



Real value in a changing world



Vietnam Property Market Monitor
 1Q13

Vietnam

- **FDI capital sees sharp rise in March:** Vietnam attracts USD 5.4 billion in foreign investment between February 20 and March 20, 2013. Processing and manufacturing attracted the most investment with 84 projects, and real estate came in second with total capital of nearly USD 250 million. [Read more...](#)
- **Government to reduce corporate income tax:** According to a proposal from the Ministry of Finance, from 2014-15, the corporate income tax rate will be reduced from 25% to 23%. The Deputy at the Ministry of Finance pointed out that if the reductions were put into place, the state budget would be cut by USD 573 million in 2014. [Read more...](#)
- **March CPI drops:** Vietnam's consumer price index (CPI) in March edged down 0.19 percent against the previous month. With the March figure, CPI in the first quarter of this year was up 2.39 percent and 6.91 percent from December 2012 and the same period last year, respectively. [Read more...](#)
- **GDP growth slows:** GDP expanded 4.89 percent in the first three months of the year from the same period a year earlier, the General Statistics Office said in Hanoi today. That compares with a previously reported 5.44 percent pace in the last quarter of 2012 and the median estimate of 5.2 percent in a Bloomberg survey of 10 economists. [Read more...](#)

Key Economic Indicators

GDP Growth (1Q13, y-o-y, in real terms)	4.89%
CPI Growth (1Q13, y-o-y)	6.91%
Trade Surplus (1Q13, % of export)	1.60%
Index of Industrial Production (1Q13, y-o-y)	4.90%
Retail Sales Growth (1Q13, y-o-y, in real terms)	4.50%
International Visitor Growth (1Q13, y-o-y)	-6.20%

Sources: General Statistics Office, Jones Lang LaSalle Research, 1Q13

Key Investment Transactions

Name	Price (USD mil)
Tam Binh Residential-HCMC	7.1

Sources: Jones Lang LaSalle Research, 1Q13

Ho Chi Minh City (HCMC)

- **Gemadep Tower is said to have been sold for USD 45 million:** Several local news media outlets reported the sale of the 16,000-sqm Gemadep Tower by its owner-occupier Gemadep Corporation to a South Korean group for about USD 45 million, after the building has been on the market for some time. However, there has been no official confirmation coming from Gemadep Corporation. [Read more \(in Vietnamese\)...](#)
- **Starbucks opens first store in Vietnam:** U.S.-based Starbucks Coffee Company opened its first outlet in Vietnam at the New World Hotel in downtown HCMC. With a total area of 500 square meters, the store is under the management of Coffee Concept Vietnam, a subsidiary of Hong Kong's Maxim's Group. After many years of purchasing coffee from Vietnamese farmers, Starbucks plans to continue enhancing cooperation with the farmers to provide products to domestic stores. [Read more...](#)
- **HCMC targets 4.1 million foreign visitors in 2013:** HCMC welcomed 3.8 million foreign tourists in 2012, up 8.5% against 2011, accounting for 56.0% of the total number of foreigners coming to Vietnam. Tourism turnover reached USD 3.4 billion, up 25.3% from 2011. With these positive results, the city has set a target to welcome 4.1 million foreign tourists in 2013, up 8.0% from 2012. Total tourism turnover is expected to reach more than USD 3.9 billion, up 15% from 2012. [Read more...](#)
- **Two steel overpasses open to traffic:** The overpass at Binh Thanh District's Hang Xanh intersection is 390 metres long and 16 metres wide and has four lanes for cars. Pedestrians and vehicles weighing over ten tons are banned from this USD 8.98 million overpass. The second overpass is at Thu Duc District's Thu Duc intersection and had an investment of USD 13.24 million and is 570 metres long. [Read more...](#)
- **Work starts on HCMC's third steel overpass:** The Department of Transport on 5 February 2013 held a ceremony to kick off the construction of a further overpass at the congested Lang Cha Ca intersection in Tan Binh District. The overpass will be 244 metres long and 6.5 metres wide. It is designed to accommodate motorcycles, buses, and light commercial vehicles. Costing an estimated USD 5.8 million sourced from the city's budget, the two-lane flyover is expected to be completed in mid-June 2013. [Read more...](#)

Hanoi

- **CPI falls slightly in March:** According to the Hanoi Statistics Office, the city's CPI fell by 0.21% m-o-m in March. This translated to a y-o-y increase of 5.7%. The decrease follows the general observation that after each Lunar New Year Tet Festival, food prices stabilise and return to the level of the preceding months. [Read more...](#)
- **Q1 GDP growth at 7.5%:** The city's GDP in 1Q13 is estimated to have reached nearly USD 1,108 million, equalling a y-o-y growth of 7.5%. Hanoi's GDP saw the strongest growth from 1Q12 in the service group at 7.9%, followed by industry and construction sectors at 7.3% and the agro-forestry and fisheries sectors at 5.6%. [Read more...](#)
- **Hanoi increases capital commitment to traffic infrastructure:** The Hanoi People's Committee has decided to make investment and construction adjustments to the city's urban traffic development project, one of its key transport infrastructure projects. The investment capital for this project will be increased to about USD 460 million. In the previously approved plan, total investment of the project was USD 304.7 million, USD 165.3 million of which was sourced from the World Bank. Construction adjustments relate to express bus routes and flyovers in the city. [Read more...](#)
- **Hanoi expects to welcome 15.5 million tourists in 2013:** Despite the global economic recession, Hanoi welcomed 2.1 million foreign visitors in 2012, an increase of 11.3% y-o-y. The city also attracted 12.3 million domestic tourists. The city expects to serve 15.5 million tourists, including 2.25 million foreigners in 2013, according to the Department of Culture, Sports and Tourism of Hanoi. [Read more...](#)

Da Nang

- **Danang says not to worry about hotel room oversupply:** Danang will have an additional 1,800 new hotel rooms this year, the biggest growth in the country, but the city has shown little concern over a possible oversupply of guest rooms. The city's Department of Culture, Sports and Tourism noted hotels in Danang are still doing good business and supply would not exceed demand if the city held tourism events to attract tourists. Average room occupancies were in the 63-65% range in 2011, with hotels of 3 to 5 star standards posting higher occupancy. [Read more...](#)
- **Two more international air routes to Danang:** Lao Airlines officially launched direct flights from Lao's Pakse to Danang, while Dragonair, the budget arm of Cathay Pacific, says it will introduce a Hong Kong-Danang service in April 2013. [Read more...](#)
- **Danang plans a USD 30 million pedestrian bridge over Han River:** The central city of Danang plans to build a USD 30 million pedestrian bridge over the Han River. The Municipal Construction Department said that the bridge would be built primarily for pedestrians and cyclists to enjoy a view of the city. Sun Group Viet Nam, the project's investor, said it had sent 16 designs for the bridge to the department for evaluation. [Read more...](#)

Other Provinces

- **Hai Phong:** The authorities of Hai Phong City and the Airports Corporation of Vietnam started work on a USD 180 million project to expand Cat Bi Airport to meet the rising demand for air travel to the northern city. When the expansion project is complete in 2015, Cat Bi Airport will have a capacity of two million passengers and 20,000 tons of cargo per year. The airport expansion will also create favourable conditions to open direct international air routes. [Read more...](#)
- **Vung Tau:** The USD 4.2 billion Ho Tram Strip integrated resort is facing a delay in its opening due to the withdrawal of the resort operator and financing problems. MGM Resorts International (MGM) would no longer be able to manage the first of the Ho Tram Strip's five resorts in Ba Ria-Vung Tau Province. The two sides did not reveal the reasons for the termination of the agreement which MGM entered into five years ago, to provide pre-opening services and to manage the first 1,100-room resort under the MGM Grand Ho Tram Beach brand. [Read more...](#)
- **Binh Dinh:** Hai Giang JSC, an affiliate of Vingroup, will start construction of the Hai Giang tourism complex in the central province of Binh Dinh. The 656-ha project will be developed in five years into an eco-tourism complex in line with international criteria at an estimated cost of USD 165 million. The tourism facility features four main areas, including a golf course and resort villas, an administration center, cultural works, hotels and apartments, an entertainment park, and other auxiliary facilities. [Read more...](#)
- **Binh Duong:** The Binh Duong Province People's Committee granted investment licenses to 29 projects with a total registered capital of USD 547 million in 1Q13. Most investors came from Asia such as Japan, Singapore, Thailand, the Republic of Korea and Chinese Taipei, and most projects are in the production sector. So far, Binh Duong has received 2,156 FDI projects with a total investment capital of USD 17.8 million. [Read more...](#)

Vietnam Property Market Monitor is a quarterly publication providing a factual summary of news and headlines for the past quarter, with a focus on key developments and trends in the Vietnam real estate market on a country-wide basis. It is part of the comprehensive research package from Jones Lang LaSalle Research that covers Vietnam, along with other major countries in Asia Pacific.

Publication	Geographic Coverage	Product Coverage	Frequency	Contents	Availability
Vietnam Property Market Monitor	Vietnam	All	Quarterly	Real estate headlines & news summary	Publicly available
Vietnam Property Market Brief	Vietnam cities	All	Quarterly	Stock, vacancy, prices, rents	Publicly available
Vietnam Property Market Report	Vietnam cities	All	Quarterly	Stock, vacancy, prices, rents, project details	Subscription-based
Asia Pacific Property Digest	Asia Pacific including Vietnam	Investment grade	Quarterly	Stock, vacancy, prices, rents	Publicly available
The Office Index	Asia Pacific including Vietnam	Investment grade	Quarterly	Stock-weighted rental value and capital value indices	Publicly available
The Residential Index	Asia Pacific (Vietnam to be included)	Investment grade	Quarterly	Capital value index	Publicly available
Real Estate Intelligence Service	Asia Pacific including Vietnam	Investment grade	Quarterly	Stock, vacancy, prices, rents, yields, total returns, forecasts	Subscription-based
Real Estate Daily	Asia Pacific including Vietnam	All	Daily	Real estate headlines & news summary	Subscription-based
Real Estate Transparency Index	Global including Vietnam	All	Every two years	Country transparency scores & rankings	Publicly available

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