

Apartment for sale

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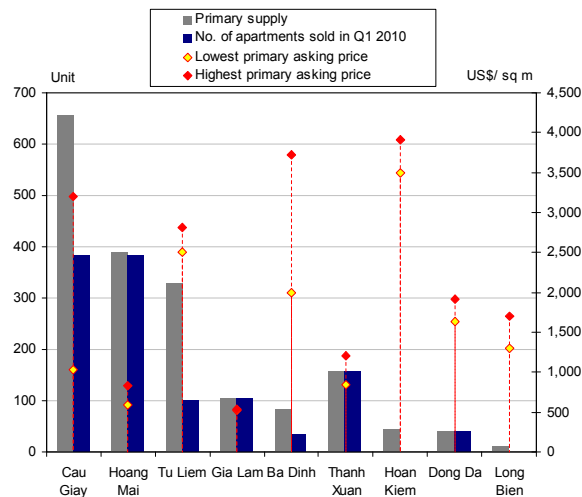
Ha Noi, Vietnam

Q1/2010

Supply Trends

Q1 2010 primary market has a total supply of 1,816 units, supplied from 15 active projects. Cau Giay District accounts for the highest market share (36%), followed by Hoang Mai District with approximately 22% and Tu Liem District with 18 percent.

Performance of the primary market (all types) in Q1 2010



Source: Savills Research & Consultancy, Q1 2010

Primary market in Q1 2010 recorded a lower number of transactions than in the previous quarter. About 1,200 units were sold during, accounting for two-thirds of the primary supply. In the previous quarter, the number of sold apartments was approximately 1,460 units.

Gia Lam, Thanh Xuan and Dong Da districts appeared to perform well with 100% of the supply sold out. It should be noted that, all new active projects in Gia Lam and Thanh Xuan had the majority of apartments sold in the form of capital contribution contracts before the official sales launch.

Secondary market: Hoang Mai was the only district showing a slight decrease in average secondary asking price this quarter. Average secondary asking prices in the other ten districts saw an increase of about 2% to 12% against the previous quarter.

Demand Trends

Demand for housing currently remains high. Ha Noi has the lowest average housing space per capita (7 - 7.5 square metres per person) when compared with an average national figure of 18.6 square metres per person.

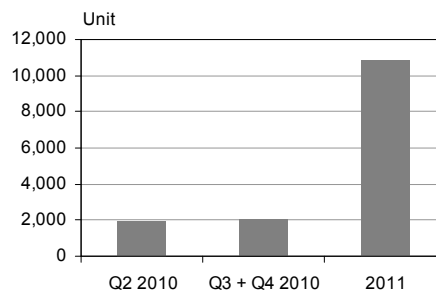
The demand for apartments is facilitated by such factors as changing lifestyle preferences, steadily increasing population growth, rising urbanization, growing per capita incomes and changing family structure.

The city is expanding to the west, which may draw the demand for apartments to the western area of Ha Noi.

Outlook

The primary market in Q2 2010 may receive a new supply of about 1,990 units from seven projects. The latter half of this year may see new supply of near 2,000 units from nine projects. Furthermore, the primary market is expected to receive about 10,900 units by 2011 and an unidentified amount of apartments from the new urban areas is also expected.

Estimated number of units that may enter the primary market in the future



Source: Savills Research & Consultancy, Q1 2010

Viet Nam's economy is showing signs of recovery and it is expected to recover in the period of 2010 - 2011, which will push up the demand for apartments in the near future.

Property market may attract a number of investors who seek new investment channels after all gold trading floors are closed as of March 30, 2010 in accordance with the Prime Minister's decision.

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Office for Lease

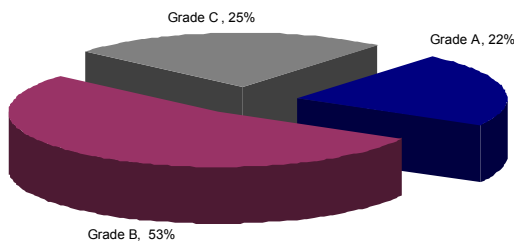
Ha Noi, Vietnam

Q1/2010

Supply trends

Savills records about 610,000 square metres of total office space in Ha Noi, a slight increase of 3.5% compared with Q4 2009, contributed by 86 office buildings across all Grades and ten surveyed districts. Two new office buildings, Ha Noi Tourism Tower (Hoan Kiem District) and Sky City Tower (Dong Da District), provide an additional 17,600 square metres to the total stock this quarter.

Current supply of office space by grade, Q1 2010

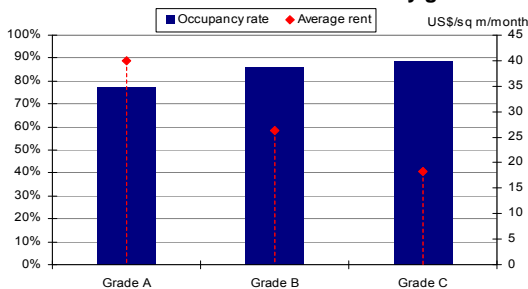


Source: Savills Research and Consultancy, Q1 2010

Market performance

Average occupancy across all grades and districts increased slightly to about 85%, which was an increase of about 2% quarter on quarter achieving the same rate as Q3 2009. Occupancy rate for Grade B and Grade C increased noticeably when compared with Q4 2009. Otherwise, the average rent for all grades and districts in Q1 2010 recorded a decline of 3.6% against Q4 2009, achieving around US\$27 per square metre per month.

Performance of the Ha Noi office market by grade



Source: Savills Research and Consultancy, Q1 2010

Demand trends

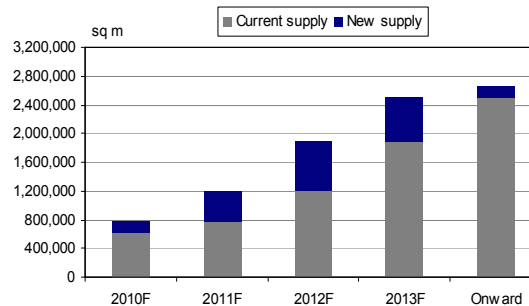
Even with the recovery of Viet Nam's economy from the end of 2009 and the return of some foreign invested enterprises to Viet Nam, only limited demand for office space was seen this quarter. Grade A showed a modest increase in take up while Grade B showed a decline and reduced nearly by half compared with Q4 2009. Demand for Grade C still performed well in Q1 2010. Based on the initial positive impact of the regulation that bans the use of apartments for office space or trading areas, it appears the Grade C market will continue improving throughout the remainder of the year.

Outlook

In the next four years, nearly 1.9 million square metres of additional office space from about 120 projects is planned to come online, resulting in an oversupply. The CBD area is expected to take up a modest share of 5% of the total future stock.

However, with delays and postponements being common in Viet Nam, it will be difficult to anticipate properly when these projects will be implemented.

Stock and new supply, 2010F - 2013E



Source: Savills Research and Consultancy, Q1 2010

Rental rates are anticipated to adjust downward and then recover over a 12-16 months period. It could be the case that some companies relocate to areas outside of the CBD. And supply is expected to be absorbed in the CBD. Thus, a steady growth and recovery of the office market is anticipated to be realized around the end of 2010 and the first half of 2011.

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Retail

Ha Noi, Vietnam

Q1/2010

Supply Trends

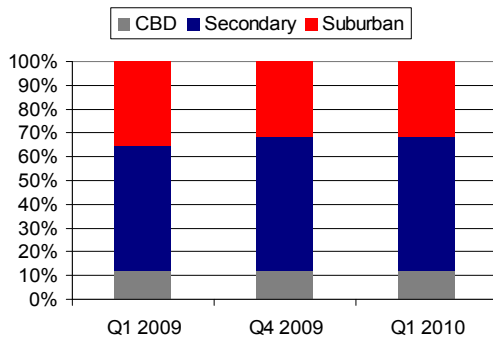
Savills classifies the four main retail groups as follows:

- 1) Shopping centre/ shopping mall, Department Store and Hypermarket, 2) Supermarket (with area of 300 sq m or more), 3) Wholesale centre, and 4) Retail podium.

Q1 2010, no new supply entered the market except two previously existing supermarkets including Thanh Xuan District (500 square metres) and ACE Supermarket (400 square metres) in Hoang Mai District. Both of these are located in secondary areas.

There are 10 shopping centres/ department stores/ hypermarkets, 83 supermarkets and electronics marts, 2 wholesale centres and 11 retail podiums totalling 374,000 square metres of space.

Figure 1: Market share of retail area by location, Q1 2010



Source: Savills Research & Consultancy, Q1 2010

Market performance

Q1 2010, the average occupancy rate of the whole retail market was recorded at 92%, remaining the same as Q4 2009, but down slightly compared to Q1 2009 at 95 percent.

Although rents in the CBD saw a small increase, there was no change recorded in rents in secondary and suburban areas. In terms of rent and occupancy, the CBD had the highest rents at US\$40 to US\$150 per square metre per month. Average rents in the secondary varied from US\$20 per square metre per month to a notable US\$120 per square metre per month. While

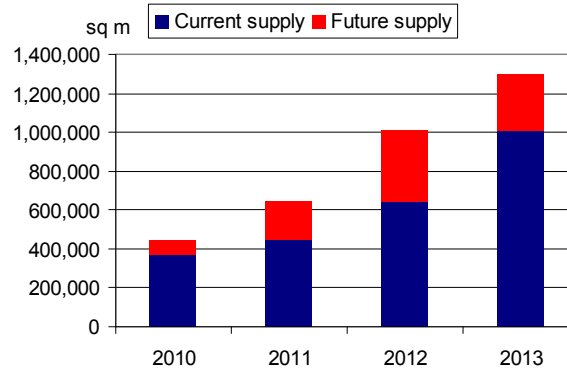
rents in the suburban area are relatively, low from approximately US\$7 to US\$70 per square metre.

Demand Trends

Despite the global recession, the travel and tourism industry is estimated to have contributed 13.1% to the GDP. Viet Nam tourism has grown nearly twice as fast as GDP in recent years. With several upcoming events in 2010, especially the Thang Long Ha Noi 1000th anniversary, there will be an increased demand for rooms in the hospitality industry as well as an expected boost to the retail market.

Future Outlook

Figure 2: Stock and New Supply, 2010 - 2013



Source: Savills Research & Consultancy, Q1 2010

There is an estimated 67,000 square metres entering the market in 2010 of which 9 out of the 11 known future projects are located in the secondary area. Some of the major projects expected to open this year include Ha Noi Plaza Department Store, which will contribute near 18,000 square metres to the market and Thang Long International Village complex with more than 20,000 square metres.

In 2011, more than 190,000 square metres of space is expected to come online raising the total supply of leaseable retail area to over 600,000 square metres. This new supply will come from projects such as Keangnam Hanoi Landmark Tower, Hang Da Market and Mipec Tower.

Ha Noi is expected to have a total retail area of near 1,200,000 square metres in 2013.

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Hotel

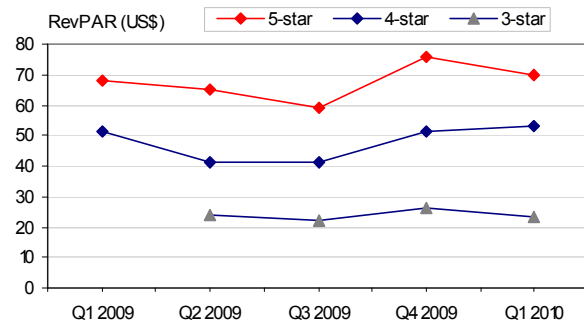
Ha Noi, Vietnam

Q1/2010

Supply Trends

No new 3, 4 or 5-star hotels entered the market in Q1 2010. Thirty-eight hotels occupy the market including ten 5-star, six 4-star and more than twenty 3-star hotels for a total of near 5,700 rooms.

Revenue per available room (RevPAR), Q1 2009 – Q1 2010



Source: Savills Research & Consultancy, Q1 2010

(*)The average room rate is the estimated average room rates exclusive of 5% service charge and 5% VAT.

The RevPAR for the whole market was US\$53 in Q1 2010, a decrease of 8% compared to Q4 2009 and is explained by a significant reduction in average occupancy for most hotels in February 2010 due to the Vietnamese Tet holiday. Four-star hotels recorded the best performance this quarter with a 2.5% increase in RevPAR. Three-star hotels were the worst performers with a decrease in RevPAR of 13 percent.

The average occupancy for the whole market was reported at 60%, a decrease of 2.8% quarter on quarter. Three-star hotels had the largest decrease in occupancy at 6%, followed by 5-star and 4-star segments with decreases of 1.7% and 1% respectively.

The average room rate for 3-star to 5-star hotels was more than US\$88 per night, a drop of 3.8% compared to Q4 2009. Average room rate (ARR) for each segment varies. ARR for 5-star and 3-star hotels decreased by 5.6% and 3.4% respectively compared to the previous quarter. ARR for 4-star hotels increased 4% quarter on quarter.

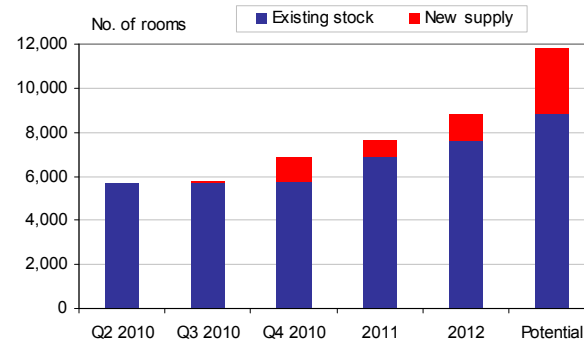
Demand Trends

The demand of the hotel market across all grades decreased slightly in Q1 2010 due to Tet holiday. Total number of international visitors to Viet Nam reached nearly 878,000 arrivals in the first two months of 2010, an increase of about 27.4% against same period 2009. The number of international visitors for the both tourism and visiting relatives increased strongly quarter on quarter. Conversely, the number of international visitors for purpose of business reduced sharply.

Outlook

Two new projects have just been added to the future supply list this quarter, including Royal City on Nguyen Trai Street and a hotel, commerce and office complex at 27-29 Ly Thai To Street. Ha Noi has more than 30 future hotel projects with more than 6,100 rooms, about double the total current supply. Four projects, including Oriental Pearl, Grand Plaza Ha Noi, Crown Plaza and Hotel De L' Opera, with nearly 1,200 rooms (19%) are expected to enter the market at the end of 2010.

Existing Stock and Potential Future Supply



Source: Savills Research & Consultancy, Q1 2010

Savills anticipates demand may decrease in the next two quarters as Q2 & Q3 are in the industry's low season. However, the unstable political situation in Thailand may on the other hand create some positive demand for the Viet Nam hotel industry in the near future.

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Serviced Apartment

Ha Noi, Vietnam

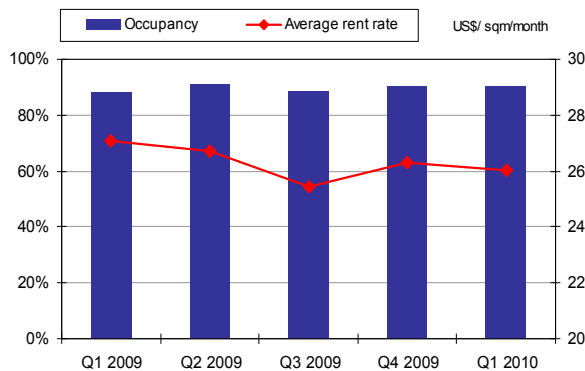
Q1/2010

Supply Trends

The supply in Q1 2010 was unchanged against Q4 2009. The total supply is provided from 41 buildings that were studied with a total of 2,209 serviced apartments and occupy about 222,000 square metres. When compared to the same period last year, the total leaseable area this quarter increased 7%, equivalent to more than 100 units.

Ha Noi's serviced apartment market provides a wide range of apartments from around 40 square metres to 750 square metres, from studios to 6-bedroom units and penthouses.

Market performance of Ha Noi's Serviced Apartments, Q1 2009 – Q1 2010



Source: Savills Research & Consultancy, Q1 2010

*Estimated average achievable rent and service charge, exclusive of VAT, on a net area basis.

The market performance in this quarter is rather stable in comparison with other sectors. The overall occupancy rate recorded a slight increase of 1% against Q4 2009 and 3% against Q1 2009. However, the average rental rate decreased by only US\$0.30 per square metre per month, in comparison with Q4 2009. The year on year decline was at about 4% or equivalent to US\$1.10 per square metre per month.

The total number of leased apartments this quarter was slightly higher than that in Q4 2009 by only about four units. Therefore, only a slight increase in occupancy was observed. Owners of most serviced apartments were offering a slightly lower rental rate than the previous quarter.

Demand Trends

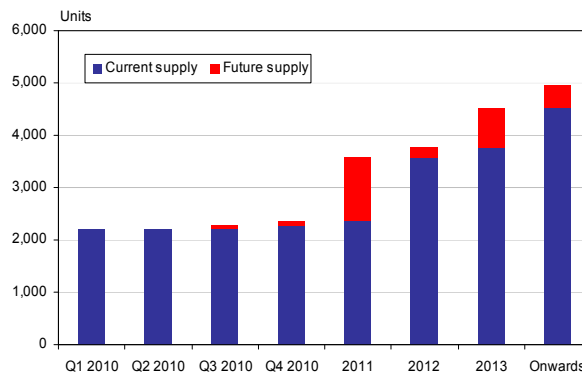
Expatriate tenants dominate the serviced apartment market. The demand of Ha Noi's serviced apartments is mainly from embassies, international NGOs and foreign companies.

The year 2010 is considered an important milestone for the commercial sector with the commencement of Free Trading Agreement of ASEAN-Australia-New Zealand and ASEAN-China from January 1, 2010. These events may bring about an increase in foreign companies and, therefore, a demand to accommodate staff will rise and see possible improvement in the serviced apartment sector.

The implemented FDI for the first two months of 2010 is higher and recorded at (US\$1.1 billion) an increase of 10% against the same period in 2009. This possibly promises a further upward trend in demand for serviced apartments.

Outlook

Current Stock and New Supply, 2010E



Source: Savills Research & Consultancy, Q1 2010

Total future supply is estimated at about 2,300 apartments over the next four years, approximately 47% is expected to come from Tu Liem District. Further new supply of around 60 apartments from one project in Tay Ho District and 84 units from Crown Plaza Complex in Tu Liem District may possibly enter the market in Q3 and Q4 2010 respectively.

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