savills

PHU QUOC MARKET REPORT

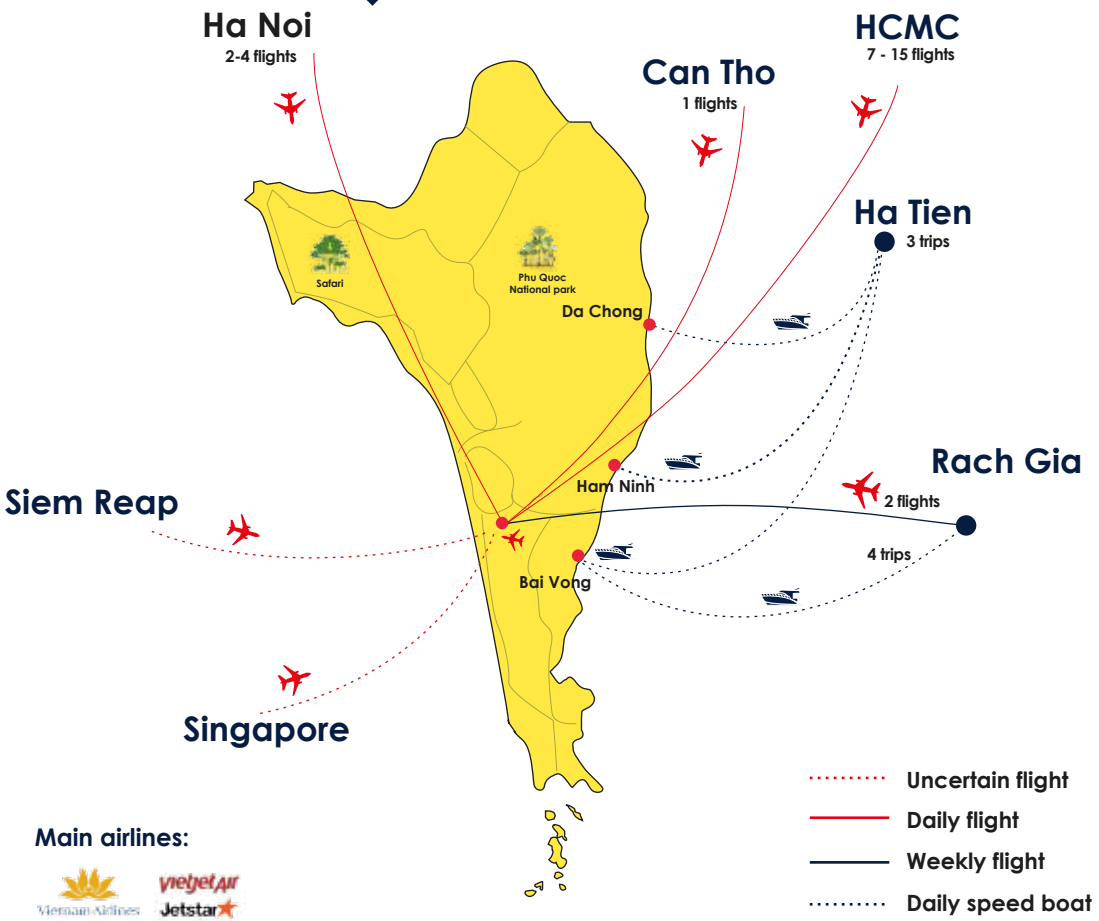
PHU QUOC - INTRODUCTION

Facts and Figures

Area : 589km²

Population : 99,000 persons

Accessibility



Main airlines:

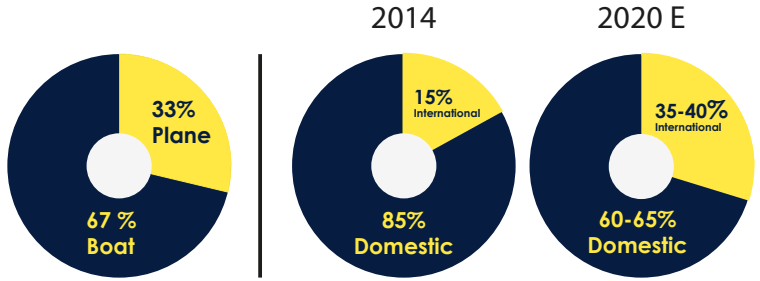
Vietnam Airlines, VietJetAir, Jetstar

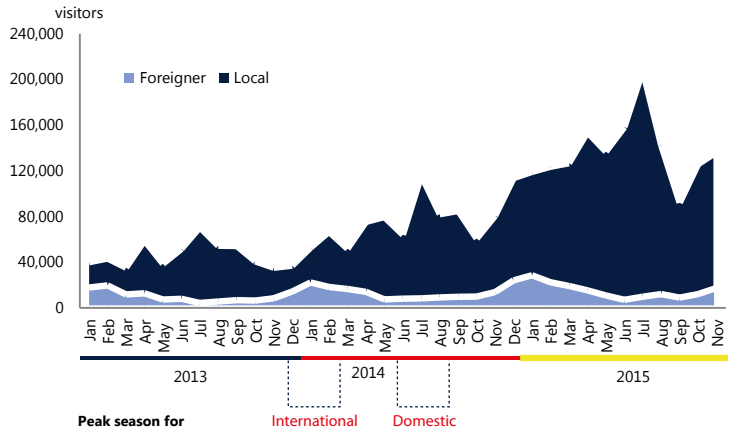
Attractions

- 10 stunning beaches along 150km coastal length
- Unspoiled ecosystem and rich biodiversity
- Safari park, second largest zoo in the world
- Allowed casino development

Tourism

1,051,185 Visitors

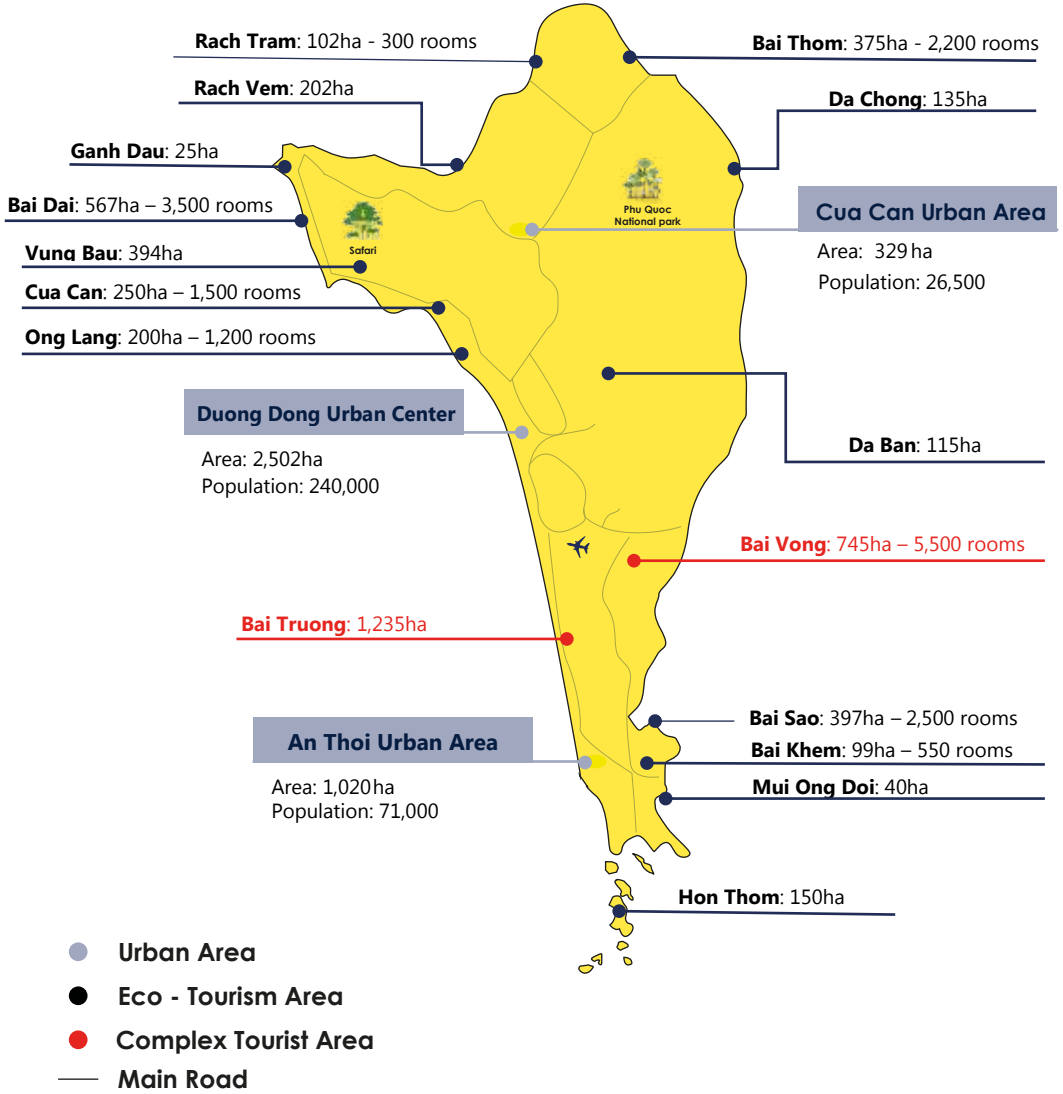




Note: 2014 data

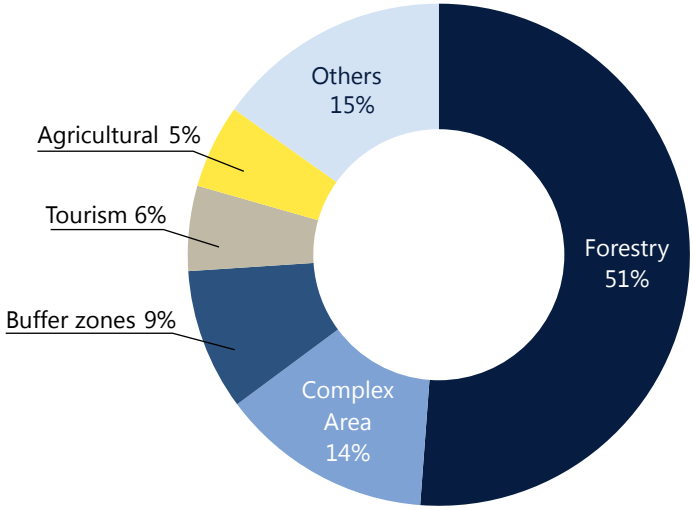
Source: Kien Giang's Statistic Department & Kien Giang Department of culture, Sport and Tourism

MASTER PLAN TO 2030



According to the revised general master plan to 2030, Phu Quoc will have 3 urban areas, 15 eco-tourism areas and 2 tourist complex areas. 5 golf courses. Phu Quoc will become a Special Economic-administration Zone (SEZ) by 2020.

Land Use Breakdown 2030



INVESTMENT DRIVERS

1 Financial Incentives

Waived land rent

Personal income Tax 50% Reduction

Corporate Income Tax 10%; rather than 22%

0% tax on fixed assets

2 Improving Infrastructure

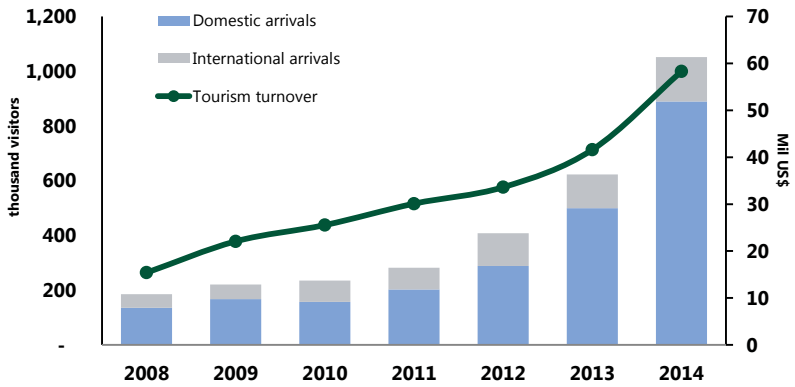
Many key infrastructure projects such as the Phu Quoc International Airport, An Thoi International Seaport and south-north axis have been completed and upgraded. Underground electric cable Ha Tien - Phu Quoc was completed in 2014.

Large-scale projects are in the first stages of construction, including the International Seaport in Duong Dong, cable car line between An Thoi and Hon Thom Island and the Deep Water Seaport.

3 Rich Natural Resources

The largest island in Vietnam with numerous stunning beaches and an unspoiled ecosystem.

4 Tourism Growth



Strong support from Phu Quoc International Airport since 2012 and a 30 day visa exemption for foreigners.

In the last three years, tourism turnover has increased by 38% pa whilst the visitor volume increased 61% pa.

5 Strategic Location

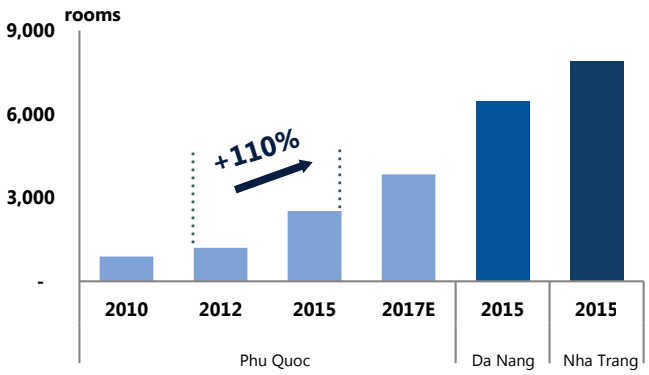
1-2 hour flight from key tourism markets in South East Asia.

6 Housing Law Amendment

The revised law on housing passed in Nov 2014 creates more favourable conditions for overseas Vietnamese and foreigners to possess real estate in Vietnam.

HOTEL

Strong Increase In Supply



Key Developers

VINGROUP
M.I.K CORPORATION
BIMGroup
CEO GROUP
SUN GROUP

Note: Data is collected in Dec 2015
Soure: Savills Research Consultancy

Overall Performance

Average Annual Occupancy

72% *(2010)*

Down due to strong supply growth

64% *(2015)*

Average Room Rate (ARR) *

Phu Quoc	Da Nang	Nha Trang
$153	$80	$68

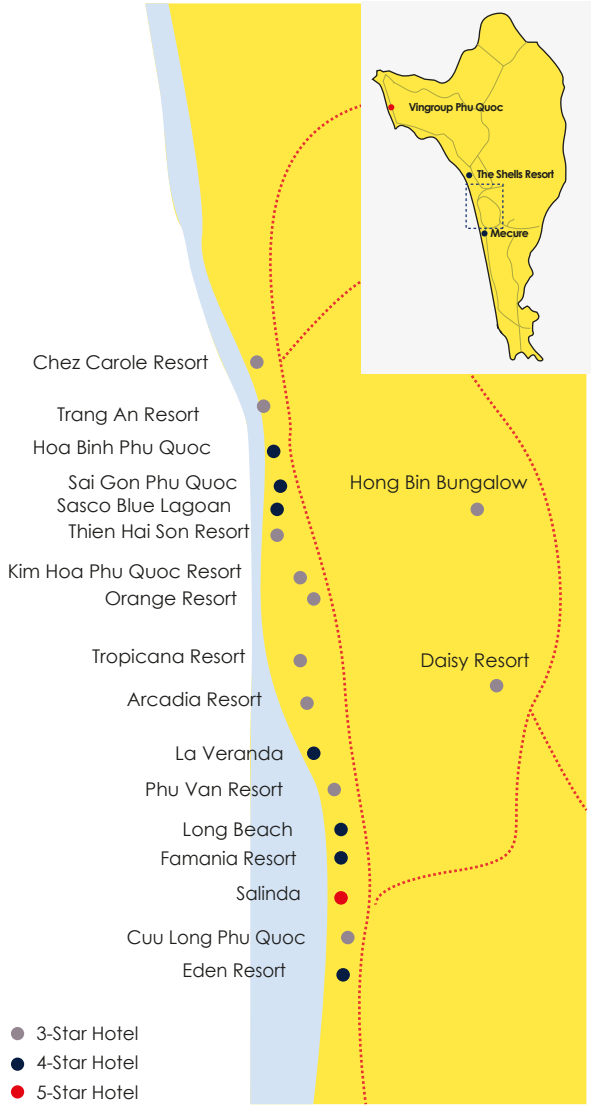
* ARR includes service charge, excludes VAT

Limited International Operators

ACCOR — To 2015

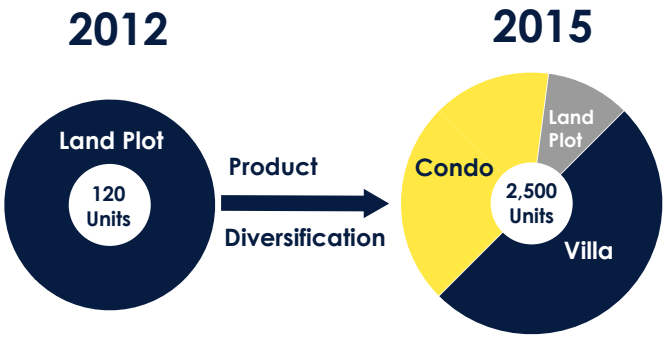
ACCOR, IHG, MELIÃ — To 2017

Duong Dong dominated market with 67% of total hotels and 48% of total rooms



RESIDENTIAL

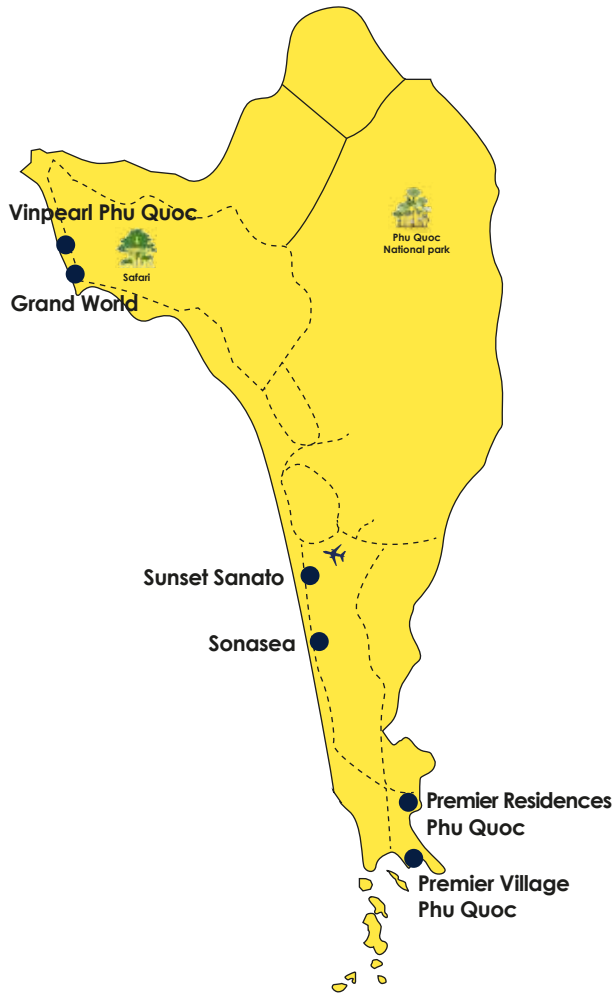
New But Active Coastal Market



Performance

LAND AREA	110 - 300	270 - 500	40 - 70
UNIT PRICE	$80k - $120k	$550k - $1M	$70k - $220k
SOLD	165 Units	710 Units	90 Units

Majority of residential projects have beach front with great sea view

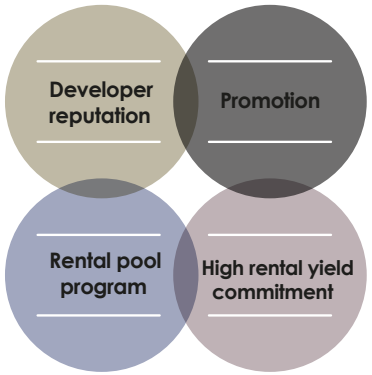


Local Developers

Vingroup leads the villa market with 76% share

VINGROUP
LDG GROUP
SUN GROUP
CEO GROUP
99 MOUNTAINS

Buying Decisions



80% of buyers from Hanoi
15% of buyers from HCMC

Note: Data is collected in Dec 2015 - Soure: Savills Research Consultancy

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