

## HANOI INDUSTRIAL PARK

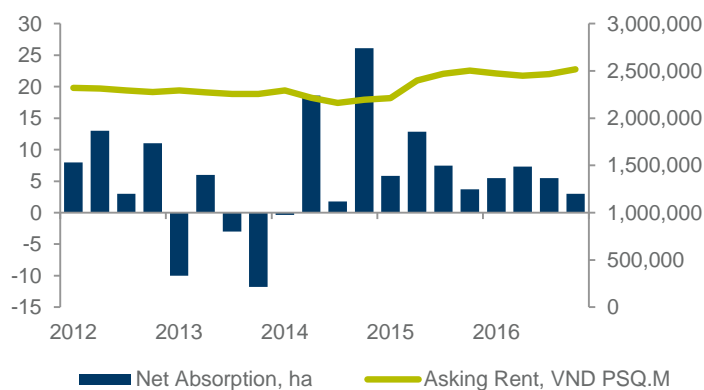
### Economic Indicators

	2015	2016	12-Month Forecast
GDP Growth (%)	6.68	6.22	▼
CPI (%)	0.63	2.66	▲
Inward FDI (billion US\$)	22.76	24.37	▲

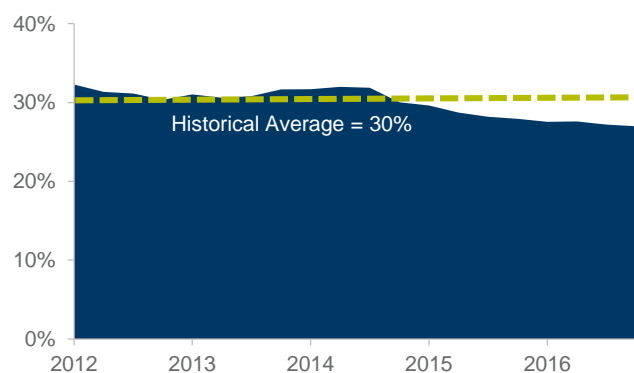
### Market Indicators

	Q4 15	Q4 16	12-Month Forecast
Overall Vacancy	27.93%	26.99%	▼
Net Absorption	3.7 ha	3.0 ha	▼
Under Construction	340	340	▼
Average Asking Rent (VND/sq.m/term)	2,504,000	2,516,000	▲

### Net Absorption/Asking Rent



### Overall Vacancy



## Economy

Despite difficulties in agricultural production caused by natural disasters and falling industrial growth, as well as certain impacts from the unstable global economy and politics, Vietnam's GDP for 2016 was still recorded an acceptable growth at around 6.2%; while inflation was still well under control at 2.66%. Vietnam also recorded trade surplus of around \$2.6 billion, an improvement over the trade deficit of around \$3.5 billion in 2015.

Total inward FDI into Vietnam (both newly registered and adjusted capital) reached US\$24.37 billion, up 7.1% y-o-y; implemented FDI was estimated to have reached US\$15.8 billion, up 9% y-o-y. The manufacturing and processing industry attracted the largest shares to comprise 64.6% of registered capital, followed by real estate with 10.1%. Korea was the leading investor, contributing 36.3% of total new investment.

## Market Overview

**No new industrial park (IP) was recorded in this quarter.**

Currently, there are 10 operating IPs in Hanoi, covering total land area of 1,786 hectares, 78% of which is leasable area. Average LUR remaining period is approximately 37 years.

**The overall market performance remained stable on quarter,** stood at 73%, but rose slightly by 1 ppt y-o-y. Six out of 10 IPs was fully occupied. Hoa Lac Hi-Tech Park recorded significant improvement with occupancy rate rose by 3 ppts y-o-y, but still had the lowest occupancy rate among all IPs, stood at 33%.

**Average asking rent slightly increased** by 2% q-o-q and 1% y-o-y, standing at VND2,516,000/sq.m/term (equivalent to US\$111/sq.m/term). Management fee was averaged at VND9,800/sq.m/month (US\$0.43/sq.m/month).

Hanoi's rent remained the highest in the Northern region, about 50% higher than that of Hai Phong and Bac Ninh.

\* ALL RENTS ARE ASKING RENTS AND VAT EXCLUDED

## Outlook

An additional supply of nearly 2,360 hectares from 9 identified IP projects is expected to enter the market through 2020, which is equivalent to 132% of current supply. However, according to C&W's research, most of these IPs have slow progress.

Stable economic conditions, favorable government policies towards investment and integration as well as competitive labor costs are great advantages helping the country to maintain high levels of investment from foreign manufacturers. Demand for industrial land is still expected to be on the rise, and this segment will remain a compelling investment.

MARKETBEAT

# Industrial Snapshot Q4 2016

Hanoi, Vietnam



SUBMARKET	TOTAL IPs	INVENTORY (ha)	YTD LEASING ACTIVITY (ha)	OVERALL VACANCY RATE	YTD NET OVERALL ABSORPTION (ha)	UNDER CONSTRUCTION (ha)	NET RENT (VND/SQ.M/TERM)
Chuong My	1	110	83	25%	2	0	2,503,000
Dong Anh	1	206	206	0%	0	0	2,731,000
Gia Lam	1	78	78	0%	0	0	3,869,000
Me Linh	1	240	240	0%	0	0	3,641,000
Soc Son	3	117	100	14%	2.8	340	3,218,000
Thach That & Quoc Oai	2	619	287	54%	16.5	0	1,640,000
Tu Liem	1	24	24	0%	0	0	4,257,000
<b>HANOI TOTALS</b>	<b>10</b>	<b>1,394</b>	<b>1,018</b>	<b>27%</b>	<b>21.3</b>	<b>340</b>	<b>2,516,000</b>

## Significant Future Projects

PROJECT NAME	AREA (ha)	DISTRICT	STATUS
Soc Son Clean IP	340	Soc Son	Under construction
Bac Thuong Tin IP	430	Thuong Tin	Site clearance
Quang Minh II IP	266	Me Linh	Site clearance
Dong Anh IP	300	Dong Anh	Planning
Thanh My – Xuan Son IP	100	Son Tay	Planning

## About Cushman & Wakefield

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