

News Release

Q2/2013

HANOI market

Real estate SNAPSHOT

Serviced Apartment

Market Performance

In Q2/2013, the market has decreased 28 apartments due to a redesign plan of the Grade B project in Tay Ho District named Golden Lodge. The current stock at the end of this quarter was recorded with approximately 2,932 units.

The occupancy rate of Grade A serviced apartments has increased up to 86%, the highest for the previous 12 months. Hanoi West area (Tu Liem and Cau Giay District) still received more enquiries from tenants than the previous quarter. In this area, the three - bedroom Grade A serviced units are at very high occupancy rates, predominately as a result of the reasonable price and high demand compared to the small supply. At the end of Q2/2013, Hanoi Club and Sofitel Plaza in Tay Ho District was recorded as 100% occupied. With the high occupancy rate, the average rent of Grade A serviced apartments also increased 2.6% q-o-q, up to VND657,000 (US\$31.4)/m²/month.

The occupancy of Grade B projects is at 93%, increasing 1% q-o-q. The rental rate remained unchanged at VND399,000 (US\$19.1)/m²/month.

For Grade C apartments, the market witnessed a decrease in both occupancy and rental rates. The occupancy rate is recorded at 91% with the average rent of VND281,000 (US\$13.4)/m²/month.

In the Westlake area, the market saw much more activities and demand for both apartments and villas during the last month of the quarter. Many good quality villas with pool and landscaping are available at this time. The vacancy rate of serviced apartments in private small projects was also high because of the plentiful supply.

Outlook

We expect much more activities in the serviced apartment market in the third quarter as it is considered as one of the peak seasons.

For the supply, until the end of 2013, the market is expected to welcome three new projects and 20 renovated Grade A units.

News Release

© **Knight Frank 2013**

This report is published for general information only. Although high standards have been used in the preparation of the information, analysis, views and projections presented in this report, no legal responsibility can be accepted by Knight Frank Research or Knight Frank for any loss or damage resultant from the contents of this document. As a general report, this material does not necessarily represent the view of Knight Frank in relation to particular properties or projects. Reproduction of this report in whole or in part is allowed with proper reference to Knight Frank Research.