

Briefing Serviced apartment sector

Q3/2015

Supply

Stock was unchanged quarter-on-quarter (QoQ) at 3,680 units and up 7% year-on-year (YoY). Grade A accounted for the greatest share with 53% of total stock, followed by Grade B (42%) and Grade C (five percent).

The secondary area remained the main supplier with 63% of stock.

Performance

Occupancy was 81%, up 4 percentage points (ppts) QoQ and 6 ppts YoY.

The average room rate (ARR) decreased by -1% QoQ and -3% YoY. The ARR of grade A remained steady while that of grade B and C decreased -1% and -2% QoQ respectively.

The revenue per available unit increased 5% QoQ and YoY to VND 46.2 million/unit/mth.

Demand

In Q3/2015, there was positive take-up across all grades.

Grade A had 54% market share, followed by Grade B (41%) and Grade C (5 percent).

According to the Foreign Investment Agency, the estimated disbursed FDI was \$US9.65 billion for the first nine months of 2015, up 8.4% YoY.

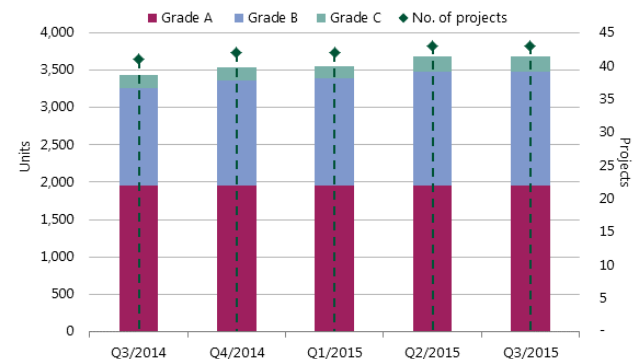
Outlook

From Q4/2015 sixteen projects will come online; eight projects will provide 1,500 units.

From 2016 to 2017, six projects will enter the market; the remaining are in planning with unknown completion times.

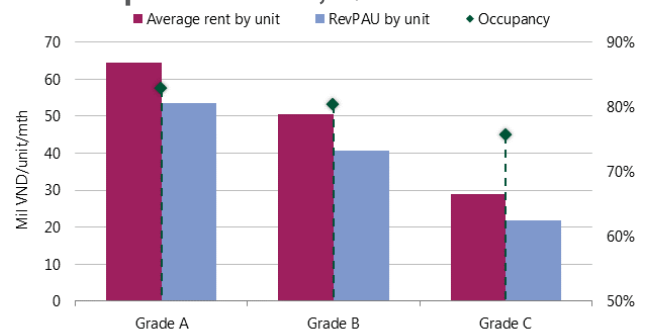
Approximately 83% of recorded future supply is located in Cau Giay, Hai Ba Trung and Ba Dinh districts. ■

FIGURE 1
Current stock, Q3/2015



Source: Savills Research & Consultancy

FIGURE 2
Market performance, Q3/2015



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 It may not be published, reproduced or quoted in part or in whole, nor may it be used as a basis for any contract, prospectus, agreement or other document without prior consent.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 Research.