

Briefing Serviced apartment sector

Q4 2014

→ Supply

In Q4/2014, there were a total of 100 additional units from two projects – Vinhomes Royal City and Vinhomes Times City. This increased the total supply to 3,530 units from 42 projects, up 3% quarter-on-quarter (QoQ) and 15% year-on-year (YoY).

Performance

The market achieved an occupancy of 79%, up 3 pts QoQ but slightly down - 2 ppt YoY.

The average rent decreased slightly - 1% QoQ and YoY to VND 543,000/m²/mth. Both grade A and C's average rent were unchanged QoQ whilst grade B's decreased by -1% QoQ. The RevPAU increased 3% QoQ to VND 44.1 million/unit/mth.

Demand

The market recorded a positive take up in Q4/2014 at approximately 188 units, 360% higher than Q3/2014. This quarter, grade B led 54% of total leased units and grade A accounted for 44% due to the high take-up of Lotte Center Hanoi.

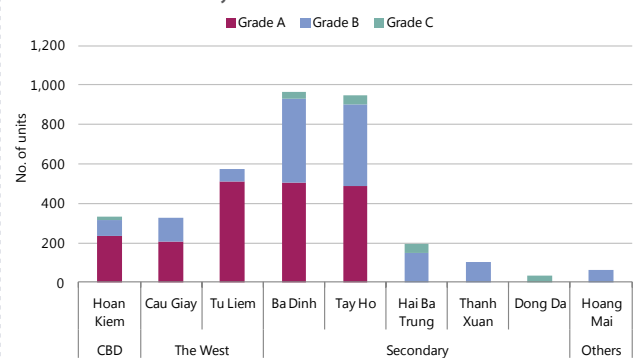
According to Foreign Investment Agency, as of 25th December 2014, the total FDI of Ha Noi was US\$1,043 million. The FDI flow from Asian nations accounted for biggest portion of total investment to Ha Noi so the Asian tenants continue to account for the large market share.

Outlook

In the future, there will be 11 new projects; five projects will provide approximately 878 units. Nine out of 11 projects are currently being planned.

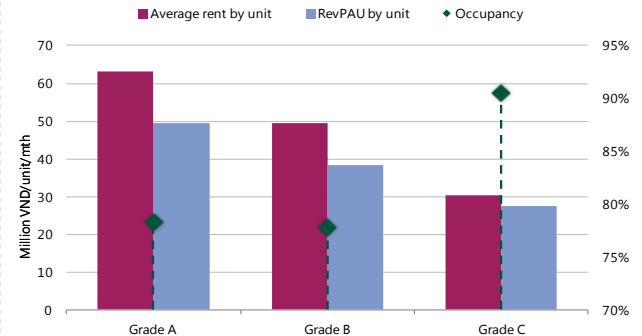
In 2015, a new project supplying nearly 30 rooms is expected to enter the market. ■

FIGURE 1
Current stock, Q4/2014



Source: Savills Research & Consultancy

FIGURE 2
Market performance by grade, Q4/2014



Source: Savills Research & Consultancy

Savills Research team

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