

Briefing Serviced apartment sector

Q2 2015

→ Supply

In Q2/2015, there were 100 new units from two projects – Vinhomes Royal City and Times City. This increased total supply to 3,680 units from 43 projects, up 3% quarter-on-quarter (QoQ) and 16% year-on-year (YoY). The secondary area was the main supplier with 63% of stock.

The number of one- and two-bedrooms accounted for over 70% of total units.

Performance

The overall occupancy was 77%, down -3 pts QoQ and YoY.

The average room rate (ARR) remained unchanged QoQ and YoY at VND 548,000/m²/mth. The ARR of grade C decreased -2% QoQ while that of grade B increased 1%; grade A was unchanged QoQ.

The revenue per available unit (RevPAU) decreased -11% QoQ to VND 43.6 million/unit/mth.

Demand

In Q2/2015, take-up was approximately -30 units due to the negative take-up of grade A and B.

This quarter, Grade A had 55% of total leased units, followed by Grade B (40%) and Grade C (5 percent).

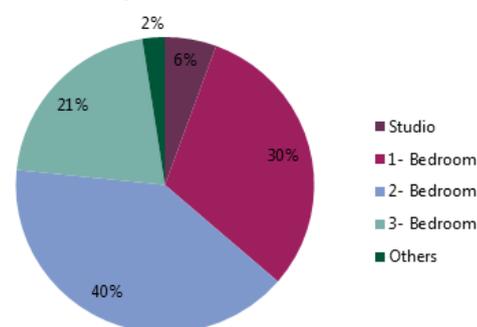
According to the Hanoi Statistics Office, FDI to Ha Noi was US\$501 million in the first six months of 2015, down -14% YoY.

Outlook

From Q3/2015 onward, 11 new projects will provide approximately 900 units. Ten of the projects are currently in planning and 72% of the future units are located in the secondary area.

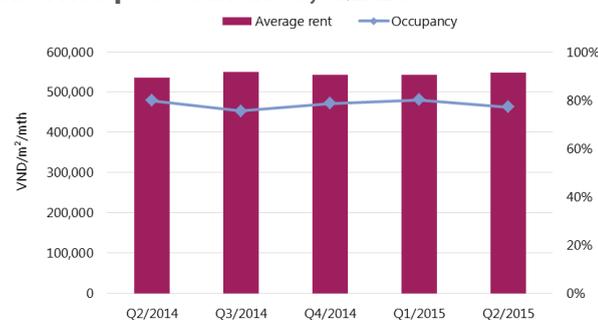
In 2016, one new project supplying nearly 200 rooms is expected to enter the market. ■

FIGURE 1
Current stock, Q2/2015



Source: Savills Research & Consultancy

FIGURE 2
Market performance, Q2/2015



Source: Savills Research & Consultancy

Savills Research team

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