

Briefing Retail sector

Q3 2014

→ Supply

In Q3/2014, Ha Noi's total retail space supply increased 2.2% quarter-on-quarter (QoQ) and 22% year-on-year (YoY).

Two projects entered the market in Hoan Kiem and Ba Dinh district.

Performance

The average rent decreased -6.2% QoQ and -15.2% YoY. Department stores had the softest rate at -10% QoQ.

Occupancy increased 6 pts QoQ but decreased -2 pts YoY to 83 percent.

The CBD had occupancy rate at 99% by filling up most of retail podiums.

Demand

In Q3/2014, total take up was approximately 53,000 m². The department store sector had the highest share with 43%, followed by shopping centres with 39 percent.

The CBD showed negative take up due to two floors of Trang Tien Plaza closing for restructuring.

Outlook

In Q4/2014, eight projects will launch with more than 60,000 m² of retail space.

Fourteen more projects will enter the market. The most notable is from Vingroup in Dong Da district, providing more than 60,000 m².

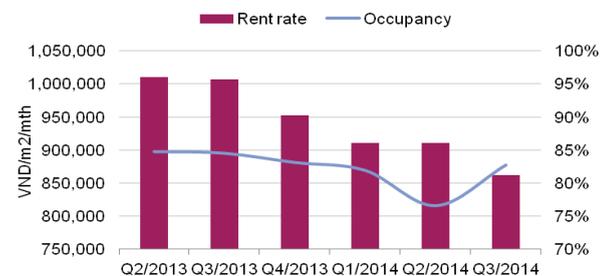
Rents will decrease due to greater competition. ■

FIGURE 1
Current stock, Q3/2014



Source: Savills Research & Consultancy

FIGURE 2
Market performance, Q3/2014



Source: Savills Research & Consultancy

Savills Research team

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