

COMMERCIAL – Soft performance of hotel market

RETAIL

In Q4/2015, total retail stock was 167,000 m², stable quarter-on-quarter (QoQ).

Average rent and occupancy was also stable QoQ but increased 20% year-on-year (YoY) and 7 pts respectively. This increase was due to the entry of Vincom Ngo Quyen Da Nang and better performance of shopping centres and department stores.

Total retail sales in 2015 were approximately VND 65.5 billion, up 8.4% YoY. During 2016-2017, three projects supplying approximately 33,000 m² are expected to enter the market.

Figure 1: Retail



OFFICE

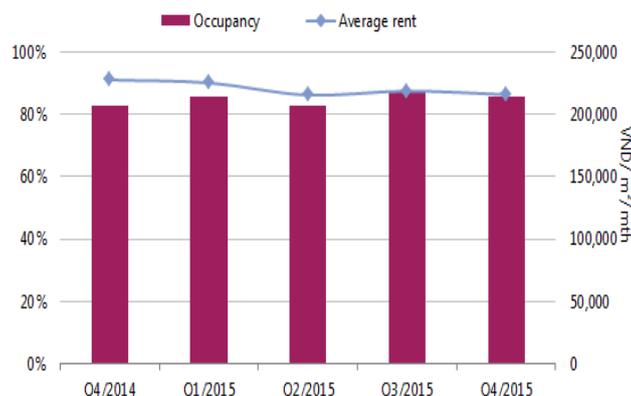
Da Nang total office stock was approximately 86,490 m² in Q4/2015, increasing 2% QoQ due to Trung Ky Plaza returning to the market after renovations.

Average rent was down -1% QoQ: Grade A & B were stable QoQ while Grade C saw a -3% decrease.

Average occupancy declined -2 pts QoQ to 85 percent: Grade A occupancy increased 2 pts QoQ, whilst both Grade B and C decreased -2pts QoQ.

Total leased area was approximately 73,930 m², down -1% QoQ. According to the People's Committee of Da Nang, in the first 11 months of 2015, there were 2,988 new businesses, up 45.9% YoY, with a registered capital of approximately VND 10 billion.

Figure 2: Office



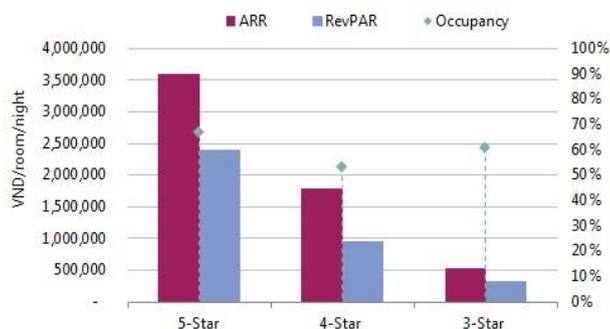
HOTEL

Da Nang total hotel stock was approximately 7,600 rooms, stable QoQ.

Average occupancy was down -16 pts QoQ to 61 percent. The average room rate (ARR) decreased -10% QoQ and RevPAR saw a -29% decrease QoQ. ARR and RevPAR decreased across all grades QoQ and YoY due to the low season.

According to the National Administration of Tourism, there were 4.68 million arrivals to Da Nang in 2015, up 20% YoY.

Figure 3: Hotel



RESIDENTIAL – Strong performance of villa market

In Q4/2015, there were no new villa or apartment projects. The Villa primary market had 11 projects providing 572 units (down -21% QoQ), accounting for 48% of total stock. Ngu Hanh Son district remained the top supplier, accounting for 69% of total stock. The Apartment primary market also had 11 projects providing 412 units (down -32% QoQ), accounting for 13% of total stock; Hai Chau and Son Tra districts dominated primary supply with 96% market share.

Villa absorption to date increased by 14 ppts QoQ to 66% due to the impressive sales performance by Vinpearl Da Nang 2. The apartment market had slow sales performance with absorption this quarter dropping -19 ppts from 31% over the previous quarter. Most active projects have entered into the final phase of sales with gradually slowing sales velocity.

Reputable developers, attractive sales policies and proximity to the beach are key contributors to good villa sales this quarter. Project(s) with guaranteed minimum annual return also had better sales performance relative to others.

Ngu Hanh Son district tops future villa supply while Hai Chau district tops future apartment supply. Following positive market sentiment, it is expected that projects along the coast will launch in 1H/2016.

Figure 5: Villa

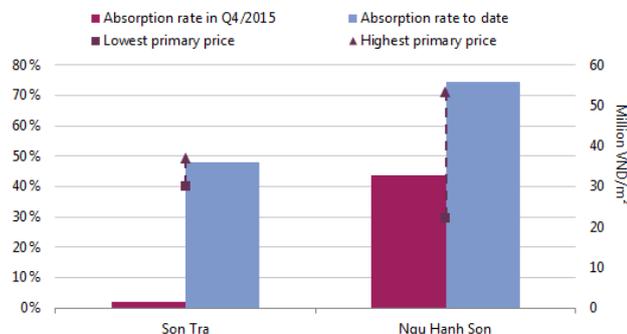
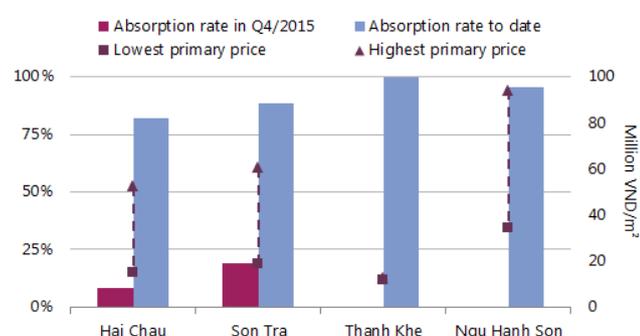


Figure 6: Apartment



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