



MARKET REPORT BRIEF- HANOI Q2/2013 BY SAVILLS VIETNAM

SERVICED APARTMENT:

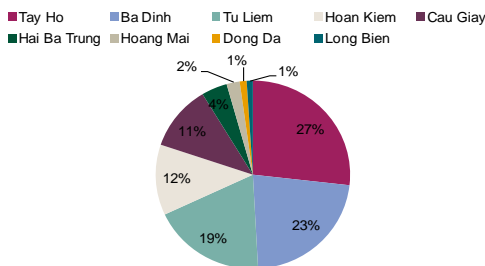
Supply

Total stock was 2,920 units supplied by 49 projects, slightly up 1% quarter-on-quarter (QoQ) and 3% year-on-year (YoY). Serviced apartments are concentrated in districts Tay Ho and Ba Dinh, accounting for 50% market share.

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Stock by district, Q2/2013



Source: Savills Research & Consultancy

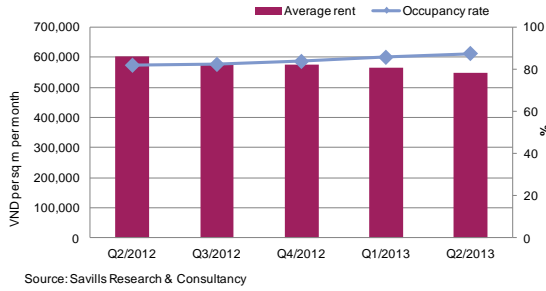
Performance

The average rent is approximately VND 550,000/ sq m/ mth, decreasing by -3% QoQ. Many Grade A projects offered promotions to attract tenants. The rent of a Grade A building that recently entered the market was significantly lower (approximately -48%) than the average rent of the Grade A pool.

The average occupancy increased by approximately 2 percentage points (ppts) QoQ and 6 ppts YoY. Grade B had the highest occupancy rate, at 92%, higher than Grade A by 6 ppts and Grade C by 4 ppts.

Market performance, Q2/2012 – Q2/2013

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Demand

The total number of leased units in Q2/2013 is approximately 2,600 and has increased for five consecutive quarters, up slightly by 3.5% QoQ and 10.6% YoY.

Tay Ho district was still the most preferred living area accounting for approximately 30% of the total number of leased serviced apartments this quarter.

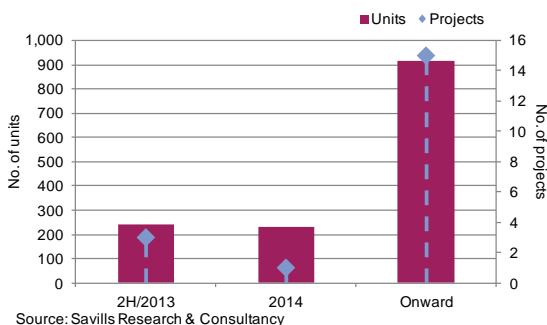
Apartments from high-end projects in districts Tay Ho, Hoan Kiem, Tu Liem etc offered much softer rents, ranging from VND 100,000 to VND 310,000/sq m/ mth, which is equivalent to that of Grade C. Thus, market share for serviced apartments is being further split.

Outlook

Future supply is from 19 projects, of which seven will provide approximately 1,600 units from 2013 onwards.

In 2014, one large-scale project in Ba Dinh district, will enter the market with more than 200 units, equivalent to 17% of total future supply.

Estimated future supply, 2H/2013 onward



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