

Briefing Office for lease sector

Q2 2015

→ Supply

The total office stock is 86,500 m² from 25 buildings, increasing by 13% QoQ (quarter-on-quarter) and YoY (year-on-year).

Hai Chau district continues to be the main supplier with 63,000 m² from 20 projects, accounting for a 73% market share.

Two new projects providing 4,000 m² entered the market.

Performance

In Q2/2015, the average occupancy was 83%, decreasing -3ppts QoQ. The average rent was down -2% QoQ to VND213,500/m²/mth. Grade A average rent increased by 1% QoQ; both Grade B and Grade C decreased -1% QoQ.

Demand

Take up in Q2/2015 was approximately 6,200 m², down -4% QoQ. The majority of demand came from Hai Chau district.

In 2014, Vietnam's Chamber of Commerce and Industry (VCCI), ranked Da Nang first in the Provincial Competitiveness Index (PCI). According to the People's Committee of Da Nang, in the first six months of 2015, there were 1,495 new businesses with a registered capital of over VND 6,058 billion. The number of newly registered FDI projects has increased.

Outlook

From 2H/2015 onward, approximately 266,000 m² from 18 projects will come online, however many have unclear launch dates.

In 2015, one new project is expected to enter Da Nang's office market, supplying approximately 20,400 m².

FIGURE 1
Current stock, Q2/2015

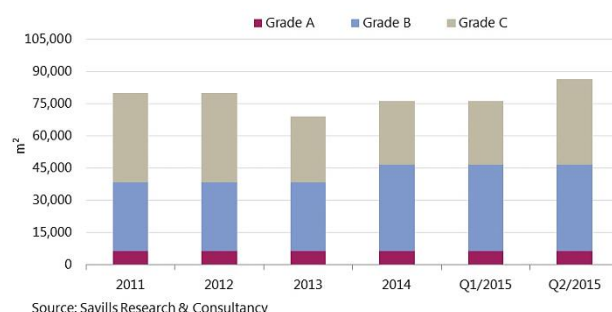
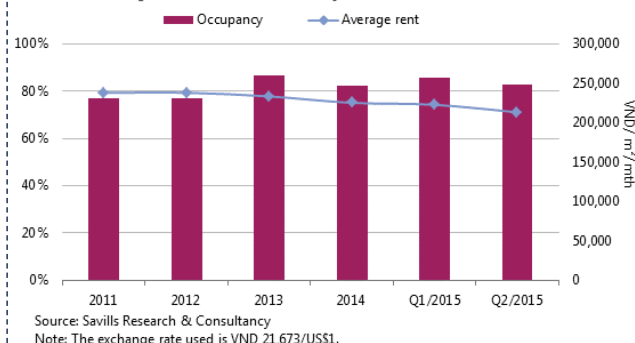


FIGURE 2
Market performance, Q2/2015



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