Savills World Research
Ha Noi, Viet Nam

Briefing
Office for lease sector

Q1 2015

Supply

Ha Noi's office supply decreased -0.2% quarter-on-quarter (QoQ) but increased 4% year-on-year (YoY). Two projects closed for internal use during Q1/2015.

Performance

The average rent increased 2% QoQ and was unchanged YoY. Grade A average rent increased 2% QoQ, followed by Grade B with an increase of 1% QoQ and Grade C with 0.4% QoQ.

Occupancy increased 7 ppts QoQ, reaching 82 percent. Grade B had the highest increase of 10 ppts QoQ. Grade A and C's occupancy rose by 7 ppts and 5 ppts QoQ respectively.

Demand

Total take-up was 82,000 m², increasing 124% QoQ. There was positive take-up across all grades. Take-up in Grade B continued to be the highest at approximately 58,200 m². The West and secondary areas had the highest take up at 43% and 41% respectively.

As of March 2015, there are 2,733 newly registered enterprises in Ha Noi, up 7.5% YoY. The number of enterprises that had registered for dissolution unchanged YoY. This is a positive sign for office demand.

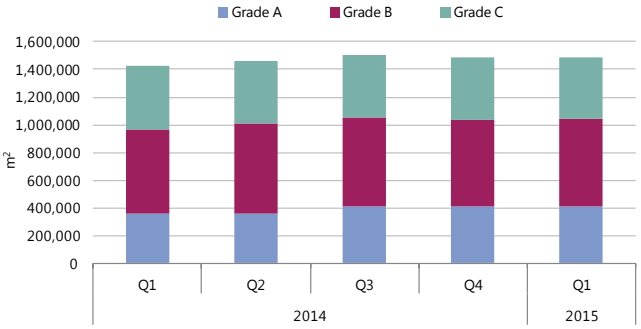
Outlook

From Q2/2015 onward, the future supply includes 1.4 million m^2 office space from 130 projects.

In the next three quarters of 2015, the market will receive approximately 265,000 m² from 20 projects. Sixteen out of 18 projects are completed or being fitted out.

FIGURE 1

Current stock, Q1/2015



Source: Savills Research & Consultancy

FIGURE 2

Market performance by grade, Q1/2015

Source: Savills Research & Consultancy

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