

# Briefing Office for lease sector

Q2 2015

## → Supply

Ha Noi's office supply was approximately 1,491,000 m<sup>2</sup>, increasing 0.3% quarter-on-quarter (QoQ) and 2% year-on-year (YoY).

Two projects closed for renovation and one new project supplying 11,000 m<sup>2</sup> entered the market.

## Performance

The average rent was VND394,000/m<sup>2</sup>/mth, stable QoQ but increased 2% YoY.

Grade A and Grade B's average rent declined -0.3% and -0.9% QoQ respectively; whilst Grade C's average rent increased 0.7% QoQ.

Average occupancy was 81.4%, stable QoQ and up 6 ppts YoY. Grade A and Grade C increased 0.4 ppt and 2.2 ppts QoQ respectively; however Grade B decreased -1.9 ppts QoQ.

## Demand

Total take-up was 1,800 m<sup>2</sup>, decreasing -97% QoQ and YoY. Grade A and C had positive take-up; whilst Grade B was negative.

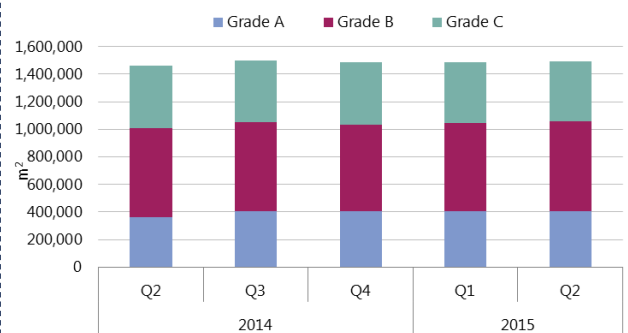
International tenants account for approximately 60% of office space in Grade A and B buildings; the Banking & Finance industry occupies the largest amount of space.

## Outlook

From 2H/2015 onward, the recorded future supply includes 1,470,000m<sup>2</sup> from 129 projects.

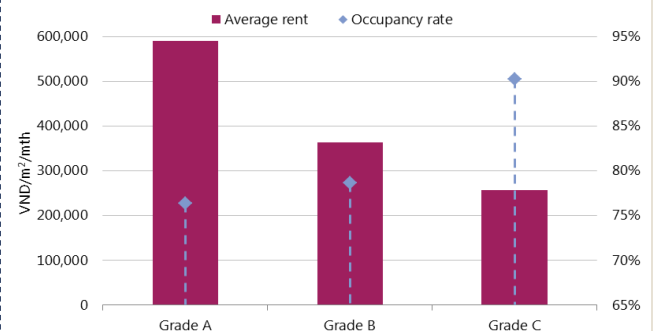
Until the end of 2017, 35 new projects will supply 544,000 m<sup>2</sup>, an increase of 36% compared to current stock. ■

FIGURE 1  
Current stock, Q2/2015



Source: Savills Research & Consultancy

FIGURE 2  
Market performance by grade, Q2/2015



Source: Savills Research & Consultancy

## Savills Research team

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