

RETAIL: Better performance and more competition

In Q4/2015, total retail stock was approximately 1.1 million m², increasing by 14.7% quarter-on-quarter (QoQ) and 14.3% year-on-year (YoY).

The average rent increased 12.6% QoQ and 4.2% YoY. Shopping centres had the largest increase QoQ of 21.2%; whereas retail podiums and department stores decreased -0.6% and -5.1% respectively. The average occupancy rose by 1.7 percentage points (ppts) QoQ and 7.5 ppts YoY. Department stores' occupancy increased 15.4 ppts QoQ; followed by retail podiums by 7.5 ppts QoQ and shopping centres by 6.2 ppts QoQ.

In 2015, there were numerous M&A transactions in the retail sector. Central Group purchased 49% of Nguyen Kim electronic supermarket, AEON acquired 30% of Fivimart and 49% of Citimart, whilst Vingroup obtained 80% of Giang Vo Exhibition Centre and 100% of Vinatexmart. The signing of regional trade agreements has made the Vietnamese market more attractive to international retailers; this segment is expected to be highly competitive.

Figure 1: Retail market performance



OFFICE: Stronger performance of Grade A

Three projects entered the market, supplying approximately 81,000 m². Hanoi's office stock increased 5.5% QoQ and 5.8% YoY. In 2016, 16 projects will come online providing more than 260,000 m².

Grade A rent grew 1.8% QoQ and 2.1% YoY; whilst Grade B and C declined by -4.8% and -2.4% QoQ respectively. The average occupancy was 83.4%, down 0.7 ppt QoQ due to a drop of 3 ppts QoQ in Grade A. If new buildings are excluded, occupancy across all grades had a much better performance QoQ, especially Grade A buildings in the CBD.

In 2015, there was a trend for Grade A Serviced Offices to expand to the secondary area. This trend will continue and spread to Grade B and C.

Figure 2: Office market performance



SERVICED APARTMENT: Higher occupancy and ARR

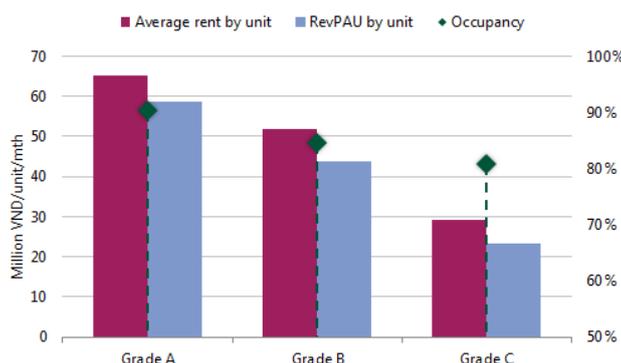
Stock was approximately 3,690 units, increased 0.3% QoQ and 4% YoY.

Occupancy increased 4 ppts QoQ and 9 ppts YoY. The average room rate (ARR) grew 1% QoQ, but decreased -3% YoY. In Q4/2015, there was positive take-up across all grades.

According to the Foreign Investment Agency, estimated disbursed FDI was US\$14.5 billion in 2015, growing 17.4% YoY. Demand from Asian tenants continues to be significant due to FDI investment from those countries.

By district, Tay Ho had the highest RevPAU in 2015. Overall, the service apartment market trended upwards in 2015.

Figure 3: Serviced apartment market performance



HOTEL: Improved 5-star hotel performance

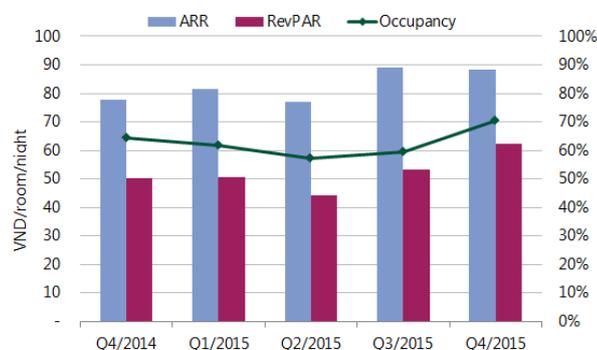
Stock increased 5% QoQ and 11% YoY due to the entrance of one newly ranked 4-star and two new 3-star hotels.

The average occupancy was up 12 ppts QoQ and 6 ppts YoY. The average room rate (ARR) increased 15% QoQ and 13% YoY. RevPAR grew by 39% QoQ and 23% YoY.

According to the National Administration of Tourism, there were 3.36 million international visitors to Hanoi in Q4/2015, up 12% YoY.

From Q4/2015 onward, 34 future projects will enter the market. Sixteen projects will supply approximately 4,700 rooms; the remaining projects have not quantified their supply.

Figure 4: Hotel performance



APARTMENT: Continued high sales volume

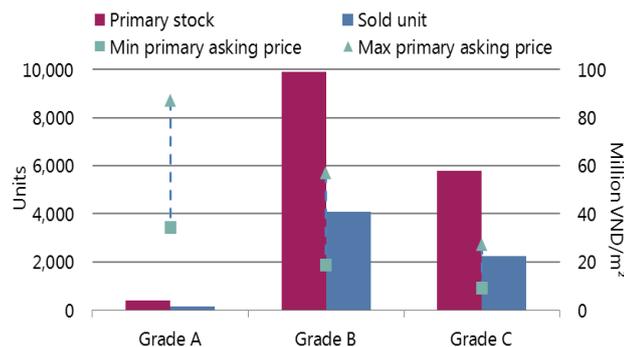
The total primary stock was 16,000 units, increasing 9% QoQ and 79% YoY. There were 22 existing and 11 new projects, providing 8,000 units, decreasing -8% QoQ.

There were more than 6,400 units sold, a decrease of -3% QoQ but a massive increase of 86% YoY. The absorption rate decreased -5 ppts QoQ to 40 percent.

Tu Liem District had the greatest sales with 20% market share. Grade B continues to lead the market with more than 60% share.

According to the State Bank of Vietnam (SBV), as of November 9 2015, credit growth increased by 13.6% compared with 2014.

Figure 5: Apartment for sale performance



VILLA & TOWNHOUSE: Increasing townhouse prices

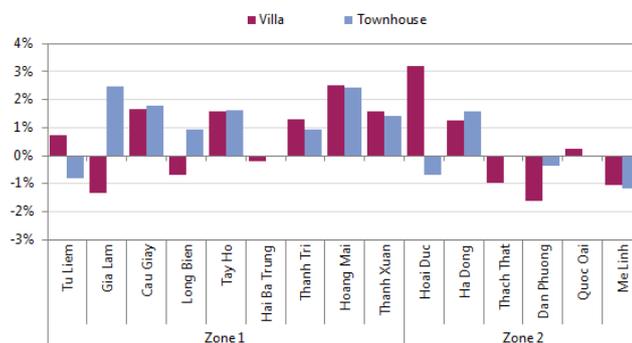
The total stock of the Villa/Townhouse segment was 31,125 dwellings (13,677 primary and 17,448 secondary) from 121 projects, up 2.5% QoQ and 3.8% YoY. Seven new projects and a new launch of an existing project provided 755 dwellings, 85% of which were townhouses.

The average secondary price of villas was down -1.4% QoQ and -2% YoY while that of townhouses was up slightly 0.3% QoQ and 2.5% YoY. Thanh Xuan District has the highest average primary price for villas (VND 184 million/m²) while Cau Giay District has the highest average primary price for townhouses (VND 139 million/m²).

New projects are located in Tu Liem, Cau Giay, Thanh Xuan and Ha Dong districts. Ninety percent of new supply was townhouses/shophouses. Good sales performance was observed in new projects with absorption rates reaching 47 percent. Shop houses have attracted attention due to their dual-purpose functionality, they are generally priced higher than townhouses.

In 2016, sixteen projects will provide approximately 2,740 dwellings.

Figure 6: Villa and Townhouse performance



Please contact us for further information

Troy Griffiths
Deputy Managing Director
TGriffiths@Savills.com.vn

Do Thi Thu Hang
Head of Research
DThuHang@savills.com.vn

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