

MARKETBEAT

1.8%

RENT GROWTH
(Y-O-Y)

13.4%

VACANCY RATE
(Q4 2017)

234,400 sq.m.

PLANNED & UNDER
CONSTRUCTION

HIGHLIGHTS

Sustained economic growth

An improved business environment, new enterprises, tourism and foreign investment all contributed to impressive economic growth in the third quarter of 2017 compared to the first half of the year. This growth stayed on track for the year-end target of 6.7%, while inflation was well controlled at less than 5.0%. In the first 11 months of 2017, more than 116,000 new enterprises were established – a 14.1% year-on-year (YOY) increase. Foreign direct investment totaled US\$33.1 billion, up 53.4% YOY. Economic integration through agreements such as RCEP and TPP-11 promises great economic potential.

Performance steadily improves

The fourth quarter of 2017 welcomed the completion of a new building that increased Grade B stock by 0.6% quarter-on-quarter (QOQ) and 8.0% YOY. Grade A supply was unchanged according to quarterly and yearly figures. Both grades achieved higher occupancy in the fourth quarter with absorption of nearly 25,400 square meters in total, dropped 33% QOQ but increase 21% YOY. More than 90.0% of this take-up was contributed by the Secondary submarket with good locations and competitive rents.

Rents rise slightly

Both Grade A and Grade B properties recorded marginal increases in asking rent, by 0.7% QOQ and 0.8% YOY on average. This was mainly due to projects with high occupancy rates in prime locations. However, huge supply still favors tenants.

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Research Publication

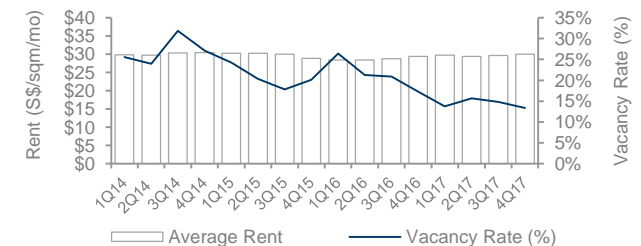
DATA
INTO
ACTION

ECONOMIC INDICATORS

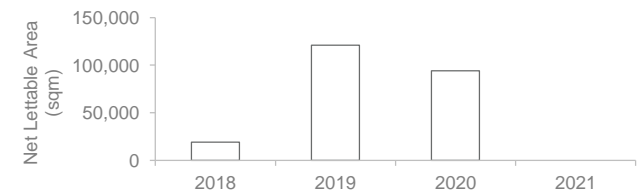
	11M 16	11M 17	12-month Forecast
Inflation (CPI)	2.47%	3.61%	▲
FDI (bil. US\$)	18.10	33.10	▲
Trade balance (bil. US\$)	2.84	2.80	▲

Source: General Statistics Office

GRADE A - AVERAGE RENT & VACANCY RATE



GRADE A - SUPPLY PIPELINE



HANOI OFFICE MARKETBEAT

DECEMBER 2017



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SUBMARKET	INVENTORY (SQM)	VACANCY RATE	PLANNED & UNDER CONSTRUCTION (SQ.M.)	AVERAGE ASKING RENT		
				VND/SQ.M./MO	US\$/SQ.M./MO	EUR/SQ.M./MO
Grade A	400,900	13.4%	234,400	VND681,000	US\$29.98	€25.48
CBD	118,000	2.1%	19,200	VND812,000	US\$35.77	€30.40
Secondary	108,300	21.4%	215,200	VND691,000	US\$30.43	€25.87
West	174,600	16.1%	-	VND586,000	US\$25.78	€21.91
Grade B	854,700	7.6%	894,400	VND428,000	US\$18.83	€16.00
CBD	113,400	3.5%	6,900	VND599,000	US\$26.37	€22.41
Secondary	491,100	10.9%	283,000	VND407,000	US\$17.92	€15.23
West	227,400	2.4%	502,100	VND403,000	US\$17.72	€15.07
Suburban	22,800	9.3%	102,400	VND268,000	US\$11.80	€10.03
HANOI GRADE A&B TOTAL	1,255,600	9.5%	1,128,800	VND508,000	US\$22.39	€19.03

^{^^}All rents are inclusive of SC but exclusive of VAT
 US\$/VND = 22,710; US\$/EUR = 0.850 as at 8 December 2017

KEY LEASING TRANSACTIONS Q4 2017

PROPERTY	SUBMARKET	TENANT	SQ.M.	LEASE TYPE
PVI Tower	West	Taiwan Economic & Culture Department	2,000	Relocation
TNR Tower	Secondary	Line Corporation	1,600	Relocation
Vinafor Building	Secondary	T&T	1,200	Relocation
Gelex Tower	Secondary	ANZ	700	Expansion

SIGNIFICANT PROJECTS PLANNED & UNDER CONSTRUCTION

PROPERTY	SUBMARKET	MAJOR TENANT	SQ.M.	COMPLETION DATE
Discovery Complex	West	N/A	45,000	2018
FLC Twin Towers	West	N/A	36,000	2018
Vinata Tower	Secondary	N/A	29,600	2018
Oriental Sun Tower	CBD	N/A	19,200	2018

DATA INTO ACTION

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