

# Briefing Retail sector

Q2 2015

## → Supply

In Q2/2015, Ha Noi's retail supply was approximately 950,000 m<sup>2</sup>, increasing by 0.4% quarter-on-quarter (QoQ) and 3% year-on-year (YoY), due to the opening of a Big C supermarket in Ha Dong district.

## Performance

The average rent was VND 841,000/m<sup>2</sup>/mth, decreasing -0.9% QoQ and -10% YoY. Department stores and shopping centres' rent decreased by -0.7% QoQ and -1.2% QoQ respectively, whilst retail podiums' rent increased 0.5% QoQ.

Occupancy was 84%, stable QoQ and up 7.2 ppts YoY. Department store occupancy increased by 1 ppt QoQ; retail podiums decreased -1.1 ppt QoQ. Shopping centre occupancy remained stable QoQ.

## Demand

In 1H/2015, Ha Noi's retail sales were approximately VND 210 trillion, increasing 10.3% YoY. Without inflation, the real growth rate was 9.6% YoY.

With Free Trade Agreement participation and the expected signing of the Trans-Pacific Partnership in 2015, competition between domestic and foreign retailers will continue.

## Outlook

From 2H/2015 – 2017, Ha Dong district will provide approximately 225,000 m<sup>2</sup>; three and a half times higher than the current stock.

In 2H/2015, approximately 353,000m<sup>2</sup> from 16 projects will enter the market. Two notable projects are Vincom Nguyen Chi Thanh and Aeon Mall Long Bien which will provide more than 165,000m<sup>2</sup>.

FIGURE 1

### Current stock, Q2/2015

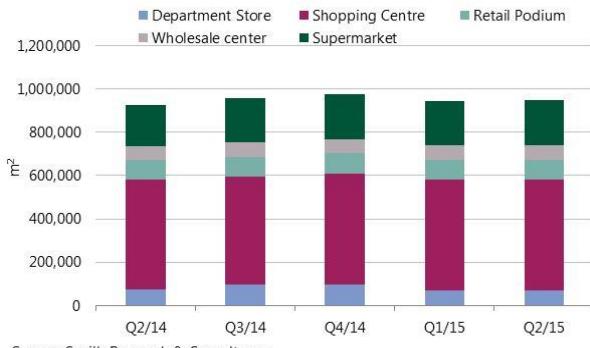


FIGURE 2

### Market performance, Q2/2015



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