

Briefing Office sector

Q3/2015

Supply

In Q3/2015, there was 1,494,000m², of office space, increasing 0.2% quarter-on-quarter (QoQ) but decreasing -0.4% year-on-year (YoY).

One renovated project entered the market, supplying 3,200 m².

Performance

The average rent was VND395,000/m²/mth, down -0.6% QoQ and -0.3% YoY.

All grades saw a decline in rent this quarter. Grade A average rent decreased -0.9% QoQ; whilst Grade B and Grade C declined by -0.2% and -0.3% QoQ respectively.

The average occupancy was 84%, up 3 ppts QoQ and 11 ppts YoY. Grade A increased 5 ppts, whilst Grade B grew 3 ppts QoQ. Grade C remained stable QoQ.

Demand

All grades had positive take-up this quarter with a total take-up of 43,000 m². Grade B led the market with approximately 21,000 m²; Grade A came second with approximately 18,000 m² and Grade C provided 3,800 m².

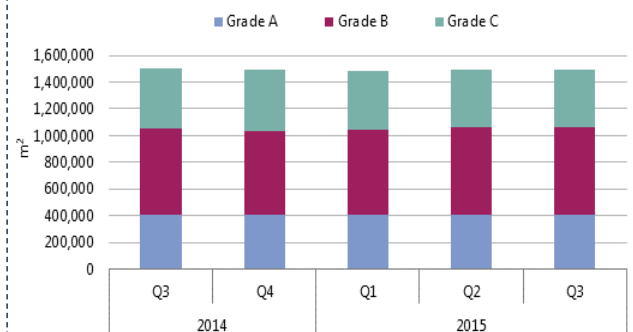
The majority of demand was for areas between 100 – 300m².

Outlook

By the end of 2015, six projects are expected to enter the market and will supply 130,000 m². In 2016, 17 new projects will provide 290,000 m².

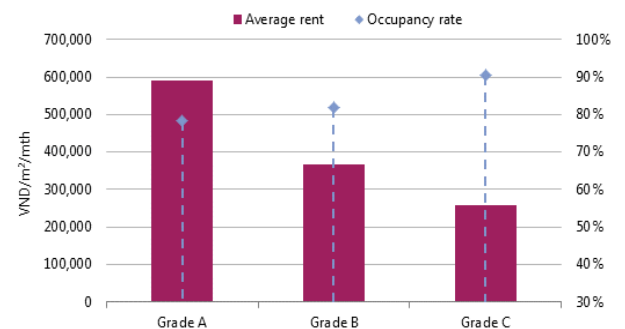
By 2017, the market will welcome 670,000 m² from 35 new projects, increasing 45% compared with current stock. ■

FIGURE 1
Current stock, Q3/2015



Source: Savills Research & Consultancy

FIGURE 2
Market performance by grade, Q3/2015



Source: Savills Research & Consultancy

Savills Research team

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