

Press Release

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SAVILLS REPORT ON PHU QUOC MARKET, VIETNAM Q1, 2016

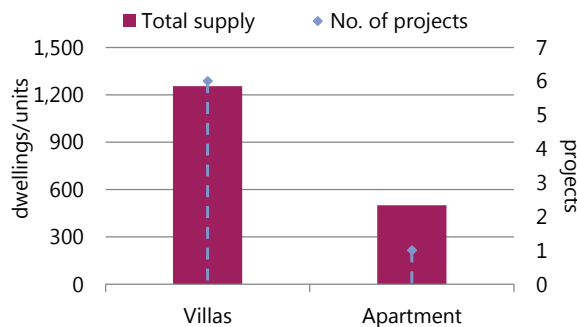
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Coastal Residential Market

As a newcomer in the coastal residential market, Phu Quoc has only just been recognized as a prime destination, primarily as a result of infrastructure improvement. In Q1/2016, the total supply was more than 1,700 dwellings/units from six villa projects and one apartment project.

Figure 1: Total supply



Source: Savills Research & Consultancy

As of Q1/2016, the villa and apartment segments had a sold percentage of 65% and 35% respectively. Good marketing strategies, developer reputation, construction status, and pristine beach frontage has supported their performance. All projects are a component of a resort and offer a full range of facilities and amenities.

Buyers from Ha Noi accounted for approximately 80% of total purchases, followed by buyers from HCMC with 15% of purchases. Most coastal landed properties are purchased for long-term investment or vacation.

Savills Vietnam

Savills Vietnam is the largest and most experienced real estate practice with offices in Hanoi and Ho Chi Minh City. The company provides comprehensive property services such as: Residential Sales, Commercial Leasing, Residential Leasing, Research & Consultancy, Valuation & Feasibility Study, Banking & Corporate Services, Investment Brokerage & Advisory, Retail Consultancy & Leasing, Property & Asset Management, Tenant Advisory & Representation, Industrial Consultancy & Leasing, Marketing & Creative services. Savills Vietnam has won the Asia Pacific Property Awards 2016 - 2017 for “**Best Real Estate Agency in Vietnam**”, and “**Best Property Consultancy in Vietnam**”. With over 20 years of operations and growth in Vietnam, Savills is proud to be the most established real estate consultancy firm, providing the most comprehensive data and insights of the local property market development. Currently, Savills Vietnam consists of over 800 experienced and professional staff nationwide and keep expanding further.

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Figure 2: Market performance



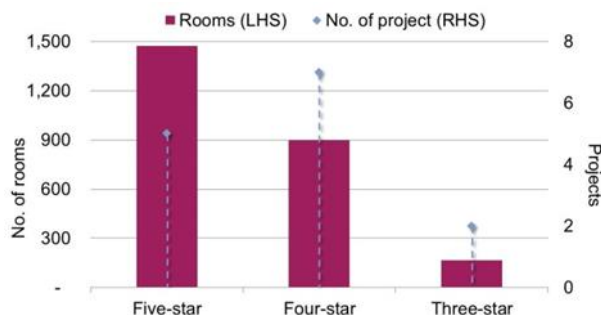
Source: Savills Research & Consultancy

Due to growing tourism and supporting policies, the coastal residential market in Phu Quoc has appealed to both local and international developers. However, most future projects are still in the planning stages as a result of repeated regulation changes and adjustments to the island's master plan by the local government. Only three new projects and the next phases of three existing projects are announced to launch from Q2/2016 onwards, providing more than 660 dwellings/units.

Three to Five-Star Hotel Market

The majority of stock in the Phu Quoc market is small family-run hotels, with some exceptions being rated or operated professionally. By Q1/2016, only 33% of the registered accommodations on the island, equivalent to 2,500 rooms, were granted 3 to 5-star standards. Particularly, 60% of the 3 to 5-star rooms were opened just within the last two years after the completion of Phu Quoc international airport.

Figure 3: Hotel stock



Source: Savills Research & Consultancy

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Before 2015, due to limited stock, hotels in Phu Quoc historically delivered a solid performance with high occupancy rates of over 80% during the peak season from November to March. However, a recent supply upsurge has diminished market performance, with Q1/2016's overall peak season occupancy at only 53 percent.

In addition to higher operating costs, most projects in Phu Quoc followed the resort concept, resulting in a higher ARR compared to other coastal destinations in Viet Nam at US\$105/room/night.

With better infrastructure, favourable policies and spectacular beaches, Phu Quoc is an ideal tourism destination. Following the opening of the international airport in 2012, visitors to Phu Quoc have increased strongly by 55% pa over the last three years. In 4M/2016, there were more than 523,000 international and domestic visitors, up 37% YoY.

Figure 4: Performance



A number of large-scale (200+ rooms) projects are expected to enter the market within the next 2 years, with international operators such as Starwood, IHG and Mövenpick already in place.

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For enquiries, please contact:

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