

# Briefing Office for lease sector

Q1 2015

## → Supply

In Q1/2015, the total office stock in Da Nang was approximately 76,300 m<sup>2</sup> from 21 buildings, unchanged QoQ (quarter-on-quarter) but up 12% YoY (year-on-year).

Hai Chau district continues to be the main supplier, with approximately 55,700 m<sup>2</sup> from 17 projects, accounting for 73% market share. Thanh Khe district provided 20,600 m<sup>2</sup> from four projects.

## Performance

In Q1/2015, the average occupancy was 86%, up 3 ppts QoQ but down -1 ppt YoY. Grade A's occupancy was 97%, unchanged QoQ but increasing 3 ppts YoY. Grade B occupancy was at 84%, up 5 ppts QoQ while Grade C was 85%, up 1 ppt QoQ.

The average rent was down -1% QoQ to VND220,900/m<sup>2</sup>/mth. Grade A average rent was stable QoQ at VND364,000/m<sup>2</sup>/mth, while Grade B saw a -5% decrease QoQ to VND235,000/m<sup>2</sup>/mth and Grade C average rent was VND172,000/m<sup>2</sup>/mth, up 5% QoQ.

## Demand

The total leased area was approximately 65,400 m<sup>2</sup>, up 4% compared with 2014. Da Nang's office demand was focussed in Hai Chau at 75 percent.

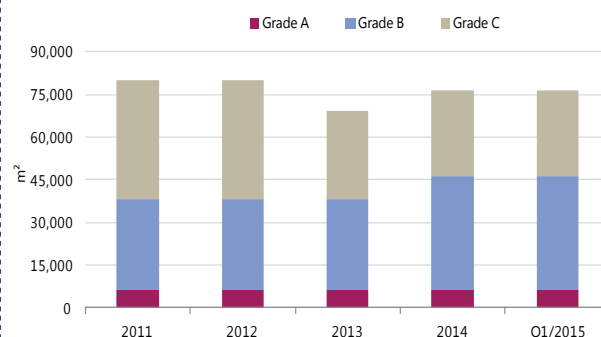
According to Vietnam's Chamber of Commerce and Industry (VCCI), Da Nang was continuously ranked first in the Provincial Competitiveness Index (PCI) in 2014, reflecting its attractive investment location.

## Outlook

From Q2/2015 onward, the total future office supply is approximately 93,600 m<sup>2</sup> from 15 projects. A number of these projects have slow construction progress; therefore, their launch dates are unclear.

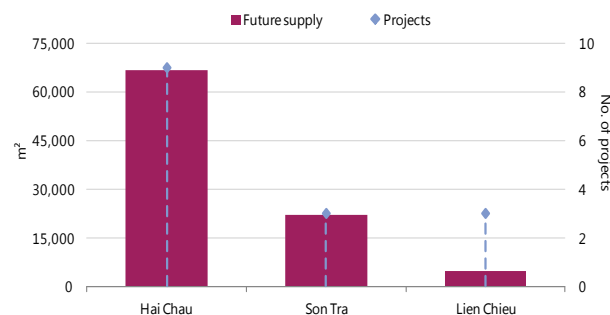
In 2015, one new project is expected to enter Da Nang's office market, supplying approximately 20,400 m<sup>2</sup>. ■

FIGURE 1  
Current stock, Q1/2015



Source: Savills Research & Consultancy

FIGURE 2  
Future supply, Q2/2015 onward



Source: Savills Research & Consultancy

## Savills Research team

Please contact us for further information



**Troy Griffiths**

Deputy Managing Director  
+84 8 3823 9205 ext. 178  
TGriffiths@savills.com.vn



**Do Thu Hang**

Head of Research & Consultancy  
+84 4 3946 1300 ext.178  
DThuHang@savills.com.vn

### Savills plc

Savills is a leading global real estate service provider listed on the London Stock Exchange. The company established in 1855, has a rich heritage with unrivalled growth. It is a company that leads rather than follows, and now has over 600 offices and associates throughout the Americas, Europe, Asia Pacific, Africa and the Middle East.

This report is for general informative purposes only. It may not be published, reproduced or quoted in part or in whole, nor may it be used as a basis for any contract, prospectus, agreement or other document without prior consent. Whilst every effort has been made to ensure its accuracy, Savills accepts no liability whatsoever for any direct or consequential loss arising from its use. The content is strictly copyright and reproduction of the whole or part of it in any form is prohibited without written permission from Savills. © Savills Viet Nam Co, Limited.