

Briefing Retail sector

Q2 2014

→ Supply

The total retail stock was approximately 930,000 m², increasing 2% quarter-on-quarter (QoQ) and 45% year-on-year (YoY), due to the entrance of Lotte Mart, a new shopping centre and supermarket in Dong Da district.

The secondary districts accounted for the largest share of 45% while the CBD accounted for the smallest of 3 percent.

Performance

There were no signs of recovery in the retail market; the occupancy rate decreased by -8 ppts YoY and the average rent decreased by -10% YoY.

In Q2/2014, two retail podiums with lower than average asking rent closed, boosting the average rent of retail podiums 3% QoQ. However, compared with the same period last year, the rent was down -10 percent.

Demand

Ha Noi's retail sales in the first half of 2014 increased by 10.4% YoY with inflation, lower than the same period last year (11.6%).

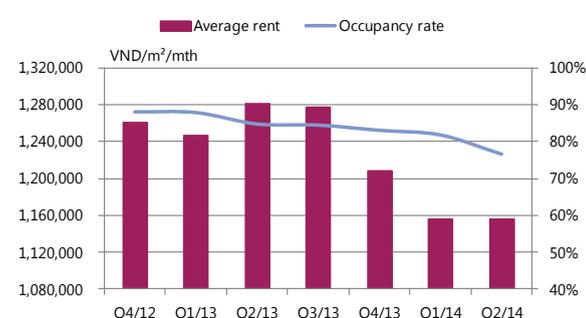
A number of tenants are looking for retail spaces for food and beverage, supermarkets, convenience stores and other essential products and services.

Outlook

In the future, approximately 1.9 million m² of retail area from 98 projects are expected to come online. However, approximately 70% of these projects at 1.3 million m² from 67 projects are in planning or pending and may launch after 2016.

In the second half of 2014, the market will receive 110,000 m²; about 66% are from the three largest future projects located in Ba Dinh, Hai Ba Trung, and Ha Dong districts.

FIGURE 1
Market performance by quarter



Source: Savills Research & Consultancy

FIGURE 2
Market performance, YoY change



Source: Savills Research & Consultancy

Savills Research team

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