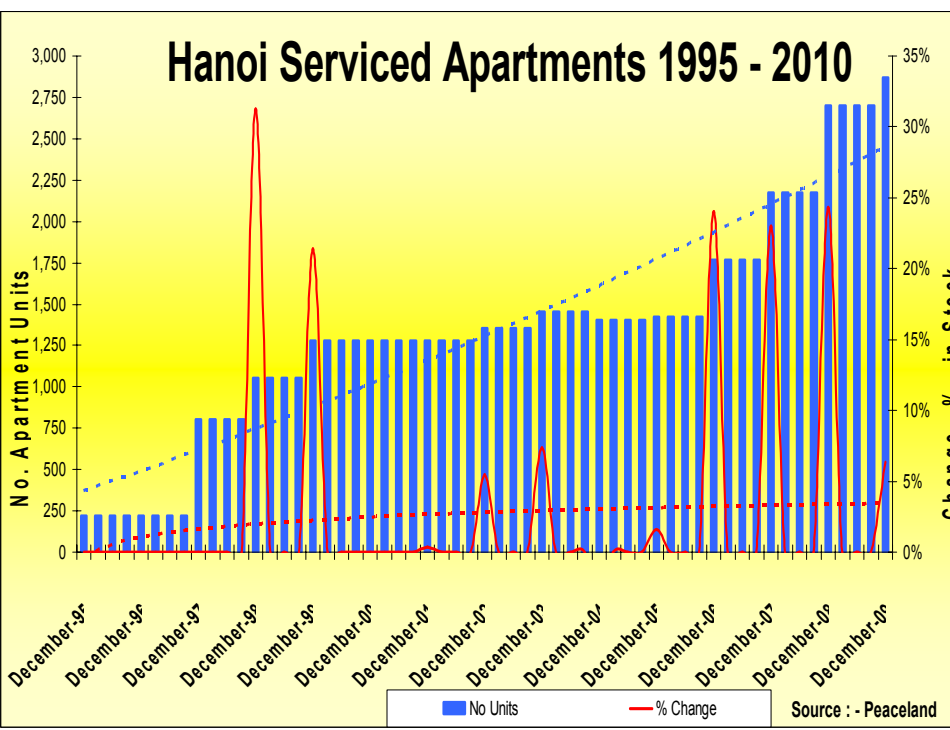


Number of Hotels



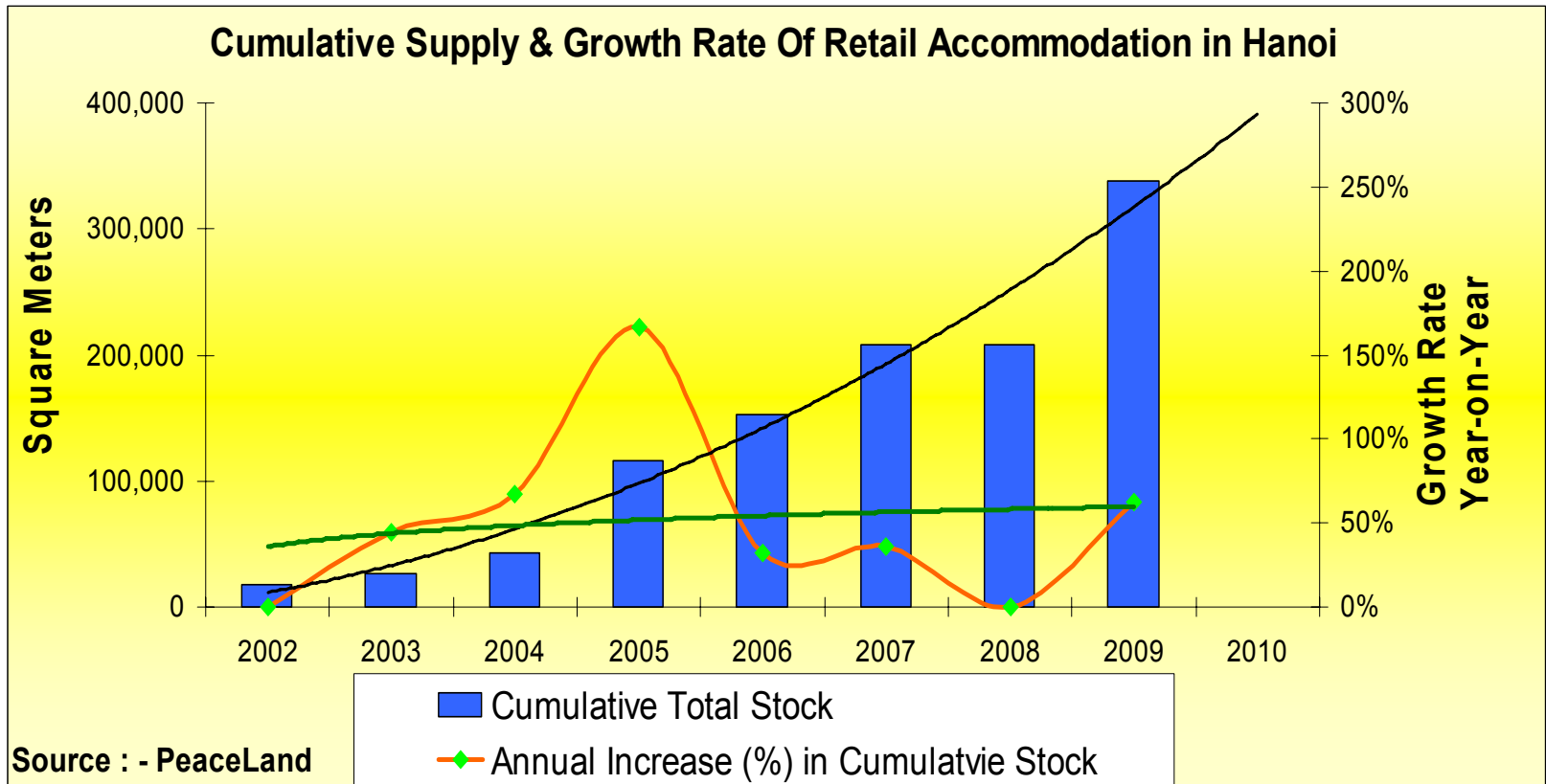
1.4 – HANOI SERVICED APARTMENT MARKET

- **Serviced apartment market – steady growth**
 - The total number of serviced residences is 1,222 units of which there are 1,162 apartments and 60 villas.
 - Average rent is US\$24 /m2/ month



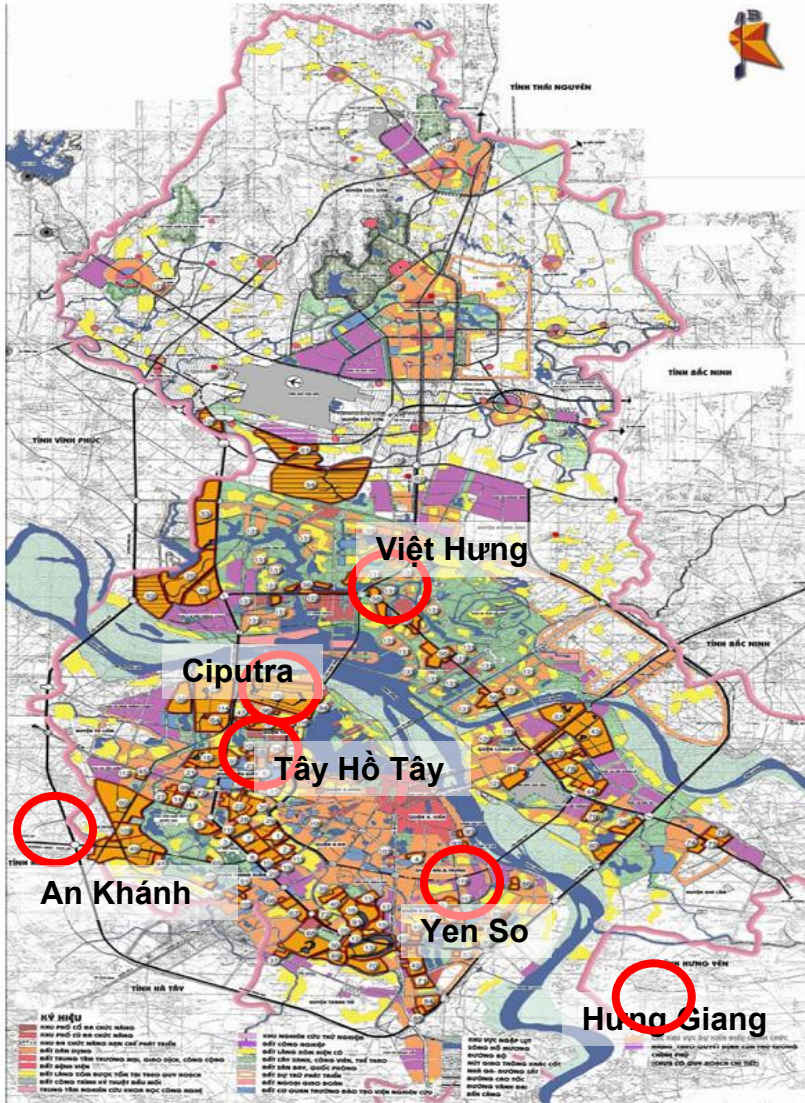
1.5 – HANOI RETAIL MARKET

- **Retail market – huge room for growth**
 - Total lettable area of shopping centers in Hanoi is 53,996 m².
 - Average rent is US\$30 /m²



1.6 CASE STUDY: NEW TOWNSHIP PROJECTS

Mapping of Hanoi new residential projects



- Ciputra
 - Area: 315ha
 - 10km from Ha Noi 's CBD
- Tây Hồ Tây
 - Area: 207ha
 - 8km from Ha Noi 's CBD
- An Khánh
 - An Khánh North: 264ha
 - An Khánh South: 321ha
 - 20km from Ha Noi 's CBD
- Việt Hưng
 - Area: 302ha
 - 14km from Ha Noi 's CBD
- Hưng Giang
 - Area: 500ha
 - 13km from Ha Noi 's CBD

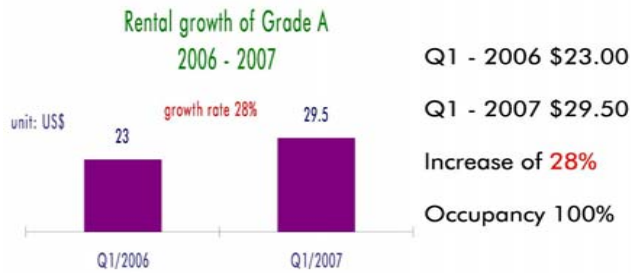
Maps of New Urban Areas around Ha Noi

2.1 – HCMC RESIDENTIAL MARKET

Residential Market – supply shortage & speculation-oriented

- Market driven by main factors – population increase, change in life styles, growing young middle-class urban population and emerging availability of mortgages.
- High demand for serviced apartments has current impact on high-end apartments for sales (increase 30%-50% in good locations from 2006-2007).
- Gold is yet the most common method of payment for housing purchase.
- One-third of the three million Vietnamese living abroad (Viet Kieu) wish to acquire real properties mainly in HCMC & the Southern provinces.
- With rapid urbanization, HCMC will have to develop annually 5 million sqm of housing until year 2010

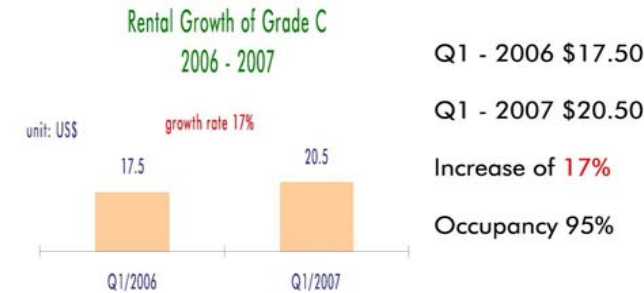
2.2 – HCMC OFFICE MARKET



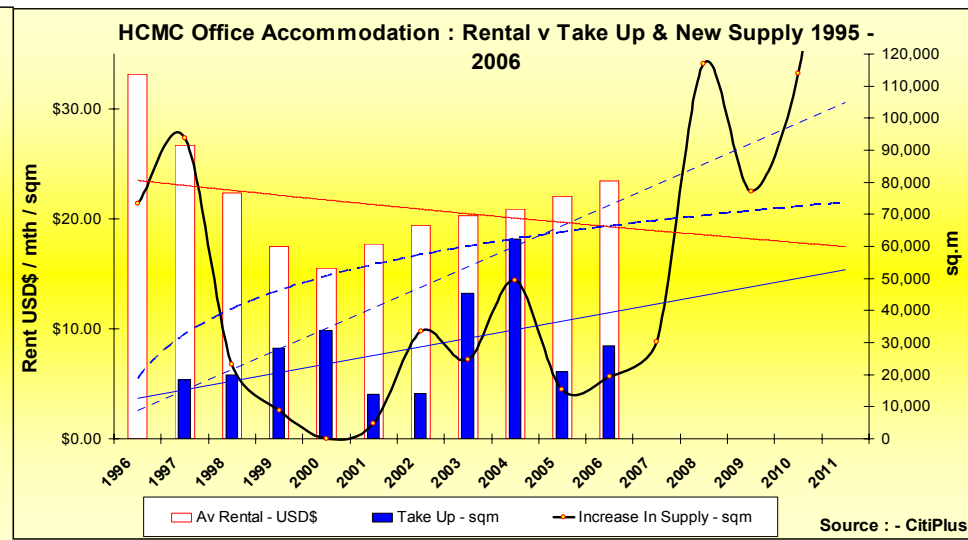
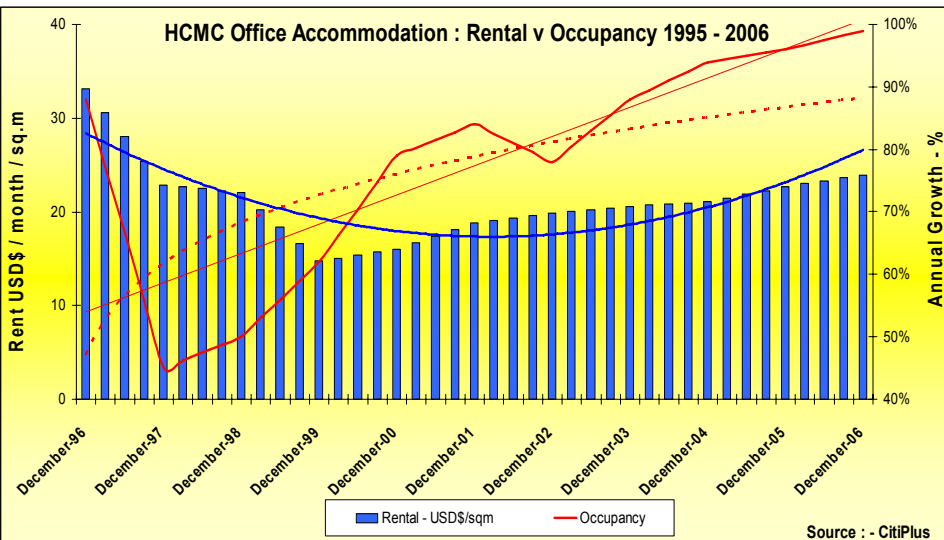
*Note: Rents excluding S. C and VAT



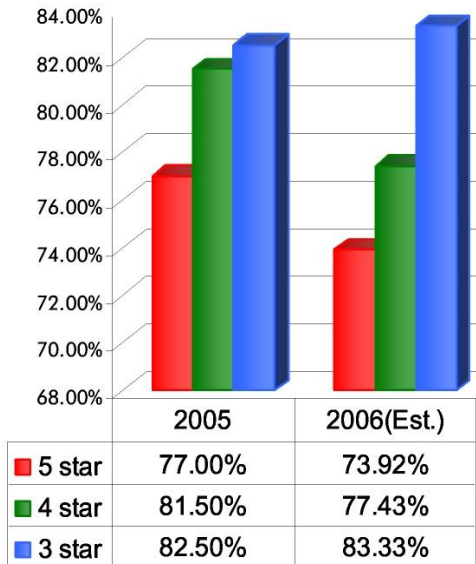
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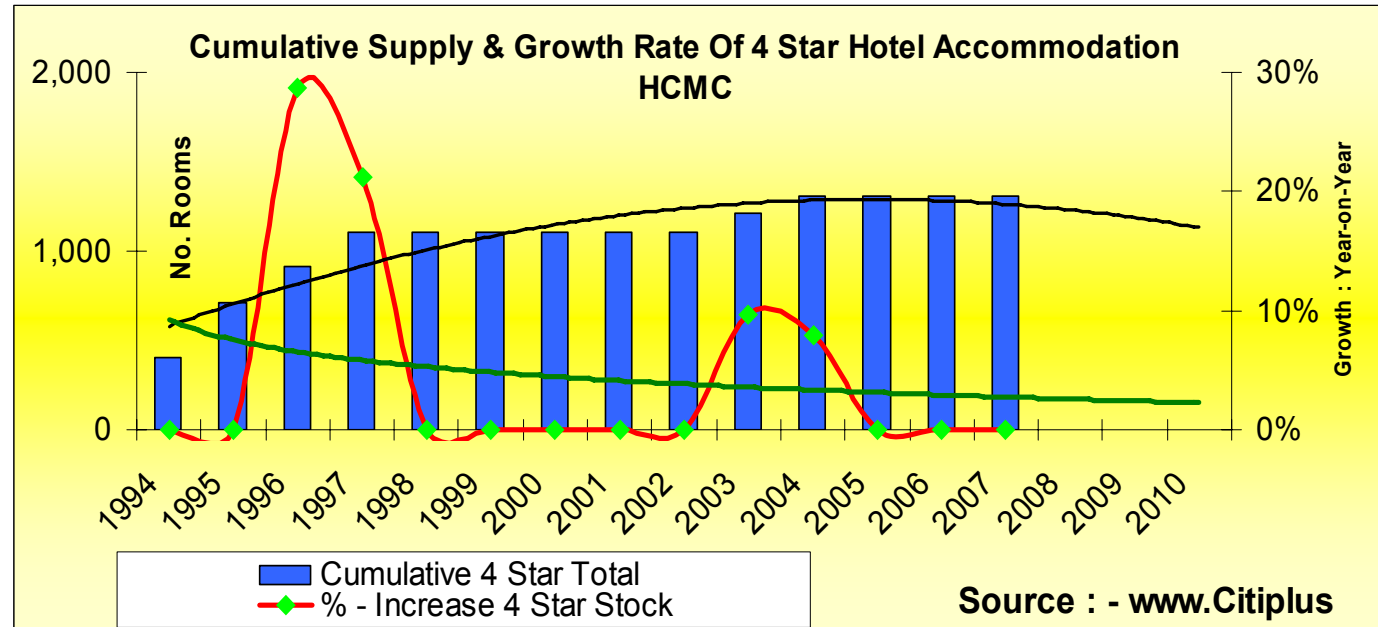
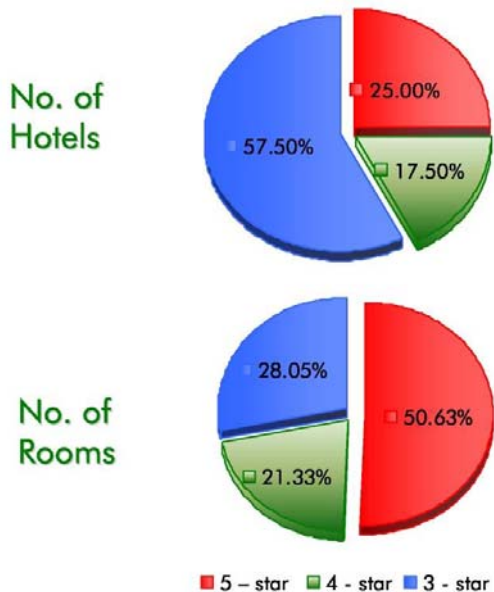
2.3 – HCMC HOTEL MARKET



D1 5 Star Hotel Rates on average range from: \$77 - \$165 per night

Average % Increase from 2005

- 5 Star - 15.76%
- 4 Star - 15.75%
- 3 Star - 15.79%



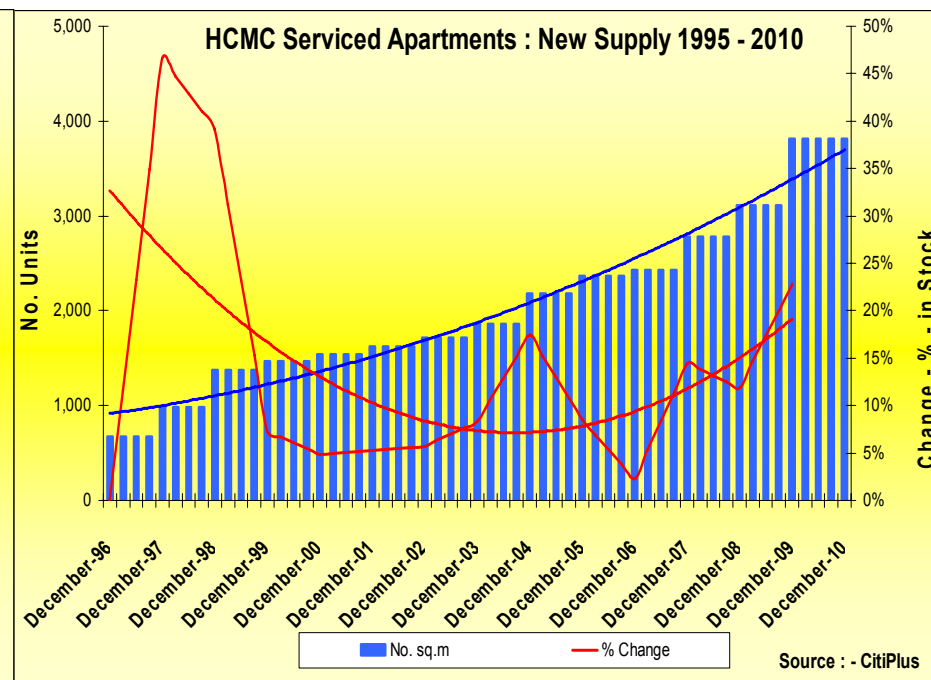
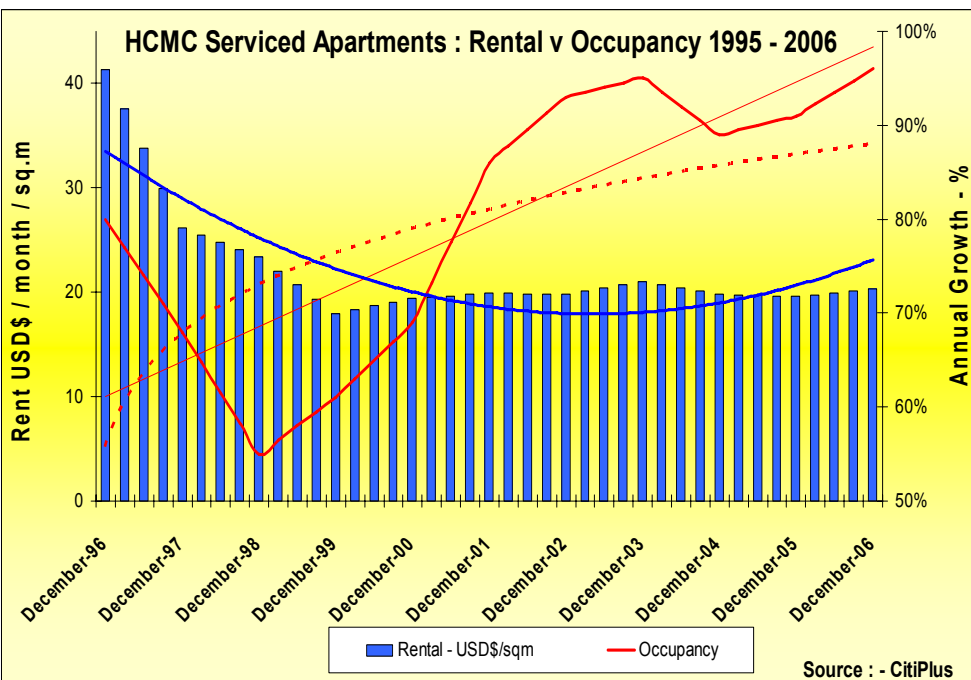
Source : - www.Citiplus

2.4 – HCMC SERVICED APARTMENT MARKET

Monthly Asking Rent / Unit (As of end 2006)

	1 bedroom	2 bedroom	3 bedroom	4 bedroom
Grade A	1,800-2,400	2,500-3,500	3,400-6,300	5.800-7,000
Grade B	1,100-1,900	1,500-2,800	2,200-3,700	4,000-4,500

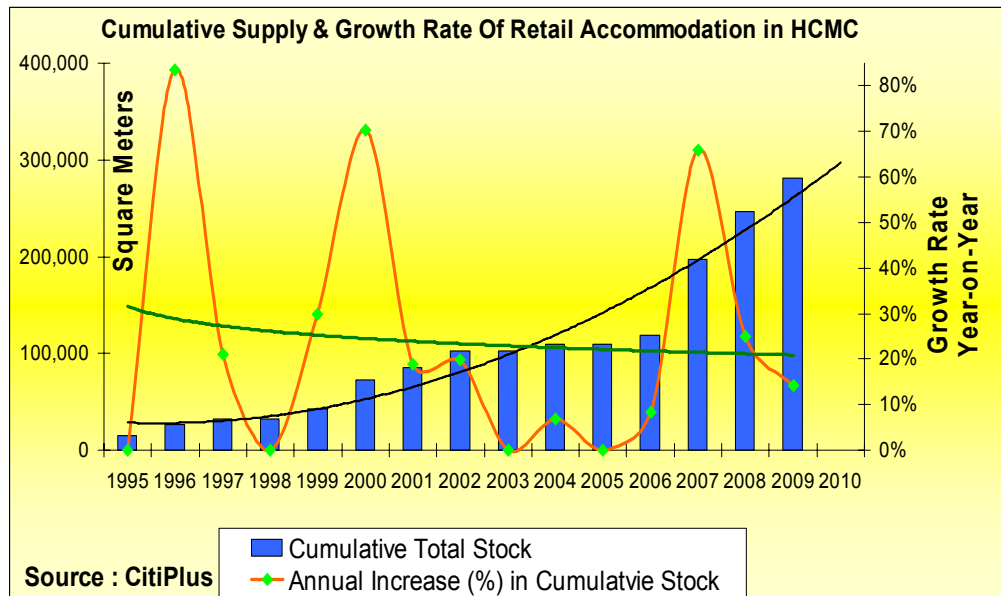
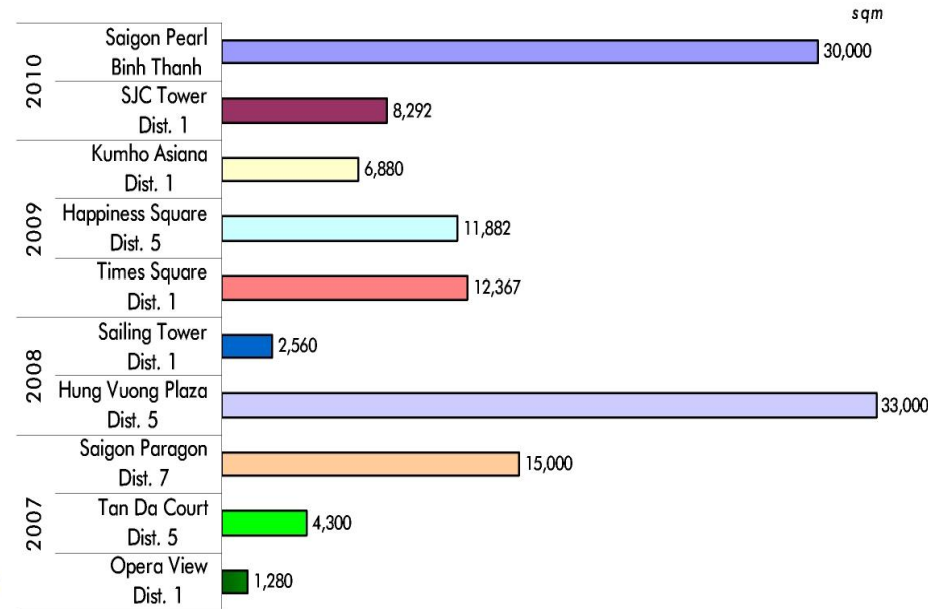
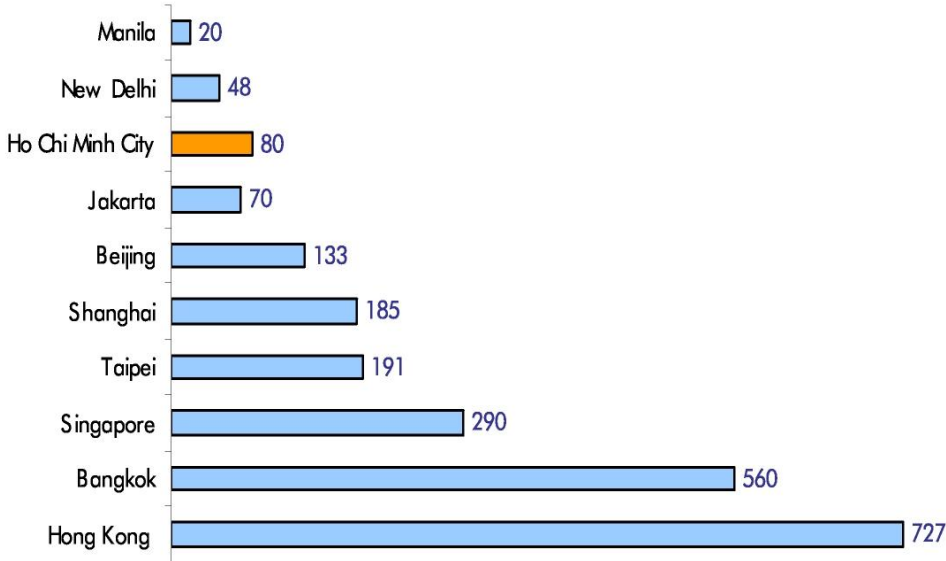
The average occupancy rate in the CBA (both grade A & grade B) was average 97% as of end 2006



2.5 – HCMC RETAIL MARKET

HCMC Future Supply

COMPARISON OF RETAIL RENTS IN CITIES IN SOUTH EAST ASIA



Source : CitiPlus