



BRIEFING

VIENTIANE, LAOS PROPERTY MARKET

Economic and demographic overview of Laos, 2012

| Indicators | Unit | Value | YoY growth rate (%) |
|----------------|------------------|---------|---------------------|
| Area (1) | Square kilometre | 236,800 | N/A |
| Population (2) | Million | 6.58 | 1.9 |
| GDP (3) | US\$ Million | 9,269 | 8.4 |
| FDI (4) | US\$ Million | 2,820 | 30 |
| Import (5) | US\$ Million | 4,162 | 14 |
| Export (6) | US\$ Million | 2,845 | 18 |

Source: (2) GSO of Laos PRD; (4) GSO of Laos PRD as per 2011; (1), (3), (5), (6) World Bank

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Villas/ Townhouses

There are three projects with total stock of approximately 380 dwellings, locating in districts Chanthabuly, Sisattanak and Sikhottabong. In which, two projects were initially built for the delegates and guests to the ASEAN Summit in 2004 and the ASEM Summit in 2012. After the summits ended, the dwellings were sold or rented out. One project of a Vietnamese developer in Chanthabuly district is offering 300 villa and townhouse dwellings.

The overall sale status of the three projects was 62%. The primary asking price varied greatly: project 1 ranged from US\$302,500 to US\$385,000/ dwelling while that of project 2, which launched in 2012, was approximately US\$3 million/ dwelling and that of project 3, which entered the market in 2013, ranged from US\$210 to US\$270/ sq m of land.

The main buyers of the villa market are officials in Laos' government and business people from China, Viet Nam, and Thailand.

Future villa/ townhouse supply will come from six projects located in districts Chanthabuly, Hadxaifong, Sikhottabong, and Sisattanak. All of the future projects are in planning.

Hotel

Vientiane the capital of Laos, has approximately 1,900 3- to 5-star rooms, accounting for 28% market share.

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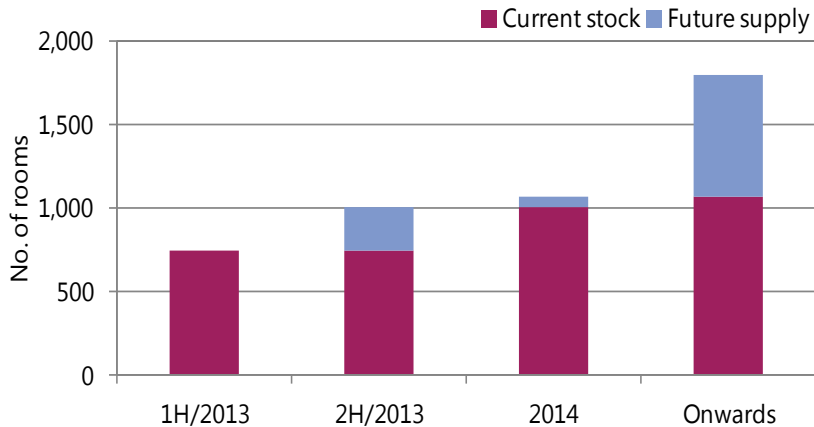


In 1H/2013 the average occupancy of 3- to 5-star hotels was 55% and the average room rate was US\$71/ room/ night.

Vientiane received approximately 1.2 million foreign visitors in 2012, an increase of 14.5% YoY and equivalent to 39% of the total number of foreign visitors to Laos in 2012.

Fourteen future projects are planned from 2H/2013 onward of which, six will provide 1,060 rooms. Two projects with 264 units are expected to enter the market in 2H/2013.

Estimated future supply, 2H/2013 – Onwards



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Serviced Apartment

There are eight projects supplying approximately 480 units with sizes ranging from 35 sq m to 175 sq m.

The average occupancy rate in 1H/2013 remained at approximately 90% while the average rental rate was US\$1,270/ unit/ mth or US\$13/ sq m/ mth.

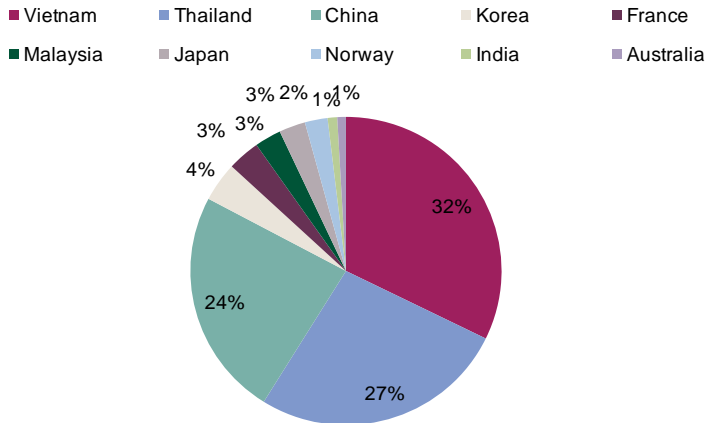
Demand for serviced apartments in Vientiane mostly comes from Asian tenants including Japanese, Chinese, Thai, and Korean due to their countries having the highest amount of FDI invested in Laos.

There are seven planned projects, with one coming online in 2013, providing approximately 20 units.

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Top 10 countries invested in Laos



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Retail

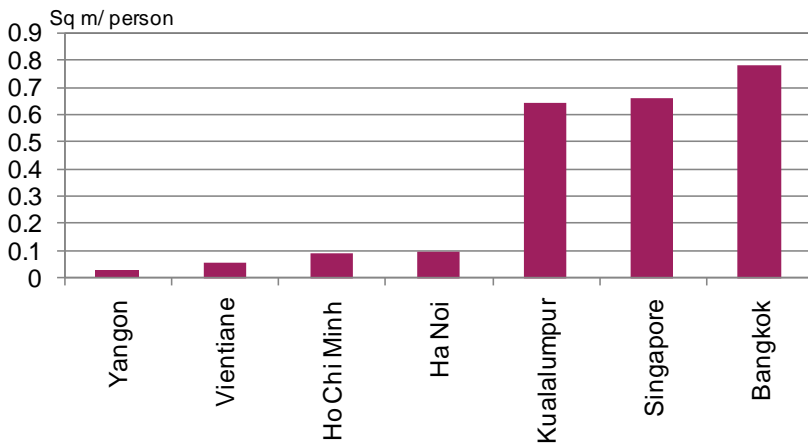
The total stock of modern retail is approximately 46,000 sq m from three shopping malls. Besides, M-point Mart and D-Mart are becoming popular in Vientiane’s retail market.

In 1H/2013, the retail market had good performance with overall occupancy of 99%.

The rents of two shopping malls in the central business district ranged from US\$5,000 to US\$21,000/ kiosk/ year, depending on the level and booth size.

Retail density is low compared with that of other cities in the region. This represents strong potential for growth. However, on the weekend, Vientiane citizens tend to cross the border into Thailand to shop at the malls and hypermarket in Udon Thani, which is one of the reasons for the limited number of modern retail centres in Vientiane.

Retail density by city, 1H/2013



Source: Savills Research & Consultancy

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Up to 2014, Chanthabuly, which is the central district, is expected to receive one shopping centre project.



Office

The total stock is approximately 28,700 sq m supplied by seven buildings. Xaysetha district is the main supplier with total stock of 21,600 sq m, accounting for 75% market share.

In 1H/2103 the average occupancy achieved 93%. The average rent rate decreased to US\$13/ sq m/ mth in 1H/2013, the lowest level in the last four years.

There are nine future projects in Vientiane from 2H/2013 onwards. Up to 2014, the market will receive only one office building from Chanthabuly district.

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