PHU QUOC MARKET REPORT
PHU QUOC - INTRODUCTION

**Facts and Figures**

- **Area**: 589km²
- **Population**: 99,000 persons

**Accessibility**

- Ha Noi (2-4 flights)
- Can Tho (1 flight)
- HCMC (7-15 flights)
- Ha Tien (3 trips)
- Rach Gia (2 flights)
- Bai Vong (4 trips)
- Da Chong
- Ham Ninh

**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**

- **2014 Visitors**: 1,051,185
- **2020 E**:
  - **International**: 35-40%
  - **Domestic**: 60-65%

Note: 2014 data
Source: Kien Giang’s Statistic Department & Kien Giang Department of culture, Sport and Tourism
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. Phu Quoc will become a Special Economic-administration Zone (SEZ) by 2020.
The largest island in Vietnam with numerous stunning beaches and an unspoiled ecosystem.

1. **Financial Incentives**
   - Waived land rent
   - Corporate Income Tax 10%; rather than 22%
   - Personal income Tax 50% Reduction
   - 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.
Down due to strong supply growth 72% (2010)

64% (2015)

Average Room Rate (ARR) *

$153 $80 $68

Phu Quoc Da Nang Nha Trang

* ARR includes service charge, excludes VAT

Limited International Operators

To 2015

92% International

To 2017

92% Local

Note: Data is collected in Dec 2015

Source: Savills Research Consultancy
RESIDENTIAL

New But Active Coastal Market

2012
- Land Plot: 120 Units
- Product: Land Plot, Condo, Villa

2015
- Product: Condo, Land Plot, Villa
- Diversification

Performance

<table>
<thead>
<tr>
<th>LAND AREA</th>
<th>UNIT PRICE</th>
<th>SOLD</th>
</tr>
</thead>
<tbody>
<tr>
<td>110 - 300</td>
<td>$80k - $120k</td>
<td>165 Units</td>
</tr>
<tr>
<td>270 - 500</td>
<td>$550k - $1M</td>
<td>710 Units</td>
</tr>
<tr>
<td>40 - 70</td>
<td>$70k - $220k</td>
<td>90 Units</td>
</tr>
</tbody>
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Majority of residential projects have beach front with great sea view

Local Developers

Vingroup leads the villa market with 76% share

Buying Decisions

- Developer reputation
- Promotion
- Rental pool program
- High rental yield commitment

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

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