

# GLOBAL SPOTLIGHT

## Ho Chi Minh City, Vietnam



**Ho Chi Minh City is the most important economic center in Vietnam as it accounts for a large percentage of Vietnam's economy.**

- The Ho Chi Minh City office market has seen a rapid increase in rents as sustained demand, high occupancy levels and little new supply have allowed landlords to raise prices. Average rents for Grade A space broke the US\$50 per SM per month barrier and continued rental growth is likely in the short term before a number of Grade A developments reach the market in 2009-2010.
- Lower-grade office buildings see similar growth in rental levels with steadily increasing demand, especially from domestic Vietnamese enterprises.
- Quality space also is in short supply in the retail market. Little quality shopping center space has been built to date. Effective rentals for the very best space now exceeds US\$150 per SM and may still climb further as no new quality space will become available until 2009. Even with the new supply, retail space is expected to remain tight until the end of the decade, especially since a growing number of international retailers are entering the market.
- In contrast to the commercial property sector, 2007 has seen mixed results for residential developers. New home buyers are more cautious now than they were before but the market has gathered momentum in recent months and both condominium and house prices are rapidly rising. Buyer expectations are also increasing. This is likely to lead to a much wider spread of property prices as the market continues to mature.

## Ho Chi Minh City At A Glance

|              |  |
|--------------|--|
| Population   | 6,424,519 (Mid-2006)   |
| Location     | Largest city in Vietnam and is located near the Mekong Delta |
| GDP          | \$48.43 billion (2006 est.)                                  |
| Inflation    | 7.5% (2006 est.)   |
| Unemployment | 2% (2006 est.)   |
| Conversion   | 1 USD = 16.112,00 VNĐ  |

| Property                     | US\$/SF/Year<br>Low | High     | Vacancy<br>Rate |
|------------------------------|---------------------|----------|-----------------|
| Downtown Office<br>Class A   | \$50.17             | \$61.32  | 1%              |
| Suburban Office<br>Class A   | \$13.38             | \$20.07  | 5%              |
| Industrial<br>Bulk Warehouse | \$6.69              | \$8.91   | 10%             |
| Retail<br>Downtown           | \$55.74             | \$133.78 | 1%              |

NAI Vietnam offers local market expertise in Hanoi, Ho Chi Minh City, Nha Trang, Haiphong, Danang and Vung Tau . .

## About NAI Global:

NAI Global is one of the world's leading providers of commercial real estate services. We bring together people and resources wherever needed to deliver outstanding results for our clients.

### At A Glance

|              |                            |
|--------------|----------------------------|
| 375          | Offices                    |
| 55           | Countries                  |
| 8,000        | Professionals              |
| \$45 billion | Annual Transaction Volume  |
| 250          | MSF of Property Management |

For more information about NAI Global please visit [www.naiglobal.com](http://www.naiglobal.com) or call 609.945.4000

January 2008



Commercial Real Estate Services, Worldwide.

Build on the power of our network.™